



EUROPEAN RAILWAY AGENCY

# **Report on budgetary and financial management information for the financial year 2013**



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## 1. Introduction

### 1.1. Budgetary principles

The budget of ERA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the ERA Financial Regulation.

### 1.2. Management information systems

The Agency used the following software during 2013:

- ABAC WORKFLOW and ABAC ACCOUNTING (SAP) – financial management, budgetary and accounting system;
- BUSINESS OBJECT – financial reporting;
- ABAC ASSETS – fixed assets, inventory management;
- ABAC CONTRACT – management of the contracts;
- MiMa – Mission Management - management of staff missions;
- LEAMA – Leave Management – management of leaves;
- DOR - "Demande d'Organisation de Réunion" – management of meetings
- CDT Portal – Management of Translations Center requests.

These information systems allow an efficient management of the appropriations allocated to the Agency while respecting the principles of the Financial Regulation.

The workflows in ABAC WORKFLOW and ABAC ASSETS put in place by the Authorising Officer ensure for each transaction the respect of the "four eyes" principle .

### 1.3. Budget

The budget of the Agency is distributed in three Titles:

- Title I covers staff expenditure such as salaries, training and costs associated to recruitment procedures and staff wellbeing.
- Title II covers the costs associated to the functioning of the Agency such as infrastructure, equipment and IT needs.
- Title III covers the Agency's operational activities.



## 2. Revenue

The Budgetary Authority (European Parliament and Council) approved a budget for the Agency of € 24 871 400 for 2013. The total for assigned revenue was up to € 136 000 and the EFTA contribution was up to € 696 399. In addition the Agency received also a grant from DG ELARG of € 150 000 and forecasted external fees of 5 000 €. This all together brings the total forecasted revenue for 2013 to € 25 858 799.

The total revenue actually received in 2013 - C1 fund source, appropriations of the year - was € 25 853 799. On top of this, the Agency received in 2013 (C4 fund source, assigned revenues) € 40 415,20 of other revenue representing mainly penalties for liquidated damages paid by one of its suppliers and recharging of salary costs for services provided by one of its staff members to another public organization.

## 3. Budgetary tables

### 3.1. Budget outturn account

See table in Provisional accounts 2013

### 3.2. Budgetary transfers

2013 C1	Initial budget	Transfers	Final budget
Title I	15 740 000	850 000	16 590 000
Title II	2 750 000	110 000	2 860 000
Title III	7 368 799	-960 000	6 408 799
<b>TOTAL</b>	<b>25 858 799</b>	<b>0</b>	<b>25 858 799</b>

Following a decision of the European Commission to reduce the budget by € 840 000 dated 7 May 2012, the Administrative Board adopted on 20 March 2012 the statement of estimates 2013.

The Agency informed the European Commission that the Agency's budget was unbalanced and that a transfer from Title 3 to Title 1 should be made to cover the salary expenses and salary adjustment expenses linked to ERA staff until the end of the year.

Following the ERA AB Decision n°80 of 20 March 2013, the Agency executed the transfer of €960 000 from Title 3 to Title 1 and 2.

At the end of the year, the salary adjustment had not been paid hence the Agency anticipated the payment of certain expenses (see points 4.2.1 and 4.3.2).



### 3.3. Budgetary execution 2013-C1 and 2013-C8

2013-C1	Appropriations	Commitments	%	Not used	%	Paid	%	To be carry-forwarded <sup>1</sup>	%
<b>Title I</b>	16 590 000	16 131 823	97%	458 177	3%	15 701 820	95%	129 190	1%
<b>Title II</b>	2 860 000	2 831 915	99%	28 085	1%	2 316 153	81%	517 651	18%
<b>Title III</b>	6 408 799	6 343 195	99%	65 604	1%	4 768 219	74%	1 574 976	25%
<b>TOTAL</b>	<b>25 858 799</b>	<b>25 306 933</b>	<b>98%</b>	<b>551 866</b>	<b>2%</b>	<b>22 786 192</b>	<b>88%</b>	<b>2 221 817</b>	<b>9%</b>

2013-C8	Carry-forward	Paid	%	To be cancelled	%
<b>Title I</b>	185 830	173 417	93%	12 413	7%
<b>Title II</b>	253 230	246 981	98%	6 249	2%
<b>Title III</b>	1 959 682	1 891 051	97%	68 631	3%
<b>TOTAL</b>	<b>2 398 742</b>	<b>2 311 449</b>	<b>96%</b>	<b>87 293</b>	<b>4%</b>

#### Title 1

With a budget of € 16 590 000, the budgetary execution of 2013-C1 appropriations reached 97.2% for commitments and 94.7% for payments at the end of 2013.

