

IT UNIVERSITY OF COPENHAGEN

# ANNUAL REPORT 2013



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# 1. STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT AND INDEPENDENT AUDITORS' REPORT

## 1.1 UNIVERSITY DETAILS

**Organisation:** IT University of Copenhagen  
Rued Langgaards Vej 7  
DK-2300 Copenhagen S

Telephone: +45 72 18 50 00  
E-mail: [itu@itu.dk](mailto:itu@itu.dk)  
Website: [www.itu.dk](http://www.itu.dk)

CVR no.: 29 05 77 53

**Registered office:** Copenhagen



**IT-Universitetet**  
i København

**Board of Directors:**

**Jørgen Lindegaard**, chairman of the Board of Directors, former group managing director of ISS-Holding, ISS A/S and SAS Group (2006-2010 and 2001-2006, respectively), born 1948. Chairman of the Board of AVT Business School, JL Rungsted Holding ApS, Vimmelskiftet 39-41, Trifina Holding ApS, Zealand Pharma A/S, Scania Danmark and Norsk Scania A/S. Member of the Board of Directors of Stilde Plantage A/S. Managing director of JL Rungsted Invest ApS.

**Per Ladegaard**, managing director, Nykredit Holding A/S, born 1953. Chairman of the Board of Directors of Nykredit Mægler A/S, e-nettet A/S, e-nettet Holding A/S, the Danish Rheumatism Association and JN-Data A/S. Member of the Board of Directors of Nykredit Bank A/S and Bankernes EDB Central (BEC). Member of the Telecommunications Complaints Board.

**Annette Stausholm**, department manager, IBM, born 1959. Recipient of the European Women of Achievement Award 2004.

**Jay David Bolter**, co-director for New Media Center and professor in New Media, School of Literature, Communications, and Culture at Georgia Institute of Technology, born 1951.

**Maria Rørbye Rønn**, CEO, director general of Radio Denmark, born 1964. Deputy chairman of the Board of Directors of Ritzaus Bureau A/S.

**Thomas Hildebrandt**, associate professor, the IT University of Copenhagen, born 1972.

**Sebastian Büttrich**, special consultant, the IT University of Copenhagen, born 1964.

**Mark Gray**, MSc student, the IT University of Copenhagen, born 1984.

**Vytautas Davidavicius**, bachelor student, the IT University of Copenhagen born 1981. Joined the Board of Directors on 1 November 2013.

**Management**

Mads Tofte, vice chancellor  
Jørgen Staunstrup, provost  
Georg Dam Steffensen, head of administration

**Auditors**

Rigsrevisionen (the auditor general of Denmark)  
Borgergade 16  
DK-1300 Copenhagen K

**Institutional auditors**

KPMG Statsautoriseret Revisionspartnerselskab  
Osvold Helmuths Vej 4  
Postboks 250  
DK-2000 Frederiksberg

**Attorneys**

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DK-1550 Copenhagen V

Kirk Larsen & Ascanius  
Torvet 21  
DK-6700 Esbjerg

NORDIA Advokatfirma  
Østergade 16  
DK-1100 Copenhagen K

**Bank**

Danske Bank  
Holmens Kanal 2-12  
DK-1092 Copenhagen K



## 1.2 STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT

The Board of Directors and the Management have today discussed and approved the annual report of the IT University of Copenhagen.

The annual report has been prepared in accordance with Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities.

It is our opinion that:

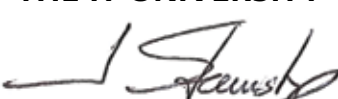
1. the annual report gives a true and fair view, i.e. the annual report does not contain any material misstatements or omissions, including adequate presentation and reporting of targets in the annual report,
2. the transactions comprised by the financial reporting are consistent with appropriations granted, legislation and other regulations as well as agreements entered into and general practice,
3. business procedures have been established that ensure financially appropriate administration of the funds comprised by the annual report.

Copenhagen, 11 April 2014

### THE MANAGEMENT OF THE IT UNIVERSITY



Mads Tofte  
Vice chancellor




Jørgen Staunstrup  
Provost

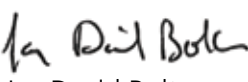


Georg Dam Steffensen  
University director

### THE BOARD OF DIRECTORS OF THE IT UNIVERSITY



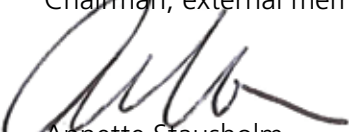
Jørgen Lindegaard  
Chairman, external member



Jay David Bolter  
External member



Per Ladegaard  
External member



Annette Stausholm  
External member



Maria Rørbye Rønn  
External member



Sebastian Büttrich  
Staff-elected member



Thomas Hildebrandt  
Staff-elected member



Mark Gray  
Student-elected member



Vytautas Davidavicius  
Student-elected member

### 1.3 INDEPENDENT AUDITORS' REPORT

The Board of Directors of the IT University of Copenhagen has appointed KPMG institutional auditors of the IT University of Copenhagen in accordance with section 28(3) of the Danish University Act. The Auditor General is responsible for the overall audit in accordance with the Danish Auditor General's Act.

## TO THE BOARD OF DIRECTORS OF THE IT UNIVERSITY OF COPENHAGEN

### Independent auditors' report on the financial statements

We have audited the financial statements of the IT University of Copenhagen for the financial year 1 January – 31 December 2013. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the provisions of Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities.

### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities. Management is also responsible for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Further, it is Management's responsibility that the transactions comprised by the financial statements are in accordance with the appropriations granted, legislation and other regulations as well as agreements entered into and general practice.

### Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, generally accepted public auditing standards and additional requirements under Danish audit regulation as well as Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements,

whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the University's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

Further, the audit comprises an assessment as to whether business procedures and internal control have been established to ensure that the transactions comprised by the financial statements are consistent with appropriations granted, legislation and other regulations as well as agreements entered into and general practice.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the University's financial position at 31 December 2013 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2013 in accordance with the provisions of Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities. Further, in our opinion, business procedures and internal control have been established to ensure that the transactions comprised by the financial statements are consistent with appropriations granted, legislation and other regulations as well as agreements entered into and general practice.

### **Statement on the Management's review, performance reporting and financial highlights**

In accordance with agreement with the Auditor General on internal audit, cf. section 9(1) of the Danish Act on Audit of State Accounts etc., we have read the Management's review, performance reporting and financial highlights. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review, performance reporting and financial highlights is consistent with the financial statements.

Copenhagen, 11 April 2014

### **KPMG**

Statsautoriseret Revisionspartnerselskab

Peter Gath  
State Authorised Public Accountant

Charlotte Formsgaard  
State Authorised Public Accountant



## 2. MANAGEMENT'S REVIEW

### 2.1 PRESENTATION

The IT University of Copenhagen is an independent university under the Ministry of Higher Education and Science.

#### **Mission**

*The mission of the IT University of Copenhagen is to provide internationally leading teaching and research which will make Denmark exceptionally good at creating value with IT. The IT University will create this value mainly via IT research and IT education.*

#### **Vision**

*The IT University of Copenhagen is an outstanding example of how a small university can achieve a ranking among the best in the world, both in terms of academic standards and in terms of creating value, by being innovative and globally interactive.*

### 2.2 STRATEGY

The key elements of the strategy for the period 2012-2016 are:

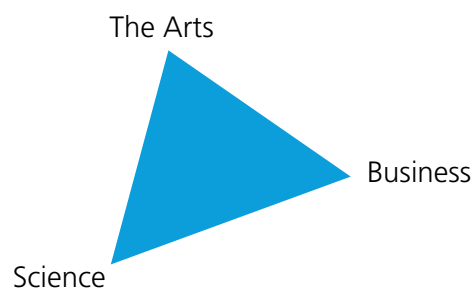
1. The IT University complies with its mission
2. Significant growth in research volume without compromising education volume
3. Careful allocation of resources
4. A great place to work.

The overall strategy consists of sub-strategies for education, research, IT and communication.

## THE IT UNIVERSITY'S VIEW ON IT:

*The essence of information technology is the creation, sharing and handling of mental concepts by means of digital technology.*

Thus, it is the mental concepts of humans, or the intellect, which constitute the core of information technology. Some of these concepts are based in natural sciences and technology, some in the arts and some in the use of IT by the business community. This diversity of specialisation is expressed in the triangle of the IT University:



This view is decisive for the ability of the IT University to attract a large number of researchers and students to this area. As a university dedicated to IT, the IT University has the special advantage of being able to gather these very different approaches to IT in one organisation with common targets and strategy.

The development of the IT University into a full-scale university includes both bachelor programmes and master of science (MSc) study programmes in all three corners of the above triangle. The bachelor programmes have now reached a level corresponding to the programmes designed in connection with the globalisation agreement in 2006.

## THE IT UNIVERSITY'S DEFINITION OF THE IDEAL IT EDUCATION

At the IT University, the ideal education fulfils the following requirements:

- It attracts a large number of highly qualified students
- The scientific content as well as the teaching is world class
- The education provides the students with qualifications which are in high demand in the labour market.

The principle stated above has decisive consequences for the programmes offered at the IT University. Only by attracting a large number of highly qualified students, the IT University is able to fulfil its mission. Only via continuous development of the ability of the organisation to design high-quality programmes and to provide high-quality teaching, it is possible to achieve

the goal of world-class scientific content and teaching. Only via dialogue with the employers, the IT University is able to ensure that all students receive qualifications which are in demand in the labour market.

In terms of attracting a large number of highly qualified students, 2013 saw an increase in the number of students enrolled, the number of students admitted was maintained, and the number of graduates (bachelor as well as MSc graduates) increased significantly.

In 2013, the IT University insourced the MSc study programme EBUSS, which had been outsourced to the Copenhagen Business School. At the same time, the research staff at the IT University increased significantly.

Owing to the increasing number of students enrolled and the increased number of employees, the IT University took over the fifth floor at Rued Langgaards Vej 7 in 2013 and moved out of the lease in Mikado House at Rued Langgaards Vej 4.

## 2.3 THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors did not elect any new external members in 2013. Vytautas Davidavicius was elected student board member replacing Alexander Momtaz Jacobsen. Accordingly, at year end 2013, the Board of Directors consists of Jørgen Lindegaard (chairman), Annette Stausholm, Jay David Bolter, Maria Rørbye Rønn, Per Ladegaard, Sebastian Büttrich, Thomas Hildebrandt, Mark Gray and Vytautas Davidavicius.

In 2013, the Board of Directors focused on how the IT University may deliver the best possible quality with the resources available. The IT University aims not to have to reject qualified students for programmes where the demand for graduates is high. However, the IT University does not want to admit a large number of students for programmes where the outlook for employment is not promising or where science staff resources are not sufficient to deliver high-quality teaching to the students admitted. The Board of Directors supports the University's aim to achieve this, and it also supports an increase in the science staff resources in areas where this is justified by demand.

