

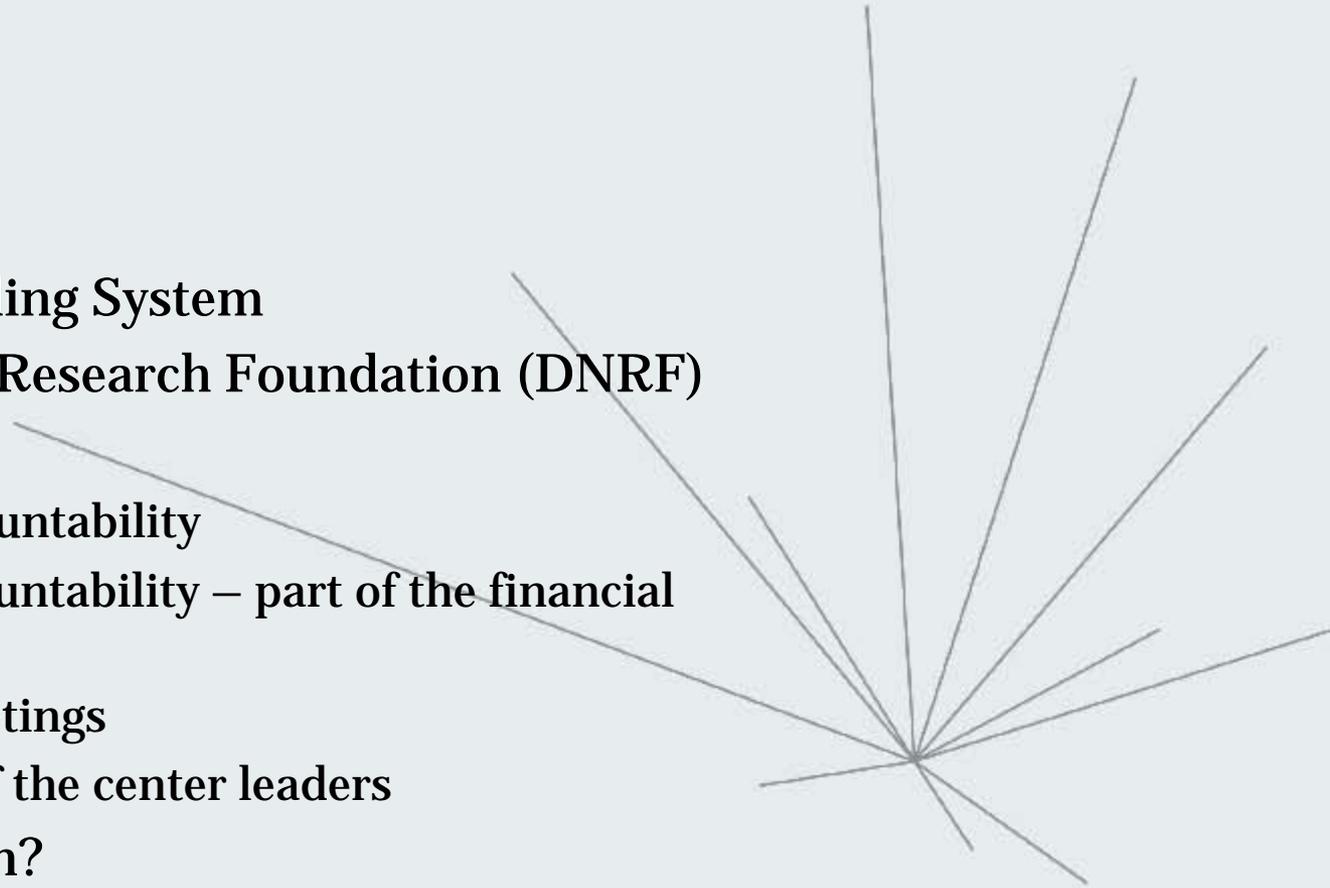
Proper balance between accountability/ sound financial management and the need for simplification

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Danish National Research Foundation