At 31/12/2013, the Agency counted 136 Temporary Agents (two offers letters sent in 2013 and are to be counted as posts filled) and 12 Contract Agents.

Payments execution of 2013-C8 appropriations reached 93.3% of the total amount carried over in Title 1 (€ 185 830).

#### Title 2

With a budget of € 2 860 000, the budgetary execution of 2013-C1 appropriations reached 99% for commitments and 81% for payments at the end of 2013.

Payment execution of 2013-C8 appropriations reached 97.5% of the € 253 230 amount carried over.

#### Title 3

With a budget of 6 408 799, the budgetary execution of 2013-C1 appropriations reached 99% for commitments and 74.4% for payments at the end of 2013.

<sup>1</sup> This carry-forward amount contains both C8 & C5 carry-forward amounts. For title I the difference between the carry-forward amount does not contain any carry-forward on salary related expenses. The total of € 2.221.817 is composed as follows : C1 Commitments – C1 payments= € 2.520.741 - € 305.313 (salary expenses that cannot be carried forward) = € 2.215.428 + € 6.389 (C5) = 2.221.817



Payments execution of 2013-C8 appropriations reached 96.5% of the € 2 398 742 amount carried over.

**TOTAL BUDGET**

The level of execution of commitment appropriations 2013-C1 reached nearly 98 % of the commitment appropriations.

With regard to the execution of payment appropriations 2013-C1, the Agency used 88.1 % of the commitment appropriations and reached for:

- T1: 94.7%
- T2: 81% and
- T3: 74.4%.

Payments execution of 2013-C8 appropriations reached 96.4% of the € 2 398 742 total amount carried over. From this amount only € 87 293 were cancelled.

**3.4. Multi-annual comparison**

	2008	2009	2010	2011	2012	2013
<b>Budget</b>	18 000 000	21 000 000	24 147 240	25 988 665	25 799 000	25 858 799
<b>Commitments C1</b>	17 254 187	20 598 991	23 969 587	24 638 232	24 489 177	25 306 933
<b>% Commitments C1 / Budget</b>	96 %	98 %	99 %	95 %	95 %	98 %
<b>Unused C1 budget</b>	745 813	401 009	177 653	1 350 433	1 309 823	551 866
<b>Payments C1</b>	13 150 158	16 052 085	18 504 096	21 020 345	22 090 435	22 786 192
<b>% Payments C1 / Commitments C1</b>	76 %	78 %	77 %	85 %	90 %	88 %
<b>Payment appropriations C1 to be carried over</b>	4 104 029	4 546 906	5 465 491	3 617 887	2 398 742	2 221 817
<b>% Payment appropriations C1 to be carried over / Commitments C1</b>	24 %	22 %	23 %	15 %	10 %	8.8 %
<b>Commitments carried over C8</b>	2 694 913	4 104 029	4 545 798	5 465 491	3 617 887	2 398 742
<b>C8 to be cancelled</b>	484 494	520 818	292 742	126 116	126 316	87 293
<b>% C8 to be cancelled / Commitments carried over C8</b>	18 %	13 %	6 %	2%	3 %	3.6 %

This table shows that:

- The execution of commitment appropriations C1 reached a high level of 98%.
- The payment appropriations C1 to be carried over amount to € 2 221 817 which represents 8.8% of the commitment appropriations committed.
- The level of payment execution reached 88%.
- The unpaid balance of the carry-overs remained stable as compared to last year.



## 4. Expenditure

### 4.1. TITLE I

#### 4.1.1 Chapter 11 – Staff in active employment

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
15 899 476	15 493 206	15 127 238	16 093 000	15 245 203	15 160 848
	97%	95%		95%	94%

At the end of 31/12/2012, the Agency employed 139 Temporary Agents and 10 Contract Agents.

At 31/12/2013, the Agency counted 136 Temporary Agents (two offers letters sent in 2013 and are to be counted as posts filled) and 12 Contract Agents.

Seven posts were vacant in order to reach the 143 posts of the Establishment Plan envisaged in EU Budget 2013.

The Agency welcomed 12 trainees in total in 2013.

