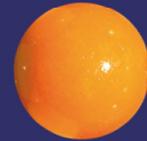
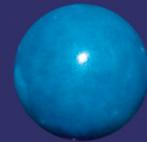




NWO  
**Netherlands Organisation  
for Scientific Research**



Co de Vries

Manager Finance and Control

NWO

Financial management and accountability NWO  
Accountability workshop Lisbon 16-18 june 2009

**Netherlands Organisation for Scientific Research**



## **Financial management and accountability NWO**

1. NWO context, mission, strategy, goals and organisation
2. Financial management
3. Accountability
4. Granting scientific research
5. Renewal granting and financial systems



## 1. NWO:

- a. Context financially
- b. Strategy, mission and goals
- c. Organisation (management granting and research institutes)



## 1.a. Context NWO

- Population: 16,5 million inhabitants
- Labour force: 7,4 million (government 0,5 million and non-profit 2 million)
- Jobs: 9,2 million (due to part-time jobs)
- National product: 567 billion € in 2007
- Government expenditures 168 million € (of which education science and culture 31 million €)
- R&D-expenditures 1,7% of our national product (EU-15 1,9% and OESO 2,3%)



## 1.a. Context NWO

- National expenditures on scientific research 9 billion €
- Government expenditures on scientific research
- OCW expenditures on scientific research 2,6 billion € and NWO 550 million € basic budget and 100 million € earmarked budgets
- R&D personnel 91.000 fte and 36.000 universities of which 21.000 scientific personnel of which funded by NWO: 6.300 fte
- Scientific publications: 2,6 % of world total
- 12 universities (206.000 students) total budget research 2,4 billion (286 million or 12% bij NWO)



## **1.b. NWO mission, strategy, and goals**

Independent Dutch national governmental organisation founded by NWO-Law (about 50 years ago).

Mission NWO:

- is responsible for enhancing the quality and innovative nature of scientific research as equally initiating and stimulating new developments in scientific research
- mainly fulfils its task by allocating resources
- facilitates, for the benefit of society, the dissemination of knowledge from the results of research that it has initiated and stimulated
- mainly focuses on university research in performing its task.

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## **1.b. NWO Strategy 2007-2010: *Science Valued!***

NWO strategy is focussed on three lines of action

- Opportunities for researchers  
to provide more opportunities for scientific talent throughout the different phases in their scientific career
- Consolidating strengths  
to consolidate and strengthen top research in research institutes with large scale research facilities and by increase of national and international cooperation
- Science for society  
to realize more socially-inspired research programmes



## 1.c. NWO organisation

NWO comprises:

- a General Board, general management (general, policy and internal organisation) and 8 staff departments (including policy and finance and control)
- 7 divisions/councils, 2 foundations, 3 temporary task forces (developing research programmes and managing granting)
- 9 research institutes

Each with their own boards, management and staff



# NWO Organisational structure



## Governing Board/Management and Staff

### Divisions/Foundations

Earth and Life Sciences (ALW)

Chemical Sciences (CW)

Physical Sciences (EW)

Humanities (GW)

Social Sciences (MaGW)

Medical Sciences

(Via ZonMw, a partnership between NWO and the Ministry of Health, Welfare and Sport)

Physics (N) (Mainly via FOM)

Technical Sciences

(Via the Technology Foundation STW, a partnership between NWO and the Ministry of Economic Affairs)

Netherlands National Computing Facilities Foundation (NCF)

Science for Global Development foundation (WOTRO)

### Temporary Task Forces

Advanced Chemical Technologies for Sustainability (ACTS)

Netherlands Genomics Initiative (NGI)

Netherlands ICT Research and Innovation Authority (ICTRegie)

### Institutes

ASTRON

CWI

FOM

AMOLF

Rijnhuizen

SAF/NIKHEF

ING

NIOZ

NSCR

SRON

### Key to abbreviations

ASTRON	Netherlands Foundation for Research in Astronomy
CWI	National Research Institute for Mathematics and Computer Science
FOM	Foundation for Fundamental Research on Matter
AMOLF	FOM-institute for Atomic and Molecular Physics
Rijnhuizen	FOM-institute for Plasma Physics 'Rijnhuizen'
SAF/NIKHEF	FOM-institute for Sub Atomic Physics/National Institute for Nuclear Physics and High Energy Physics
ING	Institute for Dutch History
NIOZ	Royal Netherlands Institute for Sea Research
NSCR	Netherlands Institute for the Study of Crime and Law Enforcement
SRON	Netherlands Institute for Space Research
ZonMw	Netherlands Organisation for Health Research and Development

