

ECA: Recovery in EU Should be Faster

Thomas Wahl



News

In its [Special Report 07/2024](#), the European Court of Auditors (ECA) blamed that recovery of misspent EU money takes too long and deficiencies exist in some areas, such as expenditure for external action.

The ECA examined how the recovery process of misspent EU funding is managed and how effective it is. It found that getting back money which was irregularly spent could be faster and more effective. At the same time, the ECA acknowledged that the accurate and prompt recording of irregular expenditure (under direct and indirect management) by the European Commission is good.

The EU auditors noted that it typically takes 14-23 months from the end of the funded activities until a repayment request is even issued, and a further 3-5 months before the funds are retrieved. 1-8 % of the funds are simply waived. Hence, the long delay between the identification of a financial irregularity and the issuance of a recovery order is one of the reasons of the deficiencies. Problematic is also the recovery in the field of external actions where the Commission does not follow up potentially systemic irregular expenditure in the same way as it does for internal policies. In addition, information that the Commission provides on irregular expenditure and subsequent corrective measures is not always complete and consistently presented which diminishes the usefulness of the information.

Considering that the rate of misspending increased from 3% to 4.2% of the budget between 2021 and 2022, the ECA stressed that the effective recovery of EU funds is an increasingly pressing need. The ECA makes the following recommendations to the Commission in order to make the recovery of misspent EU funds more effective:

- Examining the financial impact of systemic irregularities in the area of external actions;
- Improving the planning of audit work in the area of external actions to reduce the time taken to establish irregular expenditure;
- Assessing the need for additional incentives for Member States to improve the rates of recovery of irregular expenditure in agriculture;
- Providing complete information on established irregular expenditure and corrective measures taken.

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