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Pope to set up 'study group' to look into Vatican audits, cardinal says

Carol Glatz Catholic News Service | Jul. 8, 2013
Vatican City

Pope Francis will be forming a new committee to investigate the findings and concerns expressed in an external audit of the internal budgets of Vatican offices.

The pope told the Council of Cardinals for the Study of the Organizational and Economic Problems of the Holy See that he was thinking of forming "a study group" that would look at issues such as transparency and accountability, South African Cardinal Wilfred Napier of Durban told Catholic News Service.

Basically, the group would look into how the Vatican could better manage "what, why and how" monetary resources are being used by the different Vatican offices and entities, he told CNS July 4.

The cardinal is part of the 15-member council that meets twice a year to review budget forecasts and final budget reports for the preceding year. At the end of their July 2-3 meeting, they met with Pope Francis who told them "that certain things needed to be put right," Napier said.

An external group of "high-level, international auditors" are called in from time to time, he said, to take an independent look at the Vatican's budgets.

"The report this time said quite a few things need attention," the cardinal said.

"It's quite clear Pope Francis was listening very carefully" during the pre-conclave meetings in March during which the world's cardinal made strong recommendations for greater reforms. The pope "is going to make sure that something will happen," the cardinal said.

The recent arrest by Italian authorities of a former Vatican employee on charges of fraud and corruption, he said, just "adds grist to the mill" that should prompt Vatican officials "to keep digging" to root out and prevent any financial improprieties.

"The main problem we're facing is credibility," and all it takes is "one bad apple in the basket" to make the whole organization look suspect, he said.

Because the cardinals' council won't meet again for another six months, Napier said it's possible the pope will cobble together a kind of "interim group" to get started so that in January when the council meets again, "there would be a clearer picture" about the make-up and mandate of a more permanent group.

Napier said the biggest problem is the lack of a "unified finance controller and policy" in the Vatican. Some offices work together and some are independent when it comes to budgeting and oversight. The patchwork approach, he said, means "no one knows what's going on" in the big picture.

He said that coming from an Anglo-Saxon culture means he is used to a budgeting approach that involves the allocation of a set amount of resources along with a review of how the resources were used and why.

What Napier described as the "Roman" method of accounting seemed to involve simply calculating annual profits and losses, and comparing those figures to past years, he said.

"For us it's a bit strange. It doesn't seem normal," he said, but until now no one at the Vatican seemed to understand why he and other cardinals found that odd.

The cardinal's comments came the same day the council of cardinals charged with reviewing Vatican finances released its annual summary of two separate final budget reports for 2012.

The Holy See reported a slight budget surplus of 2.1 million euros ($2.7 million) after a deficit of 14.9 million euros ($18.4 million at the time) at the end of 2011.

Vatican City State, which includes the income-generating Vatican Museums and Vatican post office, ended 2012 -- like most years -- with a substantial profit, this year totaling 23 million euro ($29.5 million) up from last year's profit of 21.8 million euros ($27 million at the time).

The summary said the profit seen in the Holy See's consolidated budget figure, which includes the offices of the Roman Curia and its communications outlets, was "due mainly to good performance in financial management."

The surplus also came despite the Vatican having to pay 5 million euro ($6.42 million) in "new property taxes" to Italy, the financial summary said.

Then-Italian Prime Minister Mario Monti announced last year that the Vatican would be taxed on commercial church-owned businesses, such as guest houses, which had been exempt from property taxes since 2005. Properties used for purely religious, nonprofit purposes were to remain tax-exempt.

Revenues in 2012 included 50 million euros ($64.2 million) from the Vatican bank, which donates profits from its investments to the pope to support works of charity and mission around the world.

Unlike in past years, the report released to the press did not disclose total revenues and expenditures for the Holy See and for Vatican City State, nor did it report the total amount of donations received from the world's dioceses.

However, it did specify that religious orders contributed $1.13 million, down from $1.19 million in 2011.

Contributions from the faithful to the Peter's Pence collection, which is used by the pope for charity and emergency assistance, were down by 11.9 percent, bringing in $65.9 million in 2012 versus $69.7 million in 2011.

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