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Accountability of Judicial Offices: Use of Financial Resources and Reporting Practices

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ABSTRACT

Abstract. This study explores the external reporting practices of judicial offices regarding financial data, with the aim of improving understanding of the resources used and generated by the justice system. Specifically, we focus on the expense and revenue structure of Italian judicial offices by examining financial data contained in social reports voluntarily issued and made public by Tribunals and Courts of Appeal from 2010 to 2022. Our empirical analysis reveals a lack of regularity in the production and dissemination of financial data and provides detailed evidence on the main categories of expenses and revenues. Our findings suggest that consistent monitoring of financial data would prove valuable from an efficiency perspective and as a tool for assessing alternative resource allocation. This need seems particularly relevant in light of the initiatives undertaken with the support of the National Recovery and Resilience Plan to expedite judicial processes, including the extraordinary plan related to the *Ufficio per il Processo*.

Questo studio esplora le prassi di rendicontazione esterna degli uffici giudiziari con riferimento ai dati economico-finanziari, con l'obiettivo di migliorare la comprensione delle risorse impiegate e generate dal sistema giudiziario. In particolare, il lavoro si concentra sulla struttura delle spese e delle entrate degli uffici giudiziari italiani, analizzando i dati economico-finanziari contenuti nei bilanci sociali redatti e pubblicati su base volontaria da Tribunali e Corti d'Appello nel periodo 2010-2022. L'analisi empirica indica una scarsa regolarità nella produzione e nella diffusione di questi dati e fornisce evidenze dettagliate sulle principali categorie di spesa e di entrata. I risultati evidenziano l'importanza di sottoporre i dati economico-finanziari a un monitoraggio costante sia in una prospettiva di efficienza, sia per valutare possibili alternative in termini di allocazione delle risorse. Tale esigenza appare particolarmente rilevante alla luce delle iniziative promosse con il supporto del Piano Nazionale di Ripresa e Resilienza per accelerare i procedimenti giudiziari, tra le quali si colloca il piano straordinario relativo all'*Ufficio per il Processo*.

Keywords: financial reporting, accountability, justice system, social reports, expenses

1 – Introduction

This study explores the external reporting practices of judicial offices regarding the disclosure of financial data, with the aim

of improving understanding of the resources used and generated by the justice system. Using an accounting perspective, the study aims to contribute to the discourse on improving activities and processes within the justice system, a topic that has attracted considerable national and international interest over the years.

This issue is highly pertinent to the United Nations (UN) Sustainable Development Goal 16: Peace, Justice and Strong Institutions, which, among other things, advocates for the establishment of accountable and transparent institutions. Management studies are paying increasing attention to this objective and can contribute to the realisation of these goals by providing empirical evidence and proposals aimed at reconciling the need for efficiency with the effectiveness of the justice system (Sotis *et al.*, 2016; Tuzet, 2016). In this context, it is indeed crucial to interpret the notion of efficiency in a way that avoids absolutist approaches fixated solely on cost reduction, and instead takes into account the central demand for quality of justice and the related allocation of resources.

This study focuses on the public organisations operating in the Italian justice sector. These entities are a key determinant of the nation's competitiveness (Bianco & Giacomelli, 2004; European Commission, 2023; World Bank, 2020). However, they have long struggled with a state of chronic distress and have become the focus of heightened demands for collective accountability, particularly regarding the effectiveness, timeliness and cost of judicial action. To enhance transparency and accountability, judicial offices can choose to voluntarily implement non-financial reporting methods, such as social reports. These reports, which vary in structure and detail, serve to present the offices' activities and performance to stakeholders (Bonollo *et al.*, 2024). Social reports from judicial offices are a particularly valuable resource, not only for their content but also because they may voluntarily include financial data related to their activities. This information is not mandatorily prepared or disclosed by judicial offices, which lack financial autonomy. Nevertheless, it is crucial for efficiency analyses that assess both the operational results achieved and the financial resources utilised to achieve them, allowing for the evaluation of alternative resource allocations.

For this reason, our empirical analysis of expenses and revenues of judicial offices is based on hand-collected data from public social reports, which is the only (potential) source of financial data publicly disclosed by the offices. Specifically, we searched for social reports issued by all Italian Tribunals and Courts of Appeal (140 and 26, respectively). The analysis is based on all 28 publicly available social reports that disclose financial data issued by 25 Italian Tribunals and Courts of Appeal between 2010 and 2022.

