

Full Cost in an Organization in Transition

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Accountability Challenges: Restoring Trust

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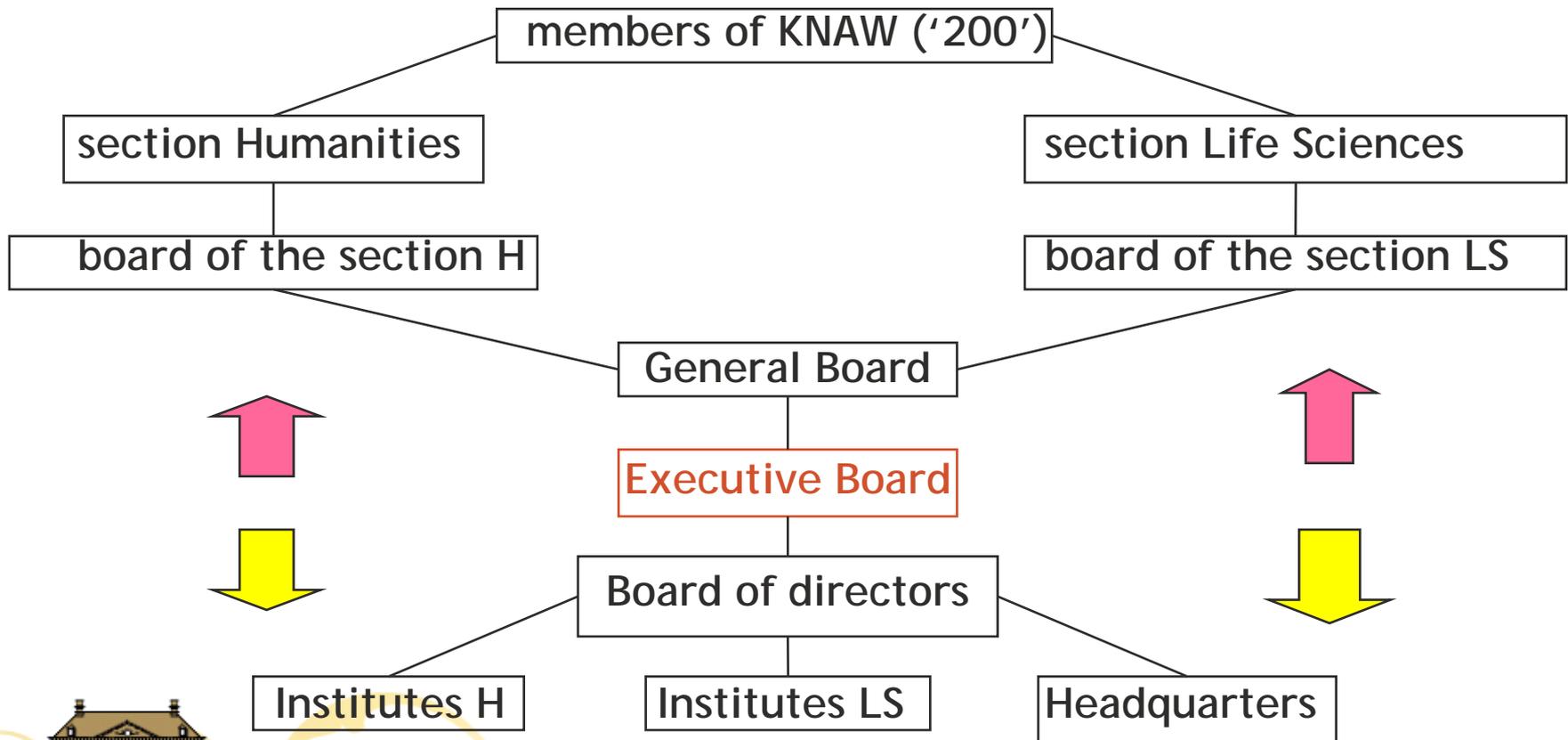


KNAW

- KNAW organisation
- accountability
- choosing the right direction



KNAW-organisation



KNAW Accountability

Riskmanagement

- riskmanagement: far too low on the agenda
- Introduction of a standard project accounting method
- costing system (additional cost / full cost)

Auditing

- Compliance > new legislation ahead
- Intensifying internal audit



KNAW - choosing the right direction

- Organising the financial function
inevitability of a shared service centre
- risk-approach in auditing
inevitability of an audit committee
- full cost is the future
inevitability of full cost



Full cost is the future

- Present status: lump sums completed with grants for research projects, mostly calculated on the basis of additional cost
- Pressure on using full cost (FC) method
- FC for safeguarding activity based financing
- FC for better internal cost management
- FC for more transparency

FC is inevitable



Full Cost in an Organization in Transition

KNAW - organisation

- Cost centres
 - Research institutes (20)
 - the foundation (memberorganisation, international affairs, quality assurance etc.)
- Headquarters as overhead
 - general overhead
 - housing for everyone



Full Cost in an Organization in Transition

Housing

- institutes with rented premises
- institutes with buildings on the accounts of the headquarters (the vast majority)

Full cost and housing

- technically easy
- in terms of budget > reshuffling the responsibility



Full Cost in an Organization in Transition

Challenges

- commitment
- competence
- the costing system
- the organisation of KNAW in transition



Full Cost in an Organization in Transition

The organisation in transition

- towards a new managementstyle
- search for economy of scale
- towards a new relation between headquarters and the cost centres
- tension in relation with granting conditions



Full Cost in an Organization in Transition

FC is a managementtool for financial sustainability and reasonable accountability

According the report of the Expert Group of DG RTD of the European Commission (2008)



Full Cost in an Organization in Transition

Therefore FC delivers a contribution to restoring trust in financing principles on research in an organisation in transition.

Thank you for your attention

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