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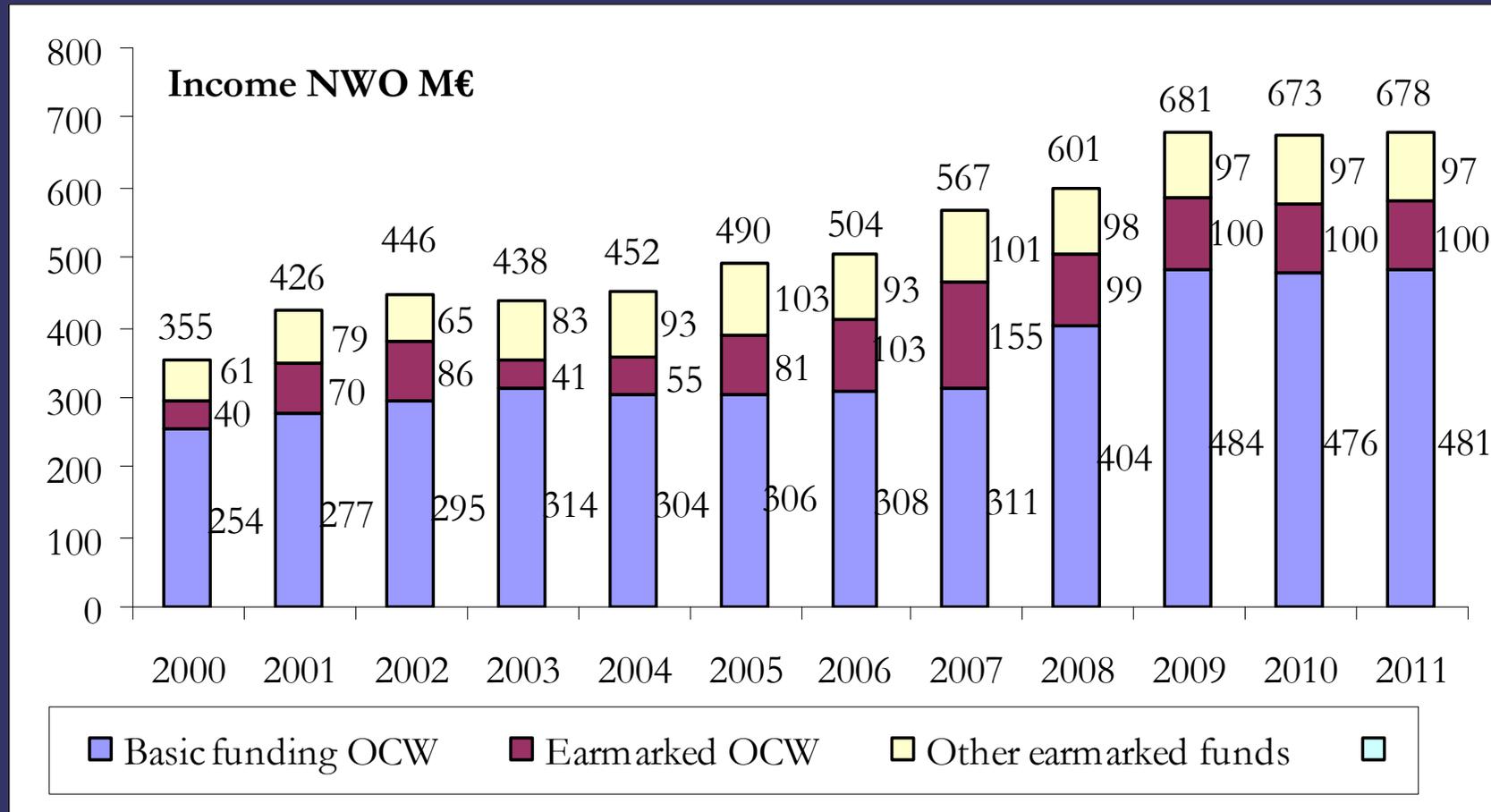


## 2. Financial management

- a. Income and expenditures
- b. The function of finance and control at NWO
- c. Planning and control



## 2.a. Income and expenditures

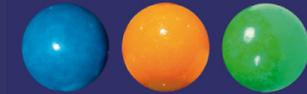




## 2.a. Income and expenditures

Expenditures (K€)	2008
ALW Life sciences	35
CW Chemical sciences	19
EW Physical sciences	28
GW Humanities	30
MaGW Social sciences	38
MW Medical sciences	38
N Physics	27
TW Technical sciences	51
<b>Total councils</b>	<b>266</b>
NCF National computing	9
WOTRO Global development	11
<b>Total foundations</b>	<b>20</b>
NGI Genomics	26
ICT	6
ACTS	14
<b>Total temporary units</b>	<b>46</b>
Central programmes	53
<b>Total granting</b>	<b>385</b>