Our exploratory study extends previous literature on reporting practices of judicial offices by focusing on financial data and considering a broad time horizon (2010-2022). Specifically, we examine the external reporting practices in this domain and provide a descriptive analysis of expenses and revenues to identify their primary categories. Our findings indicate that the classification of expenses and revenues is mostly consistent, with only minor discrepancies arising from varying levels of aggregation. However, the financial reports analysed often present incomplete data. The expense structure is divided into four main macro-categories: (i) personnel expenses; (ii) structural expenses; (iii) justice expenses; and (iv) expenses recorded as debit. Among these, personnel expenses are the most significant, followed by structural and justice expenses.

The analysis has relevant policy implications, as it provides evidence to promote a better understanding of resource consumption within the justice system. This aspect is particularly

important considering Italy's efforts within the framework of the National Recovery and Resilience Plan (PNRR), which aims to achieve specific targets for reducing case processing times and eliminating procedural backlogs, in line with the principle of a reasonable duration of trials. Monitoring the use of resources and assessing their alternative use is particularly valuable in scenarios involving organisational innovation, such as the extraordinary recruitment plan that supported the creation of the *Ufficio per il Processo* (UPP). The UPP is an organisational structure (provided for in Article 16-octies of Decree-Law No. 179/2012) active in the Tribunals and the Courts of Appeal, which was created to improve the justice service by supporting innovation processes in judicial offices. The tasks that UPP staff can perform include, by way of example, the following: study of files and preparation of summary sheets per proceedings, support to the judge in carrying out practical and material or easy tasks, support for drafts, organisation of files, in-depth study of case law and doctrine, and of the regulatory context, support for jurisprudential guidelines and the digitalisation processes of the office.

The findings contribute to enhancing our understanding of the overlooked realm of financial reporting within judicial bodies, to enhance comprehension of resource dynamics in the justice system. In our view, a consistent monitoring of resources would prove valuable from an efficiency perspective, which should not be solely focused on cost reduction, and as a valuable tool for assessing alternative resource allocations to enhance the quality of justice.

The remainder of this paper is structured as follows. The *next section* provides a review of the literature. The *third section* briefly outlines the research methodology, followed by the presentation of the findings in *section 4*. *Section 5* discusses the results, and the final section summarises the conclusions.

2 – Literature review

The justice system faces the challenge of balancing efficiency, accountability, judicial impartiality, and independence (Douglas & Hartley, 2003; Newbold, 2017; Spigelman, 2001; Volacu, 2018). While previous literature has predominantly focused on measuring the efficiency of judicial offices by analysing costs, particularly in the United States (Chabotar et al., 1987; Lewin et al., 1982), less attention has been devoted to effectiveness and outcomes (Kettinger, 2005; Kettinger et al., 2019; Maayan et al., 2012; Shany, 2012). A broad debate in the literature investigates the trade-off between the need for accountability to stakeholders within a consolidated relationship and the imperative of impartiality and independence in the exercise of justice (Contini & Mohr, 2007; Dubofsky, 2007; Kirby, 2003). From a managerial perspective, implementing reform pathways can help strike a balance by protecting rights and personal freedoms while ensuring fair and timely justice, alongside effective, efficient, and transparent judicial service management (Fabri & Langbroek, 2000; Graham & Hays, 2017; Mak, 2008). Scholars also emphasise the dual benefits of performance evaluation for judicial self-improvement and management-oriented cost analysis to enhance efficiency (Castellano, 2011; Chabotar et al., 1987; Colbran, 2003; Deninson & Standora, 2009; Lewin et al., 1982). Within this context, social reporting emerges as a tool for fostering soft or social accountability, thereby enhancing transparency and responsibility in judicial performance (Uyar, 2021; Voermans, 2007; Voigt, 2008). Notably, the literature suggests that accountability and independence are not in conflict but are instead mutually reinforcing (Magalhaes & Garoupa, 2020; Paynter & Kearney, 2010).

As to the Italian justice sector, management and accounting studies can be broadly grouped into three thematic areas: (i) the implementation of the New Public Management paradigm in judicial offices; (ii) the performance measurement and evaluation, including effectiveness and outcomes of the judicial activities; and (iii) the development of social reporting in the justice sector.

The specificities of judicial activity and the resistance to change have contributed to the slow adoption of management practices and tools in this area (Vecchi, 2013). Nevertheless, some scholars have focused on improving operational efficiency and introducing planning and control tools similar to the management reform process in other public organisations (Anselmi, 2003; Borgonovi, 2004). For example, Nissi *et al.* (2019) analysed the efficiency of the Italian judicial system, revealing territorial differences, with the judicial offices of northern Italy performing at the same level as other European countries in terms of operational efficiency. In terms of tools to support planning, Lepore *et al.* (2010) proposed the adoption of the Balanced Scorecard framework, which they experimented with at the Court of Bari. Almost a decade later, with significant territorial differences still present, Lepore *et al.* (2019) studied the relationship between the implementation of information systems and organisational culture, identifying flexibility and discretion as critical factors for the success of information systems in line with the New Public Management ideas (Hood, 1991, 1995; Pollitt *et al.*, 2011; Ursi, 2016).

