



# 3. OPERATIONAL INSTRUMENTS

The Trustees Committee  
The Audit Commission  
The Donors Committee  
The temporary Mission Structure  
Administrative and accounting standards  
The reporting audit Working Party

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As the documents were being prepared for the signing of the memoranda of understanding with the donors, the Department faced the problem of getting organised to draw up the programme of activities made possible by the resources made available, and to make the scheduled aid efforts operational. There were three immediate objectives:



to set up a programme that matched the needs expressed by the local people to help the victims of the tsunami get back to normal life as quickly as possible; to organise the mission in such a way that responses were quick and did not lose time in implementation; to ensure at all times a public accounting of what was being done, what was spent, and the results achieved.

The Department believed it had been chosen to manage the funds made available by the generosity of the Italian people because it was worthy of their trust, and it took steps to ensure they were not disappointed. In order to ensure maximum transparency for all and propriety in using the financial resources entrusted to the Department, an ordinance by the Office of the Prime Minister dated 8 January 2005, number 3392, set up two audit bodies, the Trustees Committee and the Audit Commission.



### 3.1 THE TRUSTEES COMMITTEE

Appointed on January 8, 2005, by a decree of the Office of the Prime Minister, the Trustees Committee consisted of Hon. Emma Bonino, Sen. Giulio Andreotti, Hon. Giuliano Amato, Hon. Giorgio Napolitano and Prof. Andrea Monorchio. This body took on the function not only of overseeing the Department's activities but also of actually participating in its

decisions and choices. Once the reconstruction projects were under way, the Committee actually handled relations with the Foreign Ministry, the NGOs, the media and the Donors Committee. Between January 10 and 31, the Trustees Committee met three times to examine and evaluate the first version of the General Programme and the projects it contained, which specified the destination and objective of each project. The first prospectus with a list of planned projects was published on February 3, 2005. The Committee met another nine times before completion of the works in Sri Lanka, to discuss and approve changes to the General Programme of intervention and, on November 9, 2007, to approve the final summary.

In June and December 2005, the members of the Trustees Committee took part in two missions arranged by the Department to Sri Lanka to visit the work sites in person, to speak with the NGOs involved in loco and with representatives of the Sri Lankan government and the local authorities in places where Italian projects were under way, to learn firsthand of the achievements and the problems.

After the April elections and appointment of the Head of State and representatives of the new government, in May 2006 three of the five members of the original committee – Hon. Giorgio Napolitano, Hon. Giuliano Amato and Hon. Emma Bonino – were called on to fill other institutional offices that did not allow them to continue participating in the work of the Committee. The new government acknowledged the worthiness and effectiveness of this body and decided to restore its membership by appointing three people who would keep its profile high. Sen. Giulio Andreotti and Prof. Andrea Monorchio were then joined by three new



trustees. Fernanda Contri, Dr. Gianni Letta and Ambassador Ferdinando Salleo, appointed on July 26, 2006, by decree of the Prime Minister.

### 3.2 THE AUDIT COMMISSION

Appointed on January 10 by decree of the head of the Department, the Audit Commission was composed of Angelo Canale, Deputy Attorney General for the Court of Auditors, Antonio De Santis and Carlo Tixon, officials of the Ministry of Economics and Finance. The Commission was assigned to fulfil an administrative audit function, both legal and accounting. All administrative acts, spending decisions, methods for managing tenders, contracts, correct correspondence between activities and the financial flows supporting them were subjected to precise inspection right from the start. Commissioner Canale, who chaired the Commission from the start, gives an innovative interpretation of his task: it was not a matter of intervening *ex post facto* to identify and censure errors and

mistaken choices but rather to give the Department the utmost cooperation before the fact, to bring to light mistakes, inadequate interpretations and choices not completely defensible in terms of administrative correctness. In this spirit, the chairman proved his willingness to act in person, going to Sri Lanka to investigate, to interact directly with those working there and to follow firsthand the progress of the activities. After every check, the Commission prepared a report: in under three years, the Department's Web site produced and published ten reports, evidence of the care and seriousness with which the Commission interpreted the role assigned it.



