Structure and Organization of the Ministry of Economy and Finance State General Accounting Department

Rome, May 12th 2009
The last years have been characterized by the major novelties in the normative context, which involved relevant changes in the organizational structure of the Ministry of Economy and Finance.

The most important novelties have been included in the following provisions:

- The law numbered 246/2002 on urgent measures for the control, transparency and containment of the public expenses
- The legislative decree numbered 173/2003 on the reorganization of the Ministry of Economy and Finance and fiscal agencies
- The 2007 financial law on rationalization of the Ministry of Economy and Finance and its territorial structure
- The Decree of the President of the Republic numbered 43/2008 launching the process of the reorganization of the Ministry of Economy and Finance
**MINISTER**
- POLITICAL ADVISOR
- HEAD OF CABINET
- HEAD OF SECRETARIAT
- SPOKESPERSON OF THE PRESS OFFICE
- DIPLOMATIC ADVISOR
- MINISTER’S ADVISOR
- AIDE-DE-CAMP
- S.E.C.IN.

**THE NEW ORDER DEFINED BY D.P.R. 43 DATED 30/01/2008**

**Structure of the Ministry of Economy and Finance**

**Articulation and competences of the four Departments**

**State General Accounting Department**

- DEPARTMENT OF TREASURY
- STATE GENERAL ACCOUNTING DEPARTMENT
- DEPARTMENT OF FINANCE
- DEPARTMENT OF GENERAL ADMINISTRATION OF PERSONNEL AND SERVICES

**Additional Departments**
- AUTONOMOUS ADMINISTRATION OF THE STATE MONOPOLIES
- HIGH SCHOOL OF ECONOMY AND FINANCE
- CONSULTIVE SERVICES AND TRIBUTARY INSPECTIONS
- TECHNICAL COMMISSION FOR THE PUBLIC FINANCE
Structure and Organization of the Ministry of Economy and Finance State General Accounting Department

The Department of Treasury

The offices with general managerial level

- Direction I – economic-financial analysis;
- Direction II – public debt;
- Direction III – international financial relations;
- Direction IV – banking and financial systems-legal affairs;
- Direction V – prevention on utilization of the financial systems for illegal aims;
- Direction VI – financial and contentious communitarian operations;
- Direction VII – finance and privatizations;
- Direction VIII – valorization of the State actives and assets.
The Department of Treasury: roles and duties

Besides:

- Fulfillment of the matters on currency and correction of the contradictions in recycling and usury phenomena; prevention of the frauds related to the means of payment, different from the money and prevention of the utilization of financial system, in the scope of terrorism financing and recycling;

- Financial interventions in favor of public entities and productive activities;

- Financial management of the shareholdings of the State; assertion of the rights of the shareholders; cession and investment of the shareholdings of the State, on financial market;

- Valorization of the assets and properties of the State.
The Department of Finance

Structure and Organization of the Ministry of Economy and Finance

State General Accounting Department

Direction of the economic-fiscal studies and researches

Direction of the tributary legislations

Direction of the taxation agencies and entities

Direction of the international relations

Direction of the fiscal federalism

Direction of the institutional communication on taxation

Direction of the informative system on taxation

Direction of the tributary justice
The Department has competence in the political fiscal sectors:

- Norms in tributary matters and coordination of the activities of fiscal agencies; monitoring of the fiscal entries and analyses of the statistical data for the definition and valuation of the tributary policies; simplification of the fiscal fulfillments and relative declaration methods;

- Programming objectives of the Agencies; general coordination of the system and verification of the results; predisposition of the annual convections with the Agencies;

- Participation of Italy in the development of European integration and international cooperation processes, in tributary and fiscal matters;
Also:

- Relations with the autonomous regional and local systems for the development of fiscal federalism;
- Communication activities on fiscal system and tributary norms;
- Coordination of the information system on fiscality;
- Monitoring of jurisprudence in tributary and fiscal matters;
- Management and functioning of the services related to the tributary equity.
The Department of General Administration of Personnel and Services

The Department is composed of following offices with general managerial level:

- Central direction for the logistics and provisions
- Central direction of informative systems and innovation
- Central direction for the policies on personnel
- Central direction for the personnel services
- Central direction for the Treasury services
Roles and duties of the Department of General Administration of Personnel and Services

