

Public Interest Incorporated Foundation Kawasaki Institute of Industrial Promotion Outlines regarding Fair Management and Control of Public Research Expenses

Public Interest Incorporated Foundation Kawasaki Institute of Industrial Promotion (‘the foundation’) shall implement fair enforcement and management of public research expenses at Innovation Center of NanoMedicine – Foundation (‘iCONM’), based on the handling guidelines (‘the guidelines’) in Preventing Misuse of public research expenses of the foundation in accordance with the outlines.

(Purpose)

Article 1 The outlines shall aim to comprehend the factors which induce misuse of public research expenses regardless of the intentional or negligent, remove its factors, and plan to fair enforcement and preventing misuse of public research expenses through fair management and control.

(Responsibility Structure)

Article 2 The following responsibility structure as an entire foundation shall be established in order to manage and control public research expenses fairly and plan to prevent misconduct.

(1) Chief Management Officer

A Chairperson, as a chief management officer, shall be in charge of the entire foundation and take ultimate responsibilities regarding management and control of public research expenses.

B Chief Management Officer must formulate the guideline ‘3. Basic Policy’ (‘ the basic policy’) regarding preventive measures against misuse of research expenses, publicise to internal and external of the foundation, and take necessary measures at the same time so that the supervising officer and compliance officer, who are stipulated from the next section, manage and control of public research expenses properly.

(2) Supervising Officer

An Executive Director, as a supervising officer, shall be in charge of the entire foundation, and take responsibilities for management and control of public research expenses with Chief Management Officer.

B Supervising Officer must formulate the specific measures for the entire foundation based on the basic policy (‘the measures’) and instruct the compliance officer stipulated in the next section the implementation of the measures and confirm the implementation status simultaneously, and report to the chief management officer periodically.

(3) Compliance Officer

A. Director General of iCONM shall have substantive responsibility and authority as a compliance officer to implement specific measures regarding management and control of public research expenses under the direction of supervisor, control and guide the course of education, and supervise iCONM.

B. Compliance Officer must confirm the implementation status under the direction of supervisor,

report to the supervisor regularly.

C. Compliance Officer shall implement compliance education for the members of the foundation involved in management and control of public research expenses (researchers and administration staffs) and obligate course attendance to them. At opportunities to attend courses, Compliance Officer shall require submission of pledge etc. from the attendees, and control the attendance status.

D. Compliance Officer shall monitors enforcement of public research expenses and guide improvement if necessary.

(4) Vice Compliance Officer

A. Management Director of iCONM, as a Vice Compliance Officer, shall deliver the information regarding control and enforcement of competitive funds to Compliance Officer.

(Misconduct Prevention Promotion Department and Promotion staff)

Article 3 General Affairs section shall be the department which promotes the misconduct prevention plan for the entire foundation, and the Secretary General shall be in charge of promotion. Management Support Manager and Management Support division's General affairs Assistant manager are assigned as promotion staff. Chief Management Officer shall take the initiative and endeavour to promote and manage progress of the misuse prevention plan.

2. The Foundation shall establish a committee to appropriately promote the promotion and progress management of the misconduct prevention plan of the preceding paragraph. The regulations of this establishment will be set separately.

Article 4 Preparation of the environment by the following each numbered issues shall be done for appropriate management and control.

(1) Rules for Administration Procedures

Administration procedure involved with public research expenses shall be carried out properly by complying with accounting rules, administration rules etc. which are determined by the foundation. However, in the case where the definite rules etc. are determined in individual public research expenses, the rules shall be complied and administration procedure is carried out properly.

(2) Administrative Authority etc.

Administrative authority, Secretary-segregation and approval procedures of the organisation shall comply with the regulations regarding general affairs of the Foundation.

(3) Code of Conduct etc.

Code of Conduct for the members of the foundation involved with management and control of public research expenses shall be determined separately.

(4) Investigation, Punishment, etc. regarding Misuse of public research expenses

Investigation, Punishment, etc. regarding Misuse of public research expenses shall be determined separately.