Moreover, the University's strategy for commercialisation and entrepreneurship as well as the formation of a public limited company pursuant to section 4 of "Act to consolidate the law on commercial activities of public research institutions and cooperation with foundations" (Act No. 353 of 25 March 2013) have been considered.

At every meeting of the Board of Directors, Management reports on the achievement of the targets in the development contract (red, yellow or green).

## 2.4 DEVELOPMENT CONTRACT

On 20 June 2012, the IT University entered into a development contract with the Minister of Higher Education and Science. The main themes of the development contract are:

- Quality in education (benchmarks: drop-out and employment rates)
- Coherence in the education system (benchmark: intake from other institutions)
- Lower completion time (benchmark: completion time)
- Increased innovation capacity (benchmarks: open innovation projects and attraction of research funding from other sources than the Government)
- IT research with great impact (benchmarks: bibliometric points and external research funding)
- Working and study environment (benchmarks: scores in employee satisfaction surveys and course evaluations as well as increase in number of professors)
- Globalisation (benchmarks: participation in globally interactive research and education)
- Efficiency (benchmarks: efficiency in education and administration).

The first four themes were defined by the Minister of Higher Education and Science, and the last four themes were based on the strategy of the IT University for the period 2012-2016. In the development contract for the period 2012-2014, the IT University made an agreement with the Minister on 16 targets. In 2013, the IT University fulfilled 12 of the 16 targets.

The targets achieved included a low drop-out rate for first-year bachelor students (benchmark 1), attracting students from other institutions (benchmark 3), bachelor students completing their study within the prescribed study period (benchmark 4), attraction of external research funding from other sources than the Government (benchmark 6), open innovation projects (benchmark 7), bibliometric points (benchmark 8), scores in employee satisfaction surveys (benchmark 11), professorships (benchmark 12), globally interactive research (benchmark 13), globally interactive education (benchmark 14), efficiency in education (benchmark 15) and reduction of administrative expenses (benchmark 16).

The targets that were not achieved included the target that the employment rate for MSc graduates who graduated not more than four years ago must be at least one percentage point higher than the national average. The calculation is not available for 2013, but the IT University has determined that the target was not achieved based on figures for 2012 where the employment rate for MSc graduates from the IT University was three percentage points lower than for MSc graduates from other universities (benchmark 2). The target that 60 per cent of the MSc students complete their degree within the standard programme duration plus one year was not achieved as 59 per cent completed their degree within the standard programme duration plus one year (benchmark 5). In addition, the targets that were not achieved included the target of external research funding (benchmark 9) and the target of course evaluation (benchmark 10).

For further details, see Section 4.2 Discussion of target achievements.

## 2.5 FINANCIAL PERFORMANCE FOR 2013

The financial performance for the year after net financials is disclosed in Table 1. As seen, income increased by approximately five per cent. Income was just over DKK two million higher than budget, and costs were approximately DKK two million lower than budget. The deviations between budget and realised amounts are caused primarily by the following factors on the income side:

- Income from education increased by approximately DKK six million or four per cent. Hereof, approximately DKK three million are attributable to the decision to admit a larger number of full-time students than assumed in the budget.
- The completion bonus from the Ministry came out higher than expected at the date of the budget as a result of a significant increase in the number of graduates (bachelor as well as master of science graduates).
- Income from external research funding was approximately DKK five million lower than budget.
- Income from lease of premises was almost DKK one million higher than budget.

On the cost side, the difference between budget and realised (ordinary) costs is due to the fact that:

- Overall, payroll costs were more than DKK four million lower than budget. This is particularly attributable to the fact that payroll costs related to external research projects were almost DKK eight million lower than budget, while payroll costs related to the university in general were almost DKK four million higher than budget,
- Other ordinary costs were approximately DKK two million higher than budget.

The takeover of fifth floor at Rued Langgaards Vej has resulted in a significant increase in building costs. It is normally assumed that the government grants are intended to finance the building costs and research. In 2013, the cost of building and operation of building increased to 78 per cent of government grants (compared to 70 per cent in 2012). This development is a challenge in terms of the IT University's strategy that there must be much more research at the IT University.

Net financials were in line with expectations.

**TABLE 1: Financial performance for the year (DKK'000)**

	Real. 2010	Real. 2011	Real. 2012	Budget 2013	Real. 2013	Budget 2014
Income	199,372	228,845	248,903	260,011	261,970	277,452
Costs	215,452	226,370	244,151	259,432	257,582	278,889
Surplus/deficit	-16,080	2,475	4,752	579	4,388	-1,437
Equity at year end	36,851	39,326	44,078	44,657	48,466	47,029

## 2.6 SCIENTIFIC PERFORMANCE FOR THE YEAR

### Research

Research developed very positively in 2013 with many strong results, which is a solid step toward the strategic target of strong growth in research volume without compromising education volume. The strategy is based on the below six areas. Together, the initiatives generate qualitative as well as quantitative growth in research.

#### 1. Move up the reputation spiral

The number of peer-reviewed publications increased significantly calculated using the bibliometric indicator (an increase of 40 per cent); see Table 2. Associate professor John Paulin Hansen was given the Industrial Researcher Award in recognition of his research work, which has contributed to creating new insight and commercial opportunities. The ERC Consolidated Researcher Award (to professor Rasmus Pagh) and three Danish Sapere Aude grants place the IT University in a strong position in respect of the most prestigious grants nationally and in the EU.

#### 2. Increase externally funded research and research collaboration

Funds for externally funded research decreased marginally compared to 2012 and have still not reached the IT University's target. During 2013, several initiatives were launched which generated new grants at the end of 2013. Therefore, it is expected that external funding will increase significantly in 2014, especially in the form of research funds from the EU.

### **3. Contribute to valuable research**

Several of the research projects of the IT University create value for the Danish society in different areas such as architecture, eldercare, financial services, health care, culture and democracy. For instance, many projects aim to strengthen the opportunities and qualifications of Danish software companies in global software development.

### **4. Identify and further develop a number of strategic areas**

The development of strategic areas continued in 2013, including the area Energy Futures that aims to develop the IT solutions required in order that Denmark (and the rest of the world) may achieve the targets set out and reduce the consumption of energy and fossil fuels. The work is especially aimed at finding solutions to collect energy consumption data and measures designed to affect the culture/behaviour that today leads to unnecessary energy consumption. At the end of 2013, initiatives were launched to develop a new strategic area, Critical Systems, i.e. IT systems whose reliability and stable operations are critical to society.

### **5. Stimulate strong research culture**

In 2013, important initiatives were taken to strengthen the research culture, first and foremost through a significant increase in the number of researchers, especially at full professor level. Four new full professors (men and women) were appointed. In 2013, special focus was on developing research within business IT to ensure that education in this area is based on research. The development of the department management, employment and welcome processes, support functions for research project applications as well as implementation of projects continue.

### **6. Strengthen the PhD school**

First and foremost, the production of PhD graduates doubled to 22. In the autumn 2013, an international evaluation of the PhD school of the university emphasised the very high quality of the PhD graduates, and therefore, the large number of PhD graduates is very satisfactory. A new PhD school leader was employed in 2013 and a follow-up will be made on the evaluation. The number of newly enrolled PhD students decreased to 11 in 2013, which is the lowest number since 2007. Several initiatives have been taken to turn this development in 2014.

The increase in research activities has not compromised the education volume, which increased in 2013; see Table 3.

**TABLE 2: Research full-time equivalents, PhD theses and publications**

	2009	2010	2011	2012	2013
Approved PhD theses	10	7	8	11	22
PhD students (full-time equivalents)	32	46	53	49	42
Assistant professors, associate professors and professors (full-time equivalents)	53	65	68	76	89
Number of publications (peer-reviewed)	135	187	209	205	267
Publication points	121	125	114	159	*

Notes: As from 2012, the number of publications (peer-reviewed) has been calculated using a new method.

\* Figures from the Danish Agency for Science, Technology and Innovation were not available at the Annual Report date.

## Education

As shown in Table 3, 2013 was a year marked by growth in ordinary education. The number of full-time student equivalents increased from 1,118 in 2012 to 1,261 in 2013, corresponding to an increase of 13 per cent. The number of MSc students admitted decreased from 491 to 472 students in 2013. However, approximately 75 of the 491 admitted students are attributable to the bringing forward of the 2013 spring admission of MSc students in the study programme Digital Design and Communication which, as from the autumn 2012, only admits students once a year. It was expected that 450 MSc students would be admitted in 2013. The number of bachelor students in 2013 decreased by 10 compared to 2012 but was 16 per cent over the minimum of 180 agreed with the Ministry. The number of graduated bachelors increased from 78 in 2012 to 136 in 2013. The number of enrolled full-time students increased from 1,821 in 2012 to 1,894 in 2013, corresponding to an increase of four per cent of the student population. From 2013, all three bachelor programmes have had three full-year groups of enrolled students.

Part-time education (measured in full-time student equivalents earned by part-time students) increased for the first time in years.



**TABLE 3: Applicants, admitted and enrolled students, full-time student equivalents, graduates and completion times**

	2009	2010	2011	2012	2013
Applicants for the MSc programme	587	769	1,076	1,297	1,269
Admitted MSc students	335	418	417	491	472
Enrolled MSc students	878	989	1,094	1,220	1,269
Graduated MSc students	205	203	247	276	324
Completion time, MSc students (years)	2.5	2.5	2.5	2.6	2.6
Applicants for the bachelor programmes	321	654	899	1,067	1,082
Admitted bachelor students	124*	199	213*	218*	208*
Enrolled bachelor students	190	346	508	601	625
Graduated bachelor students		22	25	78	136
Completion time, bachelor students (years)		2.8	2.8	2.8	2.8
Number of full-time student equivalents	523	690	916	1,118	1,261
Admitted master's/diploma part-time students	169	165	105	118	137
Enrolled master's/diploma part-time students	637	669	644	661	727
Number of full-time student equivalents earned by part-time students	156	145	130	122	125

The number of students, full-time student equivalents and graduates was calculated at 30 September. The completion time, which is 31 months for MSc graduates, corresponding to 2.6 years, is calculated as the median of the number of commenced study months for graduates who complete their MSc degree in the period 1 October to 30 September. The same method is used for bachelors.

\* The figure deviates from the Statistics of Universities Denmark where only the number of students admitted via the coordinated enrolment system (KOT) is shown.

## 2.7 EXPECTATIONS FOR NEXT YEAR

The IT University's bachelor programmes have now been fully implemented, and therefore, it is expected that the performance of the University for 2014 will be in line with 2013 in terms of number of students admitted and number of graduates.

The increased education revenue in the budget is due to expectations of faster completion times as well as a large number of admitted MSc students in the previous two years; see Table 1 on page 11.

In the area of research, the development of strategic areas is expected to continue, and it is also expected that external interests and funding will increase. Recruitment and career development through employment of more professors will represent another focus area.

