

# Procedure file

Basic information		
DEC - Discharge procedure	<a href="#">2018/2193(DEC)</a>	Procedure completed
2017 discharge: European Union Agency for Railways		
Subject 8.70.03.02 2017 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 <a href="#">SARVAMAA Petri</a>	26/07/2018
		Shadow rapporteur	
		 <a href="#">KADENBACH Karin</a>	
		 <a href="#">CZARNECKI Ryszard</a>	
		 <a href="#">ALI Nedzhmi</a>	
		 <a href="#">STAES Bart</a>	
		 <a href="#">KAPPEL Barbara</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Transport and Tourism	 <a href="#">LEONTINI Innocenzo</a>	15/10/2018
European Commission	Commission DG <a href="#">Budget</a>	Commissioner OETTINGER Günther	

Key events			
28/06/2018	Non-legislative basic document published	<a href="#">COM(2018)0521</a>	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		
04/03/2019	Committee report tabled for plenary	<a href="#">A8-0158/2019</a>	Summary

26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	Decision by Parliament	<a href="#">T8-0275/2019</a>	Summary
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

### Technical information

Procedure reference	2018/2193(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14303

### Documentation gateway

Non-legislative basic document		<a href="#">COM(2018)0521</a>	28/06/2018	EC	Summary
Court of Auditors: opinion, report		<a href="#">N8-0012/2019</a> <a href="#">OJ C 434 30.11.2018, p. 0001</a>	18/09/2018	CofA	Summary
Committee draft report		<a href="#">PE626.803</a>	10/12/2018	EP	
Committee opinion	<b>TRAN</b>	<a href="#">PE629.772</a>	22/01/2019	EP	
Supplementary non-legislative basic document		<a href="#">05825/2019</a>	31/01/2019	CSL	Summary
Amendments tabled in committee		<a href="#">PE634.509</a>	31/01/2019	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0158/2019</a>	04/03/2019	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0275/2019</a>	26/03/2019	EP	Summary

### Final act

Budget 2019/1497  
[OJ L 249 27.09.2019, p. 0252](#)

## 2017 discharge: European Union Agency for Railways

**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure.

Analysis of the accounts of the European Railway Agency (ERA).

**CONTENT:** the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the EU's consolidated accounts for the year 2017 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge. It is the decision by which the European Parliament releases the

Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

The European Railway Agency: the Agency, which is located in Lille-Valenciennes (FR), was created by [Regulation \(EC\) No 881/2004](#) of the European Parliament and of the Council. Its aim is to enhance the level of interoperability of railway systems and develop a common approach to safety in order to contribute to creating a more competitive European railway sector with a high level of safety.

As regards the Agency's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2017:

Commitment appropriations:

- available: EUR 32 million;
- made: EUR 31 million.

Payment appropriations:

- available: EUR 34 million;
- made: EUR 29 million.

For further details on expenditure, please refer to the [final accounts of the ERA](#).

## 2017 discharge: European Union Agency for Railways

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Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 of the European Railway Agency (ERA), as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2017, accompanied by the Agency's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2017.

The Council welcomed the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2017 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for 2017 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- accounting: the Council regretted the deficiencies found by the Court in the Agency's accounting environment. It called on the Agency to take all necessary actions mainly to ensure the accounting officer's independence and the segregation of duties between the accounting officer and the authorising officer;

- procurement: deficiencies were found by the Court in purchasing of IT services where in one case the Agency has made a purchase without any required competitive procedure or prior market research. The Council called on the Agency to ensure competitive procurement and purchase procedures, fully aligned with the Agency's Financial Regulation.

## 2017 discharge: European Union Agency for Railways

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The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2017.

The committee called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the agency's budget for the financial year 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2017 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#):

Agency's financial statements

Members noted that the final budget of the European Union Agency for Railways for the financial year 2017 was EUR 30 732 000, representing an increase of 11.57 % compared to 2016.

Budget and financial management

The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99.99 %, representing an increase of 0.79 % compared to 2016. Payment appropriations execution rate was 87.30 %, representing a decrease of 4.27 % compared to 2016.

Members noted that the Agency is now authorised to charge fees for some of its new competences. A charging regime for issuing certificates, authorisations and approvals was introduced, with the aim of being fully operational in 2019 and the requirement of implementing a new resources system and internal procedures within the Agency to ensure statutory and fee-based tasks are identified and tracked. The Agency should report to the discharge authority on the implementation of this new system.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 69 473, representing 3.40 % of the total amount carried over, showing a decrease of 1.12 % in comparison to 2016.

Members also made a series of observations regarding performance, procurement and staff policy.

In particular, they noted that:

- the Agency's role in the follow-up of the development, testing and implementation of European Railway Traffic Management System (ERTMS), as well as in evaluating the specific ERTMS projects was welcomed;
- on 31 December 2017, the establishment plan was 92.09 % executed, with 128 temporary agents appointed out of 139 temporary agents authorised under the Union budget (compared with 135 authorised posts in 2016);
- the Agency had still not set up rules on whistleblowing but that they were to be adopted by the end of 2018;
- by the end of the transitional period (16 June 2019), the Agency will transform from a mere policy preparation and dissemination role into an authority working directly for the industry as regards authorisations for safety certifications and rolling stock;
- despite numerous contacts with French authorities, this has not resulted in the signature of the Agency's headquarter agreement. Members regretted that the Management Board has been unable in 2017 to unanimously adopt implementing rules for the language arrangements for the Agency, leading to extra costs and delays, e.g. during recruitment;
- the agency continues to operate in two locations. Members called for the Agency to relocate all activities to its headquarters and operate only from that site;
- regarding the United Kingdom's decision to withdraw from the European Union and its potential effect on the Agency's staff, intensive exchange with the UK rail sector has confirmed their interest in staying in the European System.

## 2017 discharge: European Union Agency for Railways

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The European Parliament decided to grant discharge to the Executive Director of the European Union Agency for Railways in regard to the implementation of the Agency's budget for the 2017 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2017 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 498 votes to 131 with 3 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the [draft resolution on performance, financial management and control of EU agencies](#):

### Agency's financial statements

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### Budget and financial management

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In particular, they noted that:

- the Agency's role in the follow-up of the development, testing and implementation of European Railway Traffic Management System (ERTMS), as well as in evaluating the specific ERTMS projects was welcomed;
- the Agency met its target of 95 % achievement of timely delivery of issuing reports, advice and opinions;
- progress has been made towards an increased cooperation with the European Maritime Safety Agency (EMSA) and the European Aviation Safety Agency (EASA) in order to develop a common safety culture;
- on 31 December 2017, the establishment plan was 92.09 % executed, with 128 temporary agents appointed out of 139 temporary agents authorised under the Union budget (compared with 135 authorised posts in 2016);
- the Agency had still not set up rules on whistleblowing but that they were to be adopted by the end of 2018;
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the Agency, leading to extra costs and delays, e.g. during recruitment;

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