While efficiency measurement has garnered some scholarly attention, performance evaluation, effectiveness (i.e. the quality of judicial performance) and outcomes remains a largely unexplored domain in academic research (Kettiger, 2005, 2019; Vecchi, 2013, 2018; Shany, 2012).

The challenge is to balance accountability with judicial impartiality and independence, which has resulted in the aforementioned resistance to change (Douglas & Hartley, 2003; Newbold, 2017; Spigelman, 2001). The trade-off between the need to be accountable to stakeholders within a consolidated relationship and the guarantee of impartiality and independence in the administration of justice has been widely debated nationally and internationally (Comite, 2013; Contini & Mohr, 2007; Dubofsky, 2007).

Scholars argue that accountability and independence are mutually reinforcing and emphasise improving transparency and non-financial disclosure (Bartolacci *et al.*, 2023; Magalhaes & Garoupa, 2020; Manes-Rossi *et al.*, 2020; Paynter & Kearney, 2010; Puntillo, 2017). Public sector organisations adopt various forms of non-financial reporting to enhance transparency and accountability. The most common types include social reporting and popular financial reporting. Social reporting is concerned with communicating an organisation's performance in environmental, social, and governance areas. These reports often attempt to connect social and environmental information with the organisation's financial data (Di Gerio & Fiorani, 2024; Civitillo *et al.*, 2022; Fusco *et al.*, 2022). In contrast, popular financial reporting aims to present financial information in a simplified and engaging format, enabling citizens to understand public budgets and the long-term financial health of the public organisations reporting (Biancone *et al.*, 2025).

However, research in this area is still limited, with most authors focusing on specific cases of excellence. Studies covering all Italian judicial offices are mostly outdated, with the exception of recent works by Civitillo *et al.* (2022), and Fusco *et al.* (2022). The former surveyed 430 Italian judicial offices and found that social reports focus mainly on judicial activities, with limited attention to social aspects and little or no emphasis on the economic and environmental

dimensions. The latter compared Italy and Poland by surveying all judicial offices in both countries, highlighting the influence of institutional and cultural backgrounds on social reporting.

The content analysis studies conducted by Ingrassia (2014) and Ricci (2014) looked at the social reports issued by Italian judicial offices between 2010 and 2012 as part of a specific ministerial project. Ingrassia (2014) examined 30 social reports in terms of organisational aspects and content (context analysis, stakeholder mapping, indicators and benchmarks), highlighting the need for improved stakeholder engagement and data comparability. Ricci (2014) considered the entire sample of judicial offices' social reports, examining their periodicity, reporting process, standards, identity, judicial activities, and economic and social performance. The author emphasised that, in addition to raising awareness of social reports as accountability tools, it is essential to ensure continuity in reporting and to adopt assurance processes to ensure reliability.

Other authors developed case studies highlighting the purpose, structure and content of one or more social reports. Researchers paid close attention to the social relationship, focusing on the type and volume of the activities carried out and the economic dimension, measured in terms of dispute resolution times and backlog reduction or explained with a list of expenses. Pavone (2022) analysed the quality of disclosure in the social report of the Naples Prosecutor's Office for 2018-2019 using GRI guidelines. The report proved to be instrumental in enhancing the legitimacy of the judicial office's activities. Nevertheless, some shortcomings, such as lacking a materiality definition and a clear stakeholder identification (Ricci & Pavone, 2020) could lead to self-referentiality (Ricci & Fusco, 2016). Other authors have pointed out how social reporting has helped to identify organisational issues, triggering re-engineering processes, administrative efficiency, and expenditure rationalisation (Comite, 2011, 2013).

