

UNIVERSITY OF DUNDEE**UNIVERSITY COURT**

A meeting of the University Court was held on 25 April 2005.

Present: Mr J R Milligan (in the Chair), Principal Sir Alan Langlands, Dr R J Abboud, Ms C A Bain, Professor A Bissett-Johnson, Mr P K Burgess, Vice-Principal Professor J Calderhead, Professor S C Hunt, Mr B W M Johnston, Professor A F Newell, Ms A Newton, Dr D S Robb, Ms E A Robertson, Dr L A L Rolland, Mr W Sutherland, Dr M R Ward, Mr W Wilson and Mr I D M Wright.

In Attendance: Vice-Principal Professor D H Boxer, Deputy Principal Professor G C Ward, Secretary, Deputy Secretary & Clerk to Court, Director of Finance, Director of Human Resources, Director of Planning & Information, Mrs A Coughtrie, Mr G Hickman and Mr J Tavendale.

44. MINUTES

The Court decided: to approve the Minutes of the meeting on 21 February 2005.

45. MATTERS ARISING**(1) Appointment of Co-opted Lay Members of Court (Minute 31(2))**

The Chairman reported that the Nominations Committee had met again to evaluate a list of potential nominees and it was hoped to make firm recommendations to the June meeting of Court. The Court received for information a copy of a leaflet which had been designed to introduce the University to potential co-optees.

(2) Insurance – Terrorism (Minute 41(3))

The Secretary reported that, in the event of employees being injured as the result of a terrorist attack and the University being held to be legally liable, its employer's liability policy would provide cover to a maximum of £5m per occurrence.

46. CHAIRMAN'S BUSINESS

The Chairman reported that he had recently attended a meeting of the Committee of Chairmen of Scottish Higher Education Institutions: the issue of remunerating lay members had been raised and he invited Court members to communicate with him if they had any views on this matter.

The Chairman was continuing with his programme of visits and had recently been to the Division of Applied Computing and the Wellcome Trust Biocentre. These and other visits had been sufficiently interesting and illuminating to prompt him to encourage other Court members to visit departments. It was agreed that there should also be more formal arrangements, whereby presentations to illustrate the work of selected departments or units could be given in association with Court meetings - but without extending their length. The Chairman invited members to provide him with feedback on these suggestions.

The Chairman reported that it had been agreed that he and the Convener of the Finance & Policy Committee should have quarterly meetings with the Director of Research & Innovation Services. Also, plans for the formation of a Development Board were being progressed, with Lord Robertson having agreed to become the first recruit.

47. **PRINCIPAL'S REPORT**

The Principal introduced his report (**Appendix 1**), drawing attention to the award of a Fulbright Postgraduate Scholarship and a Kennedy Memorial Trust Award, to Simon Reekie and Adam Balfour respectively: these were very prestigious and competitive awards which highlighted the exceptional qualities of the recipients. The Principal also confirmed his intention to commence the development of a post-2007 strategy for the University, with a view to this being a major topic for the Court Retreat in September. Referring to a tabled booklet reporting on the recent Discovery Days, he indicated that this would be a useful document for general public relations purposes.

The Principal commented on the University's poor showing in a recent university league table published by 'The Guardian' newspaper. On investigation it had transpired that there were flaws with both the original data used in the survey and the way in which they had been interpreted by the newspaper's researchers (in Brunel University). This had produced some bizarre results, which were explained to the Court in detail by the Vice-Principal, Professor Calderhead. The University had made vociferous complaint to 'The Guardian' and in response its executive editor had offered to visit the University. Although such league tables were ephemeral and had no direct effect on the University's operations, they were read by large numbers of people including potential students and it was important to find a way of correcting the false impression of the University that had been created by the survey.

In response to a question about the research reviews being conducted in advance of the 2008 RAE, the Vice-Principal, Professor Boxer, confirmed that he would be producing a report on the outcomes of this exercise. General issues which had emerged included new appointments in key areas, mentoring for research staff, achieving a better balance between research and teaching in some areas, and making arrangements to ensure that significant research in progress was completed on time. He expected that (with one exception) all reviews would be complete by the end of 2005.

48. **FINANCE & POLICY COMMITTEE**

The Court received the report of a meeting of the Committee on 29 March 2005 (**Appendix 2**). The Convener drew attention to the Committee's concerns about the

underwriting of funding gaps in capital projects with SRIF money, which could act as a disincentive to continuing efforts to raise external funds; and about the scale of the increase in the projected cost of the Clinical Research Centre (notwithstanding the academic merits of the case), since this would have an impact on the margin for error in the University's overall borrowing requirement (see Minute 49(2) below).

In response to a question, arising from the reported position of one of the University's subsidiary companies, the Principal indicated that the general lesson which had been learned for the future was that, once a spin-out company had started trading, its staff should be excluded from the University payroll.

The Court decided: (i) to approve the report;

(ii) to invite one member of Court, who had not been able to be present at the last two meetings but who entertained concerns about the proposed Institute for Medical Science & Technology, to seek a meeting with the Dean of Engineering & Physical Sciences to discuss these concerns.

49. CAPITAL AUTHORISATION PROPOSALS

(1) Faculty Relocation and Teaching Facility¹

The Court received a full capital authorisation proposal for a new building on the Heathfield site, which would serve the dual purpose of providing dedicated teaching space for the Faculty of Education & Social Work (following disposal of the Gardyne Road campus) and high quality, centrally booked teaching accommodation for other faculties. The paper explained the objectives and benefits of the project in detail. The gross area of the building would be 7,000m² and the total projected cost was £15.6m - the business plan having been adjusted to accommodate the concerns of the Finance & Policy Committee relating to the University's borrowing capacity. It was confirmed in discussion that the total cost included inflation assumptions through the life of the project.

It was emphasised that the new building would provide teaching space only, not offices. Computer-based timetabling would deliver efficiency in usage of the new facilities, ensuring optimal occupancy from the outset, while future expansion had been catered for in room capacities. It was also clarified that changes were being made to existing teaching accommodation at other locations within the University.

The Court decided: to give full authority for the development to proceed, as recommended by the Finance & Policy Committee.

(2) Clinical Research Centre

¹ Ms Robertson declared an interest, as Chair of SFEFC, in the sale of the Gardyne Road campus.

The Court received a briefing note and revised business plan indicating that, while the Court had given full authority to proceed (at its meeting in December 2003) for the establishment of a Clinical Research Centre at Ninewells at a total estimated cost of £5.5m, the current position was that the funding requirement for this development had risen to £8.8m. The main factor in the escalation of costs was the University's success in attracting additional investment in imaging facilities and the significant increase in building size required to accommodate them. The imaging suite now envisaged would be unique within the UK.

While it was expected that the additional funding needed could be raised from external sources, underwriting from the University was sought at this stage so that the project could proceed. Without such underwriting the project would be delayed by 12-18 months, with a consequent loss of research impetus. Clinical research facilities of this kind were being developed very rapidly by other medical schools and it was important not to lose competitive advantage. It was confirmed that the specification originally approved by the Court could no longer achieve the functionality required. The risk of underwriting was not great, since SRIF funds were already in place - although there might be an opportunity cost of not being able to afford other developments. Reassurances were given about remaining within the University's overall borrowing capacity (£20m) and making allowance in financial forecasts for the effect of possible increases in interest rates.