Expenditures (K€)	2008
ASTRON	23
CWI	15
FOM AMOLF	16
FOM NIKHEF	19
FOM Rijnhuizen	17
ING	4
NIOZ	22
NSCR	2
SRON	17
<b>Totaal institutes</b>	<b>135</b>
<b>Total NWO</b>	<b>520</b>

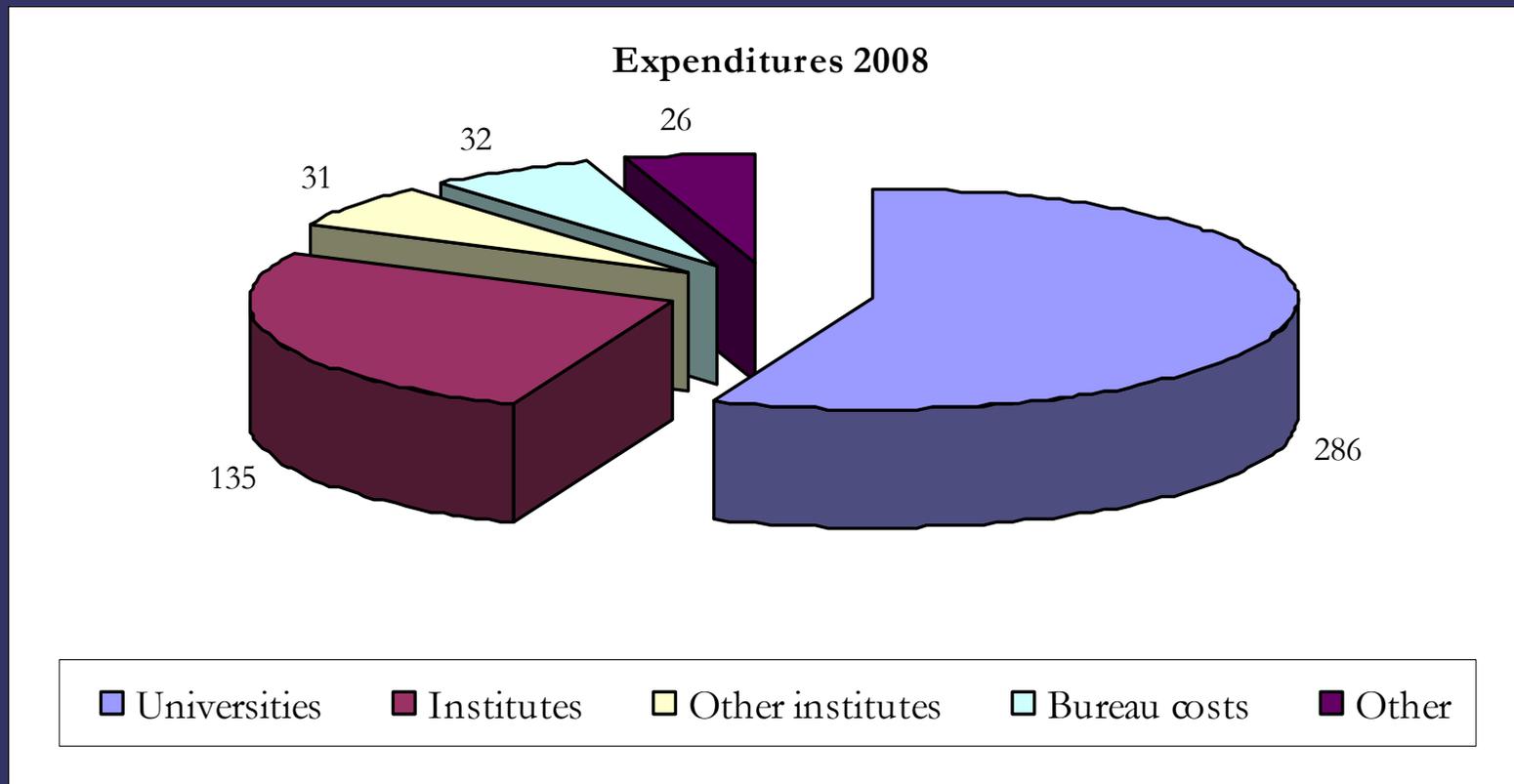


## 2.a. Income and expenditures

<b>Expenditures (M€)</b>	<b>2008</b>
Talent	93
Free competition	92
Investements	11
<b>Subtotal Opportunities for researchers</b>	<b>196</b>
Thema's science driven	41
Institutes	135
Infrastructure	15
International	15
Other	5
<b>Subtotal Consolidating strength</b>	<b>211</b>
Theme's society driven	33
Knowledge transfer	3
Other	16
<b>Subtotal Science for society</b>	<b>52</b>
Other subsidies	18
<b>Total subsidies</b>	<b>477</b>
Other costs	11
Bureau costs	32
<b>Totaal NWO</b>	<b>520</b>



