

Making the railway system
work better for society.

Report on budgetary and financial management information for the financial year 2018

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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 softwares/tools during 2018:

- › ABAC suite:
 - ABAC WORKFLOW and ABAC ACCOUNTING (SAP) – financial management, budgetary and accounting system;
 - ABAC DATAWAREHOUSE – financial reporting of ABAC environment;
 - ABAC ASSETS – fixed assets, inventory management;
 - ABAC CONTRACT – management of the contracts;
- › E-HR suite:
 - MiMa – Mission Management - management of staff missions;
 - LeaMa – Leave Management – management of leaves;
 - TiMa – Time Management – management of working hours;
- › Centralised SharePoint lists:
 - DOR - “Demande d’Organisation de Réunion” – management of meetings ;
 - DATA BOX – preparation of budget – management of Financial Sheets ;
 - PROCUREMENT REQUEST – management of procedures;
 - TRANSLATION REQUEST – management of requests for translation to the Centre de Traduction;
 - CARRY-FORWARD FORMS – management of carry-forward forms;
 - VAT exemption forms – Management of VAT reimbursement requests

These information systems allow to efficiently manage the budgetary appropriations allocated to the Agency while respecting the principles of the Financial Regulation.

The workflows, in all systems put in place by the Authorising Officer, ensure that each transaction respects the “four eyes” principle.

1.3. Budget

The budget of the Agency has three Titles:

- › Title I covers staff expenditures 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 (the European Parliament and the Council) approved the initial 2018 ERA budget of € 28 793 243, including the Commission’s subsidy for € 27 757 184, assigned revenue for € 378 214 and the EFTA contribution for € 657 845.

In addition the Agency received in 2018 “C4 fund source assigned revenues” for an amount of € 57 169 coming from different sources:

- › BL 1100: € 53 450 paid for by ESMA in the frame of the Service Level Agreement between ESMA;
- › BL 1100: € 1 579 paid for recuperation of private part of telephone expenses from ERA staff
- › BL 1300: €2 140 paid reimbursement of missions

The Agency had “2018 C5 fund source assigned revenues” coming from the carry-over of the 2017 C4 fund source assigned revenues in 2017:

- › BL 1178: € 6 196 reimbursed by Commission services as a regularization of previous advance paid
- › BL 2020: € 1 034 Reimbursed by Société civile immobilière Grand Hainault for “Water Gaz electricity charges” and Ateliers numériques as a result of the settlement of the rental agreement
- › BL 2100: € 8 753 paid for by Bechtle AG for liquidated damages for late delivery;

Below an overview can be found of the revenue actually received in 2018.

<i>Revenue</i>	<i>Initial budget</i>	<i>Amending budget</i>	<i>Assigned revenue received in 2018</i>	<i>Final budget</i>
<i>Subsidy</i>	28 793 243	0	0	28 793 243
<i>Miscellaneous revenue</i>	0	0	57 169	57 169
TOTAL	28 793 243	0	57 169	28 850 412

3. Budgetary tables

3.1. Budget outturn account

	2018	2017
Revenue		
Commission subsidy DG MOVE	28 793 243	30 732 000
IPA funds from Commission		1 110 000
Fee income		
Other revenue	57 169	88 147
Total revenue (a)	28 850 412	31 930 147
Expenditure		
Personnel expenses – Budget Title I		
Payments	18 722 601	18 221 210
Automatic carry-overs	146 692	206 057
Administrative expenses – Budget Title II		
Payments	2 219 078	2 051 503
Automatic carry-overs	478 361	676 337
Operational expenses – Budget Title III		
Payments	5 444 434	6 870 624
Automatic carry-overs	2 884 535	4 066 027
Total expenditure (b)	29 895 702	32 091 758
Outturn for the financial year (a-b)	-1 045 290	-161 611
Cancellation of unused carry-overs	122 715	64 813
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	1 045 234	179 832
Exchange differences for the year	-2 780	-2 312
Balance carried over from year N-1	80 722	378 215
Positive balance from year N-1 reimbursed in year N to the Commission	-80 722	-378 215
Balance of the outturn account for the financial year	119 879	80 722

