LINK AUDIT

Audit and accounting firm

INSIGHTS

GOVERNANCE AND INTERNAL CONTROL

The Financial Reporting Officer

from attestation to process mapping

The role of the *Dirigente Preposto* under Article 154-bis of the Italian Consolidated Law on Finance, and how Digit Audit Cooperative supports administrative and accounting processes

AUTHORS

Domenico Merlino
Senior Partner

Elda Gagliano
Partner

PUBLISHED

2 November 2026

www.linkaudit.it

Link Audit S.r.l.

Registered office: Via E. Notarbartolo 35, 90144 Palermo, Italy

VAT no. 06218630827 · REA PA-306103 · Register of Statutory Auditors no. 169403

PEC amministrazione@pec.linkaudit.it · www.linkaudit.it

Independent member firm of

INTEGRA INTERNATIONAL®
YOUR GLOBAL ADVANTAGE

© 2026 Link Audit S.r.l. All rights reserved.

GOVERNANCE AND INTERNAL CONTROL

The Financial Reporting Officer: *from attestation to process mapping*

by **Domenico Merlino** and **Elda Gagliano** · 2 November 2026

> The Financial Reporting Officer signs an attestation that is worth exactly as much as the procedures behind it. Without an orderly mapping of administrative and accounting processes, that signature remains an act of faith; with it, the signature becomes the documented conclusion of work that can be verified.

A safeguard for financial reporting

Article 154-bis of the Italian Consolidated Law on Finance (TUF), introduced by the savings protection reform in the wake of the Sarbanes-Oxley Act, requires listed issuers to appoint a manager in charge of preparing the company's financial reports: the *Dirigente Preposto*, or Financial Reporting Officer. The by-laws set the professional requirements and the appointment procedure, subject to the mandatory opinion of the control body.

The role carries three duties. The Officer establishes adequate administrative and accounting procedures for preparing the separate financial statements, the consolidated financial statements and any other financial communication. The Officer declares that the accounting information released to the market corresponds to the books and accounting records. And, together with the delegated management bodies, the Officer attests that those procedures are adequate and were effectively applied during the period.

The role is not confined to listed companies. The Confindustria Guidelines point out that any company may appoint a Financial Reporting Officer on a voluntary basis, as is already required of companies controlled by the Ministry of Economy and Finance.

Powers, resources and liability

Within the scope of the Officer's duties, the rules on directors' liability apply. The law has also included the role among those who can be held responsible for certain corporate offences, starting with false corporate reporting. This is why the Board of Directors must ensure that the Officer has adequate powers and resources.

The Guidelines list them: direct access to accounting information, participation in the relevant internal information flows, approval of procedures affecting the financial statements, a dedicated budget and dedicated staff. The resources include the option of relying on other corporate functions to map the processes within the Officer's remit.

© 2026 Link Audit S.r.l. All rights reserved. Reproduction prohibited without authorisation.

A practical consequence follows. Whoever answers for the adequacy of the procedures must be able to show which processes were analysed, which risks were identified and which controls address them.

The method: from risks to key controls

The second part of the Guidelines adopts the CoSO framework and a top-down, risk-based approach. The path is linear:

1. identify the significant financial statement items and disclosures;
2. link each of them to the relevant assertions: existence, completeness, valuation, rights and obligations, presentation;
3. trace items and assertions back to the business processes that generate them;
4. identify the key controls for each risk, distinguishing manual from automated and preventive from detective controls;
5. assess the design of the controls, test their operating effectiveness and document deficiencies together with the related remediation actions.

The aim is not to catalogue every control, but to document the essential ones in the areas of highest risk. It is work that calls for professional judgement and, above all, for a tool that makes it traceable at any time.

How Digit Audit Cooperative helps

Digit Audit Cooperative is the registered-trademark governance, risk and control platform that Link Audit uses to bring this method into the company. It turns the mapping of administrative and accounting processes from an exercise on scattered spreadsheets into a structured system that can be kept up to date and produced on request.

The Financial Reporting Officer does not start from a blank page. The platform provides 27 operating cycles and procedures and a library of 266 pre-loaded controls, to be tailored to the individual company.

© 2026 Link Audit S.r.l. All rights reserved. Reproduction prohibited without authorisation.

WHAT THE GUIDELINES REQUIRE	HOW DIGIT AUDIT COOPERATIVE RESPONDS
Roles and responsibilities of the functions involved	Organisational structure by area and function, interactive organisation chart, responsibility matrix
A system of powers and delegations consistent with the organisation	Register of delegations and powers of attorney, authorisation matrix
Risks linked to the processes that feed the financial statements	Business cycles from order-to-cash through to reporting, with an overall risk assessment
Financial statement assertions and key controls	A record for each control showing risk, assertion, type, frequency, owner and key-control flag
Traceable documentation	Full PDF report with table of contents, executive summary and cycle-by-cycle detail

The benefit is threefold. Set-up time is shorter, because the methodological foundation is already in place. The Financial Reporting Officer, the control body, internal audit and the external auditor share a common language. And the work also serves other safeguards: adequate organisational, administrative and accounting arrangements, and risk analysis for the purposes of Legislative Decree 231/2001.

The tool does not replace professional judgement; it makes it visible. This is why Digit Audit Cooperative is offered together with Link Audit's advisory support, from the first process walkthrough to ongoing maintenance.

The attestation remains a personal act of the Financial Reporting Officer. With solid process mapping behind it, it is an act that can be signed in full knowledge of the facts.

Domenico Merlino
Senior Partner, Link Audit

Elda Gagliano
Partner, Link Audit

All rights reserved
© 2026 Link Audit S.r.l. All rights reserved. This article is the property of Link Audit S.r.l. and is made public for information purposes only. Reproduction, in whole or in part, modification and distribution by any means are prohibited without the written authorisation of the Company. Digit Audit is a registered trademark; other trademarks mentioned belong to their respective owners.