

UNIVERSITY OF DUNDEE**UNIVERSITY COURT**

A meeting of the University Court was held on 21 April 2008.

Present: Mr JR Milligan (in the Chair), Principal Sir Alan Langlands, Rector Mr CJ Murray, Professor RJ Abboud, Mrs CA Bain, Mr WI Ball, Mr MPF Bogunovic (President of the Students' Association), Professor A Burchell, Mr R Burns, Dr JR Elliott, Mr BWM Johnston, Dr H Marriage, Professor GJ Mires, Ms A Newton, Dr LAL Rolland, Mr EF Sanderson, Mr IDM Wright.

In Attendance: Vice-Principals Professor DH Boxer and Professor J Calderhead, Secretary, Director of Finance, Director of Information Services & Deputy Secretary, Director of Strategic Planning, Mr R Isles, Ms R McBurney.

52. MINUTES

The Court decided: to approve the Minutes of the meeting on 18 February 2008.

53. MATTERS ARISING

(1) Voluntary Severance (Minute 43)

In response to a question from the Rector on the publicity which had occurred after the last Court meeting, the Principal indicated that this had been picked up by local press from his column in the University's Contact magazine, rather than by any direct approach to the media. An article was then published in *The Scotsman* on the same day as First Ministers questions. In responding to a question on the matter, the First Minister indicated that the University's position was both reasonable and sensible and he was with ease with it.

(2) Estate Strategy (Minute 44)

The University Secretary reported that the Estate Strategy had been revised to take into account Court's comments from the previous meeting. A copy of the new version of the Strategy had been sent to the Convener of the Campus Services Committee. Once finalised it would go the Senior Management Team before being sent to the Scottish Funding Council and Court members.

54. CHAIRMAN'S BUSINESS

The Chairman reported that he had visited Perth College and had discussed the local recruitment market.

The Chairman also reported that he was in the process of meeting with all the Deans of School within the University. The Chairman indicated that he had found the meetings held so far had been both enjoyable and informative. It was also planned that he would meet with the Heads of the Support Services directorates. In response to a question about contact between Deans and Court, the Chairman responded that it was his impression that they are well informed about Court and its business. He also indicated Deans felt they had access to Court and held a good opinion of it.

The Finance Director gave a brief summary of the process followed in relation to the appointment of the external auditors.

The Court decided: to homologate the Chairman's decision to approve the Audit Committee's recommendation that the University appoint Grant Thornton LLP as external auditors and that the Director of Finance be authorised to sign the Terms of Engagement.

55. PRINCIPAL'S REPORT

The Court received a report from the Principal (**Appendix 1**). Firstly, the Principal wished to acknowledge the immense contribution made to the University by Dr Pat McPherson and Professor Walter Speer FRS, FRSE, who had both died recently.

In turning to financial matters the Principal reported that the University had received the main grant letter from the Scottish Funding Council. As expected the SFC had re-profiled the Scottish Government funding settlement for the next three years, although the overall figure remained static.

The Principal also reported that the University had received £760k from the Scottish Government, as its share from the first £10m given to the HE sector. This would help slightly with cash flow in the current year. In terms of this year's budget the University was currently meeting its financial targets. Although tuition fee income was down, this had been offset by higher than budgeted research overhead income.

The Principal reported that four main uncertainties still existed. One of the main considerations was that of the HERA job evaluation exercise. It was hoped that the financial implications of this would be quantifiable in the near future. A further uncertainty related to the increasing cost of pay as the October increase was either 2.5% or RPI, whichever was the greatest on 30 September 2008. Currently RPI was running at around 4%, with the University budgeting 4.2%. The Principal indicated that he felt cautiously optimistic in relation to student recruitment for next year. He indicated that current research income and that in the pipeline also looked positive; the University having been awarded nearly £11m of grants since the start of 2008. The Principal drew the Court's attention to an article in *Research Fortnight* showing both an increase in market share for the University and for Scottish Universities in general (four Universities, including Dundee, being in the top

twenty). The article also noted that the Russell Group of Universities were losing ground.

Moving on to learning and teaching the Principal reported that the next Enhancement Led Institutional Review would be held in 2009/10. This review would be across all disciplines within the University.

Members' attention was also drawn to the new initiatives in the School of Law as well as a successful visit to India by the Principal to formalise relationships with a number of institutional partners. The aim of the visit was to strengthen connections and build a platform for future activity, especially in the areas of Law and Civil Engineering. He also indicated that the UK Research Councils were opening an office in Delhi, which will help support further collaborative projects for UK Universities in India.

The Principal reported that David MacLeod would be the new DUSA President next year and thanked Milan Bogunovic and his Executive for all their hard work over the past year. He also thanked Anna Anderson, the outgoing President of the Sports Union and her Executive Committee for all of their work over the year and reported that the new Sport Union President would be Paul Blake.