(Reasonable management and Control of Public Research Funds)

Article 5 The following numbered items must be complied with in order to control public research

expenses properly

(1) Budget Execution and Executive Management

In budget execution, request resolution and operational management shall be done, in line with reasonable time which is complied in business plans, and purpose, goal, method, etc. which are determined in the business plans etc.

(2) Prevention of Adhesion with Clients/Suppliers

In the procurement and contracts, it shall be well-known thoroughly that it is the principle designated competitive bidding on the basis of the contract outline of the foundation, at the same time, in case of performing an optional contract, the validity of the reasons shall be scrutinized.

In addition, as for clients, it is possible to request a submission of pledge that incorporates the guidelines and the measures in case they were involved in misconduct.

For the traders who committed misconduct upon the deals with the foundation, chairperson determines sanctions such as banning them from participation from the foundation's bidding cases and trades etc., based on the guideline for ban from nomination as a qualified participant in the foundation's competitive bidding.

(3) Procurement, Contract/agreement, Order and Acceptance Inspection Business

A. Build a system where check by the other parties is possible. As for placing orders, specify the expense resource based on the budget plan, obtain the approval of the determination of expense by attaching the quotation and other necessary documents in accordance with the Foundation general affair regulations and accounting regulations. As for accepting delivery, store the invoice after matching the delivery for verification at a later date.

B. As for ordering goods related to the research with use of public research expenses iCONM management office and iCONM Planning & Technical Support Team (together called 'Administration Division') shall do it, and in principle, research scientists themselves shall not do this.

(4) Grasp on the management of goods and status of use

A. As for goods such as acquired facilities and equipments, prototypes, etc., use and manage properly by verifying the status of use and implementing the inventory etc. arbitrarily.

B Administration Division shall confirm the names of the items, their number, etc. of the goods which the counter party brought into the administration division, and stamp acceptance mark on the delivery note, and deliver to the research laboratories.

(6) Business Trip

iCONM administration division, when receiving a request from a research scientist, shall make final decision for approval of business trip inquiry on the basis of the Foundation travel expenses payment guidelines and process accounting. Administration division confirms the facts by business trip report, receipts, flight ticket stub, etc. and process after the business.

(7) Personnel Expenses

A. In the employment of the researchers involved in the research funded by public research expenses, make employment in accordance with the business plan etc., and clarify to engage in

the duties of the research by the theme and the source of expense for the personnel expenses.

- B. Administration division, when receiving a request from a researcher, makes the final decision about the employment of temporary staff etc. who is required to cover and support. In addition, confirm the facts by the work reports etc. after the part-time staffs finish the work.

(Consultation Reception desk related to Administration and rules etc. for usage)

Article 6 Regarding administration procedure and rules for use of public research expenses, reception desk that responds to the consultation from inside and outside of the foundation is be iCONM management director.

(Audit System)

Article 7 The foundation shall provide the internal audit department in order to fairly control public research expenses etc. and monitor from the entire foundation's point of view. The internal audit department shall be an organisation under the direct control of chairperson, and cooperate with the foundation secretary in implementation of internal audit, correspond after selecting the necessary staffs depending on the business to be audited. Chairperson shall perform instructions such as collective actions based on the internal audit results etc.

- 2 The internal audit department performs internal audit in accordance with 'The Guidelines for the Control and Audit of Public Research Expenses in research institutions (implementation criteria) (adopted on February 1, 2021)'.
- 3 The subject of an audit is assumed to extract about 10% of the previous fiscal year of contract performance, and the internal audit department examines by hearing from the researchers with respect to inspection of the accounting documents and status of use of the purchased goods.

1 This outlines shall be enforced from April 1 2016.

- 2 Public Interest Incorporated Foundation Kawasaki Institute of Industrial Promotion 'Misconduct Prevention scheme regarding public research funds of the governments'(enacted on August 1 2014) shall be abolished.

April 1, 2017 (Revised)

April 1, 2021 (Revised)

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*English translation of this document is for reference purposes only.

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