Department of General Administration of Personnel and Services deals with the following supportive activities for the Ministry:

- General administration of the commune expenses, logistic services and general services of the Ministry;
- Management of the information systems and edition of the reports with Consip;
- Management of the programmes of purchase rationalization, through Consip;
- General directions for the management of personnel;
- Union reports at ministerial level;
- Treasury services, including the payment of retributions to the personnel of State administrations;
- Management of commune infrastructures;
- Management of contentious and legal affairs.
Roles and Duties of the State General Accounting Department

State General Accounting department supports the Parliament and the Government in the budget and public finance monitoring policies. Its mission is:

**TO ENSURE THE CORRECT PROGRAMMING AND RIGOROUS MANAGEMENT OF THE PUBLIC RESOURCES**

The State General Accounting Department deals with the following activities:

- Support to the Parliament and to the Government in legislative processes and in the application of the budget laws
- Vigilance on the coherence of public finance with the objectives of the stability and internal growth pacts
- Monitoring, analyses and certification of the public accounts
- Development of the professional excellence in coherence with the constitutional principles on impartiality and State services
- Support to the public administration through the efficient network of the territorial headmasters
State General Accounting Department had always carried out a central role in the field of State public finance management.

In the realization of its own institutional mission, it interacts daily with the other central and territorial administrations and with public entities and organisms which compose the entire administrative system of the State.

This ensures the excellence levels in all central activities and support levels of its organization.
Structure and Organization of the Ministry of Economy and Finance State General Accounting Department

Principal areas

- Structure of the Ministry of Economy and Finance
- Articulation and competences of the four Departments
- Decentralized Finance Entities
- Financial Relations with European Union
- Budget, Financial and Economic Accounting
- Vigilance and Control of Public Finance
- Social Expenses
- Public Works
BUDGET, FINANCIAL AND ECONOMIC CONTABILITY

Structure and Organization of the Ministry of Economy and Finance

State General Accounting Department

- Realization of the Economic Accounting and Monitoring of the Costs and the Administrative Activities
- Analyses, Monitoring and Financial Prevention on State Accounts
- Redaction of Quarterly Cash Reports and Documents such as Previsional and Programmatic Reports, General Reports on Economic Situation and the Document of Economic and Financial Programming (D.P.E.F.)
- Prelegislative Activities, Verification of the Technical Reports and Checking Financial Coverings of the Provisions
- Drafting the Annual Previsional Budget and Multiannual Previsional Entries and Expenses of the State Budget

Structure of the Ministry of Economy and Finance

Articulation and competences of the four Departments
The State General Accounting Department is the body responsible for the definition of the principles, rules and methodologies of the economic accounting – analytic and patrimonial – and responsible for the internal control of the management of Public Administrations.

The basic elements of the analytical economic accounting for the cost centers are:

- Chart of accounts
- Chart of cost centers
- Chart of supplied services

The State General Accounting Department elaborate and consolidate the economic data and produce documents for the political and control organs.

The Minister of Economy and Finance makes use of such kinds of analytical surveys in order to evaluate the costs of institutional functions and services of the various Administrations.
Regarding financial relations with European Union, the State General Accounting Department:

- is privileged interlocutor of the community institutions in the financial and budgetary aspects;
- conducts relations with public administrations, for the functions of financial intermediation, monitoring and control of EU interventions;
- performs a constant monitoring function on the impacts of EU policies on public finance;
- invests in reengineering, standardization and automation of the internal processes and in development of human resources.

With which instruments?

- Automated system of financial management, with digital signature utilization
- Centralized monitoring system on implementation of socio-structural policies
- Statistical-econometric models for the formulation of financial previsions
- data-mart surveys for the exploitation developed through managerial information
- Communication instruments: Internet site dedicated to the “State General Accounting Department and Europe”
Evaluation, prevision, monitoring and control of the social expenses (pensions, aids, sanity, social security, occupation incentives)

THE ACTIVITIES

- pre-legislative
- monitoring of social expenses;
- prevision of social expense trends;
- coordination of the tables on verification of the regional activities with the aim of financing sanitary expenses, according to the previsions in state-region agreements;
- vigilance on the resolutions of social security institutions, which are privatized in terms of contributions and benefits.
In the context of control activities on trends in public employment sector, State General Accounting Department has the role of analyses, verification and monitoring of costs of public administration personnel.