The ability of the social report to be a starting point for organisational innovation also depends on the quality of information disclosure. In this respect, Comite (2011) raised the issue of data availability by presenting the cases of the Public Prosecutor's Office of Bolzano and the Court of Bari. Vecchi (2018) pointed out that individual judicial offices generally do not have their own performance measurement and evaluation system but rely mainly on data interpreted and disseminated by the Ministry of Justice and the Superior Council of the Judiciary. With regard to financial data, judicial offices do not draw up their own budget and use resources whose costs are borne (and managed) by other public organisations (Ministry of Justice, Ministry of Economy and Finance, etc.). In addition, the information tools of judicial offices are designed for statistical purposes and often need to be better adapted to the needs of financial reporting (Ricci & Pavone, 2020). Despite these obstacles, financial reporting in social reports is essential to promote awareness of resource consumption in a context with different cultural backgrounds, to meet the community's demand for transparency in justice costs and promote innovative and efficient practices. Bonollo *et al.* (2024) present an exploratory analysis of all 41 social reports voluntarily published by Italian judicial offices between 2010 and 2022 focusing on the financial reporting practices of Tribunals and Courts of Appeal. The analysis highlights areas for improvement in reporting, emphasising the need to enhance quantitative information on financial data (revenues and expenditures) in terms of availability, completeness, and temporal coverage. Furthermore, their results underscore that qualitative information should be used to clarify the determinants of these figures and their dynamics over time.

Building on this literature, this study addresses the following research questions:

RQ1: *How do Italian judicial offices voluntarily report financial data regarding their activities?*

RQ2: *What are the primary categories of expenses and revenues for Italian judicial offices?*

3 – Research method

To address our research questions, we examine qualitative and quantitative data on expenses and revenues reported in publicly available social reports issued by judicial offices between 2010 and 2022. Specifically, we analyse the overall disclosure practices and develop a detailed analysis of the economic significance of the different types of expenses and revenues, considering that judicial offices recognise expenses and revenues based on criteria informed by the cash- and commitment-based accounting system. Due to the nature of the judiciary and the need to be accountable to stakeholders for the use of public funds, this second analysis devotes particular attention to the breakdown of expenditure. The analysis of reporting practices employs qualitative data on the terms used by judicial offices to label expenses and revenues and the description of the nature and function of the item. As financial information disclosure is voluntary, this step is crucial to map similarities/differences across judicial offices' practices and to ensure the rigour of the detailed analysis on expense and revenue structure.

We collected all 40 social reports issued by the judicial offices from 2010 to 2022, which were publicly available on their websites. We excluded 12 reports that did not disclose any financial data, of which 7 were issued between 2010 and 2019 and 5 between 2020 and 2022. As a result, our main analysis focuses on the remaining 28 reports issued between 2010 and 2019 by 25 judicial offices. The majority of the reports analysed are from the years 2012 to 2014, as they were funded by the European Social Fund 2007-2013 (Table 1).

Table 1 – Sampled reports by reporting year and office type

Reporting year	Tribunals	Courts of Appeal	Judicial Offices	
	<i>no. reports</i>	<i>no. reports</i>	<i>no. reports</i>	<i>% sample</i>
2010	3	0	3	11%
2011	2	0	2	7%
2012	3	3	6	21%
2013	3	2	5	18%
2014	4	0	4	14%
2015	2	1	3	11%
2016	0	0	0	0%
2017	1	1	2	7%
2018	1	1	2	7%
2019	1	0	1	4%
TOTAL	20	8	28	100%

Most reports mention cooperation between the judiciary and at least one external organisation in the preparation of the document, including in most cases consulting firms (often associated with multinational audit firms) and, less often, universities (Table 2).

Table 2 – Experts involved in the preparation of social reports per year

Reporting year	Reports mentioning an expert		At least one consultancy firm		At least one multinational		At least one university	
	<i>no. reports</i>	<i>% sample</i>	<i>no. reports</i>	<i>% sample</i>	<i>no. reports</i>	<i>% sample</i>	<i>no. reports</i>	<i>% sample</i>
2010	3	11%	3	11%	3	11%	0	0%
2011	2	7%	2	7%	2	7%	1	4%
2012	5	18%	5	18%	5	18%	3	11%
2013	4	14%	4	14%	3	11%	0	0%
2014	4	14%	3	11%	2	7%	2	7%
2015	2	7%	2	7%	2	7%	0	0%
2016	0	0%	0	0%	0	0%	0	0%
2017	2	7%	0	0%	0	0%	2	7%
2018	1	4%	0	0%	0	0%	1	4%
2019	1	4%	1	4%	1	4%	0	0%
TOTAL	24	86%	20	72%	18	64%	9	33%

The detailed analysis on the economic significance of expenses and revenues and our focus on the expense breakdown are developed by (i) collecting data on the amount reported by judicial offices for each expense/revenue item mentioned, and then (ii) performing a vertical analysis to assess the percentage weights of the expense/revenue types relative to their total amounts. We then compare these weights across judicial offices individuating average values.

We carry out the analysis on all the social reports that provide quantitative data on either expenses or revenues (18 social reports, issued by 15 judicial offices). It is to note that the Palermo Court social report does not provide detailed amounts for expenses, and the social reports issued by Courts of Nocera Inferiore, Oristano and Reggio Calabria do not provide detailed amounts for revenues.