The Court decided: to give full authority for the project to proceed on the revised basis outlined.

(3) Refurbishment of MSRU Laboratory Areas

The Court received a proposal for the refurbishment of laboratory areas in the MSRU, in particular the replacement of air handling equipment that had reached the end of its working life. Failure to address this problem would lead to serious health and safety risks.

In addition to the basic project, it was proposed to make alterations to several rooms, at an extra cost of £200k, so that they would be available for commercial use. The provision of commercial facilities would make the total refurbishment eligible for external investment by SET/ERDF of up to £750k, leaving the University with a net cost of £670k to be met from the SRIF allocation.

The Court decided: to give full authority for the project to proceed as proposed, as recommended by the Finance & Policy Committee.

50. FRAMEWORK AGREEMENT

The Secretary and the Director of Human Resources reported on progress in negotiations with the recognised unions regarding implementation of the Framework Agreement, as follows:

- (a) Job evaluation: 35 staff had been trained in use of the HERA system and a further 15 were awaiting training. Detailed planning was under way on how the job evaluation exercise would be carried out, including arrangements to release evaluators from their normal duties.
- (b) Pay and grading structure: the University and the unions were moving closer to agreement on a unified structure. A significant task associated with these negotiations was payroll modelling to ensure affordability; some specialised software had recently been obtained for this purpose.
- (c) Harmonisation of hours of work: negotiations were progressing satisfactorily.

It was pointed out in discussion that, while the University's stated intention was to implement the Framework Agreement by August 2006 (with the exception of harmonisation of hours of work, which was expected to be implemented in August 2005), this was at the end of the timescale envisaged in the Agreement. The Director indicated, however, that the University was not out of line with the rest of the sector and that the size of the project should not be underestimated. It was clarified that, while structures for pay and grading were now devolved to local level, the salary spine onto which these structures would be mapped remained subject to national bargaining.

51. CORPORATE GOVERNANCE

(1) Review of Court and Corporate Governance – Supplementary Matters

The Court received a paper from the Deputy Secretary & Clerk to Court reporting on further issues arising from the annexes to the Guide for Members of Higher Education Governing Bodies in the UK, published by the Committee of University Chairmen in November 2004. The paper also invited comment on the content of a proposed handbook for members of Court.

- The Court decided:**
- (i) to approve proposed amendments to the Statement of Primary Responsibilities of the Court approved in October 2004 (revised version at **Appendix 3**);
 - (ii) to approve a proposed Code of Practice on Conflict of Interest (**Appendix 4**);
 - (iii) to note that the University's existing Code on Public Interest Disclosure (Whistleblowing), approved in March 1999, was deemed to conform with the principles set out in the CUC Guide;
 - (iv) to take note of members' comments on the content of the proposed handbook, insofar as they were consistent with the practicalities of producing a manageable document within an acceptable timescale.

(2) Regional Seminars on Good Governance

The Court received information on regional seminars being organised by the Committee of University Chairmen and the Leadership Foundation, following up the national conference on good governance held in November 2004 (at which the revised CUC Guide had been launched).

The Court decided: to nominate Mr Willie Wilson as the Court's representative to attend the seminar scheduled to take place in Edinburgh on 22 June 2005.

52. **MEMBERSHIP OF GRADUATES' COUNCIL**

The Court received a paper by the Deputy Secretary & Clerk to Court, addressing the unresolved issue of admission to the Graduates' Council of alumni of the institutions with which the University had merged in 1996 and in 2001, viz. the two colleges of nursing & midwifery which had formed the School of Nursing & Midwifery, and the Dundee campus of Northern College which had become the nucleus of the Faculty of Education & Social Work. Precedent was afforded by the provision made in the Statutes at the time of the University's earlier merger with Duncan of Jordanstone College of Art in 1994. Similar provisions in relation to the two subsequent mergers had not been made because of (a) a lack of permanence in the contractual arrangements relating to nursing and midwifery education and (b) technical problems in the management of the alumni records of Northern College (and its predecessor institution, Dundee College of Education). Both obstacles had now been removed and this was considered an appropriate juncture to revisit the issue.

It was noted that the proposed amendments to Statute 20 involved granting automatic membership of the Graduates' Council to alumni of all the former Colleges, rather than adopting the 1994 approach of imposing time limits for contacting such alumni and receiving their replies. A similar relaxation of the provisions relating to graduates of the University of St Andrews, who had spent the whole or part of their studies in Dundee, was also proposed.

The Court decided: subject to ratification at a subsequent meeting in accordance with the terms of the University Charter, to approve the proposed amendments to Statute 20 and the repeal of Statute 22 and Ordinance 28 (**Appendix 5**).

53. **SUBSIDIARY AND OTHER RELATED COMPANIES**

The Court received a report, which was more detailed than the document submitted to its previous meeting, on subsidiary and other companies in which the University had a significant interest or responsibility. In discussion it was noted that the approach increasingly being adopted was that University employees should not be members of the Boards of spin-out companies: the University's interest could be safeguarded, where necessary, by having representatives with observer status at Board meetings.

54. **COMMUNICATIONS FROM THE SENATUS ACADEMICUS**

The Court received a report from the meeting of the Senatus on 30 March 2005.

- The Court decided:**
- (i) to approve the draft Academic Calendar for 2005/06 (**Appendix 6**);
 - (ii) to note the change of date for the Court Retreat in 2005 to Wednesday 7 September, and to invite members to submit suggested topics for inclusion in the programme for that meeting to the Chairman or the Secretary.

55. **AUDIT COMMITTEE**

The Court received the report of a meeting of the Committee on 8 March 2005 (**Appendix 7**).

The Court decided: to approve the report.

56. **UNIVERSITY BANK ACCOUNT SIGNATORIES**

The Court decided: to approve the submitted list of signatories, which included changes arising from a reorganisation within the Finance Office (**Appendix 8**).

57. **REPRESENTATION ON OUTSIDE BODIES**

The Court decided: to reappoint Dr Angela Roger as its representative on the Conference of the University of Stirling, for a further period of three years.

58. **STAFF**Exercise of Delegated Powers

The Court noted the appointment of the following:

(a) Chairs

Dr Margery Davis	Personal Chair of Medical Education	1 January 2005
Dr Nicholas Davey	Personal Chair of Philosophy	1 February 2005
Professor Jane Bower, Glasgow Caledonian University	Chair of Enterprise Management	1 April 2005
Dr Allison Littlejohn, University of Strathclyde	Chair of Educational Development & Technology	1 April 2005

(b) Heads of Departments

School of Architecture	Mr Graeme Hutton	for a further term from 1 June 2005 – 31 July 2008
Centre for Energy, Petroleum and Mineral Law and Policy	Dr Philip Andrews-Speed	for a further term to 31 July 2008
Department of History	Professor Callum Brown	for three years to 31 July 2008
Department of Law	Professor Alan Page	for the period to 31 July 2005

59. **JUNE MEETING**

The Court decided: to approve the suggestion that a tour of construction projects in progress on the city campus should be arranged for Court members, immediately preceding the next meeting on 13 June 2005.