3.2. Budgetary transfers and amending budget

2018	Initial adopted budget	Amending budget	Transfers	Final adopted budget	Additional appropriations (assigned revenue)	Total appropriations available
<i>Title I</i>	18 790 000	0	-6 977	18 783 023	57 169	18 840 192
<i>Title II</i>	2 750 000	0	-62 279	2 687 721		2 687 721
<i>Title III</i>	7 253 243	0	69 256	7 322 499		7 322 499
TOTAL	28 793 243	0	0	28 793 243	57 169	28 850 412

ERA executed the majority of transfers within the Titles except one at the end of the year from Title 1 and Title 2 to Title 3 in order to optimize the budget execution.

3.3. Budgetary execution

3.3.1. 2018-C1 Appropriations

2018-C1	Appropriations	Commitments	Not used	Paid	To be carry-forwarded
<i>Title I</i>	18 783 023	18 783 023	0	18 638 471	144 552
<i>Title II</i>	2 687 721	2 685 344	2 377	2 206 983	478 361
<i>Title III</i>	7 322 499	7 319 257	3 242	4 767 939	2 551 317
TOTAL	28 793 243	28 787 624	5 619	25 613 393	3 174 230

3.3.2. 2018-C4 Assigned revenues

2018-C4	Appropriations	Commitments	Not used	Paid	To be carry-forwarded¹
<i>Title I</i>	57 169	55 029	2 140	55 029	2 140
<i>Title II</i>	0	0	0	0	0
<i>Title III</i>	0	0	0	0	0
TOTAL	57 169	55 029	2 140	55 029	2 140

3.3.3. 2018-C5 Assigned revenues carried over

2018-C5	Appropriations	Commitments	Not used	Paid	To be carry-forwarded
<i>Title I</i>	6 196	6 196	0	6 196	0
<i>Title II</i>	9 787	9 787	0	9 787	0
<i>Title III</i>	0	0	0	0	0
TOTAL	15 983	15 983	0	15 983	0

3.3.4. 2018 R0 appropriations

2018-R0	Appropriations	Commitments	Not used	Paid	To be carry-forwarded
<i>Title III</i>	997 636	997 636	0	664 418	333 218
TOTAL	997 636	997 636	0	664 418	333 218

3.3.5. 2018-C8 Appropriations carried over

2018-C8	Carry-forward	Paid	To be cancelled
<i>Title I</i>	193 279	177 909	15 370
<i>Title II</i>	666 732	659 923	6 809
<i>Title III</i>	3 080 468	2 979 932	100 536
TOTAL	3 940 479	3 817 764	122 715

¹ This carry-forward amount represents only C4 appropriations non used (committed). Hence they will be carried-over in C5 appropriations.

3.3.6. Title I

With a total budget of € 18 783 023, the budgetary execution of 2018-C1 appropriations reached 100% for commitments and 99% for payments at the end of 2018.

At the end of 2018, sixteen Temporary Agents posts , nine Contract Agents posts and two Seconded National Experts posts were vacant.

The budgetary execution of 2018-C4 appropriations reached 100% for both commitments and payments appropriations.

Payments execution of 2018-C5 appropriations reached 100% for both commitments and payments.

In Title I, Payments execution of 2018-C8 appropriations reached 92% of the total amount carried over € 193 279.

3.3.7. Title II

With total budget of € 2 687 721, the budgetary execution of 2018-C1 appropriations reached 99,9% for commitments and 82% for payments at the end of 2018.

In Title II, payment execution of 2018-C8 appropriations reached 99% of the total amount carried over € 666 732.

3.3.8. Title III

With total budget of € 7 322 499, the budgetary execution of 2018-C1 appropriations reached 99.9% for commitments and 89% for payments at the end of 2018.