In relation to events and awards the Principal reported that the University had recently won a Green Gown Award for Energy and Water Efficiency by the Environmental Association for Universities and Colleges. The Principal also congratulated two law students Steven Blane and Bruce Langlands for coming third in the world finals of the Louis M Brown International Client Counselling Competition in Bangalore. The School of Law hosted a successful alumni dinner for 80 graduates in March as part of an initiative to seek support, particularly in relation to curriculum development and CPD. The Principal thanked Mr Sanderson and Ms Newton for their support for this event. In relation to the Saturday Evening Lecture Series, the Principal was able to report that close to 5,000 people had attended events so far this year.

The Principal reported that the Scottish Enterprise Tayside (SET) had now received the initial feasibility study for the Victoria and Albert Museum (V&A) proposed project. This was a very positive report. A meeting would be held shortly between the interested parties including SET (who are leading the project), the City of Dundee and Abertay as well as the University. The Dean of Duncan of Jordanstone College of Art and Design was working on securing the intellectual underpinning of such a link via joint research bids.

Finally the Principal reported that Roger McClure, the Chief Executive of the Scottish Funding Council (SFC), was about to retire. A successor had not yet been appointed.

The Court thanked the Principal for his report and asked if the V&A was having discussions with any other city. It was confirmed that, as far as known, this was not the case as the University had been the first to raise the possibility of the project, although it was now being led by SET.

In response to a question on the relative decline in the knowledge transfer grant element of the main grant letter the Principal indicated that he did not feel that there were implications for specific initiatives. Professor Boxer confirmed the SFC metric for the knowledge transfer grant gave more emphasis to public money, which the University was slightly down on, rather than to research council funding.

56. FINANCE & POLICY COMMITTEE

The Court received a report of the Committee's meeting on 24 March 2008 (**Appendix 2**).

In reviewing the report the Director of Finance highlighted that the main grant letter from the Scottish Funding Council for 2008/09 gave the University a total increase of 3.2% overall, which broke down to a 1.9% increase for teaching (below the sector average) as against a 6.3% increase for research (above the sector average).

With the arrival of £760k from the Scottish Government as the University's share of the first £10m for the HE sector, the University was currently projecting a £2.4m deficit at year end, before Voluntary Severance costs and gain on disposals. Taking these two into account it was currently projected that there would be an overall bottom line surplus at the end of the year of around £1m.

Research overhead income was looking fairly robust, but there was still some concern that this could be a bubble rather than the start of a long term trend. Tuition fee income had been disappointing but more efforts had been put into recruitment for next year and a number of new programmes were coming on stream; this was reflected in increases being built into 2008/9 budgets by Schools.

It was noted that the Finance & Policy Committee had reviewed a paper analysing the financial performance of five major capital projects. The Committee agreed that the K2 process be reviewed to ensure that all proposals were produced on a consistent basis. In addition the importance of a 'project owner' was highlighted to strengthen management when moving from the capital side of the project into it operational mode. The Director of Finance also reported that some projects had not achieved the projected financial target within the time period, one of the main reasons for this related to delays in the project becoming operational. This stemmed mainly from delays in raising funds or in having to renegotiate tender prices.

The Convener of the Finance & Policy Committee drew members' attention to work of the Finance Office in improving the process of projecting working capital borrowings. Originally, year end borrowings had been forecast at £32m but now stood at £24m, which was comfortably below the University's borrowing limit of £34m.

Moving on to discuss the major capital projects, the Convener of the Finance & Policy Committee indicated that the five projects had been expected to

generate a total income of £11.6m during the time period covered by the K2 applications, against which £6m had been achieved to date. A significant part of this gap would be closed once the projects had been operational for the time periods envisaged in the original project proposals. It was noted that the Finance & Policy Committee had received detailed reports on each of the projects. It was also noted that the total capital spend on the projects had been within 3% of the amounts approved by Court.

The Convener of the Finance & Policy Committee then turned to the financial management of the University, indicating that there had been an enormous improvement in leadership in this area and that financial controls had been greatly enhanced. The move to the College structure had also helped to enhance financial management and he felt that Court should acknowledge that this would help the University to deliver its financial objectives.

In the discussion that followed the Secretary responded to the President of the Students' Association that the University was only in very early stage discussion with a consortium with regard to a possible collaboration in Kuwait. The Rector raised concerns over the issue of what a University stands for and the importance of academic freedom and the role of women and stressed that it was important that the University did not deviate from these ideals. In response the Principal concurred with the Rector, indicating that no agreement would be entered into without Senate and Court discussion. At present the University is only committed to the possibility of a feasibility study which would be funded by the proposing consortium. It was noted that the Memorandum of Understanding contained a confidentiality clause and therefore it was important that no comment should be made at this stage on any discussions.