60. **CAMPUS MASTERPLAN**

For the final part of its meeting the Court adjourned to the Cooper Gallery, Duncan of Jordanstone College, to receive a presentation by Sir Terry Farrell as part of the consultation process associated with the city campus 'masterplanning' exercise. Members were apprised of the progress made so far and had the opportunity to comment and ask questions. The Director of Campus Services gave a complementary presentation, providing an overview of the capital programme.

APPENDIX 1

PRINCIPAL'S REPORT (Minute 47)

Research Reviews

1. The research reviews are nearing completion with further work in hand in the Faculties of Medicine, Dentistry & Nursing, Life Sciences and Arts & Social Sciences in relation to Psychology.
2. The University is required to make its RAE submission by 30 November 2007. The assessment will cover publications and other accessible outputs in the period January 2001 – 31 December 2007 and data about research students and research income for the period 1 January 2001 – 31 July 2007. As the RAE guidance emerges it is clear that 2005 is a critical year for completing journal articles and books and each faculty is aiming to ensure that the necessary support systems are in place. We will also monitor the draft criteria and working methods of the main RAE panels and sub-panels as they are issued for consultation and ensure that each subject area is properly positioned.
3. Professor Boxer is synthesizing the outcome of the research reviews and will prepare a detailed action plan for discussion with the Research Committee, Senate and Court. This will be prepared following discussions with Deans, unit heads and the review panel chairs. It will include the need to make new appointments (either proleptic or additional) in key areas of the University with the aim of strengthening our overall RAE quality profile and building research capacity for the long term.

Learning and Teaching

4. The latest UCAS figures confirm an increase in applications for the University of 17% with a cumulative increase of 70% since 2001. This reflects a great deal of hard work in developing new courses, improving recruitment and admissions procedures and promoting the achievements of the University. Building on this success, the University is now launching new scholarship and bursary schemes and advanced entry into second year in a number of subject areas.
5. An e-learning forum is planned for 17 May 2005 to discuss the potential for introducing new educational technologies in the University and ensure the dissemination of good practice. Contributors include Dr Richard Parsons (Director of e-learning), Mr Ian Ball (Vice-Dean, Faculty of Education & Social Work) and Professors Alison Littlejohn and Ronald Harden. Professor Littlejohn takes up the post of Professor of Educational Development and Technology in the Faculty of Education & Social Work this month.

Finance & Policy Committee

6. The University Calendar for 2005/06 includes additional meetings of the Finance & Policy Committee to enable increased scrutiny of general financial performance and progress with capital projects. As reported at the previous meeting, work is also in hand to improve a number of financial management systems.
7. The total SHEFC grant for 2005/06 has been confirmed as £55.1m, with no uplift for the SR2004 effect in the period April-July 2006. Additional capital funds of £348k (2005/06) for teaching infrastructure and £11.4m (April 2006-March 2008) for research infrastructure have also been released with the promise of further allocations for teaching infrastructure in 2006/07 and 2007/08. No additional funding has been allocated to cover overheads on charitably funded research but the research-intensive universities are lobbying hard on this issue and there is an indication that some funding (still to be quantified) will be allocated in 2006/07.
8. Work on internal resource allocation and budgeting for 2005/6 is now under way with Deans and the Directors of Student and Academic Support Services. A full report on the outcome of these discussions will be made at the next meetings of the Finance & Policy Committee and Court.

Framework Agreement

9. Discussions are under way between the University and the campus trade unions regarding the implementation of the Framework Agreement. The HERA system has been adopted as the job evaluation tool and relevant training has been provided. Discussions regarding the new grading structure and pay scales to be implemented by 1 August 2006 are on-going and, when finally agreed, these will be introduced on the basis of no detriment to existing staff. Work is also in hand to model the

overall financial effects of these changes. The University is keen to provide information to all staff on the progress of these discussions. The principles being adopted by the University and a number of key papers on the Framework Agreement are posted at www.somis.dundee.ac.uk/personnel/framework. The University Secretary and the Director of Human Resources will report progress at the meeting.

Human Resources Policies

10. At its meeting on 29 March 2005, the Senior Management Team focused on a number of key human resources issues, including:
- probationary procedures for academic staff
 - policy in relation to the postgraduate Certificate in Teaching in Higher Education
 - new capability procedures
 - new committee arrangements for personal chair appointments.

These issues are at various stages of discussion with the campus trade unions and the Human Resources Committee, the overriding aim being to enable staff to develop to their full potential within a clear framework of performance assessment and advancement.

SHEFC

11. SHEFC's institutional visit to discuss the University's development plans and compliance with conditions of grant was held on 15 February 2005. The University was represented by a cross-section of Court members, staff and students. A draft minute of the meeting, approved by the visiting team, has been received for comment and it is SHEFC's intention to submit the final version to Council 'as a non-disclosable paper for noting' at the SHEFC meeting on 13 May 2005. I will of course ensure that Court members receive a confidential copy of the final minute in due course.

In the meantime, Court will be pleased to know that the visiting team has acknowledged the University's distinctiveness, dynamism and commitment to sustainable growth and commented on its forward-looking approach and its commitment to delivering on the conditions of grant. The visiting team also expressed interest in the post-2007 strategy of the University and I aim to focus on this issue for at least part of the time during our Court Retreat in September.

Congratulations

12. The following have been elected to the fellowship of the Royal Society of Edinburgh:
- Professor Sue Black
 - Professor Jane Bower (who takes the Chair of Enterprise Management from 1 April 2005)
 - Professor Doreen Cantrell
 - Professor Allan Findlay
 - Professor Irwin McLean

In addition Professors Jerry Lambert, John Peters and Allan Struthers have been elected to fellowships of the British Pharmacological Society and Professor John Arnott and Drs Peter Gregor, Steve Parkes and Normal Alm to the fellowship of the British Computer Society.

13. Louise Scullion, in partnership with Matthew Dalziel, both members of staff at Duncan of Jordanstone College of Art & Design, have been awarded a Creative Scotland award and Simon Reekie, a graduate of Duncan of Jordanstone, has won a Fulbright Postgraduate Scholarship, the only artist in the UK to receive such an award this year.
14. Adam Balfour, a 4th year law student, has been awarded a postgraduate scholarship to study for an LLM at Harvard Law School. This is one of only 12 Kennedy Memorial Trust Awards available to students in the UK.
15. Congratulations also go to Dr Liz Rogerson and her team who have received approval from the US National League for Nursing Accrediting Commission for their master's and baccalaureate degree programmes in nursing. This confirms Dundee as the only UK University to have US accreditation for its distance learning programmes in nursing.

16. Finally, Court will be pleased to know of the continuing involvement of the University in the Dundee Book Prize. The three finalists for 2005 (including history graduate Malcolm Archibald) have all had their novels published and the awards ceremony takes place at DCA on 26 April.

Alan Langlands
April 2005

APPENDIX 2

FINANCE & POLICY COMMITTEE
(Minute 48)

A meeting of the Committee was held on 29 March 2005.

Present: Mr B W M Johnston (Convener), Principal, Professor D H Boxer (Vice-Principal), Professor S C Hunt, Mr J R Milligan, Dr M R Ward and Mr I D M Wright.

In Attendance: Mr W Sutherland, Secretary, Director of Finance, Deputy Director of Finance, Mr G A Campbell, Mr J Tavendale (*for item 5(1)*) and Mrs A C Coughtrie (*for item 5(3)*).