#### 4.1.2 Chapter 13 – Missions and travel

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
129 000	129 000	124 925	155 000	141 000	130 224
	100%	97%		91%	84%

This chapter covers the costs incurred by the staff during administrative missions (daily allowances and travel costs).

Throughout 2013, 598 administrative missions took place mainly for trainings and medical services.

The information system MiMa has allowed for a more accurate follow up of the missions and a reduction of the bulk of paper (only requested at the level of the reimbursement file). In MiMa, the validation of the mission order and the cost claim is done electronically by the (sub) Delegated Authorising Officer.

MiMa is also used for dealing with the operational missions reimbursed under Title 3.



#### 4.1.3 Chapter 14 – Socio-medical infrastructure

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
344 000	299 058	239 132	285 000	272 809	182 110
	87%	70%		96%	64%

2013 C4			2012 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
4 500	4 500	0			
	100%	0%			

This chapter covers the costs of annual and pre-recruitment medical inspections and the costs of training needs of the staff.

The amount committed in 2013 (€ 299 058) is distributed as follows:

- Medical visits € 36 842
- "General trainings" € 46 520
- Training and management coaching € 18 128
- Languages training courses € 89 778
- Ad hoc training courses € 107 790

#### 4.1.4 Chapter 15 – Seconded National Experts

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
210 000	208 884	208 884	278 000	232 944	232 944
	99%	99%		84%	84%

The Agency employed 4 Seconded National Experts (SNE) in the beginning of the year and ended with 3 at year-end.





#### 4.1.5 Chapter 17 – Entertainment and representation expenses

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
7 524	1 675	1 641	5 000	0	0
	22%	22%		0%	0%

This chapter covers the Agency's representation expenses.

## 4.2. TITLE II

### 4.2.1 Chapter 20 – Rental of buildings and associated costs

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
1 563 930	1 563 793	1 380 951	1 191 565	1 191 245	1 087 707
	100%	88%		100%	91%

This chapter covers the cost of renting the Agency's premises and all associated expenditure (heating, cleaning, security and other expenditure on buildings). The Agency has two sites: one in Valenciennes (administrative seat) and one in Lille (conference rooms).

The Agency is also renting parking spaces for its staff.

The increase in 2013's budget in comparison with 2012 is mainly due to:

- the anticipated payment of the first quarter rental instalment (120.000 €);
- increase of the consumption and price of water and electricity and common building charges (24.000 €);
- installation of redundant cooling systems in the server room and other technical installations (water softener, smoking shelter, additional split units – 120.000€);
- improvement of the ERA HQ building security and fire detection systems (100.000 €).



#### 4.2.2 Chapter 21 – Data processing

2013 C1			2012 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
672 042	672 042	489 860	399 061	396 832	310 978
	100%	73%		99%	78%

2013 C4			2012 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
20 521	20 515	18 626	115 423	77 727	77 727
	100%	91		67%	67%

This chapter covers the expenses related to the purchase and maintenance of data processing equipment and software.

In the course of 2013, the Agency has purchased the required components (€ 260.000) to complete the disaster recovery facilities hosted at the *Centre de Traduction* datacenter in Kayle (Luxembourg). In addition, the planned replacement of the network Multi-Functional-Devices, which were at the end of their life-cycle, was executed (€ 66.000). Finally, an investment of € 60.000 was made to develop further the e-HR system

In addition to this the recurring costs were:

- Cost for maintenance interventions on the IT hardware infrastructure for about € 105.000.
- As regards the software, the ABAC system cost has been € 95.000.
- The cost for the yearly renewal of the other available licenses was about € 96.000.
- The cost to have access to on-line services was € 21.000.

#### 4.2.3 Chapter 22 – Movable property and associated costs

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
79 441	65 364	31 804	42 032	34 374	16 763
	82%	40%		82%	40%

This chapter covers equipment for documentation storage, archiving and mail handling, hiring of fax machines, photocopiers, purchase of office furniture.



#### 4.2.4 Chapter 23 – Current administrative expenditures

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
153 085	151 577	123 638	191 450	164 797	146 131
	99%	81%		86%	76%

This chapter covers

- stationery and office supplies € 70 000,
- legal expenses € 11 000
- miscellaneous insurance € 5 000,
- internal meetings and social events € 32 600,
- departmental removals and associated handlings € 14 700,
- petty expenses € 6 000, and
- publications and translations € 11 000 €.

