

ARE THE EU ACCOUNTS WRONG?

No, the Court found that the annual accounts give a fair representation, in all material aspects, of the financial position of the EU.

Payments from the budget continue to be materially affected by error, except in two areas of expenditure - Economic and financial affairs and Administrative and other expenditure.

ANNUAL REPORT ON THE 2009 EU BUDGET

ARE EU FUNDS IN GENERAL PAID OUT INCORRECTLY?

No, most **payments** checked are made **in compliance** with the rules.



Legal and regular spending is defined as **expenditure implemented in compliance with the existing rules**. Thus an **error** represents a **deviation** from the **regulatory requirements**.

The estimated level of error is to a great extent due to the nature of the **many different types of transactions** and the often **complex rules** they are required to follow.

DO ERRORS MEAN FRAUD?

No, they don't.

Errors are made for a variety of reasons by beneficiaries claiming funds and by the authorities responsible for making payments.

Fraud is a deception deliberately practiced in order to gain a benefit.

If the Court has reasons to suspect that fraudulent activity has taken place, it will report this to OLAF, the Union's antifraud office. OLAF is responsible for carrying out any resulting investigations.

The Court reports around 3 cases per year to OLAF, based on its audit work.

Do MEMBER STATES HAVE A ROLE TO PLAY IN REDUCING THE LEVEL OF ERROR?

Yes, but the Commission retains the overall responsibility.

The **Commission** is **responsible** for the implementation of the budget. This **also applies to shared management**, where implementation tasks are delegated to Member States.

80 % of EU spending is under **shared management** with Member States.



ARE THERE ANY IMPROVEMENTS COMPARED TO THE AR 2008?

Yes, improvements in the management of the budget in the recent years are reflected in the overall results for 2009.

The Court's estimate of the most likely error in Cohesion spending was significantly lower than in previous years; and, for the budget as a whole, the Court's estimate of error has fallen over recent years.

The Commission has improved the information it provides on recoveries of irregularly paid amounts and other corrections. However, this information is not yet completely reliable. The Commission's data for corrections cannot meaningfully be compared with the Court's estimated error rate.



FOR MORE INFORMATION

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