



2010 Annual Report - Frequently asked questions

1. Are the 2010 accounts wrong?

No, the ECA concludes that the 2010 accounts present fairly, in all material respects, the financial position of the EU and its results for the year.

2. What does the 3.7% estimated error rate mean?

The ECA's estimated error rate for payments from the 2010 EU budget as a whole was 3.7%. The error rate is **not** an estimate of fraud, but reflects the ECA's estimation of the degree of non-compliance with the rules governing the spending, such as breaches of public procurement rules, ineligible or incorrect calculation of costs claimed to the EU co-financed projects, or over-declaration of land by farmers.

3. Do errors mean fraud?

No, only a very small proportion of errors found by the ECA concern fraud. To receive EU funding, beneficiaries are required to comply with specific rules governing the spending. Fraud is an act of deliberate deception to gain a benefit. If the ECA has reasons to suspect that fraudulent activity has taken place, it reports this to OLAF, the Union's anti-fraud office. OLAF then investigates and follows up each case as necessary.

4. Do Member States have a role to play in reducing the level of error?

Yes. It is the responsibility of those managing the EU funds to reduce the likelihood that errors occur and to put controls in place that prevent or detect and correct them. For 80 % of EU spending the management of the funds is shared between the Commission and Member States. However, the Commission retains the overall responsibility for the implementation of the EU budget.

5. How do the 2010 results compare with 2009?

The estimated overall error rate increased from 3.3 % in 2009 to 3.7 % in 2010. This is due to a rise in the estimated error rate for the payments in the area of Cohesion, energy and transport. For the other areas of EU spending the estimated error rate concerning the payments remained relatively stable compared with 2009.