1. MINUTES OF PREVIOUS MEETING

- Resolved:**
- (i) to approve the minutes of the meeting held on 7 February 2005;
 - (ii) to note that Messrs Lee and Evans had been invited as representatives, not members, of the Audit Committee to attend for item 1.

2. MATTERS ARISING

(1) Terms of Reference (Meeting of 11 October 2004, Minute 1(ii))

The University Secretary reported that the terms of reference would be amended so that 'internal control' would fall within the remit of the Audit Committee. Mr Sutherland, the Audit Committee Convener, was in agreement.

(2) Future Meetings of the Finance & Policy Committee (Meeting of 7 February 2005, Minute 5(v))

The University Secretary reported that the Finance & Policy Committee would meet six times per annum from 2005-06. Introducing an additional meeting would facilitate the increased scrutiny of financial performance during the year.

(3) Monthly Surplus to Date Figures (Minute 6)

The Deputy Director of Finance reported on the financial forecast for 2004-05. The surplus for the year to date was £640,000. The forecast surplus for the year remained in the order of £3m as gains from the sale of several sites had still to be achieved. It was noted that detailed project by project reporting continued in order that capital programme expenditure could be reviewed effectively.

3. DUNDEE UNIVERSITY STUDENTS' ASSOCIATION (DUSA)

The Director of Finance reported that the Students' Association was in a less favourable financial position than had been projected in September 2004. That said, a new Events Manager was in place and income for January and February met the budgetary targets. DUSA staff had commented to the Director of Finance that the projected £109k year-end surplus continued to look achievable.

Resolved: to invite the Director of Finance to include a brief written summary when reporting in future on DUSA finances.

4. FINANCIAL STRATEGY

The Director of Finance reported as follows:

- (a) The Scottish Higher Education Funding Council (SHEFC) had announced a grant of £55.9m for 2005-06 (£803k less than that which was reported through the Financial Strategy update paper presented to Court at its last meeting).
- (b) SHEFC had awarded an additional capital expenditure grant of £348k for use on teaching infrastructure which would be used to support projects already identified in the capital programme.

- (c) The University of Dundee allocation from SHEFC for the Science Research Investment Fund third round of payments (SRIF 3) would be £11.4m, an increase of 9% on the second round (compared with a Scottish average increase of 5%). A series of broad proposals was being worked on which included underwriting external funding on major capital projects.
- (d) Negotiations had continued with HM Customs & Excise on a number of matters. It appeared probable, however, that HM Customs & Excise would allow recovery of VAT on the Centre for Interdisciplinary Research building.
- (e) The additional funding resulting from the introduction of full economic costing had been increased from £1.2m to £1.3m.
- (f) The programmed sale of premises had continued and that the forecast increase in the value of receipts from these sales was likely to be achieved. The levels of inflation experienced in the recent tendering for Residences' projects showed no signs of diminishing. In addition, energy costs were likely to rise in excess of inflation as a result of increased prices for gas used in the University's heat and power plant.

- Resolved:**
- (i) to invite the Director of Finance to present a revised Financial Strategy to the next meeting of the Committee;
 - (ii) to note that initial SRIF 3 funding proposals would be used to support and underwrite external funding bids for the Ninewells Resource Unit air handling facilities, the Institute for Medical Science & Technology, the Queen Mother Research Centre, Medical School imaging facilities and the Clinical Research Centre, and the Centre for Interdisciplinary Research;
 - (iii) to note that the Committee wished to emphasise that the use of SRIF money to underwrite external funding of capital projects should not be seen as an easy option and result in a reduction in efforts by the promoters of capital projects to reduce their efforts to raise the amount of external funding originally proposed when the projects were submitted to Court for approval;
 - (iv) to note that the balance of at least £1.9m in SRIF 3 (depending on the success rate in raising underwritten funds) would be used to reduce the University's borrowing requirement by allocating it to existing projects in the capital programme.

5. CAPITAL EXPENDITURE APPROVALS

(1) New Teaching Accommodation

This project comprised the construction of a 7,000m² new building at Heathfield to provide shared and dedicated teaching space. The University Secretary reminded Committee members that this project was being driven not by income projections but by the University's academic strategy. The project had SHEFC support, acknowledged the disposal income from Gardyne Road and would lead to savings in maintenance and running costs.

Mr Wright expressed concern about the format and content of the draft 'K2' paper but agreed with Professor Hunt that the University needed to further improve its teaching accommodation.

Mr Tavendale presented the paper and, in response to a question from Mr Milligan, explained the advantages of the procurement method recommended - with the contractor working alongside the design team from an early stage.

The Convener and the Director of Finance expressed concern that the proposed timescale differed from that proposed in the capital programme. These differences would be reviewed and any changes incorporated in the revised Financial Strategy to be presented to the Committee at the next meeting.

Resolved: to recommend to Court that this project be approved in principle, subject to further work being done by Estates & Buildings on the paper and by the Director of Finance on the timing of the project and the implications for University borrowing.

(2) Air Handling at Ninewells Resource Unit

Professor Boxer presented the case for upgrading the air handling system, stressing the health and safety requirements, and noting the net requirement for SRIF funding to the value of some £700k.

Resolved: to recommend to Court that this project be approved.

(3) Clinical Research Centre Enhancements and Funding

The Clinical Research Centre had originally been costed at £5.5m in 2003. Mrs Coughtrie explained that project costs had increased to £8.8m due to inflation, the increased size of the building (to accommodate larger and better imaging equipment) and the complexity of the equipment.

Maintaining the budget at £5.5m would necessitate restricting the size and quality of the building. This would lower the quantity of clinical research to be accommodated within the building, reduce potential revenue and make the project less sustainable in the longer term.

The Committee expressed its concern at the scale of the increase after such a short period since the original proposal was approved. It was agreed however that the preferred option would be to approve University underwriting of external funding and to proceed with the project. The Faculty would continue to seek to realise the necessary additional external funding.

Resolved: to recommend to Court that this project be approved, but to ask Court to note the Committee's concern at the scale of the increase.

(4) Delegated Powers

The Director of Finance reported that in future the Committee would be notified on a regular basis of approvals made by officers under delegated powers for capital projects with anticipated values of under £1m.

6. **FORECAST YEAR-END RESULT 2004-05**

The Director of Finance reported on the latest forecasts and the mid-year return recently submitted to SHEFC, noting in particular that student debt had stabilised in line with the earlier prediction. The projected surplus for the year had already been noted (minute 2(3) above).

7. **INTEREST RATE STRATEGY**

The Director of Finance reported that on-going quarterly reviews would be taking place to minimise the University's interest charge over the life of existing bank indebtedness.

8. **RESIDENCES**

The University Secretary reported that the residences continued to be managed by Sanctuary Management Services. The last meeting of the Dundee Student Village (DSV) Board was on 8 February 2005 and there were no problems to report. The construction finance agreement had now been signed by the University's representatives in line with the decision of the University Court in December 2005.

It was noted that Graham and Sibbald, chartered surveyors, were in the process of valuing the West Park mansion and conference centre facilities. The University Secretary expected to be in a position to present a paper on the West Park conferencing business to the next meeting of the Finance & Policy Committee.

