



CORTE DEI CONTI

Theme II Plenary session
Preliminary Session
Intervention of Mr. Mauro Orefice
Head of the Italian Delegation

The proceedings of this session are an excellent example of the achievements that can be reached through an efficient combination of meticulous planning on the part of the organizers and high-quality, skillfully crafted content from the contributors.

The topic we have been called to discuss today is undoubtedly very vast. I would define it rather as a “frame” enclosing a picture of no less than the state-of-the art on, on one side, what SAIs and their work represent today and, on the other, which are the main challenges they are called to face in order to remain relevant – and to acquire even more relevance – within the institutional and societal context they operate in.

Accordingly, it is obviously a very hard task to try and sum up the highlights of the rich display of issues, answers, good practices, cases, ideas we have listened to during the past hour and a half or so. Actually, I think that, in order to really take full advantage of the discussion, we should let a little time to pass and then carefully re-read our notes and the materials we have been provided with, keeping in mind the question about how all this could be disseminated within our institutions.

However, there are some keywords that strongly emerge, among the other issues (however interesting) that have been raised, from the many-faceted presentations and the subsequent discussions held so far.

I will try to keep my scheduled time and focus on four such words: **change**, **strategy**, **impact**, **sustainability**.

“**Change**” is probably the word we have been repeating more frequently. It may seem a worn out, banal or self-evident assumption, a stereotypical feature that can fit in more or less any context, but the fact that we are in a world that is very rapidly changing around us is still the unavoidable starting point for a serious discussion on where we are and where we are going. Globalization, digitalization and institutional change are not simply challenges to be faced: they are the context in which we have to fit in, shaping a renewed profile for our presence. Adapting to change means, first of all, as we know, adapting to *technological* change. SAIs cannot lag beyond new methodologies for harvesting and using big data, for example (as we have heard). They must learn how to use effectively a toolbox which has been constantly evolving in the last decades, to the point of complete renovation. They must be aware of the changes in finance, commerce, industrial production, communication and education brought by digitalization and be able to have these changes fully present in their mind in order to audit how the public sector relates to society and how public policies, public finance, public expenditure are able to update and tackle the issues with which society and economy confront them.

But “**change**” is not only about keeping the pace with technology. To me, it has even more to do with the problem of mastering the real, deep shifts behind the changes in technology. We should learn not to be dominated by digital technicalities, but to master them in order to give our contribution in outlying a sense of direction, a pattern in the evolution of the institutional framework. This has to do with the second keyword, “**strategy**”. In my opinion, a strategic approach to audit does not mean pursuing our own agendas, nor giving in to the temptation of nudging governmental action towards what we think is the best policy option between equally valid ones. A strategic approach means, for SAIs, being aware of complexity; complexity being, as we know, the most prominent feature of post-modernity. A specific contribution from our part, which could be brought to bear in the exercise of our advisory function, should stem from our impartiality and authoritativeness. In this sense, SAIs can be the example of an institutional player which,

for its being neutral, does not abdicate to the ambition of achieving concrete results. This is where the problem of “**impact**” comes into play. In this fast-evolving context, we should be able to see our job of assessing and evaluating public policies not as an arid and self-concluding exercise but as a significant contribution to the common good. Times are particularly favorable, I think, for institutions that, due to their rich history, have acquired over time many diverse competences and powers. Even more so for those SAIs that, like the *Corte dei conti*, were born with a jurisdictional character. Jurisdiction is a pillar of legal post-modernity, as theorists explain. In exercising jurisdictional, authoritative powers, SAIs naturally open a fruitful and profound interlocution with society at large, which can and should be turned to the advantage of our capacity to make a difference as an institution. But even in contexts where jurisdiction is not present at all, or is simply not called into question, SAIs must learn to steer their action in a multi-layered system where “*government*” is no longer what it used to be. In this sense, I very much appreciate the emphasis on “*cross-cutting*,” “*whole-of-government*” approach, as embodied in the presentation given by our American colleague.

It is true – as I said before – that we should not interfere with setting the agenda of governmental action, but it is also true that measuring the results of such action has no longer to do only with aseptic budgetary considerations. We live an age where “**sustainability**” is increasingly – and with good reasons – coming to be seen as the one major problem behind every step public actors take in any direction. By scrutinizing national policies under the light of “**sustainability**” (first and foremost, through the lenses of UN Agenda 2030), SAIs can be instrumental in linking the national level with a global perspective.

The Agenda 2030 issues are sufficiently flexible to let many possible policies fit in; therefore, we must not worry about the fact that adopting this agenda might endanger our neutrality. On the contrary, we should look to the results of actions taken nationally towards sustainability, putting them in scale with the global theme, and learn how to encompass, in our audit, “**sustainability**” as a major recurring issue, as an undercurrent, if I may say it so.

Twelve years is at once an eternity and right around the corner.

For instance, as we can arise from today's speeches, talking in-deep about environment, climate change is "the priority" among the SDGs.

Climate change is not a cliff we fall off, but a slope we slide down.

There is no obvious stop sign or red line. So, it demands an enormous public and private undertaking of policy commitments, investments and innovation initiatives.

And consequently, a strong commitment from SAIs, which must grant the public policies' accountability, whether it is the Green New Deal, fundamental green tax reform or a combination of any of the comprehensive climate plans being proposed now.

Moreover, also the judicial function of SAIs and litigation trends outside the SAIs model could and should verify and ask for damages deriving from operational implication of climate change.

In Italy, the *Corte dei conti* can bring an action for any damages to the environment.

In the United States the litigation landscape is changing. Several responsibility cases have been pursued by a variety of states, municipalities and private plaintiffs, trying to characterize common business activities of the defendants as actionable "nuisances" that are causing climate change: oil and gas production, power generation, etc.

2030 is right around the corner. Concrete, realistic deadlines focus the mind jump-start action from the executives and immediately, by all of us.

Careful programming is the key to do this: in our annual audit plan at the *Corte dei conti*, this is what we have recently striven to do. It should be noted that our effort seems to be matched with a wide awareness within Italian policymakers, which translates into symbolic, but nonetheless worthy of note gestures: for instance, recently it has been announced by the government that the Interministerial Committee for Economic Programming will become the Interministerial Committee for Sustainable Development. This should not be taken only as a marketing operation; it signals an institutional movement. From their unique point of view, SAIs should engage in understanding and accompanying this movement and tendency.

All these objectives, goals, trajectories cannot be taken or attained without the passionate work of excellent auditors. A recurring theme in our session has been the need for a big investment in training, especially for the benefit of our younger colleagues. It is

very true, indeed, that as institutions we must commit in providing our auditors with a cutting-edge professional toolkit. But let me tell, as a final remark, that training is not sufficient: we should also succeed in passing down to our new generations of auditors the values of a tradition – that of external control – which will continue to be vital, even through the strong gales of a landmark transition.

Moscow, September 26, 2019