

Making the railway system
work better for society.

Mr Klaus-Heiner Lehne
President of the European Court of Auditors
12, rue Alcide de Gasperi
L-1615 Luxembourg

Subject: Representation letter covering the 2021 Final Accounts of European Union Agency for Railways

This representation letter is provided in connection with your audit of the final accounts of European Union Agency for Railways consisting of the financial statements¹ and the budget implementation reports for the financial year ended 31 December 2021 for the purpose of expressing an opinion as to whether these present fairly, in all material respects, the financial position of European Union Agency for Railways at 31 December 2021, the results of its operations, its cash flows, and the changes in net assets for the year then ended.

We have fulfilled our responsibilities concerning the design, implementation and maintenance of internal control relevant to the preparation and presentation of the accounts of the European Union Agency for Railways that are free from material misstatement, whether due to fraud or error.

The accounting systems laid down by the accounting officer and where appropriate systems laid down by the authorising officer to supply and justify accounting information have been validated. We have disclosed to you any significant changes or impact in our systems, controls, policies and procedures that we have made to address

- the effects of the COVID-19 pandemic
- the BREXIT
- the impact of the EU Court judgment of 11 November 2021, C-948/19-Manpower Lit
- Russia-Ukraine war

on our system of internal controls, EU Budget and accounts.

All the information necessary for the production of the final accounts of European Union Agency for Railways which give a true and fair view of the assets and liabilities and of the budgetary implementation has been obtained.

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:

¹ 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.

Final accounts

1. The final accounts of European Union Agency for Railways for the financial year ended 31 December 2021 referred to above are presented in accordance with its Financial Regulation and with the accounting rules adopted by the accounting officer of the European Commission based on internationally accepted accounting standards for the public sector: 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 assumptions² 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. The European Union Agency for Railways has satisfactory title to all assets and there are no liens or encumbrances on the assets.
8. 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.
9. All liabilities, both actual and contingent, 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.

² which included as well the potential impact of COVID-19 pandemic, the BREXIT [and the EU Court Decision on temporary agency workers].

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 2020 which are shown as comparative amounts in the financial statements for year ended 2021. Any differences in the comparative amounts from the amounts in the financial statements for the year ended 2020 are solely the result of reclassifications for comparative purposes.

Information Provided

With regard to the information provided and the representations below, we highlight that we have provided you with such information for the European Union Agency for Railways.

13. We have provided you with:
 - Access to all information that 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.
14. All transactions have been recorded in the accounting records and are reflected in the accounts.
15. 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.
16. 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, including issues communicated by current or previous employees or by the relevant services, including the European Anti-Fraud Office (OLAF).
17. We have disclosed to you all instances of non-compliance and of suspected non-compliance with laws and regulations that we are aware of and whose effects should be considered when preparing the accounts.
18. 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 "probable" but not yet definitive receivables 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.
- Authorising officers have not informed of delays or other problems in the establishment of recovery orders.

Internal control over financial reporting

19. 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

Reservations

None

Stefan MEERT

The Accounting Officer of European Union Agency for Railways

30.05.2022

Josef Doppelbauer

The Executive Director of European Union Agency for Railways

30.05.2022