APPENDIX 3**STATEMENT OF PRIMARY RESPONSIBILITIES
(Minute 51(1))**

The primary responsibilities of the Court, as the governing body of the University, are:

General

1. to oversee the management of all of the revenue and property of the University and to exercise general control over its affairs, purposes and functions, taking all final decisions on matters of fundamental concern to the institution;
2. to safeguard the good name and values of the University and to ensure that the institution is responsive to the interests of its stakeholders, including students, staff, graduates, the local community and funding bodies;
3. to make such provision as it thinks fit, in consultation with the Senatus, for the general welfare of students;
4. to ensure the solvency of the University and to safeguard its assets ;
5. to ensure compliance with the University's Charter, Statutes, Ordinances and other rules and regulations of the University, as well as UK and EU law where applicable;
6. to appoint the Principal and Vice-Chancellor of the University, including the terms and conditions attaching to the appointment, and to put in place suitable arrangements for monitoring his or her performance;
7. to appoint a Secretary of the University and to ensure that he or she has separate lines of accountability for the provision of services to the Court and for the fulfilment of managerial responsibilities within the institution;

Strategic Planning

8. to approve the mission of the University and its strategic plans, setting out its aims and objectives in teaching and research and identifying the financial, physical and staffing requirements for their achievement;
9. to approve a financial strategy, long-term business plans and annual budgets;
10. to approve an estates strategy for the management and development of the University's land and buildings in support of institutional objectives;
11. to approve a human resources strategy and to ensure that reward arrangements for its employees are appropriate to the needs of the University;
12. to monitor the University's performance against approved plans and key performance indicators;

Exercise of Controls

13. to make clear and to review regularly the executive authority and other powers delegated to the Principal and Vice-Chancellor, to other senior officers and to other bodies of the University including the Senate and Committees of Court;
14. to ensure the proper use of public funds awarded to the University and observance of the terms of the Financial Memorandum between the University and the Scottish Higher Education Funding Council;
15. to act as trustee for any legacy, endowment, bequest or gift in support of the University's activities;
16. to establish and monitor effective systems of internal control and accountability throughout the University;
17. to oversee the University's arrangements for internal and external audit and to approve the University's annual financial statements;
18. to ensure that arrangements are in place for the proper management of health and safety in respect of students, staff and other persons affected by University operations;

Effectiveness and Transparency

19. to ensure, through the appointment of co-opted lay persons in accordance with the Statutes, a balance of skills and experience amongst the membership of the Court sufficient to meet its primary responsibilities;
20. to ensure that the proceedings of the Court are conducted in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life;
21. to ensure that procedures are in place in the University for dealing with internal grievances, conflicts of interest and public interest disclosure;
22. to monitor its own performance and that of its Committees, with a formal evaluation of effectiveness undertaken not less than every five years.

April 2005

APPENDIX 4**CODE OF PRACTICE ON CONFLICT OF INTEREST
(Minute 51(1))****Introduction**

1. The establishment of links between University employees and outside bodies – whether Government departments, commerce, industry, or others – is not only in the public interest but also benefits the University and the individuals concerned. However it is possible that such links may give rise to potential conflicts of interest. The University has therefore prepared the following guidelines and rules to help individuals assess whether or not proposed activities could cause a conflict of interest, and to outline the procedure for disclosure of any perceived or potential conflict.

Guidelines as to Conflict of Interest

2. It is not possible to define all the circumstances which may cause a conflict of interest, but the following are examples of situations giving rise to a perceived conflict of interest. In any situation where an individual is uncertain as to the propriety of a given arrangement, advice may be sought from the Secretary of the University.
 - (a) Use of the University's research or administrative facilities to pursue personal, business, commercial, or consulting activities.
 - (b) Any attempt to restrict rights governing the timing and content of publications, except in circumstances properly approved by the University to protect privacy, commercially sensitive proprietary information, and patentable inventions.
 - (c) Involvement in externally funded activity which might infringe the right of a student engaged in the activity to complete the degree for which he or she is registered, and/or to publish freely his or her findings (except in the circumstances referred to in sub-paragraph (b) above).
 - (d) A financial interest held by an individual (or by his or her immediate relative(s) or household member(s)) in an external enterprise engaged in activities closely related to that individual's line of research in the University. Examples of such interests are paid consultancies, paid service on a board of directors or advisory board, or equity holdings in or royalty income from the enterprise. The existence of such an interest does not necessarily imply conflict, but is likely to give an appearance of conflict, and should be declared.
 - (e) A personal involvement in any company or commercial enterprise which is in a contractual relationship with the University, or which is in the process of negotiating a contract with the University, where the employee has been concerned or connected with placing or negotiating the contract in question or with the research or other activity which the contract might cover.
 - (f) Application by family members or friends for employment in the University or in a related company, where an individual is in a position to influence the appointing process. (*Note: the University operates specific rules on the appointment of close relatives in the same department.*)
 - (g) Receipt of gifts or hospitality by an individual (or by his or her immediate relative(s) or household member(s)) from a company or organisation offering goods or services to the University.
3. There are in addition certain circumstances which give rise to such clear conflicts that the University Court has adopted the specific rules set out below.

Executive Directorships

4. For the purpose of this guidance, an executive directorship is one involving an active management role, whether or not including research, in the company concerned.
5. No member of staff shall hold any executive directorship without express approval by the Principal (or, in the case of the Principal, by the Chairperson of Court). Approval for such directorships may be given in the following circumstances:
 - (a) where the holding of an executive directorship is or will be necessary to satisfy the requirements of a recognised stock exchange for the listing of scientific, research-based companies; and/or
 - (b) where approval can be justified on other grounds, although such approval will only be given in exceptional cases.
6. In either case, consent will be given only if it is evident that the appointment will comply with the University's general conditions relating to the holding of other appointments.

Holding of Directorships and Shares by Administrative Officers of the University

7. For the purpose of these rules administrative officers are defined as staff of the University's student and academic support services, faculty and departmental administrative staff, and others employed by the University in academic-related grades.
8. Unless formally nominated by the University to do so, no administrative officer shall serve in a personal capacity as a director or other officer of a company or commercial enterprise, the establishment of which arose out of or was connected with work done in the University, or any company or commercial enterprise in a contractual relationship with the University, where the administrative officer was concerned or connected with placing or negotiating the contract in question.
9. Any administrative officer nominated by the University to serve as the director of a company shall be deemed to accept the nomination in the discharge of his or her duties as an employee of the University, and shall decline to accept any director's fee.
10. No administrative officer shall hold any shares in a company, the establishment of which arose out of or was connected with work done in the University, or any company in a contractual relationship with the University, where the administrative officer was concerned or connected with placing or negotiating the contract in question - unless such shares have been acquired following the listing of the company on a recognised stock exchange.

