

ACCOUNTABILITY POLICY PAPER

No Receipts, No Consequences — Global Edition

Thierry Degreef | Independent Policy Analysis | June 2026

The following table documents the systematic failure of governments across all continents to account for public spending. The pattern is not regional. It is global. It is not incompetence. Incompetence is inconsistent. This is consistent — across decades, across political colours, across types of spending: defence, health, emergency procurement, sovereign wealth, and supranational recovery. A pattern this consistent has a name: architecture.

Country / Institution	Amount	Finding	Accountability	Region
USA / Pentagon / DoD	\$2.5 trillion	7 consecutive failed audits. Cannot locate 63% of \$3.8T in assets. \$6.5T in accounting adjustments for an army with a \$122bn budget. 16,000 records removed.	None. Budget increased.	North America
Netherlands / Ministry of Defence	€4 billion	Rekenkamer: no receipts, no proof of delivery for defence procurement. Procurement law violated repeatedly. Missing documentation for military equipment and service contracts.	None. No ministerial consequence.	Europe
United Kingdom / DHSC / Cabinet Office	£15.3 billion	Corruption red flags in 135 contracts. VIP lane ruled unlawful. Firms with political connections 10x more likely to receive contracts.	£70m recovered of £324m fraud. No criminal charges.	Europe

		£1bn PPE incinerated. One company awarded £203m delivered zero usable items.		
Germany / Bundeswehr / MoD	€111 billion	Ministry spokesperson unable to explain any special fund spending since 2022. Largest military spending commitment in post-war German history with no accounting.	No audit. No explanation given.	Europe
European Union / RRF / European Commission	€577 billion (total disbursed)	European Court of Auditors (May 2026): allocation cannot be traced. Thousands of recipients — including businesses and large consortia — unidentified. Commission raised funds by borrowing on capital markets.	No accountability mechanism. Commission raised the funds by borrowing on capital markets.	Europe
Japan / Board of Audit / 17 Ministries	¥453 billion (\$3bn)	123 of 426 voluntary contributions (30%) paid without control. Ministers transferred funds without financial reports, without carryover checks, without verifying whether recipient organisations already held surplus.	None. Board of Audit 'requested improvement.' No sanctions.	Asia
Japan / Ministry of Health	¥16.6 billion	COVAX funds for domestic vaccines diverted to developing countries without recording the	None. Ministry maintains it did not 'deviate from purpose.'	Asia

		redirection in government reports.		
China / Local Governments / LGFVs	54.6 trillion yuan (\$7.8 trillion) off-balance-sheet	National Audit Office: local governments systematically fail to voluntarily disclose debt. LGFV debt grew 67% in four years. Cash-basis accounting renders liabilities invisible. Central bank estimates 14.8 trillion; independent estimates reach 54.6 trillion.	None. Central government performs 'debt swaps' (reclassification), not prosecution. No local official held liable.	Asia
India / Office of the CAG	N/A — audit never completed	Constitutionally mandated COVID-19 audit announced January 2021; no report issued. Public Accounts Committee demanded special audit of vaccine distribution; CAG refused. Worst-hit states (Delhi, Tamil Nadu) excluded from selection.	None. CAG official stated vaccination could only be audited after budget was 'exhausted.' No constitutional consequence.	Asia
South Korea / Ministry of Defense / NIS	Unknown — budget classified	'Special activity funds' at Defence and NIS entirely outside Board of Audit and Inspection scope. NIS funds central to President Park impeachment scandal (2016). TI Defence Integrity Index: F-score 13/100 for 'Secret Program Auditing.'	None. Off-budget spending continues. No external audit permitted. Defence institutions classify 'excessively' as 'highly essential.'	Asia

USA → Israel / Pentagon / DSCA	\$13.4 billion	Pentagon Inspector General (Dec 2025): DoD did not properly track significant portions. Only 44% of defense articles subject to enhanced monitoring had records. 42 deliveries of >4 million munitions could not be tracked because equipment was already deployed in Israeli operations.	None. CENTCOM agreed to an inspection in FY2026. No budget reduction.	Middle East
Iran / Ministry of Defence / IRGC	~40% of total military expenditure off-budget	SIPRI (2025/2026): Official military budget (\$7.4–7.9bn) excludes drone and missile programs funded through off-budget oil revenue mechanisms.	None. Off-budget spending is structural, not audited.	Middle East
Saudi Arabia / Public Investment Fund (PIF)	\$8 billion value slash + >14% Aramco loss	PIF wrote down domestic infrastructure holdings (NEOM, The Line) by \$8bn. Aramco share value dropped >14%. Projects scaled back due to cost overruns and low oil prices.	None. Crown Prince's Vision 2030 continues without interruption.	Middle East
Australia / Commonwealth Government / JCPAA	>\$80 billion annual procurement (2021-22)	Joint Committee of Public Accounts and Audit: agencies systematically fail to comply with procurement rules,	19 recommendations made. No criminal charges. No ministerial resignations.	Commonwealth