### 3.3 THE DONORS COMMITTEE

In addition to formally establishing the two bodies we have described, the Department kept the commitment it made to the donors when the memoranda of understanding were signed on January 19 by setting up an informal group, called the Donors Committee, which met on the same days as the Trustees Committee so they could be immediately informed of the decisions taken by the latter and in general on the Programme's progress. The Donors Committee saw the active participation of some of the signers of the memoranda of understanding, especially the telephone industry representatives and those of the "Un aiuto subito" Committee, who were always present at meetings, and cooperated with the Department, also participating in missions and on-site inspections to Sri Lanka. The telephony operators on the informal committee accepted the DPC's proposal to extend an invitation to participate in the Sri Lanka missions to one of their customers, chosen by drawing from among those who sent contributions via SMS. When the June 2005 mission returned to Italy, the



testimonies of the five citizens who accompanied the official delegation were published on the Department's site and also presented in an insert in *Corriere della Sera* published six months after the tsunami.

#### 3.4 THE TEMPORARY MISSION STRUCTURE

Set up in Colombo just hours after the tsunami to coordinate the emergency efforts in Sri Lanka, the Temporary Mission Structure was immediately identified as the basic tool for carrying out reconstruction projects. The Department's personnel involved in handling the emergency phase were quickly involved in the initial investigative work for defining the Programme and identifying projects. These were hectic days: in Colombo, relations intensified with the

ministries and departments with direct responsibility for reconstruction; from the two points where the department was set up, Trincomalee and Unawatuna, reports and requests were gathered, and within a few days there was also a complete picture of the Italian NGOs present in Sri Lanka or in any case capable of submitting consistent project proposals.

The Colombo Mission was beefed up with technical and administrative skills adequate for managing a Programme that had to be carried out quickly while at the same time complying with the constraints imposed by presence in a foreign country, which meant complying with the regulations and decisions of the Sri Lankan and local governments. Thus began a back-and-forth between Rome and Colombo that was decisive in ensuring the success of the operation: in Colombo, the investigative work was done on every issue that had to be faced; relations with the local authorities and organisations assigned



part of the projects were managed constantly; infrastructure design work and the administrative procedures necessary to complete the planned works were carried out; meanwhile, the Department and its top executives remained responsible for making decisions based on the checks done in Sri Lanka and on the proposals received from those directly on the ground.

The very first version of the project Programme called for a series of projects to be carried out in cooperation with partners capable of operating professionally on the island, whereas others would be managed directly by the Department. The idea of having the DPC take on direct operations proved to be a winning one, because the designers, architects, engineers and administrative managers of the projects entrusted to the NGOs were able to interact with their colleagues present on the site within the Mission staff, right up until the works were concluded, creating a kind of cooperation and interaction that facilitated monitoring the proposals, solving problems, sharing strategies and solutions. The Mission supported the cre-

ation and implementation of each project, and provided oversight, audit and documentation through on-site checks and frequent consultations with all the interested parties. For two and one-half years there were daily efforts made to resolve technical and administrative problems, to identify alternative or variant solutions made necessary by the changing operational conditions, to undertake negotiations, mediate disputes, and constantly check the feasibility of the planned works. The Mission and its coordination with Rome made it possible to manage the Programme with great flexibility. It was only because of direct presence in the field that it was possible to modify or reformulate the projects so as not to waste time and precious resources; the entire Programme of scheduled projects was concluded by making the best use of the resources available.

The Mission was broken down into three distinct offices – secretarial and coordination, finance and administration, project monitoring – and made use of a core of experts in order to have adequate technical and professional support in all phases of the projects, from defining design elements to assessing bids, from supervising the work to participating in testing and acceptance activities. The man in charge of the Sri Lanka Mission and of coordination between Rome and Colombo was, from the start, Agostino Miozzo, Director of the Department's Office of Volunteers and Institutional and International Relations, with a long career in international cooperation behind him and great experience as head of mission in many Developing countries.