Declarations

11. It is the duty of all employees to disclose any actual or potential conflict of interest. The procedures for disclosure are explained below. Failure to disclose an actual conflict of interest may result in disciplinary action.
12. A declaration as to any conflict of interest will be sought by the University at the funding award stage in connection with any externally funded research project. Application for permission to undertake other activities will require the individual concerned to declare any conflict of interest before permission will be granted. Disclosure should be made in writing and should be directed to the Secretary of the University. This procedure will also apply in other situations giving rise to a potential conflict of interest.
13. In addition to declaring any conflict or potential conflict in accordance with paragraph 12 above, individuals occupying the following positions shall be required to submit an annual declaration of external interests:
 - Members of Court and supporting officers
 - Vice and Deputy Principals
 - Deans
 - Directors of student and academic support services
 - Other administrative officers with significant budgetary or procurement responsibilities

14. A record of all declarations made shall be maintained centrally by the Secretary of the University.
15. In addition to declarations made from time to time under the terms of paragraph 12 above, records shall be updated regularly and members of staff shall be required to provide updated information on request.
16. If a conflict of interest or a potential conflict of interest has been disclosed, the individual concerned shall discuss a possible resolution with the Secretary of the University. Any unresolved matter shall be referred to the Audit Committee for advice; in cases of particular difficulty the matter shall be referred to the Court.

April 2005

APPENDIX 5

**AMENDMENT OF UNIVERSITY STATUTES AND ORDINANCES
(Minute 52)**

A. To be amended (new text in italics):**Statute 20 - Graduates' Council**

- (1) The Graduates' Council shall consist of the following persons:
- (a) The Chancellor
 - (b) The Principal
 - (c) The Vice-Principals, if any
 - (d) Graduates of the University of St Andrews who pursued the whole or part of their University studies in ~~Queen's~~the College or in the former University College, Dundee, and who have ~~in the manner and by the date prescribed in paragraph (7) of Statute 22~~ elected to become members of the Graduates' Council
 - (e) Graduates of the University as defined by Ordinance
 - (f) Graduates and diplomates of the former Duncan of Jordanstone College of Art, Fife College of Health Studies, Tayside College of Nursing and Midwifery, Dundee College of Education and Northern College of Education (Dundee) ~~who have in the manner and by the date prescribed in paragraph (5) of Statute 22 elected to become members of the Graduates' Council.~~
 - (g) Honorary Graduates
- (2) All persons qualified and intending to graduate for the first time in the University shall, as a condition of graduation, pay to the ~~Court~~University a registration fee of ~~one pound or such other~~ amount as may be prescribed from time to time by the Court Ordinance. Provided, however, that the obligation to pay the registration fee shall not apply to ~~Honorary Graduates persons specified in clauses (d), (f) and (g) of paragraph (1) above.~~
- (3) In the absence of the Chancellor from a meeting of the Graduates' Council, the Principal shall preside, and in the absence of both the Chancellor and the Principal, a Vice-Principal, if any, shall preside. In the absence of all the foregoing persons, a ~~Chairman~~Chairperson for the time shall be elected by the meeting from among the members of the Graduates' Council present.
- (4) The Graduates' Council shall have power to make representations to the Court on all matters affecting the well-being and prosperity of the University.
- (5) There shall be an annual meeting of the Graduates' Council and such other meetings as may from time to time be convened as may be prescribed by Ordinance. There shall be presented to the annual meeting an audited financial statement of the University for the previous year and an annual report by the Principal on the working of the University during that year.
- (6) In any year in which an Assessor on the Court falls to be elected by the Graduates' Council, such Assessor shall be elected at the annual meeting of the Graduates' Council in such manner as may be prescribed by Ordinance.

B. To be repealed in their entirety:**Statute 22 - Merger of Duncan of Jordanstone College of Art with the University of Dundee - Transitional Provisions**

- (1) Notwithstanding the terms of Statute 9, the Director of the Faculty of Duncan of Jordanstone College shall be a member of the University Court for a period expiring on 31 July 1997.

- (2) Notwithstanding the terms of Statute 9, the Chairman of the Governors of Duncan of Jordanstone College of Art at 31 July 1994 shall be co-opted to membership of Court under clause (q) of Statute 9(1) for a period expiring on 31 July 1998.
- (3) Notwithstanding the terms of Statute 9, the academic staff of the Faculty of Duncan of Jordanstone College shall be entitled to elect one of their number to serve as a member of Court for a period expiring on 31 July 1998.
- (4) Notwithstanding the terms of Statute 10, the Director of the Faculty of Duncan of Jordanstone College shall be a member of the Senatus for a period expiring on 31 July 1997.
- (5) Not later than 12 months after the date of the merger the Court shall intimate by letter to all graduates and diplomates of Duncan of Jordanstone College of Art their right to become members of the Graduates' Council of the University and shall request those who so elect to inform the Court in writing within three months of the intimation.

Ordinance 28 - Graduates' Registration Fee

The registration fee payable as a condition of graduation, in terms of Statute 20(2), by all persons qualified and intending to graduate for the first time in the University, shall be determined by the University Court from time to time.

APPENDIX 6

ACADEMIC CALENDAR 2005/06
(Minute 54)

C - reporting to Court

S - reporting to Senate

August 2005

- 19 Fri Last day of resit examinations
- 26 Fri Last day for announcement of results
Last day for issue of Termination letters

September 2005

- 5 Mon C Finance & Policy Committee 2pm
Last day for lodging appeals
- 7 Wed C Court Retreat
- 9 Fri Last day for Faculty Committee Termination meetings
- 12 Mon First issue of Termination of Studies (Appeals) Committee agenda Wk 0
Beginning of Session
- 13 Tues C University/Amicus MSF Joint Committee 2pm
- 14 Wed C University/Unison Joint Committee 2pm
- 16 Fri S Termination of Studies (Appeals) Committee 9.15am
Last day for Matriculation
- 19 Mon S Academic Quality Committee 2pm Wk 1
Semester 1 begins
- 20 Tues C Safety Sub-Committee 10am
- 21 Wed S Flexible Delivery Sub-Committee 2pm
Pre-Application visit day for Architecture, Arts & Social Sciences, Dentistry,
Education & Social Work, Engineering & Physical Sciences, Law &
Accountancy and Life Sciences
- 22 Thur S Research Committee 12 noon
- 23 Fri C University/DAUT Joint Committee 10am
S Library & Information Services Committee 2pm
- 26 Mon Wk 2
- 27 Tues C Audit Committee 2pm
Faculty Board of Arts & Social Sciences 2pm

			Faculty Board of Engineering & Physical Sciences 4pm	
28	Wed	S	Honorary Degrees Committee 10am	
			Faculty Board of Law & Accountancy 2pm	
			Faculty Board of Medicine, Dentistry & Nursing 4pm	
29	Thurs	S	Learning & Teaching Committee 10am	
			Faculty Board of Duncan of Jordanstone College 2pm	
			Faculty Board of Education & Social Work 2pm	
			Faculty Board of Life Sciences 4pm	
30	Fri	C	Campus Services Committee 10am	
<u>October 2005</u>				
3	Mon		Dundee Autumn Holiday	Wk 3
4	Tues	C	Human Resources Committee 2pm	
			University Opening Service 5.15pm	
10	Mon	C	Finance & Policy Committee 2pm	Wk 4
12	Wed	S	Senate 4pm	
13	Thurs	S	Undergraduate Programme Review & Development Sub-Committee 2pm	
17	Mon			Wk 5
18	Tues	S	Advisory Group on Appeals & Complaints Procedures 10am	
19	Wed	S	Learning & Teaching Environment Sub-Committee 2pm	
20	Thurs	S	Postgraduate Research Sub-Committee 10am	
24	Mon	C	Court 2pm	Wk 6
25	Tues	S	Postgraduate Taught Courses Sub-Committee 10am	
26	Wed		Nursing & Midwifery visit day (Tayside)	
28	Fri		Nursing & Midwifery visit day (Fife)	
31	Mon	S	Academic Quality Committee 10am	Wk 7
<u>November 2005</u>				
2	Wed	S	Flexible Delivery Sub-Committee 2pm	
7	Mon		Remuneration Committee 10am	Wk 8
			Academic Council Standing Committee 1pm	
8	Tues	C	Risk Management Monitoring Group 10am	
9	Wed	S	Postgraduate School Board 2pm	
10	Thurs	S	Research Committee 12 noon	