It is expected that the number of researchers in the department will continue to increase as a consequence of increased activity on the EBUSS study programme which since the summer of 2013 is no longer outsourced to CBS. The increased number of researchers will also support part-time programmes and the growth of external research grants. Revenues from external research grants are expected to increase by approximately eight million DDK which also affects the costs in Table 1.

The budget approved by the Board of Directors results in a deficit of 1.4 million DDK (zero result) and an equity of 47 million DDK in 2014. The equity is expected to be approximately 17 per cent of the revenue corresponding to the level that the board has found necessary in terms of budget assumptions and risk.

The continued growth in PhD activities is challenged as the area will no longer receive the temporary funds granted for the area in 2009 and 2010.

## 3. FINANCIAL STATEMENTS

### 3.1 ACCOUNTING POLICIES

#### **Basis of reporting**

The annual report of the IT University has been prepared in accordance with Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities, as amended.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Costs are allocated in accordance with "Guidelines on allocation of universities' costs to main areas and purposes", February 2012.

#### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the University and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item, see page 22.

In recognising and measuring assets and liabilities, probable economic benefits and liabilities occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

#### **Foreign currency translation**

Receivables, payables and other items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

#### **Corporation tax and deferred tax**

The IT University is not liable to pay tax.

## INCOME STATEMENT

### ITEMS OF INCOME

#### General

The income of the IT University includes government grants for basic research, grants per student and operating income from the ordinary government appropriation. In addition, the University receives donations and grants, income from cooperation agreements, student fees from part-time programmes and income from other commercial activities.

#### Government grants

The IT University is entitled to government grants, and the grants to the University are disclosed in the Finance and Appropriation Act. Grants are recognised as income in the period to which they relate.

Grants per student are paid on account on a monthly basis based on the anticipated number of full-time equivalents. Every year in October, the actual production of full-time equivalents is calculated, and the on-account payments are adjusted.

#### External grants and donations

Grants and commitments, including income from cooperation agreements subject to conditions of use by the grantor, are recognised as income as the costs are paid.

Grants that are not subject to conditions are recognised as income at the time of receipt.

#### Securities

Securities are recognised in accordance with the quoted prices of the individual securities at the balance sheet date, including accrued interest.

#### Tuition fees for part-time programmes, other commercial activities and rental income

The income is recognised in the period to which it relates.

**Costs**

Costs include external costs incurred for the activities of the year. Costs comprise staff costs, consumables, services, insurance premiums, maintenance costs and other operating costs of running the University.

Costs are allocated to purposes in accordance with principles stipulated by the Ministry of Higher Education and Science. The aim is that as much of the IT University's costs as possible should be attributed directly to external/study-related purposes, i.e. education, research, dissemination and knowledge sharing. Costs that cannot be attributed directly to these categories will be allocated by means of cost allocation keys.

## BALANCE SHEET

### Intangible assets

Software is capitalised when it is vital to the task handling of the University, and when its size and useful life are significant.

Only costs related to the development process and which result in a real increase in value are capitalised. Costs incurred during the initial phase and the phase of operation are recognised as expense.

Software is measured at cost less accumulated amortisation. Amortisation is provided on a straight-line basis over the expected useful lives of the assets from the date when the assets are available for use. The expected useful life is five years.

### Property, plant and equipment

IT and AV equipment, machinery, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation.

Cost comprises the purchase price and any costs directly attributable to the acquisition as well as costs for preparing the assets for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

IT and AV equipment	3 years
Machinery, IT systems, tools and equipment	5 years
Leasehold improvement	10 years

Assets with a cost of less than DKK 100,000 per item are expensed in the year of acquisition. For this purpose, the IT University does not aggregate assets.

### Collections and works of art

The IT University has received works of art from various donors. In accordance with the accounting rules of the Government, these works of art are not recognised at a value.

### Receivables

Receivables are measured in the balance sheet at nominal value less write-down for bad debt losses. Write-down for bad debt losses is based on an individual assessment of receivables.

### **Externally funded activities in progress**

On an ongoing basis, the IT University enters into agreements with businesses, public institutions and private organisations on research activities. The activities funded by the grantor are set out in the agreements. To the extent that the IT University incurs costs for activities that are funded under the agreements, but for which the grants have not yet been paid, the grants to which the IT University has obtained a right are recognised as receivables from externally funded activities in progress.

Grants received, covering costs that have not yet been paid, are recognised as prepaid restricted grants.

The IT University charges a fee to cover overhead costs related to grant activities. The fee is recognised as income as the grants are used.

Provision for bad debt losses is made on the basis of an individual assessment of the individual externally funded activities in progress and as a general provision for unforeseen losses. The provision is set off against receivables from externally funded activities.

### **Prepayments and deferred income**

Prepayments comprise costs incurred concerning subsequent financial years. Prepaid costs relate to rent, insurance premiums, subscriptions and prepaid wages and salaries, etc.

Deferred income comprises payments received concerning income in subsequent years.

### **Liabilities other than provisions**

Liabilities other than provisions are measured at amortised cost, which is in all material respects equivalent to the nominal value.

### **Provisions**

Provisions are recognised when, as a result of past events, the University has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

**Contingent liabilities**

Contingent liabilities include liabilities related to leases and pending litigation against the University that the University will most likely not have to settle.

**Cash flow statement**

The cash flow statement shows the University's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the University's cash and cash equivalents at the beginning and end of the year. The cash flow statement cannot be derived solely from the published accounting records.

**Cash flows from operating activities**

Cash flows from operating activities are calculated as the surplus for the year adjusted for non-cash items, such as depreciation, amortisation and impairment losses, as well as changes in working capital, interest received and interest paid. Working capital comprises current assets, excl. cash and cash equivalents less current liabilities other than provisions.

**Cash flows from investing activities**

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment and investments.

**Cash flows from financing activities**

Cash flows from financing activities comprise cash flows from incurrence and repayment of non-current liabilities other than provisions as well as securities.



### 3.2 INCOME STATEMENT

#### 1 JANUARY – 31 DECEMBER

Note		2013 DKK'000	2012 DKK'000
	Education	148,441	131,679
	Research	111,358	109,571
	Operating grant	1,577	670
	Other purposes	-3,959	-1,696
	Other income	2,968	6,985
<b>1</b>	<b>Income</b>	<b>260,385</b>	<b>247,209</b>
	Education	118,949	116,530
	Research	99,109	90,829
	Dissemination and knowledge sharing	9,060	6,018
	General management, administration and service	30,418	30,769
<b>2</b>	<b>Total ordinary operating costs</b>	<b>257,536</b>	<b>244,146</b>
	<b>Surplus on ordinary activities</b>	<b>2,849</b>	<b>3,063</b>
<b>3</b>	Financial income	1,585	1,694
<b>4</b>	Financial expenses	46	5
	<b>Surplus for the year</b>	<b>4,388</b>	<b>4,752</b>

### 3.3 BALANCE SHEET AT 31 DECEMBER ASSETS

Note		2013 DKK'000	2012 DKK'000
	Software	2,111	611
	<b>Intangible assets</b>	<b>2,111</b>	<b>611</b>
6	Leasehold improvements	333	314
6	IT equipment	1,853	1,845
6	Fixtures and fittings, tools and equipment	144	190
	<b>Property, plant and equipment</b>	<b>2,330</b>	<b>2,349</b>
	<b>Non-current assets</b>	<b>4,441</b>	<b>2,960</b>
	Trade receivables, etc.	4,076	1,598
	Other receivables	3,949	3,518
	Receivables from externally funded activities	5,235	6,312
7	Prepayments	1,823	3,149
	<b>Receivables</b>	<b>15,083</b>	<b>14,577</b>
	Securities	87,724	50,864
	Deposited at fund manager	300	25,657
	Cash at bank and in hand	43,156	27,735
	<b>Cash and cash equivalents</b>	<b>131,180</b>	<b>104,256</b>
	<b>Current assets</b>	<b>146,263</b>	<b>118,833</b>
	<b>Total assets</b>	<b>150,704</b>	<b>121,793</b>

## BALANCE SHEET AT 31 DECEMBER EQUITY AND LIABILITIES

Note		2013 DKK'000	2012 DKK'000
	Equity at 1 January	44,078	39,326
	Retained surplus	4,388	4,752
	<b>Equity</b>	<b>48,466</b>	<b>44,078</b>
<b>8</b>	<b>Provisions</b>	<b>2,829</b>	<b>3,784</b>
	Trade payables	18,252	11,218
	Balance with the Government	20,773	18,192
<b>6</b>	Other payables	14,127	10,584
	Holiday allowance	20,021	17,968
	Prepaid restricted grants	26,215	15,701
	Deferred income	21	268
	<b>Current liabilities other than provisions</b>	<b>99,409</b>	<b>73,931</b>
	<b>Liabilities other than provisions</b>	<b>99,409</b>	<b>73,931</b>
	<b>Total equity and liabilities</b>	<b>150,704</b>	<b>121,793</b>

10 Employee matters

11 Mortgages and collateral

12 Contractual obligations

13 Contingent liabilities and other liabilities

14 Related parties

15 Separate financial statements for research activities funded by grants, etc. (section 10.2.12)

16 Additional factors set out in Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities, as amended.

### 3.4 CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

Note		2013 DKK'000	2012 DKK'000
	Surplus for the year	4,388	4,752
	<b>Reversal of items with no cash-flow effect:</b>		
6	Depreciation, amortisation and impairment losses on non-current assets	1,603	3,055
	Change in provisions	-955	738
	<b>Change in operating capital:</b>		
	Change in receivables, etc.	-506	-1,455
	Change in current liabilities other than provisions	25,478	14,042
	<b>Cash flows from operating activities</b>	<b>30,008</b>	<b>21,132</b>
5	Acquisition of intangible assets	-1,949	0
6	Acquisition of property, plant and equipment	-1,135	-1,736
	<b>Cash flows from investing activities</b>	<b>-3,084</b>	<b>-1,736</b>
	Acquisition/disposal/drawing of bonds	-36,860	-50,864
	Deposited at fund manager	25,357	-25,657
	<b>Cash flows from financing activities</b>	<b>-11,503</b>	<b>-76,521</b>
	<b>Change in cash and cash equivalents</b>	<b>15,421</b>	<b>-57,125</b>
	Cash and cash equivalents at the beginning of the year	27,735	84,860
	<b>Cash and cash equivalents at year end</b>	<b>43,156</b>	<b>27,735</b>

### 3.5 STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER

	2013 DKK'000	2012 DKK'000
Retained surplus at 1 January	44,078	39,326
Surplus for the year	4,388	4,752
Retained surplus at 31 December	48,466	44,078
<b>Equity at 31 December</b>	<b>48,466</b>	<b>44,078</b>

## 3.6 NOTES

### 1. INCOME

	2013 DKK'000	2012 DKK'000
Full-time education	132,554	116,793
Part-time education	5,284	5,389
Tuition fee, part-time education	10,358	9,952
Exchange students	245	-455
<b>Education</b>	<b>148,441</b>	<b>131,679</b>
Basic research grants	86,439	83,413
<b>Research</b>	<b>86,439</b>	<b>83,413</b>
Research activities funded by grants	24,742	26,158
Other activities funded by grants	177	0
Income from commercial activities	0	0
<b>External research funds</b>	<b>24,919</b>	<b>26,158</b>
Rental income	1,577	670
<b>Operating grant</b>	<b>1,577</b>	<b>670</b>
Other purposes*	-3,959	-1,696
Basic grant (Finance and Appropriation Act)	0	0
<b>Other purposes</b>	<b>-3,959</b>	<b>-1,696</b>
Refunds regarding previous years: VAT on meals	0	150
Additional activities, sale of notes, conferences, etc.	2,968	6,835
<b>Other income</b>	<b>2,968</b>	<b>6,985</b>
<b>Total income</b>	<b>260,385</b>	<b>247,209</b>

\*) The sum of negative budget adjustments owing to improved efficiency of government procurement, financing of vocational training and improved efficiency of the universities' administration (Agreement on the recovery of Danish economy). Section 19.22.45 of the Danish Finance and Appropriation Act 2013 on grants for administration of foreign scholarships.