		demonstrate value for money, or keep records. Big 5 consulting firms secured nearly \$2 billion. >50% of procurement was non-competitive.		
Australia / Department of Defence / ANAO	\$45.6 billion (Hunter Class Frigates)	Australian National Audit Office: Defence did not retain complete records of key procurement decisions, failed to conduct value-for-money assessments, and breached Commonwealth Procurement Rules. 18-month delay.	Two recommendations to Defence. Defence agreed. No sanctions.	Commonwealth
Canada / Department of National Defence / PBO	\$12 billion cumulative shortfall (2017-2023)	Parliamentary Budget Officer: cumulative shortfall nearing \$12bn between planned and actual capital spending. \$1.5bn 'lapsed' in 2022-23, \$4bn projected in 2023-24. Two-thirds of defence procurement projects delayed by >1 year.	None. Described as 'optimism bias' in costing. No ministerial consequence.	Commonwealth
South Africa / SIU / National & Provincial Government	R8.9 billion in irregularities (of R17.8bn investigated)	Special Investigating Unit: 2,965 irregular contracts of 5,515 investigated. R138.8bn total COVID expenditure; SIU investigated R14.8bn.	R36 million recovered. 476 referrals to prosecutors. 458 officials referred for disciplinary action. Minimal convictions.	Commonwealth

South Africa / Department of Defence / AGSA	R1.4 billion (Operation Thusano)	Auditor-General: all expenditure under Operation Thusano (2015-2021) was irregular. \$20 million paid for unapproved Cuban COVID drug (Heberon). Only 15 of 970,885 doses used.	SIU cancelled R200m contract. No criminal charges filed against Defence officials at time of reporting.	Commonwealth
South Africa / Department of Health / SIU	R12.18 million recovered (Digital Vibes)	SIU: former Minister of Health referred for executive action. 19 individuals referred to NPA for fraud and corruption.	R12.18m recovered. Former Minister brought legal action to set aside SIU findings.	Commonwealth
Brazil / Petrobras / External Auditors (PwC)	\$2.1 billion in bribes + \$17 billion in write-downs	Audited financials (2015): \$2.1bn in bribes identified. \$16.8–17bn impairment due to graft and overvalued assets. PwC refused to approve Q3 earnings and was later sued by investors for 'turning a blind eye.'	Petrobras paid \$853.2 million criminal penalty to DOJ (2025). Former CEO conviction annulled by Supreme Court (2019).	Latin America

The pattern has consistent features across all regions. First, the spending occurs in conditions of urgency or opacity — wartime, pandemic, emergency, sovereign wealth, or military procurement — where normal rules are suspended or bypassed. Second, the beneficiaries of unaccountable spending are disproportionately connected to the political class overseeing it. Third, when audit authorities find problems, political leaders deny, minimise, or ignore the findings. Fourth, no meaningful criminal accountability follows. Fifth, budgets are increased in the following cycle.

A pattern this consistent and this remunerative for those involved is not accident. It is architecture. The public spending systems of democracies across all continents have been configured — through emergency powers, weak criminal liability for ministers, complex

procurement rules, off-budget vehicles, classified funds, and captured audit processes — to allow large-scale extraction of public funds with minimal risk of consequence.

This is not a left-right issue. Conservative governments in the UK and the Netherlands ran the VIP lanes and the missing billions. The Pentagon's failed audits span Republican and Democratic administrations continuously since 1990. The extraction mechanism is bipartisan because the political class that benefits from it is bipartisan. At the supranational level, Brussels adds a further remove: no electorate directly accountable, no minister to face a vote of confidence, no criminal jurisdiction with automatic reach.

The Western political class that demands receipts from welfare recipients, fiscal discipline from debtor nations, and transparency from foreign governments cannot account for trillions of its own spending. The EU, which conditions its own recovery funds on rule-of-law compliance in recipient states, cannot trace where those funds went. The gap between what these institutions demand of others and what they demand of themselves is the clearest available measure of who the system is actually designed to serve. Naming that gap, with documented figures and named cases, is where accountability begins.

Thierry Degreef | Independent Policy Analyst | June 2026

Sources: European Court of Auditors (May 2026), Pentagon audits (2018-2024), Dutch Rekenkamer, UK National Audit Office, German Ministry of Defence, Japanese Board of Audit, Chinese National Audit Office, Indian CAG, South Korean BAI, Pentagon Inspector General (Dec 2025), SIPRI, Australian ANAO/JCPAA, Canadian PBO, South African SIU/AGSA, Brazilian Petrobras audited financials (2015), DOJ settlement (2025).