## 2.a. Income and expenditures





## 2.b. Finance and control

- Concern staff F&C
- Units F&C at the councils, foundations and temporary units
- Planning and control



## 2.b. Finance and control

Concern staff F&C (13 fte)

- Head and deputy concerncontroller (2 fte)
- Control, budgeting and planning (2,5 fte)
- Financial rules and accountability (1,5 fte)
- Treasury (0,5 fte)
- Administration, payment, and .... (4,5 fte)
- Internal audit (2 fte)

Financial management and accountability for the general management en the General Board of NWO.



## 2.b. Finance and control

Divisions, foundations en temporary taskforces (2 – 4 fte):

- Controller and assistant (1 or 2 fte)
- Administration (1 or 2 fte)

Financial management and accountability for the there own management en boards.

Control, budgetting, planning and administration in the central financial system of NWO.

Managed by concern F&C with a set of central financial rules (functional responsibility).



## 2.c. Planning and control

Control in public organisations is quite different from control in enterprises and private organisations. They are focused on revenue and profit (shareholder value).

Public organisations are focused on policy and reaching their goals (public value). Control is mainly instrumental.

Public controlling: the responsibility that in the decision processes in which goals are realised the principles of effectiveness, efficiency and legitimacy are sufficiently taken into account.



## 2.c. Planning and control

Planning and control at NWO can be distinguished in:

- Business control  
Responsibility for the yearly budget, reports and annual report
- Program control  
Budgetting and financial management of research programmes (effectiveness, riskmanagement, budgetting calls, legitimacy according to financial rules of funding agencies)
- Project control  
Responsibility for granting mainly focused on the legitimacy of individual grants



### 3. Accountability

Accountability in public organisations:

- Annual report mainly focused on reaching policy and goals (public value)
- Incorporates the annual account (financial accounting)
- Auditing and assurance



### 3. Accountability

Annual report on public value:

- Mainly focused on counting the applications and awards, gender policy, the development of the careers of researchers financed by NWO, and expenditures on programmes
- Output on publications from research financed by NWO
- Efficiency of the NWO-bureau (a maximum of 6% of our yearly budget can be spend on the bureau)



### 3. Accountability

Annual account:

- Based on the principals of accrual accounting
- Balancesheet merely presents liquidity and earmarking of funds and sufficiency of income

Balancesheet (M€)	31-12-2008
<b>Assets</b>	
Material fixed assets	87
Financial fixed assetx	19
<b>Fixed assets</b>	<b>106</b>
Stock	3
Debtors	61
Fluid assets	344
<b>Current assets</b>	<b>408</b>
<b>Total assets</b>	<b>514</b>

	31-12-2008
<b>Liabilities</b>	
Reserves	-89
Earmarked funds	423
<b>Funds</b>	<b>334</b>
Provisions	13
Debts	167
<b>Current liabilities</b>	<b>180</b>
<b>Toal liabilities</b>	<b>514</b>



### 3. Accountability

Auditing and assurance:

- Annual audit of an external accountant (KPMG) based on the internal control system of NWO and internal audits by F&C-auditors
- Internal audits include audits on IT-controls and the way European tenders are used in the organisation of NWO
- The external accountants of the universities are responsible for the assurance on the legitimacy of the expenditures on research projects financed by NWO (based on the control protocol OCW)
- No specific audits by NWO, but only we pay a few site visits in a year (minimal 9)



## 4. Granting scientific research

From 1998 the transfer of employment of researchers to the Dutch universities.

The funding by NWO of scientific research is based on:

- the agreement between NWO and VSNU (the association of the Dutch universities)
- the general terms and conditions of NWO grants

The agreement NWO-VSNU is in 2008 extended to VFI (the association of the non-profit fundraising organisations in health care) and NFU (the association of the medical departments of the Dutch universities). NWO and VFI will apply the same rules and subsidy schemes.