The Court decided:

- (i) to approve the report;
- (ii) to note that any member wishing to view the detailed report on the capital projects should contact the Deputy Director of Finance; and
- (iii) to note that any member wishing to view the Memorandum of Understanding with the consortium re the Kuwaiti University should contact the University Secretary.

57. COMMUNICATIONS FROM THE SENATUS ACADEMICUS

The Court received a report from the meeting of the Senate on 26 March 2008 (**Appendix 3**).

The main discussion centred on the formal naming of the New Teaching Block. Members felt that there was not enough clarity about the process of naming buildings and suggested that this would benefit from a review. A number of different areas where buildings' names could be drawn from in future were put forward.

In relation to the academic calendar, a member requested that it was reviewed to ensure that documentation can go to the correct committee before coming to Court as the Estate Strategy should have gone to Campus Services before Court. In addition there was a concern that homologation should only be used in exceptional circumstances. It was also suggested that the Nominations Committee should meet earlier in the summer.

- The Court decided:**
- (i) to approve the adoption of Dalhousie as the name of the New Teaching Block, subject to the family's consent;
 - (ii) to request that the process of naming buildings is reviewed;
 - (iii) to approve the draft Academic Calendar for 2008/9, subject to review by the University Secretary;
 - (iv) to approve the recommendations concerning the conferment of the title of Professor Emeritus;
 - (v) otherwise, to note the report.

58. APPOINTMENT OF BANKERS

The Director of Finance reported that the University is required by Barclays Bank plc to provide a fresh Bank Mandate in connection with the loan facility approved by the Court at its meeting on 11 June 2007.

Court was asked to:

- (a) approve the continuing appointment of the Bank as one of the University's bankers, and thereby accept the terms of the Barclays Customer Agreement;
- (b) authorise two of its number to confirm acceptance by signing the mandate;
- (c) authorise any two of the named authorised persons (the Principal, the Secretary, the Director of Finance, the Deputy Director of Finance, the Financial Controller, the Cash Office Manager and the Finance Manager) to give instructions concerning the operation of the Institution's bank accounts and otherwise communicate with the Bank in each case in writing or verbally, in accordance with the Customer Agreement;
- (d) authorise that any two out of the Director of Finance, the Secretary or Principal may enter into any other agreements with the Bank (including banking facility agreements and indemnities) which they consider to be in the interests of the Institution from time to time.

While approving the mandate, members noted that officers were bound by the terms of the Schedule of Delegation and Decision Making, which defined those decisions which expressly required the approval of Court or Committees of Court. Officers could not enter into any agreement or amendments to agreements which were at odds with the Schedule.

The Court decided: to approve the new mandate.

59. STRATEGIC FRAMEWORK: PERFORMANCE INDICATORS

A discussion took place on the Strategic Framework: Performance Indicators paper, with the Director of Strategic Planning clarifying a number of points for members.

In relation to a question on monitoring actual income against expected results the Director of Finance indicated that these key measures had been taken into account during the budget building exercise and that the management accounts would track these targets.

Concern was raised by some members that Deans should be encouraged to take ownership of the targets at School level. It was important not to review targets too quickly. The Director of Strategic Planning stressed that the Strategic Framework Performance Indicators were a set of underlying targets which were pitched over a six year period and it was recognised that care needed to be taken not to change a target if the University suffered a poor year in one area.

In relation to Performance Indicators 1.1.3 and 1.1.4 the Rector questioned the target to raise entrance standards and the impact this might have on local recruitment. In response, the Principal and the Director of Strategic Planning indicated that this was a reaction to the anticipated fall in numbers of school leavers in Scotland and, in particular, the Tayside area. It was stressed that the University would continue to try to attract students from disadvantaged backgrounds via its widening access programmes.

In relation to Performance Indicator 5.1.4 on spinout companies it was suggested that it might be more suitable to change the measure to allow two calls for external funding before measuring the company's ability to attract external investment.

On the reporting side it was suggested that Key Performance Indicators (KPI's) are grouped and reported on to the relevant committee rather than all reports coming to Court.

The Court decided: (i) to request the Director of Strategic Planning consider amending the KPIs in light of the discussion.

- (ii) to request that the Director of Strategic Planning consider reporting to the relevant Committees as part of his review of the overall presentation of performance information.

60. **CAMPUS SERVICES COMMITTEE**

The Court received a report of the Committee's meeting on 26 February 2008 (**Appendix 4**).

The Court decided: to approve the report.

61. **AUDIT COMMITTEE**

The Court received a report of the Committee's meeting on 4 March 2008 (**Appendix 5**).

The Court decided: (i) to approve the re-appointment of PricewaterhouseCoopers LLP as internal auditors for two additional years until 31 October 2010 at which time a formal tender process would be initiated to cover the period 1 November 2010 to 31 October 2013.

