



EUROPEAN  
COURT  
OF AUDITORS

**Speech**  
**9 October 2025**

## **Speech by Tony Murphy, President of the European Court of Auditors**

**Presentation of the ECA's 2024 annual report  
Committee on Budgetary Control – European Parliament**

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**The spoken version shall take precedence.**

Chair,  
Honourable Members,  
Commissioner,

I am very pleased to address this committee today to present the key findings and core messages from the European Court of Auditors' 2024 annual report. I am once again accompanied by my esteemed colleague, Jan Gregor, who oversees our annual report.

Our annual report is the ECA's core product encompassing 50 % of our resources requiring substantial dedication and effort.

It offers valuable insights into the EU budget and its various policy areas. Alongside our compliance and performance audits, it supports our stakeholders in shaping the EU budget and in their decision-making processes.

This year's report is highly relevant as negotiations for the 2028-2034 MFF are underway. It offers important lessons, highlights key challenges, and emphasises risks that should be considered when shaping future budgets.

So, what are the key takeaways from our 2024 annual report?

We provide a clean opinion on the 2024 EU accounts, reaffirming that they continue to accurately present the EU's financial position.

Total budget revenue, including NGEU borrowings, amounted to €250.6 billion. As in previous years, we issue a clean opinion on revenue.

However, it is important to note that our opinion does not cover the amounts which result from underreported or evaded duties and taxes - as our opinion can focus only on the reported figures.

Moving on to expenditure, the EU's long-term budget includes funds from both the Multi-Annual Financial Framework (MFF), what we call traditional EU budget spending and from the NextGenerationEU (NGEU). NGEU funding primarily involves the Recovery and Resilience Facility or RRF, which follows a different delivery model than the MFF. As a result, we continue to issue two distinct opinions regarding the regularity of 2024's expenditure: one for the traditional EU budget spending and another for the RRF.

Starting with the traditional EU budget spending:

While our error rate for EU budget spending has decreased, it remains material, now at 3.6 % (2023: 5.6 %). Given the pervasive nature of the identified errors, we have maintained an adverse opinion for the sixth consecutive year.

The estimated level of error is not a measure of fraud, inefficiency or waste: it is an estimate of the amount of money that was not used in compliance with EU and national rules.

The error rate for EU budget spending is determined by taking into account and consolidating the levels of error identified across various policy areas within the MFF. Now, let's delve into specific policy areas to illustrate the typical findings that contribute to this error rate.

Starting with Cohesion, which accounts for nearly a third of EU budget spending.

In this policy area, we estimate the error rate at 5.7 %, down from 9.3 % in 2023. Ineligible costs and projects continue to be the major contributors to the estimated error level, as well as infringements of public procurement rules.

In 2023, we identified several factors—such as pandemic-related disruptions, overlapping funding periods, and co-financing rates up to 100 % through instruments like REACT-EU and CRII, whose deadlines were at the end of the year — that likely heightened the risk of irregular spending. Consequently, in 2024, the error rate in cohesion reverted to levels more in line with previous years.

As part of our audit approach in the area of 'Cohesion', we scrutinized the work of audit authorities in member states. Over the past eight years, we have gathered extensive evidence, including numerous errors that should have been detected by authorities but were not. These issues significantly undermine the reliability of their work and limit the extent to which the Commission can rely on their results.

What is particularly alarming is that, in many cases, these same authorities are also used to oversee RRF funds at the Member State level, and that the Commission, as proposed in the draft regulations for the 2028-2034 MFF, intends to rely heavily on them.

In our view this represents a serious risk that must be addressed.

Now, turning our attention to another major spending area: the 'Natural Resources and Environment' category, accounting for just over a third of budget expenditure, where agriculture and rural development account for most of the spending. Here, we estimate the error rate to be material at 2.6 % (2.2 %, 2023).

The main errors we identify are primarily linked to administrative errors, ineligible costs and projects, and a non-compliance with agricultural, environmental, and climate commitments.

In terms of “Single Market, Innovation and Digital”, we observed a material error rate of 3.2 % (3.3 % in 2023). Research expenditure remains a high-risk area where we identified numerous errors related to personnel costs.