As the reporting period often spans two or more years before the reporting date, our analysis also encompasses data from 2008 (2 Tribunals) and 2009 (2 Tribunals and 1 Court of Appeal), even if the related reports date 2010.

4 – Results

Our analysis highlights three main issues regarding the information disclosed on expenses and revenues, namely consistency in the labelling of these items, presentation (split *versus* grouped amounts), and incomplete data.

The labelling of expenses and revenues is generally consistent, with only minor differences, across the social reports prepared with the assistance of an expert advisor affiliated with multinational audit firms. Discrepancies relate to different levels of aggregation of expenses, which reduces comparability. In this respect, most documents reported utility expenses (e.g. water consumption, heating, postal services, and telephony) separately, with 3 reports combining two or more elements into a single item.

The reports examined often provide partial financial data and present data only on certain expenses' categories, making it complex for users to understand which expenses are most relevant. For example, the 2011 report issued by the Tribunal of Bolzano covers seven years, but it only provides data on the justice expenses, without data on the salaries of judges and administrative staff or structural expenses.

Our analysis of expense structure reveals four primary macro-categories of expenses, with some variations in classification among the reports: (i) personnel expenses; (ii) structural expenses; (iii) justice expenses; and (iv) expenses booked as debit. Personnel expenses consist mainly of the salaries of judicial and administrative staff. Structural expenses include expenses for services and premises for judicial offices. Justice expenses encompass operating expenses incurred at various stages of the judicial process. "Expenses booked as debit" (*spese prenotate a debito*) include charges paid in advance by Courts and later accruing to other parties not yet identified. Table 3 presents the descriptive statistics for the macro-categories of expenses reported by the judicial offices, highlighting also the average percentage weight of each item over the overall amount.

Table 3 – Descriptives on the macro-categories: expenses

Expense type	Average weight (%)	Mean (euro)	Median (euro)	Minimum (euro)	Maximum (euro)	Standard Deviation (euro)
Personnel expenses	70%	15,249,667	6,095,472	2,389,455	67,255,217	20,944,721
Structural expenses	15%	2,903,136	1,331,140	166,383	17,166,996	4,063,110
Justice expenses	12%	3,057,885	1,154,716	83,188	17,800,060	4,222,989
Expenses booked as debit	3%	440,457	243,078	40,565	4,992,704	873,171
TOTAL EXPENSES	100%	20,911,453	8,512,229	2,507,048	90,025,292	28,019,214

Personnel expenses represent the most relevant items in the expense structure, with a median value of 6 million euro, and on average they represent up to 70% of the total expenditure of the judicial offices. However, we document a significant variability of the absolute values across the sample due to dimensional differences among offices (maximum values for the Milan Tribunal, and lower ones for the Court of Nocera Inferiore). The other two major expense items are structural expenses, which account for an average of 15% of total expenses, and justice

expenses, accounting for an average of 12% of total expenses. In addition, our analysis reveals an expense item that is specific to judicial offices, albeit of limited economic significance, namely “expenses booked as debit”. These expenses include taxes, duties, and various charges paid in advance by judicial offices but accruing to other parties not yet identified at the reporting date. For this reason, they are considered as potentially recoverable expenses.

The breakdown of personnel expenses (Table 4) shows the salaries of magistrates and administrative staff and the related ancillary expenses, which are issued by the Ministry of Economy and Finance. Judicial personnel include the president of the judicial office, section presidents, judges, labour section judges, honorary judges, district magistrates, and counsellors. The administrative staff consists of managers, administrative directors, accounting and judicial officers, clerks, accountants, court assistants, vehicle drivers and other auxiliary personnel.

Table 4 – Breakdown of personnel-related expenses

Expense type	Average weight on total expenses (%)	Average weight on personnel expenses (%)	Median value (euro)
Judiciary personnel	42%	60%	3,524,332
Administrative staff	27%	38%	2,527,288
<i>TOTAL SALARIES</i>	<i>69%</i>	<i>98%</i>	<i>5,793,434</i>
Ancillary expenses	1%	2%	125,071
TOTAL PERSONNEL EXPENSES	70%	100%	6,095,472

The salaries of administrative and judicial staff are the most significant expense, accounting for 69% of total expenses (in this respect, we have omitted wages of additional municipal staff from the table due to their minimal contribution, lower than 1%, to the overall personnel expenses), and the salaries of judges on average represent 42% of total expenses. Salaries are predetermined and vary according to the specific functional area in which the staff member operates and the level of seniority achieved. There are three possible functional areas for the administrative staff, each with its own salary range (according to a pay scale system in effect since 2010). Magistrate compensation is determined by seniority levels and the role they occupy. Other ancillary expenses (i.e., meal vouchers, medical expenses, safety at work, overtime payments, and sometimes also productivity bonuses financed through the F.U.A. - *Fondo Unico Produttività*) are marginal overall (2% of the total personnel expenses).