## 2. ORDINARY OPERATING COSTS

	2013 DKK'000	2012 DKK'000
Staff costs	59,375	54,637
Other costs	20,247	23,616
Staff costs, buildings/infrastructure	4,623	2,660
Other costs, buildings/infrastructure	34,704	35,617
<b>Education</b>	<b>118,949</b>	<b>116,530</b>
Internal funds:		
Staff costs	52,086	46,465
Other costs	9,519	13,631
External funds:		
Staff costs	12,323	14,397
Other costs	3,420	2,756
Staff costs, buildings/infrastructure	3,166	1,638
Other costs, buildings/infrastructure	18,595	11,942
<b>Research</b>	<b>99,109</b>	<b>90,829</b>
Staff costs	3,850	5,039
Other costs	3,160	923
Staff costs, buildings/infrastructure	157	39
Other costs, buildings/infrastructure	1,893	17
<b>Dissemination and knowledge sharing</b>	<b>9,060</b>	<b>6,018</b>
Staff costs	14,305	15,891
Other costs	11,409	8,612
Staff costs, buildings/infrastructure	694	781
Other costs, buildings/infrastructure	4,010	5,485
<b>General management, administration and service</b>	<b>30,418</b>	<b>30,769</b>
<b>Ordinary operating costs</b>	<b>257,536</b>	<b>244,146</b>
<b>Specification according to section 10.2.5:</b>	<b>2013</b>	<b>2012</b>
Education	118,949	116,530
Research	99,109	90,829
Government assignments	0	0
Other purposes	39,478	36,787
<b>Total costs</b>	<b>257,536</b>	<b>244,146</b>

Note: Costs, including costs relating to buildings, are allocated to purpose in accordance with "Guidelines on allocation of universities' costs to main areas and purposes", February 2012. Figures for 2012 have been changed compared to annual report 2012 so that costs for dissemination are allocated in accordance with the PwC method that forms the basis for the guidelines.

### 3. FINANCIAL INCOME

	2013 DKK'000	2012 DKK'000
Interest income from bank deposits and return on investments	1,585	1,694
<b>Total</b>	<b>1,585</b>	<b>1,694</b>

### 4. FINANCIAL EXPENSES

	2013 DKK'000	2012 DKK'000
Other financial expenses	46	5
<b>Total</b>	<b>46</b>	<b>5</b>

### 5. INTANGIBLE ASSETS

DKK'000	Software	Total intangible assets
Cost at 1 January 2013	1,343	1,343
Additions	1,949	1,949
Disposals	0	0
Transferred to/from other items	0	0
<b>December</b>	<b>3,292</b>	<b>3,292</b>
Amortisation and impairment losses at 1 January 2013	732	732
Amortisation and impairment losses	449	449
Disposals	0	0
<b>Amortisation and impairment losses at 31 December 2013</b>	<b>1,181</b>	<b>1,181</b>
<b>Carrying amount at 31 December 2013</b>	<b>2,111</b>	<b>2,111</b>
<b>Carrying amount at 31 December 2012</b>	<b>611</b>	<b>611</b>



## 6. PROPERTY, PLANT AND EQUIPMENT

DKK 1.000	Leasehold improvements	IT equipment	Machinery, tools and equipment	Total proper- ty, plant and equipment
Cost at 1 January 2013	685	7.698	631	9.014
Additions	158	907	70	1.135
Disposals	0	0	0	0
<b>Cost at 31 December 2013</b>	<b>843</b>	<b>8.605</b>	<b>701</b>	<b>10.149</b>
Depreciation and impairment losses at 1 January 2013	371	5.853	441	6.665
Depreciation and impairment losses	139	899	116	1.154
Disposals	0	0	0	0
<b>Depreciation and impairment losses at 31 December 2013</b>	<b>510</b>	<b>6.752</b>	<b>557</b>	<b>7.819</b>
<b>Carrying amount at 31 December 2013</b>	<b>333</b>	<b>1.853</b>	<b>144</b>	<b>2.330</b>
<b>Carrying amount at 31 December 2012</b>	<b>314</b>	<b>1.845</b>	<b>190</b>	<b>2.349</b>

### Specification of depreciation and amortisation for the year:

Depreciation on property, plant and equipment, see above	1,154
Amortisation of intangible assets, see note 5	449
Hereof abandoned assets	0
<b>Depreciation and amortisation for the year</b>	<b>1,603</b>

## 7. PREPAYMENTS

Prepayments consist of prepaid costs relating to rent, insurance premiums, subscriptions, etc.

## 8. PROVISIONS

	2013 DKK 1.000	2012 DKK 1.000
Provision for re-establishment of leased buildings	2,829	3,784
<b>Total</b>	<b>2,829</b>	<b>3,784</b>

## 9. OTHER PAYABLES

	2013 DKK'000	2012 DKK'000
SLS account	1,178	391
Personal taxes payable, etc.	2,538	2,321
VAT payable	3,326	0
Deposits	856	500
Other payables	465	1,697
Audit fees owing	204	187
Student print owing	157	222
Other liabilities	3,880	4,031
Fixed-term employment bonus	1,523	1,235
<b>Total</b>	<b>14,127</b>	<b>10,584</b>

## 10. EMPLOYEE MATTERS

	2013 DKK'000	2012 DKK'000
Wages and salaries	134,860	125,586
Pensions	15,719	15,962
Other social security costs	816	700
<b>Total</b>	<b>151,395</b>	<b>142,248</b>

Remuneration to:

Management (3 members)	3,578	3,561
Board of Directors (9 members (net 5))	359	336
<b>Total</b>	<b>3,937</b>	<b>3,897</b>

## Staff turnover and composition

	2013	2012	2011
Full-time equivalents	307	284	271
Number of employees	531	497	492
New staff members	320	286	271
Resigned staff members	301	276	233

## 11. MORTGAGES AND COLLATERAL

The IT University has not provided any mortgages or collateral. DKK 43,156 cash at bank and in hand includes DKK 9,216 which the IT-University has received from EU to the research project "Evobliss". IT-University is appointed coordinator in the project. Of these funds DKK 6,890 will be transferred to partners in the project. As per January 2014 DKK 5,273 is transferred to the partners.

## 12. CONTRACTUAL OBLIGATIONS

In 2001, the IT University entered into a lease with the Government. The lease could not be terminated until 1 July 2013 at the earliest. The lease is subject to section 60 of the Danish Rent Act, and after the non-cancellable period, the lessee may terminate the lease at three months' notice.

## 13. CONTINGENT LIABILITIES AND OTHER LIABILITIES

For 36 collectively funded PhD students of a total of 48 PhD students, the IT University guarantees payment of the salaries for the students for the three-year period during which their employment contracts are non-terminable by the University (alternatively spread over four years under the 4+4 scheme). The liability may become relevant if the payroll costs are not covered by businesses or institutions, with which the University has entered into education agreements.

The IT University employs one civil servant, which means that the University is under an obligation to provide redundancy payment for 36 months in case of dismissal. The redundancy payment cannot exceed DKK 2.3 million.

The IT University is covered by the central government's self-insurance principle and has taken out liability insurance for members of the Board of Directors and Management.

## 14. RELATED PARTIES

Related parties	Basis
The Ministry of Higher Education and Science	Grants for research and teaching activities. Powers under the Danish University Act.
The Ministry of Education	Grants for teaching activities. Powers under the Danish Act on Open Education.
Board of Directors and day-to-day management	Management control.
The Finance Committee of the Danish Parliament (Folketinget)	

### Transactions

In 2013, the transactions of the IT University with the Ministry of Higher Education and Science consisted of grants totalling DKK 218.8 million. In addition, a refund of DKK 4.3 million was received regarding non-deductible VAT. In 2012, the IT University received grants of DKK 201.4 million and a refund of DKK 5.8 million regarding non-deductible VAT.

In 2013, the transactions of the IT University with the Ministry of Education consisted of income in the form of grants per student totalling DKK 1.9 million. In 2012, the IT University received DKK 1.8 million in the form of grants per student from the Ministry of Education.

## 15. SEGMENT INFORMATION

### Separate financial statements for research activities funded by grants, other activities funded by grants, income from commercial activities and forensic medical examinations

The segment information disclosed below is in compliance with the requirements of s. 10(2)(12) of Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities.

DKK'000	2013	2012
<b>UK 10 – Ordinary activities</b>		
Income	231,818	218,980
Costs	-238,784	-224,535
Internal net transfer of overheads	6,797	6,478
Institution internal net transfer	1,388	1,231
<b>Surplus before financial income and expenses</b>	<b>1,219</b>	<b>2,154</b>
<b>UK 90 – Income from commercial activities</b>		
Income	3,467	1,898
Costs	-1,846	-1,684
Internal net transfer of overheads	0	0
Institution internal net transfer	0	0
<b>Surplus before financial income and expenses</b>	<b>1,621</b>	<b>214</b>
<b>UK 95 – Research activities funded by grants</b>		
Income	24,702	26,120
Costs	-16,517	-17,720
Internal net transfer of overheads	-6,797	-6,478
Institution internal net transfer	-1,388	-1,231
<b>Surplus before financial income and expenses</b>	<b>0</b>	<b>691</b>
<b>UK 97 – Other activities funded by grants</b>		
Income	398	210
Costs	-389	-207
Internal net transfer of overheads	0	0
Institution internal net transfer	0	0
<b>Surplus before financial income and expenses</b>	<b>9</b>	<b>3</b>
<b>Total</b>		
Income	260,385	247,209
Costs	-257,536	-244,146
Total OH	0	0
Total institution transfers	0	0
<b>Surplus before financial income and expenses</b>	<b>2,849</b>	<b>3,063</b>

Income and costs (notes 1 and 2) are allocated to purpose, whereas the above income and costs are allocated to sub-accounts. Thus, there is no clear link between the individual sub-account and a specific purpose.