## 4. Granting scientific research

Renewal the general terms and conditions of NWO grants

- to reduce inconsistencies that have incrementally occurred during time
- to reduce a variety of subsidy schemes with specific terms
- to incorporate the new uniform general terms of grants by the departments of central government
- to further reduce administrative burden for researchers and information gathering only if strictly needed (effectiveness, efficiency and legitimacy)

The terms and conditions will be focused on rules for :

- who can apply (researchers)
- what can be applied for (funding by NWO)
- how to apply and internal procedures of NWO

Finished in september 2009.

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## 4. Granting scientific research

Four features of the general terms and conditions of NWO grants

1. Application by a scientific researcher who:
  - can prove he can of course actually fulfill a researchproject
  - has or will find employment at a Dutch university
2. Funding the direct costs of a research project (no FEC):
  - direct salary costs based on the salary scales of VSNU (PHD-student, postdoc, etc.)
  - costs of materials needed for the specific researchproject
  - benchfee for travelling, congresses and seminars, etc. (fixed amount of 5 k€)
  - investmentcosts needed for the specific researchproject



## 4. Granting scientific research

Four features of the general terms and conditions of NWO grants

3. Internal procedure (how to apply, peerreviews, advising, decision and actual granting and appeal and object)
4. NWO grants the researcher and not the university, the university signs a contract by which the university declares that:
  - the researcher will be employed by the normal terms of employment of the VSNU
  - the researchproject will be kept in a appropriate administration
  - the university will inform NWO if the researchproject can't be fulfilled accordingly to the proposal agreed upon
  - the university will give NWO access to all information needed



## 5. Renewal granting and financial systems of NWO

Granting system (Beyond):

- Subsidy schemes
- Submission of subsidies
- Subsidy application
- Project administration

Project management by the central policy department of NWO.

Planning:

- List of demands 2009
- Tender procedure 2010
- Implementation 2011



## 5. Renewal granting and financial systems of NWO

Finance and control system, focus on:

- Budgetting
- Commitments for granting
- AP, AR, general ledger, assets and procurement

Project management by the central department of F&C.

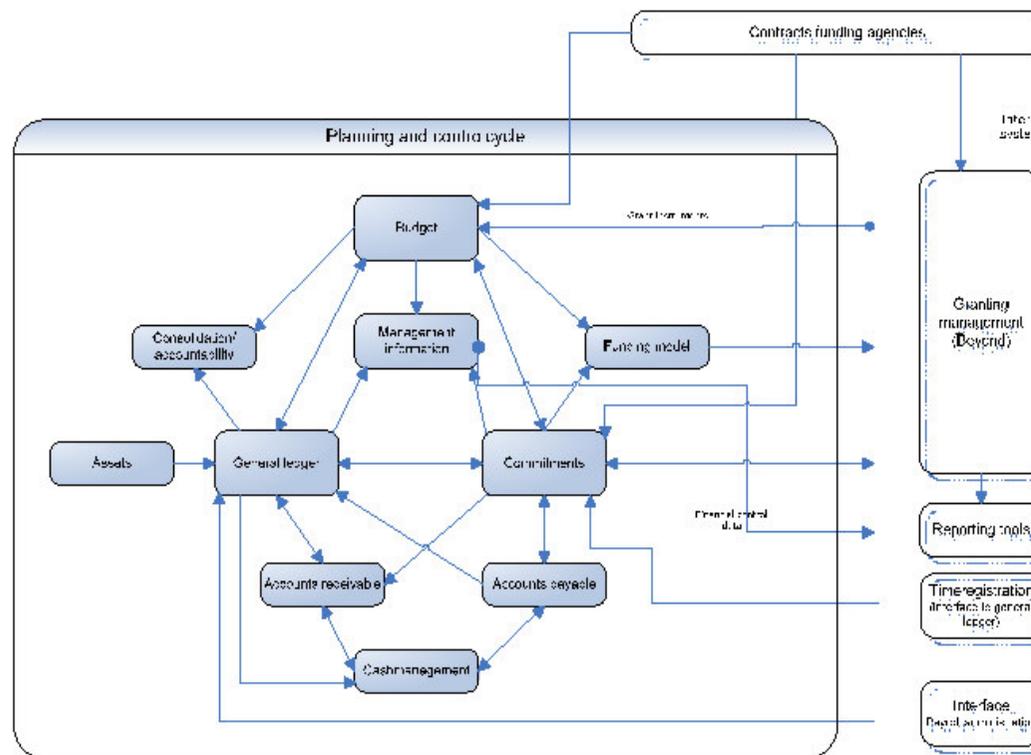
Planning is the same as for the granting project.

Challenge:

How to integrate granting and finance and control.



## 5. Renewal granting and financial systems of NWO



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NWO

Thank you for your attention

Website: [www.nwo.nl](http://www.nwo.nl)

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