Structural expenses (median value: 1,217,350 euros) include all the expenses for buildings housing judicial offices, i.e. telephony, office and equipment maintenance, heating, water, and electricity expenses. Some of these expenses are non-recurring, such as extraordinary maintenance services or furniture acquisitions. Others, such as telephony and electricity bills, are stable over time. Structural expenses sometimes include costs that are non-divisible across diverse judicial offices situated in the same building (e.g., Attorney General’s Office, Tribunal, Juvenile Court, etc.). For this reason, expenses such as cleaning, electricity, water, telephony,

and heating are not always separately discernible for each judicial office. Taken in aggregate, on average, structural expenses explain 15% of total expenses incurred by judicial offices (Table 5).

Table 5 – Breakdown of structural expenses

Expense type	Average weight on total expenses (%)	Average weight on structural expenses (%)	Median value (euro)
Rents and leases	4%	18%	728,382
Other expenses	4%	27%	218,241
Cleaning services	2%	13%	179,303
Surveillance	2%	11%	96,350
Electricity	1%	11%	168,893
Maintenance	1%	11%	111,770
Gas & heating	1%	9%	206,411
TOTAL STRUCTURAL EXPENSES	15%	100%	1,217,350

The main types of expenses are those related to rents and leases (on average, 18% of total structural expenses) and cleaning services (on average, 13% of total structural expenses). Unlike personnel expenses, this type of cost can be authorised and issued by the accounting department of the Court of Appeal (funds are made available by the Ministry of Justice), which is the judicial office that takes over the structural expenses of the other judicial offices located in the same buildings. If the Tribunal is not located in the same buildings as the Court of Appeal, these expenses are mainly issued by the Ministry of Justice through the Ministry of Economy and Finance. In this respect, it is to be noted that the Tribunals do not have their own resources, except for some funds, provided by the Ministry of Justice, for support expenses related to the operation of the offices. These expenses include costs related to vehicles, photocopiers, and postal dispatches other than notifications.

Justice expenses (median value: 1,154,716 euros) relate to operating expenses incurred at various stages of the judicial process (both civil and criminal). Their breakdown and percentage weight are presented in Table 6.

These expenses include travel expenses, payments to interpreters and experts, and remuneration of honorary and lay judges, accounting on an average for 12% of total expenses. Honoraria are the most significant items; these expenses comprise payments to defenders, judicial auxiliaries, and consultants, accounting for 63% of total justice expenses and 8% of total expenses incurred by courts. Other items in this category encompasses travel expenses, asset custody, and fees for consultants, investigators, and honorary judges, allowances concern payments made to auxiliaries of the judges and defenders or related to travel and goods custody (as reimbursement of expenses already incurred), and other expenses related to taxes, such as social security and VAT.

The Court of Appeal, as the leading authority of the district, directly manages the judicial expenses. In the case of Tribunals, they are managed by the Ministry of Justice through the Ministry of Economy and Finance.

Magistrates usually authorise these expenses by means of a special settlement order. The allowances for witnesses, honorary judges, and experts only are settled via payment order by the appointed officer who acts as the “spending agent”.

Table 6 – Breakdown of justice expenses

Expense type	Average weight on total expenses (%)	Average weight on justice expenses (%)	Median value (euro)
Honoraria	8%	63%	672,551
Other expenses	2%	20%	193,201
Allowances	1%	10%	118,293
General trial expenses	1%	7%	49,751
TOTAL JUSTICE EXPENSES	12%	100%	1,154,716

These expenses are either covered or advanced by the Treasury and subsequently recovered from the convicted or losing party in the cases provided for by law. Justice expenses are mandatory; thus, judicial offices cannot take action to seek potential savings. Any potential savings can only come from regulatory changes. In civil proceedings, the parties are usually required to pay expenses related to both completed and requested proceedings directly. In criminal proceedings, related expenses are advanced by the Treasury, with the exception of copies of documents requested by private parties. These costs are then charged to the defendant in the event of a conviction.

Criminal proceedings, where expenses are advanced by the state, tend to be more expensive than civil proceedings.

In order to provide a comprehensive overview, the analysis has been extended beyond resource utilisation to include resource generation within the judicial offices, where this was possible on the basis of the reports examined (Table 7).