As income from activities funded by grants (sub-accounts 95-97) is recognised as the grants are used, no surplus for the year after financial income and expenses is in principle recorded for these sub-accounts.

**Construction projects adopted by the Finance Committee of the Danish Parliament:**

The IT University does not have any construction projects.

## 16. ADDITIONAL FACTORS

Additional factors set out in Executive Order No. 1281 of 15 December 2011 on Grants and Auditing, etc., of Universities.

### **SECTION 10(2)(2):**

Section 10(2)(2): Information on total balances of grants, etc., for which the University acts as a secretariat.

The IT University does not manage grants, etc.

### **SECTION 10(2)(3):**

Section 10(2)(3): Summary of the costs of the University for student political activities and other student activities.

In 2013, the IT University allocated an amount of DKK 20,000 to the student political organisation StupIT.

In 2013, the IT University allocated an amount of DKK 25,000 to the student entrepreneur forum, ITU Innovators.

### **SECTION 10(2)(6):**

Section 10(2)(6): Information on funds provided to foundations the main purpose of which is to establish housing near the University pursuant to section 10(2) of the Danish act on the commercial activities of public research institutions and cooperation with foundations.

The IT University is not involved in any special activities in this respect.

### **SECTION 10(2)(7):**

Section 10(2)(7): Costs for the administration of foundations and associations.

The IT University has no costs for the administration of foundations and associations.

### **SECTION 10(2)(8):**

Information on the institution's investment in and acquisition of shares in companies; for the year and accumulated.

### **SECTION 10(2)(9):**

Information on the institution's income and costs in relation to the companies mentioned in (8) above.

### **SECTION 10(2)(10):**

Information on funds used for free university places and scholarships broken down by full-time equivalents under different schemes and the amount of scholarships paid, respectively.

<b>Free university places and scholarships</b>	<b>2013</b>	<b>2012</b>
Number of students enrolled for free university places at 30/9	4	4
Number of full-time equivalents in free university places (scheme 3)	2	5
Total amount paid in scholarships (DKK'000)	233	282

### **SECTION 10(2)(11):**

Section 10(2)(11): Information on study programmes offered by the University abroad.  
The IT University does not offer any programmes abroad.

Information on Erasmus Mundus students, see letter dated 15 June 2010 from the Danish Agency for Universities and Internationalisation and letter dated 16 December 2013 on the annual report for 2013:

The IT University does not participate in Erasmus Mundus programmes and has therefore no students in this category.



### 3.7 FINANCIAL HIGHLIGHTS

#### Summary of financial highlights, cf. section 10(2)(4)

<b>Income* (DKK'000)</b>	<b>2013</b>	<b>2012</b>
Education	148,441	131,679
Research	86,439	83,413
External funds	24,919	26,158
Research-based government consultancy services	0	0
Basic grant	-3,959	-1,696
Other income	4,545	7,655

\* The key figures have been specified, see Table A in the Statistics of Universities Denmark.

<b>Costs allocated to purpose* (DKK'000)</b>	<b>2013</b>	<b>2012</b>
Education	118,173	114,464
Research	98,369	91,005
Dissemination and knowledge sharing	8,978	5,283
Government consultancy services	0	0
General management, administration and service	28,230	27,704

\* The key figures have been calculated in accordance with letter dated 18 January 2013 from the Danish Agency for Universities and Internationalisation on 'Update of the summary of financial highlights in the annual report of the universities' and cannot be compared with the specification of costs in note 2 as certain items of income are offset.

<b>Staff (full-time equivalents)</b>	<b>2013</b>	<b>2012</b>
VIP	130.7	125.5
DVIP	41.5	37.3
Other full-time equivalents	134.7	120.8

<b>Balance sheet (DKK'000)</b>	<b>2013</b>	<b>2012</b>
Equity	48,466	44,078
Balance sheet	150,704	121,793

<b>Buildings</b>	<b>2013</b>	<b>2012</b>
Buildings, total square metres, net	23,352	20,955

<b>Bachelor and MSc students for the period 1 October to 30 September</b>	<b>2013</b>	<b>2012</b>
Number of admitted bachelor students	204*	217*
Number of admitted MSc students	472	491
Number of students enrolled at 30 September	1,894	1,821
Number of full-time student equivalents (incl. guest students)	1,261	1,118

\* Deviates from Table 3 as only the number of students admitted via the coordinated enrolment system (KOT) is shown.

<b>Graduated bachelor and MSc students for the period 1 October to 30 September</b>	<b>2013</b>	<b>2012</b>
Number of graduated bachelor students	136	78
Number of graduated MSc students	324	276

<b>Part-time students (diploma, master's, single courses) for the period 1 October to 30 September</b>	<b>2013</b>	<b>2012</b>
Number of admitted diploma and master's students	137	118
Number of fee-paying part-time students	612	626
Number of full-time student equivalents earned by part-time students	125	122
Number of graduated diploma and master's students	75	48

<b>Internationalisation for the period 1 September to 31 August</b>	<b>2013</b>	<b>2012</b>
Number of exchange students outbound (incl. exchange grants)	81	40
Number of exchange students inbound	21	20
Number of foreign students at 30 September	272	271

<b>Researcher education</b>	<b>2013</b>	<b>2012</b>
Number of PhD students enrolled at 31 December	51	61
Number of PhD students admitted for the year	11	16
Number of approved PhD theses for the year	22	11

<b>Research and dissemination results</b>	<b>2013</b>	<b>2012</b>
Number of research publications	267	205
Number of patents applied for	0	0
Number of inventions registered	2	2
Number of projects involving the business community	15	11
Number of external projects	55	52
Financial cooperation with the business community (DKK'000)	1,257	2,398

## 4. TARGET ACHIEVEMENTS

### 4.1 SUMMARY OF TARGET ACHIEVEMENTS IN 2013

#### Follow-up on target performance in the Development Contract for 2012-2014

Follow-up at 31 December 2013

The target reporting in the chart below reflects the performance for 2013. Moreover, the target achievements for 2012 are shown.

#### Signature:









The target is achieved in 2013.










The target is not achieved in 2013.

Target	Description	Comments	Status
T1	The total drop-out rate for first-year bachelor students at the IT University does not exceed 15 per cent provided that the annual number of admitted students does not exceed 200. For years in which admission exceeds 200 students, the target is that the number of first-year drop-outs should not exceed $30 + (x-200)/3$ , where x is the number of students admitted	<p>In 2013, there is 29 drop-outs of the 217 bachelor students admitted in 2012. This corresponds to a drop-out rate of 13 per cent.</p> <p>In 2012, the number of first-year drop-outs in the bachelor programmes was 36 students at 1 October 2012. As 212 bachelor students were admitted in 2011, the number of drop-outs at 1 October 2012 may not exceed 34. The target was not achieved in 2012.</p>	
T2	The employment rate for MSc graduates from the IT University who graduated not more than four years ago must be at least one percentage point higher than the national average for the same period for all MSc graduates from Danish universities. This applies to each of the years in the contract period.	<p>Final figures are not yet available for 2013.</p> <p>In 2012, the employment rate for the IT University's MSc graduates was three percentage points lower than the national average. The target was therefore not achieved in 2012.</p> <p>This target had not been calculated at the date of the approval of the annual report for 2012, and therefore, the target could not be calculated and was marked in white in 2012. Consequently, the IT University chooses to state that the target was not achieved – but with a delay of one year.</p>	

Target	Description	Comments	Status
T3/ R3	The number of admitted MSc students graduating from other education institutions than the IT University must be at least 75 per cent of the budgeted total number of admitted MSc students. Moreover, the number of admitted MSc students from other Danish education institutions than the IT University must be at least 50 per cent of the budgeted total number of admitted MSc students. This applies to each of the years in the contract period.	<p>In 2013, the number of admitted MSc students from other education institutions than the IT University is 81 per cent of the budgeted total number of admitted MSc students. In 2012, the share was 91 per cent.</p> <p>In 2013, the number of admitted MSc students from other Danish education institutions than the IT University is 66 per cent of the budgeted total number of admitted MSc students. In 2012, the share was 78 per cent.</p>	
T4/ R5	The percentage of bachelor students who completed their degree within the standard programme duration (measured as in the statistics of Universities Denmark) must be at least 50 per cent of the students admitted. This applies to each of the years in the contract period.	<p>In 2013, 60 per cent of the 199 bachelor students who were admitted in 2010 complete their degree within the standard programme duration.</p> <p>In 2012, 59 per cent of the 123 bachelor students who were admitted in 2009 completed their degree within the standard programme duration.</p>	
T5/ R6	The minimum target for MSc students completing their degree within the standard programme duration plus one year is 58 per cent in 2012, 60 per cent in 2013 and 63 per cent in 2014.	<p>In 2013, 59 per cent of the 418 MSc students who were admitted in 2010 complete their degree within the standard programme duration plus one year. The target is not achieved in 2013.</p> <p>In 2012, 65 per cent of the 335 MSc students who were admitted in 2009 completed their degree within the standard programme duration plus one year. The target was not achieved in 2012.</p>	

Target	Description	Comments	Status
<b>T6</b>	The IT University aims to earn income for research activities from sources other than the Danish Government of at least DKK 5.5 million in 2012, at least DKK 6.1 million in 2013 and at least DKK 6.7 million in 2014.	<p>In 2013, external funding for research activities from sources other than the Danish Government amounts to DKK 6.4 million.</p> <p>In 2012, the external funding for research activities from sources other than the Danish Government amounted to DKK 7.9 million.</p>	
<b>T7</b>	The IT University will participate in at least eight open innovation projects in 2012, 11 in 2013 and 14 in 2014.	<p>In 2013, the IT University participates in 13 open innovation projects:</p> <p>The City of Copenhagen, DemTech, ACTULUS, MONARCA, BOSA, VARIES, Eye-tracking for Mobile Devices, Telenor, The Role of Computer-mediated Communication, industrial PhD students Tijj Slaats, Gry Anja Bauer and Christian Østergaard Madsen as well as externally funded PhD student Aslak Johannesen.</p> <p>In 2012, the IT University participated in eight open innovation projects.</p>	
<b>T8/ R27</b>	The IT University will produce at least 152 bibliometric points in 2012, 166 in 2013 and 180 in 2014.	<p>It is too early to determine whether the target for 2013 was achieved as the number of bibliometric points will be calculated by the Danish Agency for Science, Technology and Innovation in the autumn 2014. In 2012, the IT University produced 159 bibliometric points, and therefore, the target of 152 was achieved in 2012.</p> <p>This target had not been calculated by the Danish Agency for Science, Technology and Innovation at the date of the approval of the annual report for 2012, and therefore, the target could not be calculated and was marked in white in 2012. Consequently, the IT University chooses to state that the target was achieved – but with a delay of one year.</p>	

Target	Description	Comments	Status
<b>T9/ R30</b>	The IT University will attract and use external research funding of at least DKK 30 million in 2012, DKK 35 million in 2013 and DKK 40 million in 2014.	<p>In 2013, total external research funding amounts to DKK 24.7 million. This is DKK 10.3 million below target. The target was not achieved in 2013.</p> <p>In 2012, total external research funding amounted to DKK 26.2 million, which was DKK 3.8 million below target. The target was not achieved in 2012.</p>	
<b>T10</b>	On average, the students' response to the quantitative questions in the course evaluation should be at least 4.75 on a scale from one to six. This applies to each of the years in the contract period.	<p>On average, the response to the quantitative questions is 4.72 in 2013. The target is not achieved in 2013.</p> <p>On average, the response to the quantitative questions was 4.74 in 2012. The target was not achieved in 2012.</p>	
<b>T11</b>	Generally, the staff satisfaction score of the IT University in 2013 should be at least 72 or equivalent.	Overall, the staff satisfaction score of the IT University is 72 in 2013.	
<b>T12/ R33</b>	At least three additional professorships will be advertised and filled by the end of 2014 so that the university staff will include at least six professors at the end of 2013 and at least eight professors at the end of 2014.	At the end of 2013, five professors are employed, and contracts had been signed with an additional two professors who will start in the beginning of 2014.	

