

Published on *National Catholic Reporter* (<https://www.ncronline.org>)

February 24, 2014 at 1:10pm

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## Cardinal Pell is new Vatican financial watchdog

by Thomas Reese

NCR Today

Pope Francis continues to move ahead with his reform of the Curia by appointing Cardinal George Pell of Sydney as a financial watchdog in the Vatican. His title will be cardinal prefect of the Secretariat for the Economy, a new office that will "undertake the economic audit and supervision" of offices of the Roman Curia, the Vatican City State and institutions connected to the Holy See. The secretariat will also establish "policies and procedures regarding procurement and the allocation of human resources" for the Curia and Vatican City State.

What is not specifically mentioned in *Fidelis et dispensator prudens*, the *motu proprio* establishing this new office, is the Institute for the Works of Religion, commonly known as the Vatican bank, although it may be included among "institutions connected to the Holy See."

Pell will report directly to the pope rather than to the secretary of state, through whom almost everything goes to the pope.

Pope Francis is not the first pope to try to clean up Vatican finances. In 1967, the Prefecture for the Economic Affairs of the Holy See was established. According to *Pastor Bonus*, it is in charge "of supervising and governing the temporal goods of the administrations that are dependent on the Holy See." It is responsible for publishing annual financial statements for the Holy See and Vatican City and for producing budget estimates and "inspecting books and documents, if need be." It had no authority over the Vatican bank.

Sounds a lot like the new office, doesn't it?

The prefecture had little impact until Pope John Paul II appointed Cardinal Edmund Szoka of Detroit as its head in 1990. Szoka imposed the first unified chart of accounts for the Vatican and published detailed

financial statements. He computerized the books so that the statements came out within a year rather than five years late.

Szoka had to fight hard for every victory. He was hated by many people in the Curia because he was changing the way things had always been done.

John Paul not only brought in Szoka; he also put other non-Italians as heads of every important financial office, including Vatican City, APSA (the Vatican finance office), and the Vatican bank. This did not last. By the end of his papacy, the Italians were again in control of all these entities.

Once Szoka left in 1997, things quickly deteriorated. Subsequent prefects were Italians who were less competent and less aggressive than Szoka. They preferred to get along rather than upset other Vatican officials by pushing reform. Most only wanted the job because it came with a red hat.

Will the new reforms work? Will Pell be able to clean up Vatican finances?

There are some positive signs.

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First, the new prefect will have great authority in Rome because he reports directly to the pope. In the papal court, this matters. He will have greater access to the pope and therefore greater authority than the heads of the Vatican City State and APSA, whom he will supervise. Szoka never had this type of access and authority.

Second, Pell, like Szoka, is no shrinking violet. He is a tough cookie who is not afraid to throw his weight around. He will be a formidable opponent to anyone who tries to oppose him. As a member of the eight-member Council of Cardinals, he is well placed to influence future reforms.

Third, the authority of the new secretariat is more extensive than that of the Prefecture for Economic Affairs. No longer is there talk of "inspecting the books, if need be." The new secretariat "will undertake economic audit and supervision" of Vatican offices. Audits are now mandated. The new secretariat also has the authority to establish "policies and procedures regarding procurement and the allocation of human resources," which was never under the purview of the prefecture. This authority would have been held by APSA.

Finally, the new secretariat is totally independent of the Secretariat of State. This means that the new office does not have to explain financial accounting to a bunch of diplomats and convince them before getting approval for doing anything. In addition, the new secretariat will have the authority to impose financial rules on the Secretariat of State and audit its books. No one would have dared do that in the past.

But questions still remain. What kind of staff and budget will Pell have? The new secretariat cannot be run by priests and nuns with no accounting training. Experienced lay accountants do not come cheap.

Second, what will be the role of the Prefecture for Economic Affairs in the new arrangement? Logically, it should be dissolved and its functions should be given to the new secretariat.

Third, will Pell come to Rome? The Vatican press office says he will remain in Sydney, at least for the time being. Sorry, that won't work. He has to be on site to support his staff and wage turf wars with other Vatican officials. If someone turns away one of his auditors, he has to go down to their office, grab them

by the throat and tell them that he will be reporting their opposition to the pope if they don't get with the program. [Update: CNS is reporting that the archdiocese of Sydney says Pell will move to Rome by the end of March.]

And finally, why did this job not go to a layperson? Do we really need cardinals to handle finances in the Vatican? The answer is that Rome is still a papal court where princes of the church still matter, despite all Francis' protestations.

With this new structure, Pope Francis has shown that he is willing to go beyond stylistic changes to significant structural change. There are no guarantees, but these changes have potential.

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