- pre-legislative of the sector
- directions to the public administrations in retributive matters
- verification of the national collective and integrative bargaining of public divisions
- monitoring of work costs and analyses of employment dynamics, turn-over, territorial distribution and other relevant phenomena
Monitoring of cash flows of decentralized public administrations

gathering and elaborating financial information coming from decentralized expenditure entities and analyses of their effects on public sector requirements and on public administration borrowings. Internal stability pact.

Administrative and fiscal federalism

Definition of the amounts of human and financial resources to be attributed to the regions with ordinary statute. Involvement in the realization of the fiscal federalism. Participation in the realization of new title V of the Constitution.

State Treasury

Upon the payment, admission of information mandates as well as treasury operations in collaboration with Bank of Italy and Italian Post Offices. Application and keeping of the norms on Unique Treasury.
VIGILANCE AND CONTROL OF THE PUBLIC FINANCE

Inspection controls on the administrative and accounting management of the public administrations, public entities and organisms (SIFIP)

The Public Finance inspectors operate on the basis of an annual program which includes both punctual verifications and objective verifications, based on a set of inspections coordinated on significant specimen of the offices or entities. This consents direct interventions for the state administrations and entities under surveillance, as well as announcements to the competent regional public prosecutors of the Court of accounts, in the case of damages to the Treasury.

Accounting vigilance and revision of the public entities and organisms

The vigilance activities on the public entities and organisms are jointly exercised in each single Ministry competent in the sector, through approval of the preventive and final budgets; these are exercised and integrated through examination of the records transmitted by syndicate colleges and revisions of the ones which operate a component in representation of the Ministry of Economy and Finance.
The functional field of accounting controls is organized based on a system comprising the Central Budget Offices for each competent Ministry.
Which are their duties

- ... administrative accounting regularities on provisions of expenses related to the personnel
- ... administrative accounting regularities on the statements of expenses of the delegated officials
- ... and recording of the administrative accounting regularities on the bonds of expenses issued by the periphery offices
- ... on work costs
- ... on management regularities in periphery level
- ... on management of the revenue entries
- ... on the functions of scholastic auditors
- ... on the management of the state properties and domains
Repartition of the personnel based on qualifications, on 31/12/2008

- DIR. 1^ BAND: 37 (1%)
- DIR. 2^ BAND: 376 (7%)
- AREA III: 1868 (36%)
- AREA II: 2574 (50%)
- AREA I: 245 (5%)
- OUT OF ROLE: 47 (1%)
- TOT: 5147 (100%)

Repartition of the personnel of State General Accounting Department based on Inspectorates, Central Budget Offices (UCB) and State Territorial Accounting Departments (RTS)

- INSPECTORATES: 1393 (27%)
- CENTRAL BUDGET OFFICES (UCB): 1074 (21%)
- STATE TERRITORIAL ACCOUNTING DEPARTMENTS (RTS): 2680 (52%)
- TOT: 5147 (100%)
During last years, the State General Accounting Department has been facing with a growing challenge deriving from the evolution of the State administrative machinery.

Such kind of challenges gain substance in diverse directorates.

The process of **administrative decentralization** has been modifying the system in the fields of public finance programming, management and monitoring.

Recent short-term effects of the economy, associated with a growing necessity of **reduction in public expenses**, had induced into the revision of public finance programming and monitoring mechanisms.

**THE STATE GENERAL ACCOUNTING DEPARTMENT HAS BEEN ENGAGED IN A CYCLE OF CHANGES RESULTED IN INNOVATION OF THE WHOLE ORGANIZATION AND THE PROCESSES**
THE CYCLE IS BASED ON THE FOLLOWING PRINCIPAL INCENTIVES:

- Reinforcement of control and guarantee functions to the advantage of all public Institutions.
- Definition of the programmatic lines and strategic objectives.
- Individuation of the priority interventions.
- Mapping, analyses and reengineering of the internal processes in State Territorial Accounting Departments. They operate in synergy with external interlocutors.
- Valorization of the human resources with particular attention on:
  - Formation
  - Communication
- Definition of an IT strategy as qualifying factor of the change.
  - Development of the informatics instruments to support the processes.
  - Integration of the existing systems with new technologies.
Innovative initiative in the State General Accounting Department