Accountability Workshop
Brussels June 22-24, 2011

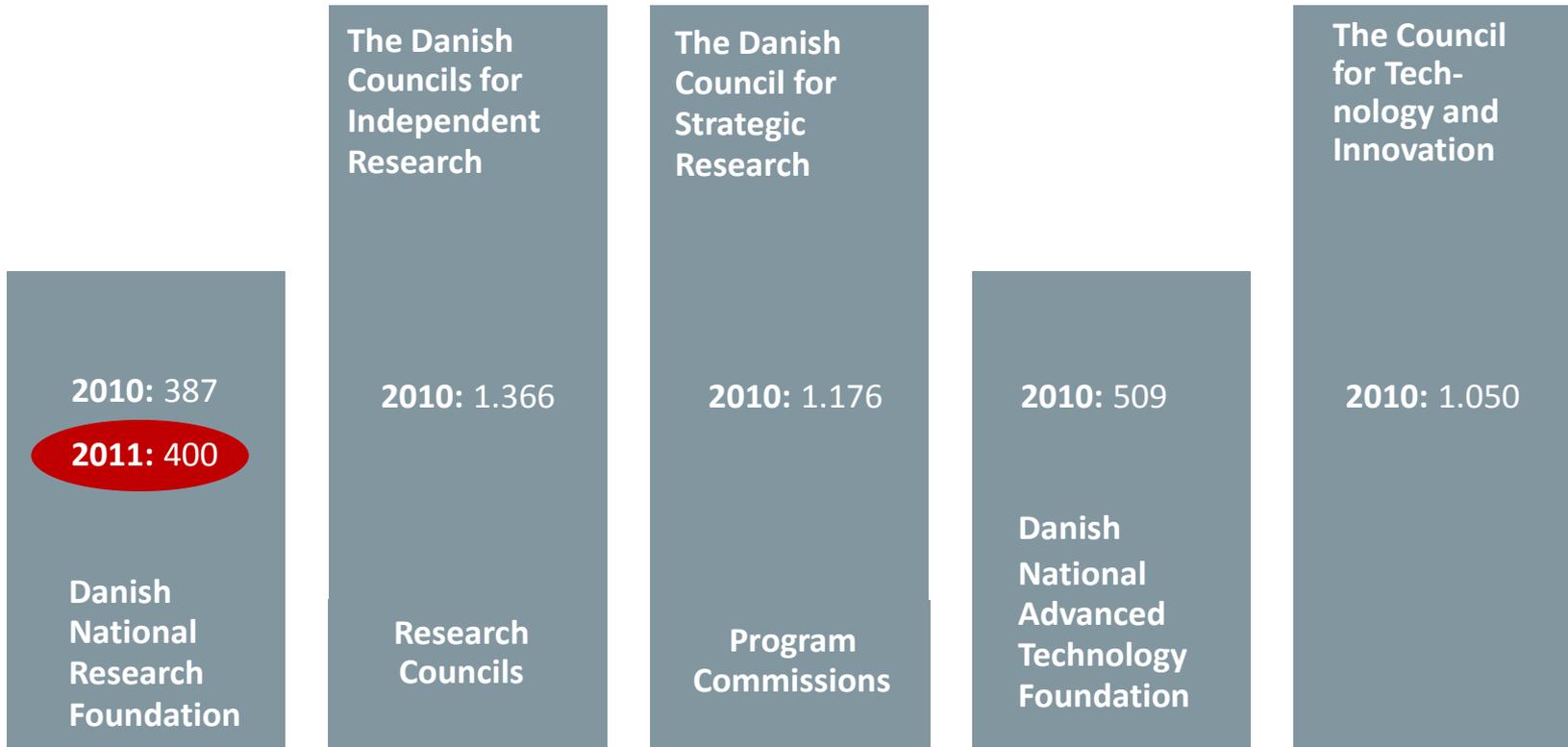
Menu

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The Danish Funding System

Public research expenditure 2010
(18 billion DKK, 1 EURO = 7.5 DDK)



Philosophy of DNRF: Focus on people

If you let the best people grapple with the problems they are passionate about, we set the stage for real scientific breakthroughs



DNRF

- The Danish parliament, Folketinget, established the Danish National Research Foundation in 1991 as an independent organization
 - The foundation spends approximately 400 million DKK (\approx 53 million Euro) annually (2 % of total public spending on R & D in Denmark)
 - Since 1991 the DNRF has committed itself to supporting Danish research environments with 5 billion DKK (\approx 665 million Euro)
 - The DNRF receives its funds as endowments from the Danish Parliament
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DNRF Activities