11	Fri	S	Library & Information Services Committee 2pm	
14	Mon	S	Learning & Teaching Committee 2pm	Wk 9
15	Tues	C	Campus Services Committee 10am Faculty Board of Arts & Social Sciences 2pm Faculty Board of Engineering & Physical Sciences 4pm	
16	Wed		Faculty Board of Law & Accountancy 2pm Faculty Board of Medicine, Dentistry & Nursing 4pm	
17	Thurs		Faculty Board of Duncan of Jordanstone College 2pm Faculty Board of Education & Social Work 2pm Faculty Board of Life Sciences 4pm	
21	Mon	C	Finance & Policy Committee 2pm	Wk 10
28	Mon		Academic Council 1pm	Wk 11
29	Tues	C	Audit Committee 2pm	
30	Wed	S	Senate 4pm	

December 2005

5	Mon		Semester 1 examinations begin	Wk 12
11	Sun		University Carol Service 5pm	
12	Mon			Wk 13
16	Fri		Semester 1 examinations end End of Semester 1	
19	Mon	C	Court 2pm	
23	Fri		University closed after business until start of business on Wednesday 4 January 2006	
25	Sat		Christmas Day	

January 2006

4	Wed		Start of business	
9	Mon		Freshers' Week – January Intake	
10	Tues	C	University/Amicus MSF Joint Committee 2pm	
12	Thurs	C	University/Unison Joint Committee 2pm	
16	Mon		Start of Semester 2 University/DAUT Joint Committee 10am	Wk 14
18	Wed	C	Safety Sub-Committee 10am	
19	Thurs	S	Research Committee 12 noon	

23	Mon	S	Learning & Teaching Committee 2pm	Wk 15
24	Tues		Faculty Board of Arts & Social Sciences 2pm Faculty Board of Engineering & Physical Sciences 4pm	
25	Wed		Faculty Board of Law & Accountancy 2pm Faculty Board of Medicine, Dentistry & Nursing 4pm	
26	Thurs		Faculty Board of Duncan of Jordanstone College 2pm Faculty Board of Education & Social Work 2pm Faculty Board of Life Sciences 4pm	
30	Mon	C	Finance & Policy Committee 2pm	Wk 16
31	Tues	C	Human Resources Committee 2pm	

February 2006

8	Wed	S	Senate 4pm	
9	Thurs	S	Postgraduate Research Sub-Committee 10am	
13	Mon			Wk 18
14	Tues	S	Postgraduate Taught Courses Sub-Committee 2pm	
20	Mon		Court 2pm	Wk 19
22	Wed	S	Flexible Delivery Sub-Committee 2pm	
24	Fri	S	Library & Information Services Committee 2pm	
27	Mon	S	Academic Quality Committee 2pm	Wk 20
28	Tues	C	Campus Services Committee 2pm	

March 2006

6	Mon			Wk 21
7	Tues	C	Audit Committee 2pm	
8	Wed	S	Postgraduate School Board 10am	
9	Thurs	S	Research Committee 12 noon	
13	Mon	S	Learning & Teaching Committee 2pm	Wk 22
14	Tues		Faculty Board of Arts & Social Sciences 2pm Faculty Board of Engineering & Physical Sciences 4pm	
15	Wed		Faculty Board of Law & Accountancy 2pm Faculty Board of Medicine, Dentistry & Nursing 4pm	
16	Thurs		Faculty Board of Duncan of Jordanstone College 2pm Faculty Board of Education & Social Work 2pm	

		Faculty Board of Life Sciences 4pm	
20	Mon		Wk 23
21	Tues	Academic Council Standing Committee 1pm	
22	Wed	S Learning & Teaching Environment Sub-Committee 2pm	
27	Mon		Wk 24
28	Tues	C Finance & Policy Committee 2pm	
29	Wed	S Senate 4pm	
30	Thurs	S Undergraduate Programme Review & Development Sub-Committee 2pm	

April 2006

3	Mon	Easter Vacation	
		Dundee Holiday	
14	Fri	Good Friday	
16	Sun	Easter Sunday	
24	Mon	Court 2pm	Wk 25
		Examinations begin	
25	Tues	S Postgraduate Taught Course Sub-Committee 10am	
		S Academic Quality Committee 2pm	
26	Wed	C University/Amicus MSF Joint Committee 2pm	
27	Thurs	S Postgraduate Research Sub-Committee 10am	

May 2006

1	Mon	Dundee Holiday	Wk 26
3	Wed	S Flexible Delivery Sub-Committee 2pm	
5	Fri	C University/DAUT Joint Committee 10am	
8	Mon	C Safety Sub-Committee 10am	Wk 27
		Academic Council 1pm	
9	Tues	S Advisory Group on Appeals & Complaints Procedures 10am	
		C University/Unison Joint Committee 2pm	
10	Wed	S Postgraduate School Board 2pm	
11	Thurs	S Research Committee 12 noon	
12	Fri	S Library & Information Services Committee 2pm	
15	Mon	S Learning & Teaching Committee 2pm	Wk 28
16	Tues	C Campus Services Committee 10am	

			Faculty Board of Arts & Social Sciences 2pm	
			Faculty Board of Engineering & Physical Sciences 4pm	
17	Wed		Faculty Board of Law & Accountancy 2pm	
			Faculty Board of Medicine, Dentistry & Nursing 4pm	
18	Thurs	C	Risk Management Monitoring Group 10am	
			Faculty Board of Duncan of Jordanstone College 2pm	
			Faculty Board of Education & Social Work 2pm	
			Faculty Board of Life Sciences 4pm	
22	Mon	C	Finance & Policy Committee 2pm	Wk 29
23	Tues	C	Human Resources Committee 10am	
24	Wed	C	Audit Committee 2pm	
26	Fri		Semester 2 examinations end	
			End of Semester 2	
29	Mon		Dundee Holiday	
31	Wed	S	Senate 4pm	
<u>June 2006</u>				
12	Mon	C	Court 3pm	
21	Wed		Graduation Ceremonies	
22	Thurs		Graduation Ceremonies	
23	Fri		Graduation Ceremonies	
<u>July 2006</u>				
11	Tues		Medicine & Dentistry Graduation (provisional)	
<u>August 2006</u>				
7	Mon		Resit examinations begin	
29	Tues	C	Finance & Policy Committee 2pm	
<u>September 2006</u>				
4	Mon	C	Court Retreat	
11	Mon		Semester 1 begins	Wk 0

APPENDIX 7

AUDIT COMMITTEE
(Minute 55)

A meeting of the Committee was held on 8 March 2005.

