

Moving Europe towards a sustainable and safe  
railway system without frontiers.

President of the European Court of Auditors  
12 rue Alcide de Gasperi  
L-1615 Luxembourg

**Subject:** Representation letter covering the 2024 Final Accounts of European Union Agency for Railways

This representation letter is provided in connection with your audit of the final accounts of the European Union Agency for Railways consisting of the financial statements<sup>1</sup> and the budget implementation reports for the financial year ended 31 December 2024 for the purpose of expressing an opinion as to whether these present fairly, in all material respects, the financial position of the European Union Agency for Railways at 31 December 2024, the results of its operations, its cash flows, and the changes in net assets for the year then ended.

In line with Article 77 of the Financial Regulation (FR)<sup>2</sup>, the accounting systems laid down by the Accounting Officer and, where appropriate, the systems laid down by the Authorising Officer to supply and justify accounting information have been validated.

All the information necessary for the production of the final annual accounts of the European Union Agency for Railways which gives a true and fair view of the assets and liabilities and of the budget implementation has been obtained from the authorising officers by delegation of the European Union Agency for Railways, who had guaranteed its reliability.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations:

### Final accounts

1. The final accounts of the European Union Agency for Railways for the financial year ended 31 December 2024 referred to above are presented in accordance with its Financial Regulation and the accounting rules and methods established under our responsibility. These accounting rules that we have adopted are based on internationally accepted accounting standards for the public sector:

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<sup>1</sup> The "financial statements" comprise the balance sheet, the statement of financial performance, the cash-flow statement, the statement of changes in net assets and the notes to the financial statements.

<sup>2</sup> Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 966/2012 – OJ L 193/30.07.2018, p. 1.

there is no material divergence requiring disclosure in the notes to the financial statements under Article 80(2) of the Financial Regulation

2. No issues requiring a reservation have been brought to our attention.
3. The methods, the data, and the significant assumptions used in making accounting estimates, including those measured at fair value, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the accounting rules and internationally accepted accounting standards for the public sector.
4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the accounting rules.
5. All events subsequent to the date of the accounts and for which the accounting rules and methods require adjustment or disclosure have been adjusted or disclosed.
6. There are no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements. The carrying value of receivables and recoverable, which are potentially irrecoverable, has been corrected where necessary.
7. All types of assets have been reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where appropriate, such assets have been written down to their recoverable amount.
8. The European Union Agency for Railways has satisfactory title to all assets and there are no liens or encumbrances on the assets.
9. All liabilities, both actual and contingent<sup>3</sup>, have been recorded or disclosed, as appropriate, and all guarantees that have been given to third parties have been disclosed in the notes to the financial statements. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
10. All claims against the European Union Agency for Railways are reflected in the financial statements as a provision or, where relevant, as a contingent liability.

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<sup>3</sup> (N.B. only for the SRB:) [Including any contingent liabilities which might arise in respect of the performance by the European Commission and the Council of their tasks under Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30 July 2014, p. 1).]

11. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. There are no lines of credit arrangements.
12. There have been no significant errors or misstatements, or changes in accounting policies that would require a restatement of the amounts from the financial statements for the year ended 2023 which are shown as comparative amounts in the financial statements for year ended 2024. Any differences in the comparative amounts from the amounts in the financial statements for the year ended 2023 are solely the result of reclassifications for comparative purposes.
13. Information regarding financial risks exposure and our financial risk management objectives and policies has been adequately disclosed in the financial statements.

**Information provided**

14. We have provided you with:
- Access to all information of which we are aware that is relevant to the preparation of the accounts such as records, documentation and other matters;
  - Additional information that you have requested for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
15. All transactions have been recorded in the accounting records and are reflected in the accounts.
16. We have disclosed to you the results of our assessment of the risk that the accounts may be materially misstated as a result of fraud.
17. We have sought and disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity and involving management, employees who have a significant role in internal control, or others, where fraud could have a material effect on the entity's accounts or on the legality and regularity of the underlying operations, including issues communicated by current or former employees or by the relevant services, including the European Anti-Fraud Office (OLAF).
18. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, in accordance with the EU accounting rule 15.

19. We have disclosed to you all instances of noncompliance and of suspected noncompliance with laws and regulations that we are aware of and whose effects should be considered when preparing the accounts.

20. Apart from the above, we confirm that:

- the accounts disclose adequately the provisional nature of those operations which are subject to future clearance of accounts or closure procedures;
- for all receivables which are not yet definitive, an adequate disclosure, including when possible an estimate of the amounts involved, is given in the notes to the accounts;
- the accounts include all the recovery orders issued by the Authorising Officers concerning the operations giving rise to reimbursement to the European Union Agency for Railways. We have not been informed on delays or other problems in the establishment of the recovery orders.

#### **Internal control over financial reporting**

21. We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

#### **Internal control over compliance**

22. The authorising officer acknowledges [his/her] responsibility:

- for establishing and maintaining effective internal control over compliance.
- for ensuring compliance and detecting noncompliance with requirements, as applicable.

The authorising officer confirms having:

- made available to you all documentation related to compliance with the specified requirements or about the effectiveness of internal control over compliance.
- disclosed to you any communications from regulatory authorities, internal auditors, lawyers (internal and external), and other practitioners concerning possible noncompliance with the specified requirements, including communications received between 31.12.2024 and the date of the audit report.
- disclosed to you all instances of known noncompliance.

STEFAN MEERT

The Accounting Officer of the European Union Agency for Railways

OANA GHERGHINESCU

The Executive Director of the European Union Agency for Railways