The DNRF's primary means to strengthen Danish research:

Centres of Excellence (CoE)

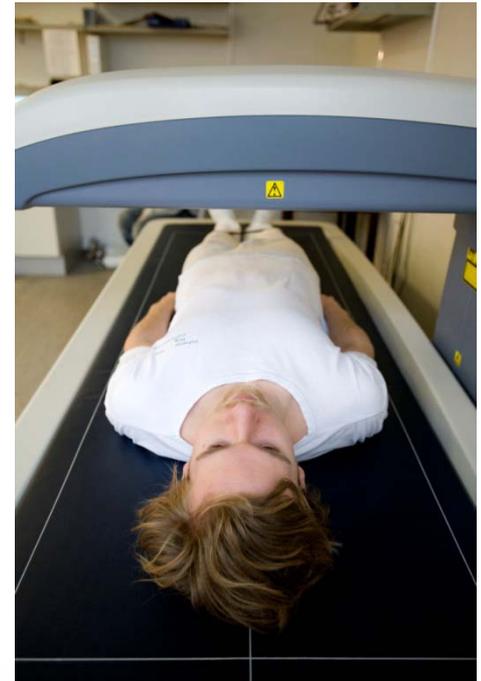
Other DNRF activities:

Niels Bohr Visiting Professorships

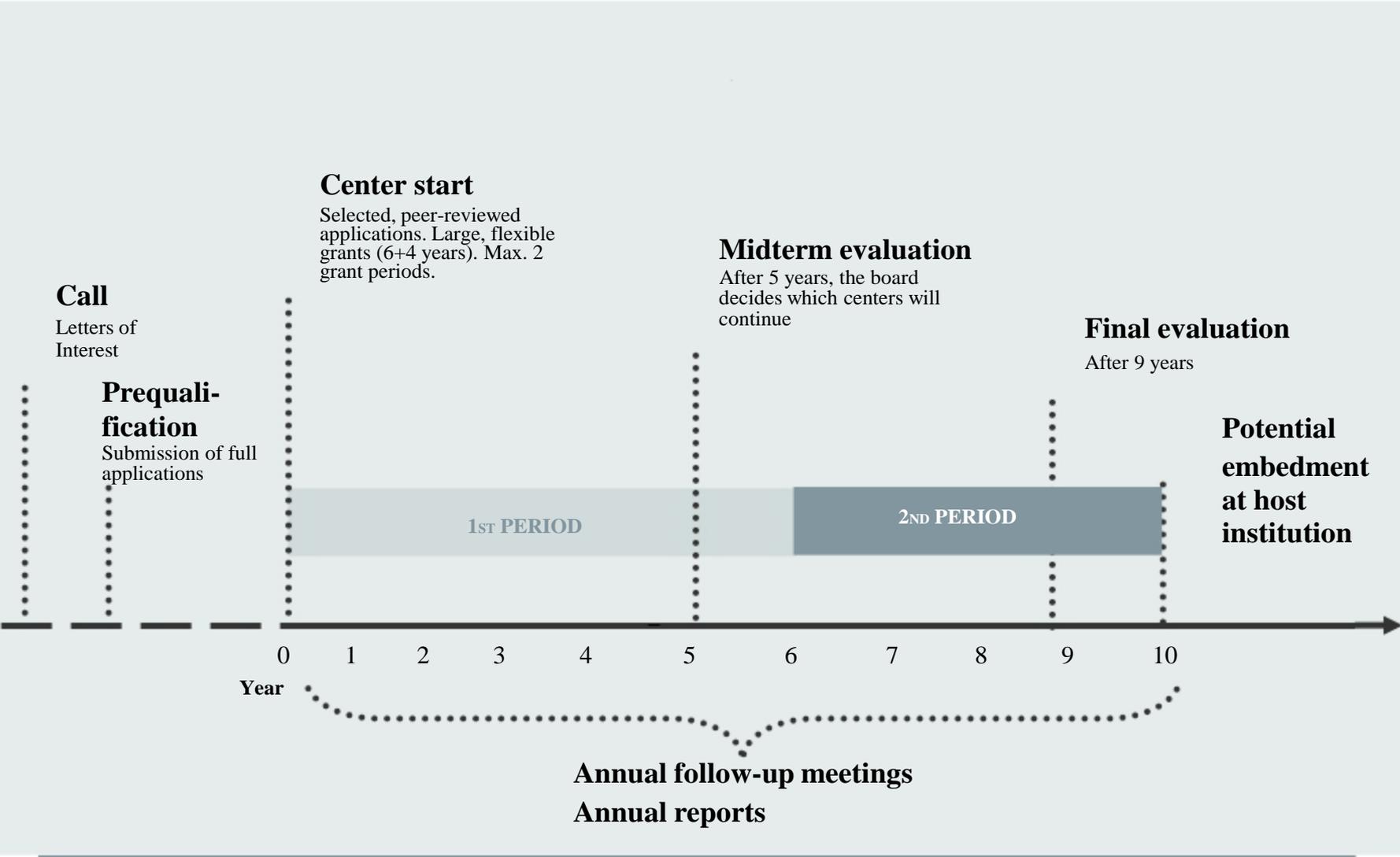
DNRF Professorships

International collaboration with
Max Planck Society, NSFC, CNRS, NSF

International Talent Recruitment Program



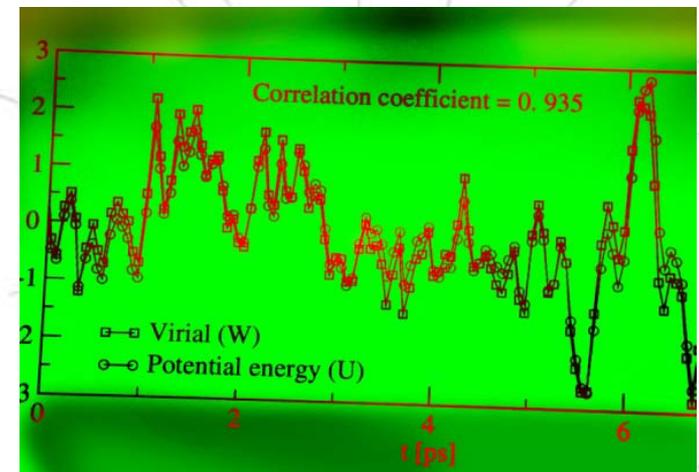
Life Cycle of a Center of Excellence



Overall impact

In 2005-2008 center leaders from Centers of Excellence contributed to 22 % of the articles and reviews in international top journals by Danish authors (affiliation at Danish institutions).

DNRF hosts 2% of total public spending on R&D.



Philosophy of DNRF: Keep it simple!

- Grant structure:
 - Only large-scale and flexible framework grants
- Organizational structure:
 - Ten staff members in the secretariat
 - Annual secretariat expenses amount to only euro 1.5m
 - We find that the structure provides an efficient arrangement for sound financial management



Trust as an important part of the D NRF funding mechanism

- We want researchers to ponder some of the major unsolved questions of our time
 - We expect our researchers to deliver potentially groundbreaking results
 - We believe in “freedom with responsibility”, so we trust top researchers with large and flexible grants
 - The center leader can change the distribution of expenditure to individual budget items and between financial years
 - Should we monitor more closely for our own peace of mind?
 - Or should we allow top researchers a free hand in addressing the challenges that intrigue them the most?
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The funding approach

- The DNRF is a funding unit – not a university
- The DNRF builds upon the existing university infrastructure
- The DNRF pays 44 % overhead
- The DNRF grants are to be administered according to the university's rules for research grant-funded activities
- This complementary responsibility of host institutions, committees on scientific dishonesty, etc., accordingly limits the DNRF responsibility



Integrating financial and scientific accountability

- Our practice



Financial accountability

- A three party-agreement (the DNRF, the university, the center leader)
 - Detailed, comprehensive agreement that describes:
 - Institutional obligations, rights and responsibilities (co-financing, delegation of power to center leader, compliance with rules and guidelines of the institution)
 - Center leader's obligations, rights and responsibilities (responsibility for research plan, budget, staff, etc.)
 - Evaluation of research plan, teaching, accommodations and equipment, intellectual property rights, termination of the agreement, embedment (long-term integration of the center within the institution)
 - Appendices include:
 - Research plan, list of staff, budget, institutional obligations specified, and guidelines for annual reporting of budgets and accounts
-

