

European University Association Experts Conference: Universities urged to identify the full costs of their activities

8th February 2008. More than 120 university leaders, administrators and financial experts from 30 different countries have gathered in Brussels to take part in the European University Association (EUA) Experts Conference on the financial sustainability of Europe's higher education institutions (7/8 Feb).

Amongst the speakers on the first day were Christina Ullenius, EUA Vice President, Sir Howard Newby, Vice Chancellor designate University of Liverpool, and Gunnar Hökmark, Member of the European Parliament.

Launching the event Christina Ullenius said that "Our Conference aims specifically to explore the links of costing and funding with autonomy, governance and accountability, and to formulate advice and concrete recommendations for universities on the further development of their financial management towards full-cost accounting".

The conference was also opened with a video presentation by Jàn Figel', Commissioner for Education, Training, Culture and Youth. Commissioner Figel' emphasised that the financial sustainability of institutions was a key issue in the modernisation of European higher education, underlining that "few other topics are more crucial for the future of our universities".

Michael Yuille, Chairman of the Steering Group of the EUA University Funding project, pointed out that "full cost accounting is a means to understanding the funding requirements necessary to maintain financial sustainability of Europe's universities. In our project, we have unsurprisingly found considerable diversity of accounting practices - but the one common, unifying factor is the direction of travel. We are all on the road towards full costing, but all are at different stages on the journey".

Amongst the other highlights of the first day was a presentation by EUA's Thomas Estermann - who unveiled the first findings of the university funding project. He stressed that "only institutions that know the full costs of their activities and projects, can judge if they are operating on a financially sustainable basis".

Initial findings of the EUA study had shown that there was a huge diversity of institutional funding patterns and the development of full costing models in Europe and as yet, no common understanding of the financial terminology used, let alone a coherent way to define full costs of activities.

Estermann told the audience that the move towards full costing has been driven on European level by European Funding programmes (such as FP7), on national level by pressure for greater accountability and transparency, and in institutions by a more managerial and strategic behaviour.

However, there were also a number of obstacles for implementing sound costing systems, such as a lack of external financial support, and lack of autonomy.

EUA's current project work was showing that the necessary requirements for change need to be addressed on the European, national and institutional levels. The results of the EUA project will be published in the autumn of 2008.

Ends:

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The European University Association, as the representative organisation of both the European universities and the national rectors' conferences, is the main voice of the higher education community in Europe. EUA's mission is to promote the development of a coherent system of European higher education and research.

www.eua.be

- To see Mr Figel's speech, please visit this website :

http://ec.europa.eu/commission_barroso/figel/speeches/2008/speeches_en.htm

- Thomas Estermann's presentation is also available on request