Target	Description	Comments	Status
<b>T13/ R25</b>	During 2012, at least 30 per cent of all the assistant professors, associate professors and professors at the IT University (measured in full-time equivalents) will participate in formal globally interactive research projects outside Europe and the USA. In 2013, the rate should be at least 33 per cent, and in 2014, at least 36 per cent.	<p>In 2013, the assistant professors, associate professors and professors of the IT University amount to 52.4 full-time equivalents. Of these, researchers corresponding to 20.6 full-time equivalents participate in formal globally interactive research projects outside Europe and the USA. This corresponds to 39 per cent.</p> <p>In 2012, the assistant professors, associate professors and professors of the IT University amounted to 50.3 full-time equivalents. Of these, 15.3 full-time equivalents participated in formal globally interactive research projects outside Europe and the USA. This corresponded to 30.5 per cent in 2012.</p>	
<b>T14/ R26</b>	During 2012, as part of their study at the IT University, at least 100 students will complete globally interactive learning activities at the IT University or obtain ECTS credits for study activities completed at universities abroad. For each of the subsequent years, the number will increase by 20 to 140 students in 2014.	<p>In 2013, 245 students participate in globally interactive learning activities at the IT University, and 64 students obtain ECTS credits for having completed studies abroad.</p> <p>In 2012, 120 students participated in globally interactive learning activities at the IT University, and 58 students obtained ECTS credits for having completed studies abroad.</p>	
<b>T15</b>	The ratio (full-time student equivalents) / (full-time teaching equivalents) for non-outsourced study programmes will be at least 14.4 in 2012, at least 15.0 in 2013 and at least 15.7 in 2014.	<p>The ratio (full-time student equivalents = 1,182) / (full-time teaching equivalents = 67.34) amounts to 17.5 in 2013.</p> <p>The ratio (full-time student equivalents = 1,065) / (full-time teaching equivalents = 60.65) amounted to 17.6 in 2012.</p>	
<b>T16</b>	Administrative expenses will be reduced from 13.3 per cent in 2009 to maximum 12.7 per cent in 2012 and maximum 12.2 per cent in 2013 and 2014.	<p>Administrative expenses calculated in accordance with the PwC method from May 2011 are reduced from 13.3 per cent in 2009 to 11.1 per cent in 2013.</p> <p>In 2012, administrative expenses were reduced to 11.6 per cent.</p>	



## 4.2 DISCUSSION OF TARGET ACHIEVEMENTS

### Background

In the development contract for the period 2012-2014, the IT University has made an agreement with the Minister of Higher Education and Science on 16 targets. In 2013, the IT University achieved 12 of the 16 targets. Below, the four targets that the IT University did not achieve in 2013 are described.

#### Target 2: Employment rate for the MSc graduates of the IT University

The employment rate of MSc graduates from the IT University who graduated not more than four years ago must be at least one percentage point higher than the national average for the same period. This applies to each of the years in the contract period.

As the employment rate for 2012 was three percentage points lower for the IT University's MSc graduates than for MSc graduates from other universities, the IT University has initiated analyses of the difference between the employment rates of MSc graduates from the individual master of science study programmes. As a result, special actions were taken in 2013 for the study programme that has the lowest employment rate. In 2014, analyses of the employment rate of MSc graduates will continue and will be included in the future development of the master of science study programmes.

#### Target 5: MSc completion time

The minimum target for the proportion of MSc students graduating within the standard programme duration plus one year is 58 per cent in 2012, 60 per cent in 2013 and 63 per cent in 2014.

The target was achieved in 2012 with 65 per cent of the MSc students completing their study within standard programme duration plus one year; however, the target is narrowly missed in 2013 with 59 per cent of the MSc students completing their study within standard programme duration plus one year.

The IT University has had constant focus on the students' completion time, including factors that may have a positive effect on the students' ability to complete their study within the standard programme duration. In 2013, several initiatives were taken to increase the graduation rate, including MSc's thesis contracts, preparation of theses in groups and tests of new examination types. Moreover, as in previous years, personal progression study status letters have been sent to all MSc students. Accordingly, compared to previous years, the IT University has not taken fewer actions to reduce the completion time.

In 2014, the main part of the work in relation to students progression will concern the implementation of the reform of the State Education Grants and Loan Scheme (SU), including the requirements for forced enrolment of students in full-time programmes. This work is carried out within the framework of a PPG project, i.e. in accordance with a classic project management model, and will cover courses as well as final projects. In 2014, no further progression activities have been planned apart from those resulting from the SU reform. The processes to be changed will not be effective until the autumn 2015. However, in 2014, it is expected that processes on how MSc students get started with their theses on time will be revised although no regulatory requirements force the students to start.

### **Target 9: External research funding**

The IT University will attract and use external research funding of at least DKK 30 million in 2012, DKK 35 million in 2013 and DKK 40 million in 2014.

Total external research funding amounted to almost DKK 25 million in 2013. This means that, in 2013, total external research funding was approximately DKK 10 million lower than the target of DKK 35 million, which is a decrease of approximately DKK 1 million compared to 2012. This is attributable to the fact that, for some funds granted, the planned research activities have been delayed. It is also a result of the fact that, in 2012 and in the beginning of 2013, the success rate of the IT University's applications for external research funds was not high enough. This changed in the second half of 2013, and the university therefore expects a significant increase in external research funding in 2014.

### **Target 10: Course evaluation**

On average, the students' response rate to the quantitative questions should be at least 4.75 on a scale from one to six. This applies to each of the years in the contract period.

In 2013, the average response rate to the quantitative questions was 4.72, which is a marginal decrease compared to 2012 when the average response rate was 4.74.

As the university did not achieve the target in recent two years, the process of preparing the so-called "head of study programme reports" will be tightened so that they may be used more effectively as an incentive for students to participate in the course evaluations. This will facilitate the follow-up on the implementation of requested changes. Finally, special focus will be on questions regarding the perceived relevance of the courses for the students' future job profile.

## APPENDIX 1

### THE IT UNIVERSITY'S OPINION ON "RECOMMENDATIONS FOR GOOD UNIVERSITY GOVERNANCE IN DENMARK"

Recommendation	The IT University	Comments/"weak points"
<b>3.1 The strategic tasks, responsibilities and composition of the Board of Directors of the University</b>		
<b>3.1.1 The overall responsibility of the Board of Directors</b>	Implemented in sections 7 and 9(2) of the articles of association.	
<b>3.1.2 The tasks of the chairman of the Board of Directors</b>	Implemented in section 9 of the articles of association and section 12 of the rules of procedure.	
<b>3.1.3 Rules of procedure</b>	Implemented in the rules of procedure. However, some of the items in the rules of procedure, for which adjustment is recommended, have been adjusted in the articles of association (the role of the chairman and possibly the role of the deputy chairman).	The Management will participate in the meetings of the Board of Directors, but the rules of procedure (or the articles of association) do not include a specific description of the participation of the Management in the meetings of the Board of Directors.
<b>3.1.4 Recruitment of Board members</b>	Implemented in addendum 1 to the articles of association.	
<b>3.1.5 Training of new Board members</b>	Implemented in section 3 of the rules of procedure.	
<b>3.1.6 Number of Board members</b>	Implemented in section 5 of the articles of association.	
<b>3.1.7 The Board of Directors' independence</b>	Implemented in section 3 of addendum 1 to the articles of association.  However, the Board of Directors has approved a procedure for handling cases in situations involving any financial interests of Board members already appointed.	The item should be highlighted in yellow, not red, as the recommendation is followed on recruitment of new Board members (addendum 1 to the articles of association).
<b>3.1.8 Meetings</b>	Implemented in the meeting and work schedule.	
<b>3.1.9 Age limit</b>	Implemented in section 2 of the rules of procedure.	