DNRF's financial contact with grant holders during grant period

- Salary for administrative center staff is included in DNRF grants, ensuring local administrative skills
- Introductory information meetings for administrative center staff
- Annual visit by DNRF's accounting officer
- Budget required to be updated quarterly



Annual accounts

- The institution administers the center's accounts with separate accounts for income and expenditure
- The center leader provides the documentation to be used for auditing and balancing the center's accounts
- Bookkeeping, reimbursement, and payment of accounts etc. are made in accordance with the public sector rules and the university's normal rules and procedures



Annual accounts

- Annual accounts include:
 - Specified center staff lists - number and full-time equivalent
 - Institutional co-financing confirmation
 - Center leader's declaration of all other employment or remunerated activity
- By signing the annual report, the center leader confirms that
 - There is no significant misinformation or omissions
 - Grants have been spent in accordance with grant conditions
 - Funds are administered in an economically appropriate manner

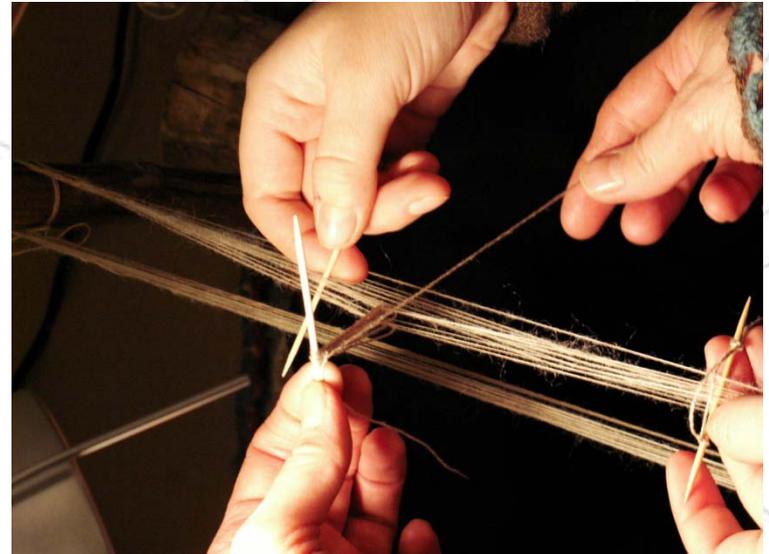


Scientific accountability – part of the financial accountability

- Assessment and selection – transparency and trust
 - Given the significance of a DNRF grant, fairness, quality, and transparency are key words in the assessment processes
 - Each application is sent to three high-level international experts within the relevant scientific area(s) for external peer review
 - Reviewers and applicants know each other's identities.
 - Conflicts of interest are exposed
 - Applicants are given an opportunity to comment on the composition of the review panel and can, in addition, comment on the reviews prior to the board's final decision
 - Midterm evaluation (after 5 years) – one-day site visit by individual panel consisting of 3 international experts for each center – joint panel evaluation report
 - Final evaluation (after 9 years) – written peer review by 3 international experts – each reviewer writes an evaluation report.
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Annual report

- Research activities are described, and the results achieved are compared to the outlined objectives in the research plan
- An indicator appendix must be filled out in addition to the written report.
- The indicators for systematic collection of knowledge are:
 - External relations
 - Conferences
 - Educational activities
 - Academic services
 - External funding
 - Awards
 - Public outreach
 - Patents and applications
 - Publications



Follow-up meetings

- The DNRF takes a keen interest in the development of the centers and visit each one annually at follow up meetings
- The director, chairman and two other members of the board represent the foundation
- Standard agenda:
 - Research
 - Collaboration
 - Dissemination
 - Research education
 - Finances and administrative issues
 - The center leader's assessment of the center as a whole
 - Interaction between the DNRF and the host institution, including possible questions about embedment and evaluation
 - Annual meetings for all center leaders and board members



What is the opinion of the center leader?

- Center leaders spend 5-10 % of their time with DNRF related administration
- Center leaders express satisfaction with the extent of these administration tasks and the close contact with the DNRF
- Center leaders find that the evaluative and administrative processes of the DNRF are well-balanced and constructive
- Center leaders support that DNRF insists that the Centers of Excellence hire qualified staff to assist the center leader with administrative tasks (including financial and scientific documentation)



No cause for concern?