Present: Mr W Sutherland (Convener), Mrs S Brown, Ms J M Thomson and Mr W Wilson.

In Attendance: Mr B W M Johnston, Secretary, Deputy Secretary & Clerk to Court, Director of Finance; Mr G M Hay and Mr S Inglis (Henderson Loggie).

1. MINUTES OF PREVIOUS MEETING

Resolved: to approve the minutes of the meeting on 24 November 2004.

2. MATTERS ARISING

(1) Joint Meeting of Audit Committees (Minute 2(1))

Members were reminded that it had been agreed at the previous meeting of Audit Committees in the University of Abertay in December 2004 that the next joint meeting between the three Universities would be held in November 2005, to be hosted by the University of Dundee.

(2) Joint VFM Studies (Minute 2(1))

The internal auditors confirmed that discussions with Deloitte had taken place and the study on debt control was now under way. The format had been tested before, in work done for local authorities. The objective was to identify elements of best practice amongst the three Universities; a report would be submitted to the next meeting of the Committee. Members agreed that this study would be a useful trial, which would indicate whether further joint VFM studies of this type would be worth pursuing.

(3) Security of Assets (Minute 2(2))

The Committee received documentation from the Director of Finance reporting on the security of investments held with the Bank of New York.

Resolved: (i) to invite the Director to substantiate the assumption that bonds held by the Bank, as custodians for the brokers, remained the responsibility of Gerrards until they were delivered safely to the University;

(ii) to note the suggestion by the Convener of the Finance & Policy Committee that Gerrards might be invited to give a presentation on security issues at the next meeting of the Endowments Sub-Committee.

(4) Implementation of Commitment Accounting (Minute 2(3))

The Committee received a progress report from the Deputy Director of Finance on the upgrading of CODA, on which the introduction of commitment accounting critically depended. It was noted that a purchase order processing system would be piloted in the Faculty of Life Sciences during the summer.

The paper referred to the importance of effective management of cash and debt facilities in the context of the £160m capital programme over the next five years. It was noted in discussion that the Finance Office was strengthening its resources to cope with this challenge and a report was to be made to the meeting of the Finance & Policy Committee on 29 March concerning the robustness of financial management capabilities. It was agreed that the Audit Committee also had a role in such an evaluation.

- Resolved:**
- (i) to request that the report on financial management capabilities be submitted to this Committee after its initial consideration by the Finance & Policy Committee - together with comments thereon by the internal auditors;
 - (ii) to invite the internal auditors to include capital project management within the audit programme;
 - (iii) to invite the Conveners of the Audit and Finance & Policy Committees to liaise on the general approach to monitoring of cashflow and the capital programme.

(5) Student Debt Control (Minute 2(6))

The Committee received a report from the Director of Finance updating the position on student debt. It was noted that at the end of February the total stood at £5.2m, which was an improvement on the previous year. The general level of student debt and the pattern of recovery through the year had not substantially changed, but the whole process had been accelerated as a result of the new procedures introduced at the beginning of 2004/05. It was confirmed that the amount of bad debt provision was regularly reviewed by the auditors.

(6) Pension Scheme Valuations (Minute 3(1) and resolution (ii))

The Committee received an extract from the minutes of the Finance & Policy Committee meeting on 7 February 2005, when a presentation by the University's Actuary had also been attended by Audit Committee members. It was noted that it seemed likely that actuarial valuations of pension schemes would in future be calculated in accordance with FRS17 and this might have a consequential effect on contribution rates. On the other hand, experience elsewhere suggested that there might be scope for negotiation with the Actuary if assumptions could be challenged.

(7) Monitoring of IPR Royalty Income (Minute 3(3) and resolution (iii))

The Committee noted a report from the Deputy Director of Finance concerning improvements to the procedures for monitoring IPR royalty income, as had been recommended by the external auditors.

(8) Perth Road Flats (Minute 9)

The Secretary reported on further developments concerning the recovery of title deeds to parts of the premises which had not been included in the sale. It was noted that mediation had been unsuccessful and litigation was likely.

3. IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

The Committee received a status report on all grade A/B internal audit recommendations due to be implemented by 28 February 2005. It was noted that the cash handling issue in the School of Nursing & Midwifery had been resolved; the asset management issues there would be addressed by the School's inclusion in the pilot exercise mounted by the Finance Office to provide greater support in this area to selected units. Also, a revised target implementation date (30 September) had been agreed for completion of the outstanding recommendation arising from the procurement VFM study.

- Resolved:**
- (i) to invite the auditors to remove from their list outstanding recommendations relating to:
 - (a) controls in Payroll/Personnel, since the software problem which had prevented implementation for nearly four years would be resolved eventually when the P3 system was upgraded;
 - (b) refinement of the risk assessment system for prioritising jobs in Estates & Buildings, as significant organisational and management changes were being implemented in this area;

- (ii) to invite the Secretary to expedite the production of health and safety documentation by the School of Architecture.

4. INTERNAL AUDIT REPORTS

The Committee received reports on the following assignments:

2004/12 DUSA - Business Continuity Planning
2004/15 Estates & Buildings
2004/16 Computer Audit
2005/01 Transparency Review

Members raised questions and commented on the reports¹; responses were given by the auditors and officers. In relation to the computer audit report, it was emphasised in discussion that it was a departmental responsibility to ensure that computers did not hold unlicensed software or inappropriate material: this should be borne in mind for future audit assignments.

- Resolved:**
- (i) to support the Convener (as a member of the DUSA Board of Management) in seeking to attribute responsibility for the implementation of audit recommendations to permanent employees of DUSA, rather than to sabbatical officers;
 - (ii) to request sight of documentation showing the revised structure and responsibilities of both IT Services and Estates & Buildings, which was due to be submitted to the Senior Management Team at the end of March;
 - (iii) otherwise, to note the reports.

5. APPOINTMENT OF INTERNAL AUDITORS

[Note: the auditors were not present for this item.]

- Resolved:**
- (i) to recommend the reappointment of Henderson Loggie as internal auditors to the University for one further year, to allow them to complete the work encompassed in their three-year Audit Needs Assessment and Strategic Plan 2002-2005;
 - (ii) to invite the Deputy Secretary and Director of Finance to produce a paper for the next meeting, reviewing options for the provision of internal audit services from 2005/06.

¹ Ms Thomson declared an interest in the Estates & Buildings report, which concerned selection procedures for the appointment of consultants.

APPENDIX 8**UNIVERSITY BANK ACCOUNT SIGNATORIES
(Minute 56)****GROUP 1**

Peter David Cooper	Director of Finance
Garry Westwater	Deputy Director of Finance
Linda Anne Wilson	Financial Controller
Peter Peek	Senior Management Accountant
Gordon Campbell*	Financial Manager
Sheila Alexander*	Management Accountant

GROUP 2

David John Duncan	Secretary
David Richard Wyn George	Director of Planning & Information
Peter David Evans	Deputy Secretary & Clerk to Court
Ian Kenneth Francis	Academic Secretary
Pamela Milne	Director of Human Resources
Julie Margaret Strachan	Deputy Director of Human Resources

** new signatory*

Note:

Two signatories are always required for amounts in excess of £20,000 - i.e. one signatory from each of the above groups.