For 2024, and unlike previous years, we provided a specific assessment for transactions under MFF heading 6 ‘Neighbourhood and the world’. In general, these funds relate to support for regions and countries outside the EU.

We estimate the level of error to be 4.9 %. Ineligible costs and breaches of public procurement rules account for over half of the errors we identified.

Lastly, let's address "Administration". Our assessment, as in previous years, concludes that the level of error remains immaterial.

To summarise, our compliance work on the 2024 annual report – While the estimated level of error in spending from the EU budget has decreased, it remains a concern.

Turning to the Recovery and Resilience Facility (RRF), our assessment of the 2024 RRF payments is based on the payment conditions set out in the RRF Regulation. These specify that milestones and targets must be satisfactorily fulfilled and comply with other key eligibility conditions.

The RRF delivery model differs significantly from traditional budget expenditure—payments are not linked to actual costs, and compliance with EU and national rules is not a condition for payment. Due to this unique model, a specific audit methodology and approach is required. Consequently, we issue a separate audit opinion on its expenditure.

In 2024, RRF expenditure amounted to €59.9 billion. Our audit covered all 28 grant payments totalling €53.5 billion and the disbursement of pre-financing amounting to €6.4 billion.

We identified instances where milestones and targets linked to payments had not been satisfactorily fulfilled, as well as issues related to the reversal of milestone, double funding, and eligibility periods. We also found cases of vaguely defined milestones and targets, along with weaknesses in the ex-ante assessments carried out by the Commission. Based on these findings, we issue a qualified opinion on the RRF expenditure. Furthermore, we also drew attention to an ongoing Court of Justice case that concerns two milestones.

By the end of 2024, the European Commission had disbursed €178.5 billion in RRF grant payments, representing only 50 % of the total available funds. With less than a year left before the end of the RRF's implementation in August 2026, it is clear that significant expenditure still remains to be spent.

Recently, we took the opportunity to review and summarise the extensive work we've undertaken since the establishment of this temporary instrument in 2021. This review highlights key findings and lessons learned that are critical to informing future performance-based instruments.

While we acknowledge the important role such instruments can play in the EU budget, we emphasise that, moving forward, they should only be employed when funding is directly linked to measurable results. It is essential that funding is traceable to actual costs and that the design and implementation of these instruments do not compromise accountability.

When future borrowing is involved, it is crucial that the EU effectively mitigates interest rate risks and establishes a clear repayment plan upfront, outlining sources of repayment.

Our 2024 annual report also highlights risks associated with borrowing for future MFFs, particularly the growing debt burden from NGEU obligations. By 2027, outstanding EU borrowing could exceed €900 billion, nearly ten times the level before NGEU in 2020. Furthermore, the total interest expenditure on NGEU for the current MFF could surpass €30 billion, more than doubling the Commission's original forecast of €14.9 billion.

Most of these borrowing repayments are deferred to future MFFs, and the rising debt obligations pose serious challenges to safeguarding future EU budgets and ensuring sufficient resources for EU actions. In fact, the Commission is proposing a budget of nearly €2 trillion for the 2028–2034 period, which is approximately 1.26 % of EU GNI. However, it is important to note that while 1.15 % of this relates to new spending, 0.11 % of EU GNI is allocated to the repayment of NGEU borrowing. The repayment of this debt could be as much as €31 billion per year from future EU budgets.

Today, the proposals for the 2028-2034 Multiannual Financial Framework are at the forefront of work and discussions for many institutions, including the European Court of Auditors. The proposals indicate a model similar to the RRF, with national plans, and in this context, the issues and risks we have identified with the RRF could potentially also be relevant here.

Our work is already underway on the opinions we will provide on the proposals, highlighting risks and lessons learned based on our extensive experience with the budget.

Our collective aim should be to help shape a budget that ensures transparency and accountability is aligned with Europe's long-term priorities, and capable of contributing to a brighter future for all citizens.

Finally, I want also to recognise the hard work and expertise of the ECA's staff and its College. Their dedication and professionalism are key to delivering this year's high-quality annual report and to advancing our institution's mission.

Thank you all for your attention, and I look forward to your questions and our discussions.