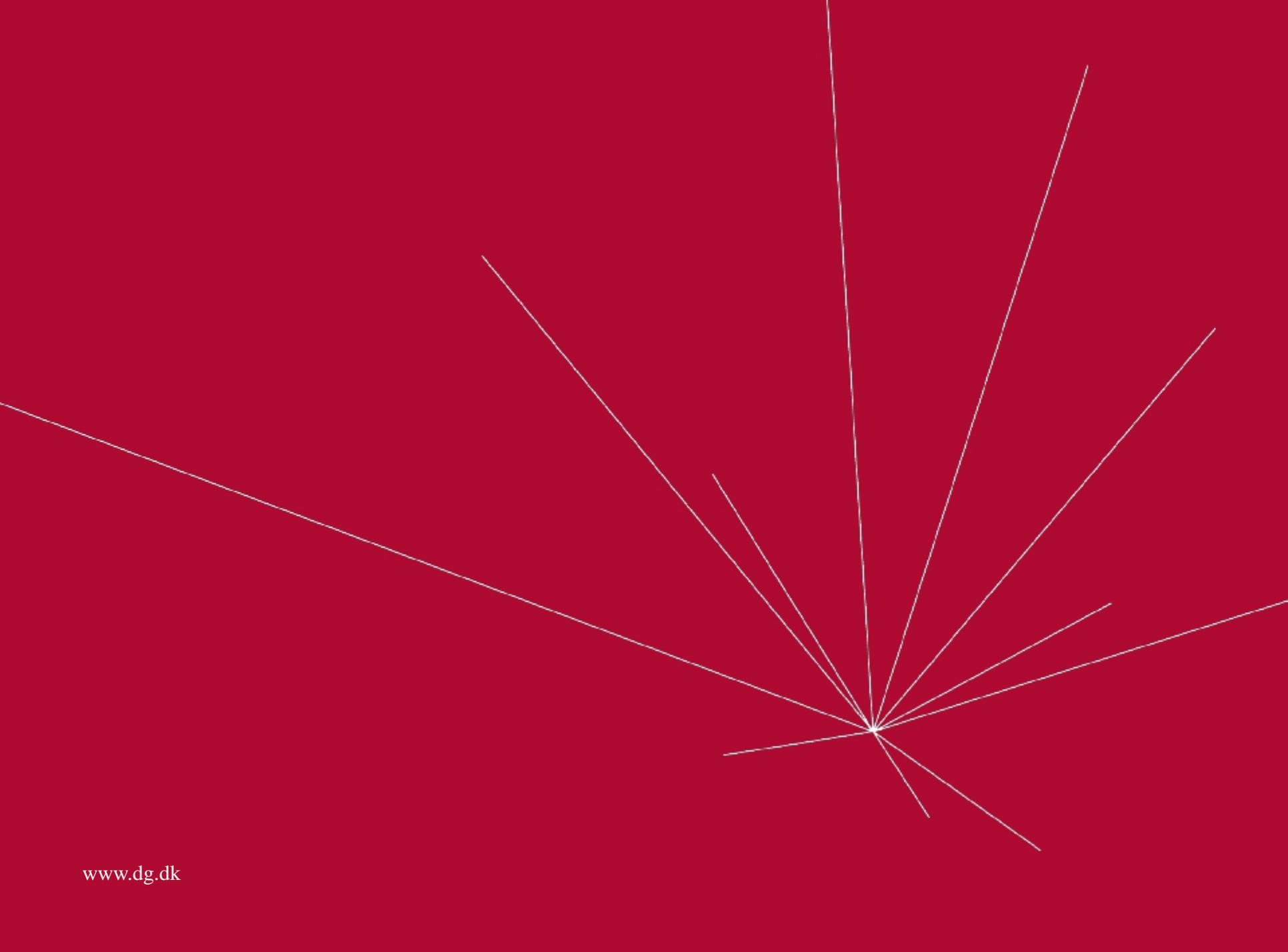
- For the past year there has been an increasing focus on scientific and financial fraud in Denmark
- So far, we have been proud of our “keep it simple” strategy
- So far, our trust has not been abused

BUT

- Are grant conditions adequate?
- Can we trust the financial and scientific documentation?
- Is it possible to avoid fraud completely? – We want to avoid financial creativity but support scientific creativity!



We are very interested in hearing your points of view



The DNRF Board



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Chair



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