Court fees and debt collection represent the main source of income for the judicial offices. On average, debt collection (median value: 510,242 euros) accounts for 15% of total revenue; this type of revenue encompasses all income from both criminal and civil cases, i.e. administrative fines or penalties, expenses for prisoner maintenance, and court expenses in cases where legal aid has been granted. The recovery process of these debts is initiated directly by the judicial office for all concluded trials. Court fees (median value: 1,466,185 euros) account for an average of 68% of total revenues; these fees represent taxes paid for registering a case among civil proceedings and, in specific instances, even in criminal cases when compensation for damages is sought.

Table 7 – Descriptives on the macro-categories: revenues

Revenue type	Average weight (%)	Mean (euro)	Median (euro)	Minimum (euro)	Maximum (euro)	Standard Deviation (euro)
Court fees	68%	4,236,911	1,466,185	410,133	27,236,736	7,040,106
Debt collection	15%	2,374,273	510,242	6,394	44,641,993	7,473,717
Registration tax	14%	25,236,980	5,600,681	139,958	98,672,044	35,095,607
Sale of confiscated goods	2%	414,623	194,820	1,476	1,428,092	498,028
Lawyer exams & other revenues	1%	93,866	46,368	20,752	345,820	100,463
TOTAL REVENUES	100%	15,320,405	2,034,474	647,618	126,700,891	31,116,586

Revenues also include: income from the sale of confiscated property (sometimes reported with the item F.U.G. - *Fondo Unico di Giustizia*), which is still minimal (2%), income from lawyer exams and copying fees (seldom reported and representing a part of the court fees associated with issuing copies of court documents, which consist of an additional payment that goes to the state), and expenses related to the registration tax. The registration tax is infrequently recorded (it is managed by the tax authority, *Agenzia delle Entrate*) but it even exceeds the court fee when recorded. As can be seen from Table 7, the judicial office, in addition to being an expense centre, also serves as a significant centre for revenue generation and “expense recovery”.

5 – Discussion

Our exploratory analysis sheds light on the heterogeneous nature of expenses incurred by judicial offices, also revealing the complex organisational structure governing their financial management. The predominance of personnel expenses, which account for an average of 70% of total costs, underscores the critical role of human resources in the functioning of the justice system. This implies that any initiative to improve efficiency must address issues related to personnel management, ongoing training, and recruitment processes.

In addition to a detailed descriptive analysis of the use of resources, the study primarily reveals a lack of regularity in the production and dissemination of these data, a phenomenon that is understandable given the voluntary nature of this reporting and the absence of financial autonomy within the judicial offices. However, this inconsistency limits the ability to compare data across different offices and draw generalised conclusions about the efficiency of the justice system as a whole.

In our view, consistent monitoring of these data would prove valuable from an efficiency perspective—one that should not be solely focused on cost reduction—and as a tool for assessing alternative resource allocations to enhance the quality of justice.

From this perspective, the overall picture obtained from our analysis suggests the usefulness of monitoring some indicators focused on resource usage from a financial viewpoint. Currently,

reports primarily detail expenditure but provide little information on judicial services' efficiency; users could significantly benefit from financial information that integrates absolute financial data and indicators that combine the main financial data with data on operational outputs. In this respect, it could be highly beneficial to employ specifically designed indicators to compare data on resources employed with data on the outcomes achieved by using these resources, in order to obtain a measure of the resources expended to generate output. For instance, comparing total operational expenditures with the number of cases resolved by a judicial office would be particularly insightful. This approach would provide a metric for the expense of resolving a single case, allowing data users to compare the operational efficiency of different judicial offices more effectively, rather than merely comparing them in absolute terms based on the total number of cases resolved.

This measure could be further refined by breaking down the numerator into its constituent components, thereby identifying at first the expense of resolving a single case in terms of personnel expenses and justice-related expenses, along with their respective subcategories. Such detailed breakdowns would provide data users with precise information on the drivers of operational efficiency for each judicial office.

With reference to indicators that compare personnel expenses to the number of trials defined, the expenses related to judges' salaries divided by the number of resolved cases could serve as a key indicator of a judicial office's efficiency. However, this data must also be interpreted alongside a similar indicator that divides administrative staff salary expenses by the number of defined trials.

Data on the administrative staff salary expenses per defined trial is crucial because an efficient administrative system plays a fundamental role in enabling the judicial office to operate efficiently as a whole. More specifically, within the context of judicial offices, administrative costs related to court registries are of key importance as registries are fundamental for case management, documentation, and procedural support.