Recommendation	The IT University	Comments/"weak points"
<p><b>3.1.10 Self-evaluation of the work of the Board of Directors, evaluation of day-to-day operations</b></p>	<p>Implemented in section 5(1) of the rules of procedure.</p>	
<p><b>3.1.11 Remuneration of Board members</b></p> <p>A.1) The committee considers it appropriate not to distinguish between the Board members in terms of remuneration as this may cause unintentional "hierarchy". It is therefore recommended that the same remuneration be paid to internal and external Board members</p>	<p>A.1) The IT University does not pay remuneration to internal Board members according to the recommendations.</p>	<p>A.1) Remuneration paid to internally elected Board members is not allowed, and therefore, the IT University does not have the powers to follow the recommendation.</p>
<p><b>3.1.12 Openness</b></p> <p>A.1) It is recommended that the meetings should be held behind closed doors and that only Board members and members of the senior management of the University should have access unless decisions are made to the contrary.</p> <p>A.2) It is recommended that the annual report should include information on the governance structure of the University (the governing bodies and their interrelations) and its financial situation. The annual report should also include information on the position, age and other managerial posts of the Board members – both Danish and foreign.</p>	<p>A.1) Meetings of the Board are generally open to everybody, which is contrary to the recommendations.</p> <p>A.2) This information is included in the annual report. The governance structure of the University is described in Appendix 2, and information on the Board members is found in Section 1.1 University details.</p>	<p>A.1) It is stipulated by the Ministry of Higher Education and Science that, in general, the meetings should be open. The IT University is therefore unable to follow the recommendation.</p>

Recommendation	The IT University	Comments/"weak points"
<p>A.3) It is recommended that the Board of Directors should establish guidelines and official mechanisms for whistle-blowing.</p>	<p>A.3) The IT University has discussed and decided on guidelines on whistle-blowing.</p>	<p>A.3) PAt the H-SiSu meeting on 10 June 2010, a note on whistle-blowing was presented and rejected because the IT University has several open bodies which may be approached by students and staff.</p>
<b>3.1.13 Audits</b>		
<p>A.1) It is recommended that the Board of Directors should establish the overall framework of the planning of the audit, including the use of private firms of accountants.</p>	<p>A.1) It is suggested in section 31(1) of the articles of association that "the Board of Directors may employ external assistance for the control and management of the budgets and financial reporting of the IT University". The Board of Directors has decided to employ such external assistance (KPMG).</p>	

## 3.2 The relationship between the University's Board of Directors and the external stakeholders of the University

<p><b>3.2.1 The general relationship of the University with stakeholders</b></p> <p>A.1) It is recommended that the Board of Directors should establish general principles and values for the relationship of the University with its stakeholders.</p>	<p>A.1) The core values of the IT University:</p> <ul style="list-style-type: none"> <li>• Communication strategy (discussed at a board seminar in June 2012).</li> <li>• Commercialisation strategy (approved by the Board of Directors at a strategy seminar in June 2005 and most recently discussed at the strategy seminar in September 2013).</li> </ul>	
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Recommendation	The IT University	Comments/"weak points"
<p>A.2) It is recommended that the Board of Directors should ensure that these principles and values are complied with in the external relations of the University and that the Board of Directors together with the senior management should have an ongoing dialogue and a close relationship with the stakeholders of the University in this respect.</p>	<p>A.2) Both the Teaching Advisory Board and the Foresight Panel were introduced to these principles, and the principles are represented strongly in the dialogue via this Board and Panel (and with stakeholders).</p>	
<p>A.3) It is recommended that the Board of Directors should approve and publish a specific information and communications policy in relation to the stakeholders of the University.</p>	<p>A.3) This recommendation is followed by holding open Board meetings (section 9 of the rules of procedure) and via a communications policy (section 11 of the rules of procedure).</p>	
<hr/>		
<p><b>3.2.2. The Government</b></p>		
<p>A.1) It is recommended that the Board of Directors should prepare procedures to ensure that the Government, including the Ministry of Higher Education and Science receives the information required in order to monitor and follow up on the general development of the University as part of the total university sector in Denmark. This can be carried out for example in connection with the preparation of the development contract and the annual report of the University, but may not be limited to these.</p>	<p>A.1) The IT University supplies e.g.</p> <ul style="list-style-type: none"> <li>• Development contract</li> <li>• Annual report</li> <li>• Ongoing reporting</li> </ul>	<p>A.1) In addition to the development contract and the annual report, the IT University supplies monitoring information to the Ministry on an ongoing basis.</p>

Recommendation	The IT University	Comments/"weak points"
<p>A.2) It is recommended that the Board of Directors should take active responsibility for the preparation of the development contract of the University and for the contract discussion with the Ministry of Higher Education and Science.</p>	<p>A.2) Section 10(1)(18) of the articles of association: "following a presentation from the vice chancellor, the Board of Directors enters into a development contract with the Ministry of Higher Education and Science on the activities of the IT University".</p>	
<p>A.3) It is recommended that, in its relations with the Government, the Board of Directors should contribute to promoting the following in particular:</p> <ul style="list-style-type: none"> <li>• The desired strengthening of the degree of self-governance of the universities. An obvious starting point is the agreement between the political parties on the University Act. It identifies 10 areas where further self-governance may be possible, e.g. a more flexible staff structure and a simpler system for grants paid per student.</li> <li>• Flexible and efficient administration of the requests and inquiries of the universities.</li> <li>• Regular presentation by the Government of a general policy on the role of the Government in relation to the universities and on the control of the universities by the Government.</li> </ul>	<p>A.3) The IT University contributes to this process:</p> <ul style="list-style-type: none"> <li>• By assuming responsibility to the widest possible degree within the framework of the law</li> <li>• Via the organisation Universities Denmark.</li> </ul>	

Recommendation	The IT University	Comments/"weak points"
<p><b>3.2.3 The business community and the public sector</b></p> <p>A.1) It is recommended that, as part of its general tasks, the Board of Directors should prepare and publish a strategy for the University's relationship and exchange of knowledge with the business community and the public sector, including cooperation on research and transfer of technology. It is the responsibility of the Board of Directors to follow up on the strategy, including assessing whether the University should strengthen the existing cooperation with the business community.</p>	<p>A.1) This will be carried out by means of a commercialisation strategy which has not been published.</p>	<p>A.1) This item is highlighted in yellow because the strategy has not been published. The contract function of the IT University recommends that, owing to the contract negotiations, the strategy should not be published.</p>
<p><b>3.2.4 The region</b></p> <p>A.1) It is recommended that, in relevant contexts such as the strategy plan, the Board of Directors should establish general cooperation principles with the region and create openness on these relations.</p>	<p>A.1) See the strategies of the IT University for research and education.</p>	<p>A.1) This item is highlighted in green as the principles in the strategy documents for research and education also apply to cooperation with the regional government.</p>
<p><b>3.2.5 Other universities</b></p> <p>A.1) It is recommended that, as a major part of its long-term strategy, the Board of Directors should prepare a plan for the cooperation with universities in Denmark and abroad and other institutions of higher education and prepare specific action plans for this cooperation.</p>	<p>A.1) This has been carried out through addenda to the Education Strategy and Research Strategy, respectively.</p>	



Recommendation	The IT University	Comments/"weak points"
<p>A.2) It is recommended that the chairmen of the Boards of the eight Danish universities create a forum for the exchange of views and experience, including experience with the relationship with the Government.</p>	<p>A.2) This has been implemented.</p>	

### 3.3 The relationship of the University's Board of Directors with the vice chancellor and other members of the senior management and the Academic Council

#### 3.3.1 The general relations of the Board of Directors to the senior management and the Academic Council.

A.1)  
It is recommended that the Board of Directors and the senior management discuss the general guidelines of the relations between the Board of Directors and the senior management, including distribution of responsibilities, preparation of Board meetings, contact between the Board of Directors and the senior management between meetings, etc.

A.1)  
The distribution of responsibilities is discussed in connection with the specific cases at the Board meetings. Further, preliminary meetings are held on the same subjects before the Board meetings.

Recommendation	The IT University	Comments/"weak points"
<p>A.2) It is recommended that the Board of Directors and the senior management should prepare written guidelines on this basis and that these guidelines should be made publicly available at the University. They may also be included in the rules of procedure of the Board of Directors.</p>	<p>A.2) The IT University has no independent formal guidelines on this. However, to some extent, the articles of association and the rules of procedure describe the relations between the Board of Directors and the senior management, which, however, is mainly represented by the vice chancellor. Thus, the IT University has decided that the senior management is represented by the vice chancellor in the cooperation with the Board of Directors, although, in reality, the areas of responsibility are distributed on the members of the Management.</p> <p>The only cases which describe the other members of the senior management in relation to the Board of Directors are:</p> <ol style="list-style-type: none"> <li>1) Appointment of members of the Management by the Board of Directors on recommendation by the vice chancellor, section 7(1)(12) of the articles of association.</li> <li>2) Access to request a meeting of the Board, section 5(1) of the rules of procedure.</li> </ol>	<p>A.2) This item is highlighted in yellow in order to attract attention to the fact that the senior management is only represented by the vice chancellor. However, it is unlikely that this approach by the IT University will constitute a problem. Thus the item will be considered to be green.</p>

Recommendation	The IT University	Comments/"weak points"
<p>A.3) It is decisive that the Board of Directors receives the information on the operations of the University which are necessary for the general protection of the interests of the University. It is therefore recommended that the Board of Directors should establish guidelines for the reporting of the senior management to the Board of Directors and for the communication between the senior management and the Board of Directors in general. In all circumstances, the senior management should ensure that all material information is communicated to the Board of Directors irrespective of whether it has been requested or not.</p>	<p>A.3) This is carried out via</p> <ul style="list-style-type: none"> <li>• The work schedule of the Board of Directors</li> <li>• Section 12 of the rules of procedure: "The chairman of the Board of Directors is responsible for the ongoing contact with the vice chancellor between Board meetings."</li> </ul>	<p>A.3) A practice has been established for the reporting and ongoing supply of information from the Management which means that the Board of Directors will be informed of/consulted on all important information.</p>
<p>A.4) It is recommended that, in cases where it is considered necessary, the vice chancellor should request a statement from the Academic Council before the case is presented to the Board of Directors.</p>	<p>A.4) A draft budget is presented to the Academic Council before it is presented to the Board of Directors. Further, the Academic Council will discuss cases such as university evaluations of research autonomy and influence before they are presented to the Board of Directors.</p>	
<p>A.5) It is recommended that cases presented by the vice chancellor for decision by the Board of Directors should be final and only require the decision of the Board of Directors. In case of doubt, the Board of Directors should decide which cases it chooses to discuss.</p>	<p>A.5) Implemented in section 6(5) of the rules of procedure.</p>	

Recommendation	The IT University	Comments/"weak points"
<p><b>3.3.2 The relationship between the chairman of the Board of Directors and the vice chancellor</b></p> <p>A.1) It is recommended that the chairman of the Board and the vice chancellor should discuss the general guidelines of the relationship between the chairman and the vice chancellor and that these guidelines should be made final and unambiguous by the Board of Directors.</p>	<p>A.1) The IT University has no formal guidelines governing this relationship.</p>	<p>A1) However, the issue is included in the annual self-evaluation of the Board of Directors.</p>
<p><b>3.3.3 The Board of Directors, the vice chancellor and the external relations of the University</b></p> <p>A.1) It is recommended that the vice chancellor should carry out the external day-to-day representation of the University in accordance with the general distribution of responsibilities between the Board of Directors and the senior management. The vice chancellor should carry out this task in complete accordance with the instructions and views of the Board of Directors in matters which involve the powers of the Board of Directors.</p>	<p>A.1) Implemented in section 11(4) of the rules of procedure.</p>	

## APPENDIX 2

### THE STRUCTURE OF THE IT UNIVERSITY

The IT University is governed by a Board of Directors and a Management.

#### **Board of Directors**

The Board of Directors of the IT University includes a chairman and eight members. The chairman and four members are external members, one member is elected by and among the science staff at the IT University, one member is elected by and among the technical/administrative staff at the IT University, and two members are elected by and among the students at the IT University.

The Board of Directors is the highest authority of the IT University. The Board of Directors protects the interests of the IT University in its role as an educational and research institution and establishes guidelines for its organisation, long-term activities and development.