In Title III, payments execution of 2018-C8 appropriations reached 97% of the total amount carried over € 3 080 469.

3.3.9. Total Budget

For C1 Appropriations:

The level of execution of the total commitment appropriations 2018-C1 reached almost 100% of the appropriations. The level of execution per title is as following:

- › T1: 100%
- › T2: 99,9%
- › T3: 99,9%

With regard to the execution of payment appropriations 2018-C1, the Agency used 89% of the appropriations. The level of execution per title is as following:

- › T1: 99%
- › T2: 82%
- › T3: 65%

For C8 Appropriations:

Payments execution of 2018-C8 appropriations reached 97% of the total amount of € 3 940 479 carried over from which € 122 715 were cancelled.

3.4. Multi-annual comparison

<i>Fund sources C1</i>	2011	2012	2013	2014	2015	2016	2017	2018
<i>Budget</i>	25 988 665	25 799 000	25 858 799	25 715 600	26 345 000	27 395 879	30 732 000	28 793 243
<i>Commitments C1</i>	24 638 232	24 489 177	25 306 933	25 030 954	26 107 508	27 128 097	30 731 401	28 787 624
<i>% Commitments C1 / Budget</i>	95 %	95 %	98 %	97 %	99%	99%	100%	100%
<i>Unused C1 budget</i>	1 350 433	1 309 823	551 866	684 646	237 492	267 782	599	5 619
<i>Payments C1</i>	21 020 345	22 090 435	22 786 192	22 069 562	23 652 504	25 086 616	26 828 213	25 613 394
<i>% Payments C1 / Commitments C1</i>	85 %	90 %	88 %	86 %	91%	92%	87%	89%
<i>Payment appropriations C1 to be carried over</i>	3 617 887	2 398 742	2 221 817	2 961 031	2 455 004	2 041 481	3 903 188	3 174 230
<i>% Payment appropriations C1 to be carried over / Commitments C1</i>	15 %	10 %	8.8 %	11.8 %	9.40%	7.52%	12.70%	11%

For 2018-C1 fund sources:

- › The execution of C1 commitment appropriations reached a high level almost 100%;
- › The level of C1 payment execution reached 89%;
- › The C1 payment appropriations to be carried over amount to € 3 174 230 which represents 11% of the appropriations committed.

<i>Fund sources-C8</i>	2011	2012	2013	2014	2015	2016	2017	2018
<i>Commitments carried over C8</i>	5 465 491	3 617 887	2 398 742	2 221 817	2 963 023	2 455 004	2 046 141	3 940 479
<i>C8 to be cancelled</i>	126 116	126 316	87 293	69 599	115 707	111 021	69 473	122 715
<i>% C8 to be cancelled / Commitments carried over C8</i>	2%	3 %	3.6 %	3.1%	3.9%	4.5%	3.4%	3,1%

For 2018-C8 fund sources:

- › The unpaid balance of the carry-overs remained under 5% since 2011.

4. Budget implementation

4.1. TITLE I

4.1.1. Chapter 11 – Staff in active employment

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
18 270 933	18 270 933	18 227 283	17 844 180	17 844 180	17 763 368
	100%	99.8%		100%	99%

2018 C4			2017 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
55 029	55 029	55 029	63 454	63 454	40 549
	100%	100%		100%	64%

2018 C5			2017 C5		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
6 196	6 196	6 196	20 540	20 540	20 540
	100%	100%		100%	100%

At the end of 31/12/2018, the Agency employed:

- › 132 Temporary Agents (TA) vs 148 TA of the establishment plan adopted. 16 TA posts were vacant at the end of 2018;
- › 31 Contract Agents (CA) vs 40 CA posts of the Multi Annual Staff Policy Plan. 9 CA Posts were vacant at the end of 2018.

In 2018, the Agency welcomed a total of 15 ERA trainees.