THE PROCESS OF CHANGES HAS BEEN FOLLOWED IN EACH VALUE CHAIN AREAS:

- Support to the normative activities in economic, financial and accounting matters
- Monitoring of public finance
- Vigilance and control of the public resource management
- Predisposition and management of the budget

Structure of the Ministry of Economy and Finance

Articulation and competences of the four Departments

State General Accounting Department
WORKFLOW MANAGEMENT SYSTEM OF PRE-LEGISLATIVE ACTIVITIES

The system supports the opinion emission process in the field of pre-legislative activities of the State General accounting Department

It consents to:
- Speed up and accelerate the opinion emission
- Have a complete mapping including the cycle of each single act
- Provide reports and statistics to support decisions;
- Electronically manage the necessary documents, reducing the time and the cost.

STANDARD TECHNICAL REPORT

A draft standard technical report is to be prepared by the competent administrations, including financial consequences, with the aim of showing the major clarity on the quantification of the entries and burdens of the legislative norms and on the individuation of the relevant coverings. This report has been defined and shared with the Presidency of the Council of Ministers.
The project aims:

- To support the activities of the auditors on State General Accounting Department’s accounts, which operate on scholastic field, through the standardization and information of the accounting revision process;
- To provide decisional instruments in the State General Accounting Department summits for the analyses of particular phenomena in the field of public expense data.
The system of support on control and monitoring activities in Public Finance

Has the objective of ensuring unambiguous vision and certificate of data, meeting synthesis requirements in necessary times and guaranteeing reliability of the information at the same time. The project foresees the implementation of trend reporting and analysis mechanisms, through “the instrument panel of the Public Finance”.

Information System of Management Accounting

It is an information system which grants the administrations to manage the proper financial accounting, ensuring a timely knowledge on the accounting situation of the proper expense units.

Information System on the Operations of Public Entities

It is a system of data communication (telematics) survey on cash collections and payments effectuated by the treasurers (or cashiers) of the public administrations in order to ensure the correspondence of the public accounts to the conditions foreseen in communitarian legislations. In prospect, the survey should also take into consideration the economic competence data.
The cognitive system of the public administration civil servants is used by the State General Accounting Department, in order to relieve the statistical data on public employment, with the aim of computerizing the data and rendering the data acquisition, management and fruition processes more organic, homogenous and flexible.

The Information Entry System collects entries referred to the State debtors and serves to relieve and manage the revenue entries on which the State has the right to receive, in virtue of laws, decrees, regulations or other titles. The State General Accounting Department deals with relieving and managing the entries with the aim of controlling the accounting agents and direct debtors of the State.

The State General Accounting Department elaborates and consolidates the economic data, transmitted through telematics of single administrations. It also produces cognitive documents intended to political and control bodies. The Minister makes use of such kind of analytical surveys in order to valuate the costs of the institutional functions and services.
Collects the data on personnel of the Ministry of Economy and Finance and manages the principal administrative processes in the human resources area.

Provides information on the organization, human resources and instrumental resources, supported by the strategic and operative decisions.

Management and application of the acquisition process of the goods and services.

Information system which will grant to the state administrations to put into effect the annual forecasts on goods and services requirements.
Performance Measurement

Surveys related to the indicators on the results of State Territorial Accounting Departments, supported by the managerial decisions.

The System of Director Valuation is an application which manages the process of valuation of directors.

The higher directions. It is integrated with the rest of the measurement system. It mostly makes use of Datamart.
The Decision Support System

The support system for the definition and monitoring of the politics on personnel and organization

- **Top Manager: Performance Indicators**
  Instrument panel in order to provide to the management the possibility of having all available business performances and drawing key objectives

- **Manager: Analyses of the Phenomena**
  Potent and interactive instruments in order to grade the analysts recovering and rapidly understanding the sense of the information

- **Structure users: Reporting**
  Highly qualified Reporting system with a large scale distribution
Structure and Organization of the Ministry of Economy and Finance State General Accounting Department

Rome, May 12th 2009