Comparing the impact of registry costs per resolved case across different courts can provide critical insights for public decision-makers, particularly in light of the ongoing process of merging registries. This analysis can highlight disparities in administrative efficiency and identify best practices for optimising resource allocation. By understanding the variation in registry costs, policymakers can make more informed decisions regarding the consolidation process, ensuring that the restructuring leads to improved operational efficiency and more effective judicial services.

Concerning indicators comparing justice-related expenses to the number of trials defined, particularly insightful data could be obtained by focusing on expenditures for external consultants. Specifically, within the context of criminal proceedings, expenses for technical consultations represent a critical element that warrants close monitoring.

Finally, to the extent that changes to the facilities housing judicial offices and the existing contracts are possible, it may also be useful to apply the same logic to analysing the structural cost per individual proceeding. This approach can provide valuable insights into the efficiency of facility management and associated contracts. By evaluating structural costs relative to resolved cases, decision-makers can identify opportunities for optimising building-related expenses and improving the cost-efficiency of judicial operations. Such analysis can further inform strategic choices regarding the management, maintenance, and potential consolidation of judicial facilities.

6 – Concluding remarks

This study provides an exploratory analysis of the domain of reporting practices regarding financial data within judicial bodies, with the aim of enhancing understanding of resource dynamics in the justice system. From an accounting perspective, our analysis contributes to discussions on improving justice processes, which is highly pertinent to the UN Sustainable Development Goal 16 for transparent institutions.

Focusing on Italian judicial entities, the study examines financial data voluntarily disclosed by Italian judicial offices, thus extending previous literature by providing empirical evidence on the main categories of expenses and income. Our analysis indicates that the labelling of expenses and revenues is generally consistent, with only minor differences related to different levels of aggregation. However, the reports examined often provide only partial financial data. The expense structure encompasses four primary macro-categories of expenses: (i) personnel expenses; (ii) structural expenses; (iii) justice expenses; and (iv) expenses booked as debit. Personnel expenses represent the most relevant item, followed by structural expenses, and justice expenses.

This analysis has relevant policy implications. Indeed, a greater understanding and use of financial data would make it possible to go beyond the ratios developed relying on purely operational and organisational data typically employed as a metric for assessing offices' efficiency. This approach enables various decision makers to access valuable data for more informed choices, thus balancing efficiency and quality of justice. For example, at the level of individual judicial offices, comparing the cost per resolved case with that reported by other offices can encourage virtuous processes aimed at increasing efficiency.

At the national level, the availability of such a set of indicators allows evaluations to go beyond simply considering disposition time or case backlogs. Instead, these indicators incorporate resource-use efficiency as a distinguishing element in decision-making processes. This comprehensive perspective supports more nuanced policy choices that balance timeliness and efficiency, fostering continuous improvement in judicial operations.

The proposed indicators possess inherent limitations. Employing the number of trials defined as the exclusive measure of output for assessing the efficiency of judicial offices is problematic, as it prioritises a purely quantitative logic over a more nuanced evaluation. This narrow focus neglects relevant aspects such as the quality of justice, the complexity of cases, and the broader systemic effects on the judiciary. A more comprehensive measure should integrate both quantitative and qualitative elements, thereby striking a balance between productivity and the quality of judicial decisions.

The necessity of measuring efficiency appears particularly relevant in light of the initiatives undertaken with the support of the PNRR to expedite judicial processes, including the extraordinary plan related to the UPP. In the context of organisational innovation, such as the UPP, vigilant resource monitoring is an essential tool for making informed decisions. With regard to human resources, indeed, the reinforcement of judicial offices can take various paths, encompassing the recruitment of personnel with cross-functional roles and/or addressing the numerous vacancies within administrative and judicial personnel.

Furthermore, adopting advanced technological tools for collecting and analysing financial data could facilitate continuous monitoring and enhance the quality of reported information. Integrated information systems could enable judicial offices to automate financial reporting, reducing administrative burdens and improving data accuracy. These tools could also support

predictive analytics, helping offices better plan resources and prevent inefficiencies. At the same time, in addition to improving efficiency, consistent financial reporting and advanced technological tools can support broader judicial reforms.

Future studies in this area can deepen this evidence with in-depth analyses through case studies or field research, proposing useful indicators for the improvement of judicial offices' activities. Opportunities for fruitful cooperation between academia and the judiciary could be consolidated, a dynamic that has also been strengthened by research projects linked to PNRR initiatives. Such collaboration could provide valuable tools to the judicial system, which has so far predominantly relied on external subjects for the preparation of social reports and could also encourage new research in this domain by management and accounting scholars.

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