4.1.2. Chapter 13 – Missions and travel

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
84 232	84 232	78 944	93 000	93 000	90 136
	100%	94%		100%	97%

2018 C4			2017 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
2 140	-	-			
	-	-			

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

Throughout 2018, 458 administrative missions took place, including trips for trainings and medical services.

4.1.3. Chapter 14 – Socio-medical infrastructure

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
298 008	298 008	202 800	240 403	240 403	154 172
	100%	68%		100%	64%

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

The amount committed in 2018 (€ 298 008) is distributed as follows:

- › Medical visits € 43 007
- › Trainings ordered through the catalogue of the Commission € 1 908
- › Languages training courses € 47 782
- › Ad hoc training courses € 181 061
- › Team building € 24 250 for all staff members

4.1.4. Chapter 15 – Seconded National Experts

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
127 737	127 737	127 737	149 000	149 000	148 533
	100%	100%		100%	99%

The Agency employed two Seconded National Experts in 2018.

4.1.5. Chapter 17 – Entertainment and representation expenses

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
2 112	2 112	1 707	2 880	2 880	2 880
	100%	81%		100%	100%

This chapter covers the Agency's representation expenses.

4.2. TITLE II

4.2.1. Chapter 20 – Rental of buildings and associated costs

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
1 368 650	1 368 650	1 214 568	1 387 482	1 387 482	1 221 140
	100%	89%		100%	88%

2018 C5			2017 C5		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
1 033	1 033	1 033			
	100%	100%			

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 facilities).

The Agency is also renting parking spaces for its staff on both sites.

The expenditures related to the lease of the premises and associated services (e.g. reception, security, cleaning) are relatively stable (subject to year index factor).

The refurbishment of the meeting rooms in Valenciennes premises was carried out for an amount of € 127 000.

There was the replacement of end of life components of the UPS supporting the server room for an amount of € 7 600.

Specific works were carried out on other parts of the building (e.g. painting of corridors, rooms following the office reallocation, etc) for an amount of € 36 000.

The amount of € 3 300 to replace fire extinguishers were replaced

4.2.2. Chapter 21 – Data processing

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
952 603	952 227	689 563	952 281	952 281	512 732
	99,9%	72%		100%	54%

2018 C4			2017 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	10 881	2 128	0
	-	-		20%	0%

2018 C5			2017 C5		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
8 753	8 753	8 753	884	181	0
	100%	100%		20%	0%

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

In the course of 2018 the Agency has updated its back-office infrastructure, mainly the server components for both Valenciennes and Kayl data center for € 79 000. End user computing equipment (monitors and softphone devices) was purchased for € 100 600.

In addition, the recurring costs were:

- › Software: ABAC system cost has been € 125 725.
- › E-PRIOR services cost has been € 5 000.
- › Use of SYSPER platform and services cost has been € 44 280.
- › The yearly renewal of the other available licenses totalled at € 470 022.
- › The cost to have access to on-line services was € 112 600.

- › The yearly fee for Commission procurement services was € 15 000.

4.2.3. Chapter 22 – Movable property and associated costs

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
140 974	140 974	110 292	104 289	104 289	57 314
	100%	78%		100%	55%

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

The Agency purchased new office furniture adapted to the re-allocation of office spaces (e.g. smaller tables to allow office sharing) for a total amount of € 44 000.

The costs for the maintenance of installed audio-visual equipment in Valenciennes is € 61 300.

4.2.4. Chapter 23 – Current administrative expenditures

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
87 722	87 722	71 189	122 716	122 716	112 576
	98%	81%		100%	92%

This chapter covers:

- › stationery and office supplies € 29 641;
- › internal meetings € 2 525;
- › departmental removals and associated handlings € 33 465
- › legal expenses € 8 757;
- › petty expenses € 5 500;
- › publications and translations € 7 834.

4.2.5. Chapter 24 – Postal expenses and Telecommunications

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
137 770	137 770	121 371	149 157	149 157	147 735
	100%	88%		100%	99%

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

The cost for postal expenses was € 8 528. The contracted telecom services was € 129 242, including the Testang connection and the link to the alternate site in Kayl.

