

# ECA Report on Regularity of Spending in EU Cohesion Policy

Anna Pinggen



**euclid**

European Law Forum: Prevention • Investigation • Prosecution

## News

On 23 November 2021, the European Court of Auditors (ECA) published a [report](#) on the European Commission's estimate of error in EU cohesion policy. The ECA pointed out that the related error rates, as disclosed by the Commission, are likely to underestimate the real level of irregularity in cohesion policy spending because of shortcomings in the Commission's control system.

The EU's cohesion policy aims to reduce development disparities between the EU Member States and regions. However, it is an area in which the risk of irregular spending is high, because the governing rules are complex and much of the expenditure is based on the reimbursement of declared costs.

In order to verify the Member State auditors' work and findings, the European Commission carries out own verifications and assessments after Member State audit authorities have completed their audits of cohesion expenditure. With these findings, the Commission aims to confirm whether the residual level of error in cohesion spending reported by Member States is below the 2% threshold.

With regard to the 2014-2020 period, the ECA noted that the European Commission released the 10% payment retention initially withheld even if it had evidence that the expenditure in the accounts contained a level of error above 2%. This release is not in line with the overall objective of the payment retention, which was designed to safeguard the EU budget.

The ECA criticised the limitations of desk reviews by the Commission that are used to check the consistency of the regularity information that the Member States provide; this leads to undetected and uncorrected irregular expenditure. With regard to compliance audits, where the Commission reviews the eligibility of operations and related expenditure, the ECA pointed out the high frequency of undetected errors by the Commission. Therefore, the EU auditors concluded that the Commission likely underestimates the real level of error in cohesion policy in its annual management and performance report.

### AUTHOR

Anna Pinggen 

Researcher  
Max Planck Institute for the  
Study of Crime, Security and  
Law

---

ISSN: 1862-6947

<https://euclid.eu>

---



---

## About euclid

euclid is the leading journal which regularly informs about current developments in European criminal and "criminative" law.

All news items are freely accessible at: <https://euclid.eu/news/>

Stay informed by emailing to [euclid-subscribe@csl.mpg.de](mailto:euclid-subscribe@csl.mpg.de) to receive alerts for new releases of issues.

The project is co-financed by the Union Anti-Fraud Programme (UAFP), managed by the European Anti-Fraud Office (OLAF).



Co-funded by  
the European Union