

Press for Vatican reform extends to PR, accounting

John L. Allen Jr. | Dec. 19, 2013 NCR Today
Rome

The press for Vatican reform in the Francis era continued to gather force Thursday as the Vatican announced it has awarded contracts to two major international consulting firms to ponder a reorganization of its communications operations as well as to bring its accounting procedures in line with international standards.

Among other things, the moves confirm that the Vatican's traditional reluctance to compromise its independence by allowing outsiders to examine its internal workings has given way under Francis to a new desire to tap secular expertise.

In both cases, the consultants have been selected by a papal commission to study the Vatican's economic and administrative structures set up by Francis in July. That body is composed of eight members, all but one of whom are laity, and is led by Maltese economist and businessman Joseph F.X. Zahra.

The Vatican said the contracts were awarded after what it described as a "competitive bidding process," but it did not specify how much is being paid for the firms' services.

The statement said U.S.-based global consulting firm McKinsey & Company has been hired to outline an "integration" of the Vatican's various communications outlets, with the idea being to make the operation "more functional, efficient and modern."

The fractured nature of Vatican communications has long been a source of consternation, with responsibility for public relations spread in various ways among the Holy See Press Office; the Vatican newspaper, *L'Osservatore Romano*; Vatican Radio; the Vatican Television Center; the Pontifical Council for Social Communications; and even the Vatican publishing house (in Italian, the *Libreria Editrice Vaticana*).

In June 2012, the Vatican also created a new position of senior communications adviser within the Secretariat of State, tapping veteran American journalist Greg Burke for the role.

Generally speaking, each of these departments operates on its own, which many observers believe contributes not only to unnecessary duplication of resources but also to occasionally mixed messages.

Presumably, part of the McKinsey review will focus on potential cost savings, in particular with regard to both the newspaper and the radio service. Vatican Radio each year represents one of the largest line items in the Vatican's annual budget, with expenditures that generally range around \$30 million.

The statement said McKinsey's study will be carried out in "strict collaboration" with the various communications departments.

In the same statement, the Vatican said it's also tapped international auditing firm KPMG to study the accounting procedures of all entities within the Holy See to ensure they're brought into line with international

standards.

At the moment, both the Institute for the Works of Religion, usually called the Vatican bank, and the Administration of the Patrimony of the Apostolic See (APSA), which handles the Vatican's property and investments, are engaged in internal reviews of client information. Those reviews have also been entrusted to an outside consultant, Promontory Financial Group.

Both of those departments will also likely be subjected to an on-site inspection by the Financial Information Authority, the new financial watchdog unit created under Benedict XVI and headed by Swiss anti-money-laundering expert René Bruehlhart.

In an *NCR* interview Wednesday, Bruehlhart said an inspection of the bank will happen in "early 2014" and that a final decision hasn't been made with regard to APSA, but some sort of review is "probable."

Presumably, one function of the KPMG review will be to ensure that the same standards are applied to other departments of the Vatican, especially those that handle significant amounts of money.

Both McKinsey and KPMG have a history with the Vatican.

McKinsey was hired several years ago to make management recommendations to the government of the Vatican City State, which is responsible for overseeing the 108-acre physical space of the Vatican and also for the Vatican's museums and post office.

When the government of the City State came under fire for alleged waste and shady practices amid the Vatican leaks scandal in 2011, officials cited its implementation of McKinsey's recommendations as proof of its commitment to reform. At the time, McKinsey declined an *NCR* request to comment on the nature of those recommendations, citing client confidentiality.

KPMG, meanwhile, recently certified the first audited annual report released to the public by the Vatican bank.

[Follow John Allen on Twitter: [@JohnLAllenJr](https://twitter.com/JohnLAllenJr) [1].]

Source URL (retrieved on 07/26/2017 - 15:41): <https://www.ncronline.org/blogs/ncr-today/press-vatican-reform-extends-pr-accounting>

Links:

[1] <http://www.twitter.com/johnlallenjr>