



Council of the  
European Union

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FIN 587  
FC 58  
FSTR 149  
REGIO 191  
SOC 611  
GAF 67

#### OUTCOME OF PROCEEDINGS

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| From:           | General Secretariat of the Council                                                                                                                                                                                        |
| To:             | Permanent Representatives Committee (Part 2)/Council                                                                                                                                                                      |
| No. prev. doc.: | 11752/19 FIN 551 FC 54 FSTR 145 REGIO 183 SOC 589 GAF 64                                                                                                                                                                  |
| Subject:        | European Court of Auditors' Special Report No 6/2019: "Tackling fraud in EU cohesion spending: managing authorities need to strengthen detection, response and coordination"<br>- Council conclusions (16 September 2019) |

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Delegations will find in the annex the Council conclusions on European Court of Auditors' Special Report No 6/2019: "Tackling fraud in EU cohesion spending: managing authorities need to strengthen detection, response and coordination", adopted by the Council (General Affairs) at its 3712th meeting on 16 September 2019

**Council conclusions on Special Report No 6/2019 by the European Court of Auditors:**

**Tackling fraud in EU cohesion spending: managing authorities need to strengthen detection,  
response and coordination**

**THE COUNCIL OF THE EUROPEAN UNION:**

- (1) TAKES NOTE of the Special Report No 6/2019 by the European Court of Auditors (hereafter referred to as "the Court") and the Commission's observations to the Report;
- (2) NOTES that the Court's audit described in the Report focused on the work of Members States' managing authorities, responsible for the implementation of operational programmes of 2007-2013 and 2014-2020 programming periods funded under the European Regional Development Fund (ERDF), the Cohesion Fund (CF) and the European Social Fund (ESF), and covered all stages in the anti-fraud management process: prevention, detection and response (including reporting and recovery);
- (3) TAKES NOTE of the findings of the Report, in particular that:
  - Certain managing authorities do not follow a specific anti-fraud policy;
  - The fraud risks assessment process is performed systematically, but needs a further improvement;
  - Managing authorities have improved their fraud prevention measures but further progress is needed towards proactive fraud detection procedures and measures;
  - The reliability of the fraud detection rates published in PIF reports needs to be strengthened by decreasing under-reporting;
  - The fight against fraud needs clearer definition of Anti-fraud Coordination Services' (AFCOS) functions and stronger coordination amongst Member State bodies.

- (4) RECALLS its conclusions of 14 May 2019 on Special Report No 1/2019 of the Court<sup>1</sup> with regard to fighting fraud in EU spending: action needed.
- (5) NOTES that, partially due to the increased capacity of Member States to detect and report irregularities, including potential fraud cases, the incidence of reported fraud (suspected and established) in EU cohesion policy is significantly higher than in other areas;
- (6) CONSIDERS the Report a useful contribution to reflections of Member States on how to further improve the work of managing authorities in tackling fraud in cohesion policy;
- (7) Broadly SHARES the observations of the Commission to the findings and recommendations related to cohesion policy included in the Court's Report, in particular that:
- The development of formal strategies and policies is an efficient tool to combat fraud against EU funds;
  - The involvement of relevant external actors should be strengthened to make fraud risk assessment more robust insofar as this may contribute to the capacities of managing authorities;
  - The generalised use of data analytics tools and the use of other "proactive" fraud detection methods improves fraud detection measures;
  - The monitoring of fraud response mechanisms ensures their consistent application;
  - The expanded coordination by AFCOS could be further analysed without prejudice to Member States' competence.

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<sup>1</sup> Doc. 9325/19.