### 3.5 ADMINISTRATIVE AND ACCOUNTING STANDARDS

The objective of combining efficiency, rigour and administrative correctness in using the monies entrusted, and transparency towards the donors, was a commitment for the Department, not just in terms of operations but also of defining a system of precise rules and standards in setting up projects, in accounting for activities and spending, to be used by the Department and by its partners.

The first decision made involved resolving a legal problem: what public accounting standards should be used to manage resources coming from private donations, when operating in a foreign country?

Although many authoritative opinions maintained that there was no obligation to use the same procedures as for spending public monies in Italy – which include, for example, the manda-



tory nature of tender procedures in assigning works or purchasing supplies – it was decided to follow current legislation in our country for government offices “as if” the money were actually public and “as if” we were operating in Italy.

Second, it was a matter of choosing an administrative and accounting approach in relation to the NGOs and the other partners cooperating in Sri Lanka in carrying out the programme. The guiding hand for this operation was Vincenzo Spaziante, Deputy Head of the Department until the fall of 2006, who, backed by long experience with the General Accounts Office, was able to personally participate in defining this essential aspect of managing aid to the tsunami victims, in constant liaison with his partners and associated in the DPC. Italian NGOs operate in-

ternationally by following two separate sets of regulations: one established by the Foreign Affairs Ministry, which applies to efforts funded by Cooperazione Italiana, the other used when the European Union is funding the programmes. In their contacts with the Department, the NGOs reveal the limits, constraints, managerial problems and differences both in terms of speed of action and of transparency deriving from the choice of one or another of the two existing models. The results of this check, in which the Audit Commission and the bodies picked by the Department to ensure constant and precise monitoring of the Programme took part, led to the formulation of specific standards contained in the agreements signed by each NGO when the projects began, and after development of specific regulations for managing the projects called for by the General Programme, which took into account the actual conditions encountered in the field. This document, dated May 26, 2005, was entitled: “Management methods for projects carried out in Sri Lanka”. Based on the instructions contained in

it, all the difficulties arising in the early months of effort were overcome, enabling the implementing partners to work calmly in compliance with clear and shared rules, not needlessly burdensome but adequate for the Commission and the bodies assigned to monitor and audit to be able to ensure the absolute propriety of every expenditure made in carrying out the Programme.

### 3.6 THE REPORTING AUDIT WORKING PARTY

The choices made with regard to accounting and administration made it necessary to examine precisely and quickly a vast quantity of documentation produced by the NGOs, by the implementing partners and by the Mission in Colombo. To deal with this need, and to actively and directly involve all national bodies responsible for the Programme's administrative and accounting correctness, a decree by the Department head on January 20, 2006, produced the final operational tool associated with the Sri Lankan activities, the "Working party for auditing administrative and accounting reports", made up of nine people, officials with the Court of Accounts, the Office of the Prime Minister, and the Department. By decree, Angelo Borrelli, general director of the Department for administration and accounting was given responsibility for the working party, to be assisted by Davide Martina and the members of the party: Anna Maria Antonuccio, Alba Canale, Anna Maria Vigliarolo, Sergio Bonanni, Alessandro Ceccaroni, Nadia Tocci, Pericle Bellofatto, Mauro Rivelli, Emilia Aloise. With two meetings weekly from February 2006 through October 2007, this body took charge of analysing all documentation produced by the NGOs and by the other Department partners during implementation of the projects promoted and realized by them, comparing it in detail with the results of the on-site inspections and reports from the Mission. In many cases, the working party requested clarifications, more documentation and explanations in order to formulate exhaustive final reports, based on which the balances for the various projects were figured and the savings achieved were posted. It is thanks to the working party's patient efforts that all data necessary for preparing the final accounting for the Programme were made available in due time.