4.3. TITLE III

4.3.1. Chapter 30 – Operational activities

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
5 274 340	5 274 340	3 509 411	7 772 711	7 772 112	5 202 290
	100%	67%		99%	67%

This chapter covers all expenses directly linked to the Regulation n°2016/796. These expenses are the costs of the working groups and Management/Executive Board (reimbursement of travel expenses and daily subsistence allowance), studies, translations, registers (including One-Stop Shop), communication activities and quality management support.

For general activities (missions, experts, Board members, catering), the total amount committed in 2018 was € 1 525 861 vs € 1 893 177 in 2017.

For studies, the total amount committed in 2018 was € 325 901 vs € 663 075 in 2017. The committed amount for 2018 related to the following 2 studies: Innovative material for workshop on railway safety leaders for a total amount of € 131 551 and OP/ETCS Drivers handbook for a total amount of €194 350.

For translation and interpretation services the total amount committed in 2018 was € 889 812 vs € 1 354 694 in 2017.

In addition to the above recurrent expenses, the following expenses were incurred:

- ✓ For One-stop shop (OSS), the total amount committed in 2018 was € 984 907.
- ✓ For the development and support of the IT Railway Registers, the total amount committed in 2018 was € 599 212 and was used for:
 - › European Railway Agency Database of Interoperability and Safety (ERADIS)
 - › European Centralised Virtual Vehicle Register (ECVVR)
 - › Reference Document Database-National Legal Framework (RDD-NLF)
 - › European Railway Accident Investigation Links (ERAIL)
 - › Register of Infrastructure (RINF)
 - › European Register of Authorised Types of Vehicles (ERATV)
 - › Single Rules Database (SRD)
- ✓ For communication activities:
 - Conference, events material (including INNOTRANS), the total amount committed in 2018 was € 264 544.
 - Development and maintenance of the ERA website, the total amount committed in 2018 was € 252 025.
 - ICSI membership: €50 000
 - Safety Culture courses with EUROCONTROL: €119 000
 - CRM Microsoft software license for €33 479
- ✓ For quality management services, the total amount committed in 2018 was € 169 400.
- ✓ For legal services contracted with an external lawyer and support services on data protection , the total amount committed was € 40 000.

For this chapter, the execution of payments appropriations 2017-C8 reached 96% of the total amount carried over € 2 569 822 and € 98 473 were cancelled.

2018 R0			2017 R0		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
997 635	997 635	664 418	1 250 638	370 638	253 002
	100%	67%		25%	24%

In 2017, the Agency received € 910 000 for the implementation of the EUMEDRAIL agreement. Out of the amount € 114 757 carried over, and € 75 387 was paid in 2018. From the € 680 000 committed in 2018, € 499 017 was paid in 2018.

Out of the € 200 000 for the implementation of the IPA agreement the amount of € 90 013 was paid in 2018.

4.3.2. Chapter 31 – Operational expenditures

2018 C1			2017 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
2 048 160	2 044 917	1 258 528	1 913 900	1 913 900	1 415 331
	99,84%	61%		100%	74%

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

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

- › Cloud services
- › Extranet;
- › ERTMS tool;
- › Stakeholder Relationship Management tool;
- › The primary site in Valenciennes and the alternate site in Kayl were further enhanced with data storage and networking capabilities;
- › The Agency has organised the 1st and 2nd level support of these IT systems using intra-muros consultants.

Out of € 1 940 178 committed for dedicated IT systems in Title III, € 721 636 were carried over.

The cost of the scientific library for the Agency was €43 082.

The cost related to the maintenance of the dedicated equipment for the Agency's meeting facilities in Lille was € 61 657.

For this chapter 31, the execution of payments appropriations 2018-C8 reached 99,6% of the total amount carried over € 510 646.

Out of the total amount carried over € 3 940 479, the execution of payments appropriations 2018-C8 reached 97% .