Board meetings are public. However, cases which fall within the statutory provisions on secrecy in public administration, all cases related to persons and cases which include information on contract negotiations with private parties or similar negotiations with public partners are handled in confidence.

#### **Vice chancellor**

The vice chancellor answers to the Board of Directors on all matters and is responsible for the day-to-day management of the IT University within the framework stipulated by the Board of Directors. This right of management includes all staff employed by the IT University.

The vice chancellor must ensure that the IT University acts in accordance with the legislation and regulations in force from time to time and is obliged to carry out all other actions which are required in order to ensure that the IT University is managed in a good and proper manner.

#### **Provost**

The provost is the scientific head of research activities, including PhD programmes, and he is responsible for the ongoing development and preparation of all inter-disciplinary procedures in relation to research.

The provost must participate actively in the formulation of strategies and guidelines governing the organisation, long-term activities and development of the IT University.

The provost represents the research activities in relation to the external world.

## **Head of administration**

The head of administration is responsible for ensuring that the entire administration supports research and education to the widest possible extent. The head of administration is accountable to the vice chancellor for the observance of the legislation in force in the administrative area and for ensuring coherence between the administrative processes across the administrative departments.

The head of administration is in charge of all large inter-disciplinary projects of the administrative departments and represents the administration in relation to the external world.

## **Management**

The Management includes the vice chancellor, the provost and the head of administration. The Management is responsible for the preparation of the strategies of the IT University and the preparation and negotiation of the development contract with the Ministry of Science, Innovation and Higher Education. For example, the Management is currently working on promoting the globalisation and internationalisation of the IT University.

The Management is responsible for ensuring that the development of the IT University is supported optimally within the financial framework provided by the Board of Directors. The work of the Management results in coherence between research, education and administration.

In its day-to-day work, the Management works on the promotion of the three core values of the IT University: trend-setting, responsibility and openness, throughout the organisation.

## **Academic council**

The vice chancellor appoints an academic council. The academic council consists of one chairman and four members, and it elects its own chairman among the members of the council. Two members are elected by and among the scientific staff at the IT University, and two members are elected by and among the students at the IT University.

The academic council answers to the vice chancellor in the areas of central strategic research and education and plans the exchange of know-how, awards the degrees PhD and Dr. and may issue statements on all academic matters of material importance to the activities, etc. of the IT University.

### **Study committee**

The vice chancellor appoints one or more study committees, including members in identical numbers of science staff (VIP) and students. Each study committee appoints a chairman among its VIP members and a deputy chairman among its student members. The chairman and the deputy chairman are approved by the vice chancellor.

The study committee carries out planning, implementation and development of courses and tuition, including quality assurance and quality development of courses and tuition, preparation of draft curricula and amendments to these and approval of plans for preparation of courses and tests, etc.

### **PhD committee**

The vice chancellor appoints a PhD committee, including members in identical numbers of science staff (VIP) and students. The chairman and the deputy chairman are appointed by the vice chancellor on recommendation of the PhD committee.

The PhD committee approves PhD courses, issues statements on the evaluation of PhD programmes and provides guidelines to the head of the PhD programme and approves applications for credit transfer and exemption, etc.

### **Head of department**

The head of department is appointed and dismissed by the vice chancellor. The head of department is responsible for the day-to-day management of the department, including the planning and distribution of tasks. The head of department may request staff to carry out specific tasks. When science staff is not occupied with such tasks, they carry out independent research within the strategic framework of the IT University.

The head of department ensures quality and coherence in research and education and must include the study committee and the head of study in its evaluation of education and tuition.

### **Head of study**

The head of study is appointed and dismissed by the vice chancellor on recommendation of the study committee. The head of study is in charge of the practical preparation of tuition and tests and other evaluations which constitute part of the examination in cooperation with the study committee.

### **Cooperation and safety committees**

The safety and cooperation organisation of the IT University consists of a Main Co-operation and Safety Board (H-SiSu) and two sub-committees: the Administrative Co-operation and Safety Board (A-SiSu), which covers the administrative section, and the Research Co-operation and Safety Board (F-SiSu), which covers the department, plus two safety groups in each sub-committee.

In general, issues related to members of staff are handled by H-SiSu, including policies, strategies, workplace assessments (APV), staff satisfaction evaluations (MTU) and drafts for staff development meetings (MUS). Issues relevant to administration or research only are handled by A-SiSu and F-SiSu, respectively. As a rule, issues relating to health and safety at work are handled by A-SiSu and F-SiSu.

Close cooperation between the "SiSu"s are presupposed. Discussion of issues may be delegated by H-SiSu to A-SiSu or F-SiSu, respectively, and issues which have been discussed in A-SiSu and F-SiSu may be handled by H-SiSu if this is considered necessary.



## APPENDIX 3

### MEMBERS OF THE IT UNIVERSITY'S FORESIGHT PANEL 2013

#### PROFESSOR JEANETTE BLOMBERG, PH.D.

**Jeanette Blomberg:**

Research Staff Member, IBM Research and Program Manager for Practice-based Service Innovation. Prior to assuming her current position, Jeanette was a founding member of the pioneering Work Practice and Technology group at the Xerox Palo Alto Research Center (PARC), Director of Experience Modeling Research at Sapient Corporation, and Industry-affiliated Professor and honorary doctorate at the Blekinge Institute of Technology in Sweden. In 2009 she was a visiting professor at University of Technology Sydney. Since joining IBM Research she has led projects focused on interactions among IT service providers and their clients, collaboration practices among globally distributed sales teams, the place of stories in corporate imaginaries, and new approaches to work-based learning. Her research explores issues in social aspects of technology production and use, ethnographically-informed organizational interventions, participatory design, case-based prototyping, and service innovation. Jeanette is an active member of the Participatory Design community, having served as Program Co-Chair twice, and she sits on a number of advisory boards including the Foresight Panel of the IT University of Copenhagen, the Program in Design Anthropology at Wayne State University, and the Ethnographic Praxis in Industry Conference (EPIC). She is a committee member on The National Academies, Computer Science and Telecommunications Board, Whither Biometrics Committee. Jeanette received her Ph.D. in Anthropology from the University of California, Davis and before embarking on her career in high tech she was a lecturer in cultural anthropology and sociolinguistics at University of California, Davis. Jeanette has recently written a book on *Practice-based Design of Services*.

#### PROFESSOR JOHN LESLIE KING, PH.D.

**John Leslie King:**

Vice Provost for Academic Information, William Warner Bishop Professor of Information, and former Dean of the School of Information at the University of Michigan. His Vice Provost responsibilities involve the transformation of the university and higher education as the result of changes in information technology. He has published more than 175 academic and professional publications from his research on the relationship between changes in information technology and changes in organizations, institutions, and markets. Prior to joining Michigan in 2000 he was Professor at the University of California, Irvine, and at different times has served as Marvin Bower Fellow at the Harvard Business School, distinguished visiting professor at the National University of Singapore and at Nanyang Technological University in Singapore, and Fulbright Distinguished Chair in American Studies at the University of Frankfurt. He has been Editor-in-Chief of the INFORMS journal Information Systems Research, and Associate Editor of ACM Computing Surveys and many other journals.

Professor King holds a PhD in administration from the University of California, Irvine, and an honorary doctorate in economics from Copenhagen Business School. He is a Fellow of the Association for Information Systems and a Fellow of the American Association for the Advancement of Science. He is a member of the National Science Foundation advisory committees in cyberinfrastructure and social, behavioral and economic sciences, as well as a member of the Council of the Computing Community Consortium.

## PROFESSOR JAN VAN LEEUWEN, PH.D.

### Jan van Leeuwen:

Professor (Emeritus since December 2011) of Computer Science, former Vice-Dean of the Faculty of Science and former Chairman of the Department of Information and Computing Sciences at Utrecht University. As founder of the latter department, he was responsible for the development of its research and teaching programme for many years. As a highly cited researcher, his research interests range from algorithmic modeling and complexity theory to formal methods and the philosophy of computer science. He initiated the Utrecht Institute for ICT Research. He was a member of the university committee that defined the Bachelor-Master system for Utrecht University and he played an important role in the creation of the Faculty of Sciences. From 1994 to 2004, Jan van Leeuwen was one of the three editors of the Lecture Notes in Computer Science of Springer-Verlag, the most influential series of conference proceedings and books in Computer Science worldwide. He is a member of the Advisory Council of the Netherlands ICT Research and Innovation Authority, member of the Turing Centenary Advisory Committee, and Vice-President of Informatics Europe. Jan holds a PhD in mathematics from Utrecht University and an honorary doctorate in the Natural Sciences from the RWTH Aachen University, and was awarded the Distinguished Lorentz Fellowship 2009-2010 from the Netherlands Institute for Advanced Study. He has been a member of the Royal Netherlands Society of Sciences and Humanities and of the Academia Europaea.

## PROFESSOR JILL SCOTT, PH.D.

### Jill Scott:

Australian artist Jill Scott has been working and living in Switzerland since 2003. Currently she is Professor for Research in the Institute Cultural Studies in Art, Media and Design at the Zürich University of the Arts (ZhdK) in Zürich and Co-Director of the Artists-in-Labs Program (a collaboration with the Ministry for Culture, Switzerland), which places artists from all disciplines into physics, computer, engineering and life science labs to learn about scientific research and make creative interpretations. She is also Vice Director of the Z-Node PhD programme on art and science at the University of Plymouth, UK – a programme with 16 international research candidates. Her education includes: PhD, University of Wales (UK) MA USF, San Francisco, as well as a Degree in Education (Uni Melbourne) and a Degree in Art and Design (Victoria College of the Arts). Since 1975, she has exhibited many video artworks, conceptual performances and interactive environments in USA, Japan, Australia and Europe

## APPENDIX 4

### MEMBERS OF THE IT UNIVERSITY'S TEACHING ADVISORY BOARD 2013

Christian Mark Christensen, Deputy Director of e-business, Topdanmark

Søren Damgaard, Department Manager, IBM Global Technology Services

Lars Frelle-Petersen, Director, The Danish Agency for Digitisation

Birgit Nordmark Henriksen, Head of Department, The Royal Library, National Library of Denmark  
and Copenhagen University Library

Michael Houghton-Larsen, Managing Director, Rygård Consulting A/S

Thomas Howalt, Creative Development Manager, Hapti.coco

Thomas Bøge Edlund Jøhnk, Technical Director, Edlund A/S

Annemarie Kirk, Manager of Digital Development, HAAi

Per Kogut, Managing Director, NNIT A/S

Jan Peter Larsen, Development Manager, Danske Bank

Michael Nielsen, Development Manager, Microsoft Development Center Copenhagen

Lars Olling, Director, Information Technology – BSS & IT Development, TDC A/S

Peter Plantener, Operations Manager, Eniga IT-Service

Kristine Stenhuus, Director of Customer Supplies, Formpipe A/S

Helene Venge, owner of Switchmode Consulting