#### 4.2.5 Chapter 24 – Postal expenses and Telecommunications

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
158 141	158 141	113 620	188 392	185 615	160 970
	95%	72%		99%	85%

This chapter covers postal and delivery expenses, subscription expenses, cost of communication (telephone, internet, mobiles, data transmission,...) and all related equipment (purchase, maintenance, cabling of building,...).



4.2.6 Chapter 25 – Meetings and associated costs

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
233 358	220 996	176 279	87 500	87 500	84 584
	95%	75%		100%	97%

This chapter covers the travel, subsistence and incidental expenses of the Members of the Administrative Board and the Sub-Committee on Financial, Budgetary and Staff-Related Issues.

In addition to these recurring costs, an additional budget of € 150.000 had been foreseen to cover the costs related to ERA’s coordination role. Indeed, on 1 March 2013 ERA took over the coordination of the EU Agencies, role it will have until the end of February 2014. The coordination tasks consisted mainly of being the single point of contact between the regulatory agencies and in particular the European institutions. ERA has as a coordinating agency hosted two meetings of the Heads of Agencies and two meetings of the Heads of Administration Networks. In addition, ERA has hosted a number of meetings for so-called sub-networks dealing with specific issues such as performance development and communication.

You will find here below in the meetings held in 2013 for the Administrative Board and “Sub-Committee”.

Number of Meetings	Sub-committee	Administrative Board
<b>1</b>	25/01/2013	20/03/2013
<b>2</b>	14/03/2013	24/06/2013
<b>3</b>	17/06/2013	26/11/2013
<b>4</b>	23/09/2013	
<b>5</b>	18/11/2013	



### 4.3. TITLE III

#### 4.3.1 Chapter 30 – Operational activities

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
3 446 746	3 408 367	2 668 292	4 247 258	3 971 790	2 467 677
	99%	77%		94%	58%

This chapter covers all the expenses linked to the Regulation n°881/2004. Namely, the expenses are mainly the costs of the working groups (reimbursement of experts' travel and daily subsistence), the studies and the translations linked to the operational activities.

The level of payment (77%) has increased significantly as compared to last year (55%).

For general activities (missions, experts, catering), the total amount committed was € 1 708 000 vs. € 1 993 000 in 2012. The carry-overs linked to the general activities decreased to 7.5% € 128 083 in 2013 vs. 9% € 179 000 in 2012.

For studies, the total amount committed was € 932 000 vs € 1 056 000 in 2012. The carry-overs linked to the studies decreased to 43% € in 2013 vs. 64% in 2012.

For translation and interpretation services € 618 642 has been committed in 2013 vs € 772 572 in 2012. The carry-overs linked to the studies decreased to 33% € in 2013 vs. 49% in 2012.

A close follow up of the contracts and the service requests together with the signature of all contracts before end of August 2013 has contributed to the timely execution of the tasks and the consumption of the appropriations.

For this chapter, the execution of payments appropriations 2013-C8 reached 95,6% of the total amount carried over € 1 438 116. From this amount only € 65 998 were cancelled.



#### 4.3.2 Chapter 31 – Operational expenditures

2013			2012		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
2 962 053	2 934 827	2 099 927	2 635 742	2 565 069	2 109 500
	100 %	71%		97%	80%

This chapter covers operational expenditures such as scientific library, IT dedicated systems, information and communication.

The Agency has provided ICT services and information management supporting the operational activities for the following IT systems that were maintained and further developed:

- European Railway Agency Database of Interoperability and Safety (ERADIS)
- European Centralised Virtual Vehicle Register (ECVVR)
- Reference Document Database (RDD)
- Extranet
- ERTMS Tool
- European Railway Accident Investigation Links (ERAIL)
- Register of Infrastructure (RINF)
- European Register of Authorised Types of Vehicles (ERATV)
- National Safety Authority Cross-Audit web application (NSA XA)

Out of € 2.280.000 committed for dedicated IT systems in Title 3, € 519.000 has been carried over.

The number of IT systems is growing each year and the weight of the provided services has an impact on the budget.

For the website maintenance/development, € 98.000 has been committed.

Due to the non-payment of the salary adjustments, the Agency has made the necessary transfers to anticipate the specific contract for the Quality Management System and the Audiovisual equipment for the Lille premises.

The execution of payments appropriations 2013-C8 reached 100% of the € 416.329 total amount carried over.