



CORTE DEI CONTI



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An outlook on Italian public audit

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Corte dei conti

What is Corte dei conti ?



Pursuant to the Constitution, the Corte dei conti carries out its audit functions as an “**auxiliary body**”, it cooperates with Constitutional bodies responsible for legislative functions, as well as for political and administrative action.

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This means that the Corte dei conti does not have any political function in defining the objectives of the administrative action or any power to censure the choices through which these objectives are identified:

The Corte dei conti must evaluate the action carried out, in a continuous contact with the auditees, report its findings, indicate the measures that should be adopted, monitors if and how the auditees have adopted the recommendations presented and periodically refer to the elective assemblies with regard to the results of the controls carried out.

Corte dei conti - how it works

Briefly, it may be said that the constitutional mission of guaranteeing the legal and sound management of administrative action is ensured through the balanced interaction of four fundamental functions:

1. a limited *ex ante* audit, aimed at avoiding that the most important acts of Government, if illegitimate, can come into force;

2. a wide-spread *ex post* performance audit to make the administration increasingly efficient;

3. economic-financial audit with reporting functions to Parliament

4. a jurisdiction of liability, with regard to public administrators and agents, aimed at repressing, through a penalty of compensation for damage caused, the unlawful conduct causing damage.

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the *ex ante* compliance audit of acts:

The *ex ante* compliance audit is one of the most traditional functions of the Corte dei conti. It is performed on the most important measures and administrative directives issued by the Government, such as the programming documents, provisions adopted on the basis of the Council of Ministries' decisions; administrative regulations; instruments implementing European Union legislation, and measures allocating and distributing funds; the most important supply contracts and awards of tenders; measures taken in relation to State property; orders issued by the Minister of the Treasury relating to the State budget (variations, short term debts, etc).

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The law no. 20 of 1994 is the most important reform of the external audits system.

Unlike the *ex ante* compliance audit, the object of the *ex post* performance audit involves the entire activity of public administrations including acts, operations, conducts in order to assess the effectiveness of the results achieved. The audit takes into consideration and evaluates costs, methods and terms of the implementation of the administrative action. The audit concerns both legitimacy aspects as well as efficiency, effectiveness and economy of the administrative action.

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A different type of control from the *ex post* performance audit is that of the public owned bodies according to the article 100 of the Constitution and to the law of 21 March 1958, no. 259. The Corte dei conti audits:

- bodies that have periodical contributions from the State;

- bodies that finance themselves with levies, contributions, taxes which they are authorized to impose;

- those bodies which have a contribution to their patrimony in capital, services, goods or through guarantee concession;

Corte dei conti - its role in economic crisis

In order to define the role of Corte dei Conti, we can argue that:

In Italy, the Corte dei conti- which is vested with accounting jurisdictional powers to prosecute civil servants, and persons of equivalent status, for wrongdoing or omissions to the detriment of public assets – through its various Chambers carries out functions which makes it the "guarantor" of the public accounts, pursuant to Article 100 of the Constitution.

Firstly, by carrying out continuous monitoring on public administration activities and conducting analytical audits of public accounts during the entire year, the Corte dei conti provides the Parliament and the Government with all the essential information regarding policy development necessary for the Country and in accordance with the European Union requires.

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In particular
we are
referring to:



- the Report on the Coordination of Public Finances which is an *unicum* in the institutional system of audits conducted at every level of public finance management, which has become increasingly more necessary today, as the ongoing federalism process moves ahead.



- the State Annual Report which, when “certified” by the Court, is of crucial importance in respect of compliance with the obligation to account for the way public resources are managed consistently with the international principles of Accountability, which extends beyond government finances alone, to include an appraisal of the degree to which public policy has been implemented.

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Relations with Parliament provide an extremely important channel for contacting the public and responding to public demand. The Court is asked to find answers to issues which are of particular interest for the public which is seriously affected by the economic crisis and therefore is more and more sensitive to fraudulent conduct, or even merely inefficient and ineffective conduct.



If Court's auditing work reveals misdeeds by civil servants, it provides a service to the community and paves the way for wrongdoing and inefficiency to be remedied.



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Thank you for your attention!
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