- (ii) otherwise, to approve the rest of the report;

APPENDIX 1

PRINCIPAL'S REPORT (Minute 55)

I regret to report to Court the deaths of two key figures in the history, development and reputation of the University of Dundee.

Dr Pat McPherson one of the University's staunchest, most loyal and effective supporters over a period of many years, died at the age of 91 on 21 March. There have been a small number of very special people who have had a disproportionate effect on the growth and development of the University. Pat McPherson was one of these people – someone who has been an invaluable help to the University for much of its life, who inspired scientists of international standing to come to Dundee, who contributed much – directly and indirectly – through his charitable work for the University and our partner NHS Tayside, and who supported key projects in medicine and biological sciences. His tireless work for the Ninewells Cancer Campaign has had a profound effect on the development of the University's research and the provision of services for the people of Tayside and north east Fife. One of his last acts was to thank the University Senate – just days before his death – for honouring him through the creation of the Dr Pat McPherson Chair in Cancer Biology.

Professor Walter Spear FRS, FRSE, who died in February aged 87, was one of the University's greatest scientists. It was Professor Spear's work on amorphous silicon that laid the foundation for today's multi billion dollar flat screen technology and thin film photo voltaic industry. Working with Professor Peter LeComber, Professor Spear made an exceptional and selfless contribution to scientific discovery in this field. In another key contribution, before he joined the University of Dundee, whilst at Birbeck, he developed and built with Werner Ehrenberg, the microfocuss X-ray generator that was to be given to Maurice Wilkins, and used by Franklin and Gosling in the study of DNA in a moist environment, contributing to the x-ray diffraction work that led to the discovery of the double helix structure. Professor Spear was highly regarded as an inspirational scientist driven by intellectual curiosity.

Both men will be greatly missed - and remembered - by the University.

Finance and Policy

The Scottish Funding Council issued its main grant letter on 18 March 2008 confirming its support for teaching and research in 2008/9. The overall uplift for Dundee (excluding nursing and midwifery) is 3.2% against a sector average of 3.4%. The percentage change in grants for teaching is +1.9% (sector average +2.7%) and for research is +6.3% (sector average +5.9%). This result reflects a reduction in the University's part-time incentive premium and a relative decline in the knowledge transfer grant.

These figures for 2008/9 are marginally better than those predicted at the last Court meeting but will not have any material effect on the overall financial circumstances of the University over the next three year period. The University's financial position at Month 7 in the current financial year (2007/8) is satisfactory in revenue, capital and cash terms. The budget setting process for 2008/9 is almost completed and the outcome will be discussed at the next Finance & Policy Committee meeting and reflected in the financial forecasts to be submitted to the June Court meeting.

Research and Enterprise

Research performance is currently strong with a good flow of grants and contracts being awarded, including a significant number at the highest level, more in the pipeline and several significant announcements expected over the coming weeks.

Since the start of 2008, Research and Innovation Services have logged £10.7 million worth of research contracts awarded. These include one award of well over two million pounds (£2.7 million to Professor Colin Watts); one of well over a million pounds (£1.26 million to Professor Tomo Tanaka) one of almost a million pounds (£0.9m to Professor Ron Hay) one of well over half a million pounds (£663,301 to Professor Irene Leigh) and seven of over a quarter of a million pounds to other academics. Dundee researchers are attracting grants from a wide variety of sources. Cancer Research UK, the Wellcome Trust and the UK research councils are vitally important contributors and it is interesting to note the range over recent months extends to the European Commission, The British Academy, the Leverhulme Trust, the Food Standards Agency, the Scottish Government, Vanderbilt University Medical Centre, Acergy Norway, The Institute of Chartered Accountants of Scotland, the British Council, Scottish

Natural Heritage, TMRI Ltd, the European Commission and Oregon Health Sciences University as well as a number of private sector companies particularly pharmaceutical and engineering related. Tenovus Tayside continues to be a strong and valued supporter of the University and in the last few months has awarded two major grants worth over £200,000 to researchers in pathology and neuroscience.

This week (14 April) phase one clinical trials are scheduled to begin for a novel anti-cancer agent, rimcazole, licensed by the University in August last year to drug development company Modern Biosciences. This is a development worth highlighting because of the unusual degree of university involvement, and speed, in reaching this stage.

Learning and Teaching

The University is currently responding to the Quality Assurance Agency's draft Handbook for ELIR2 (the Enhancement Led Institutional Review) which is being constructed following the final report of the Joint Quality Review Group to the Scottish Funding Council. The University's next institutional review will be in session 2009/10.

Pursuing our policy to expand in the area of taught postgraduate programmes and CPD, an executive masters leadership programme, unique to the University of Dundee, has been launched by the Centre for Energy, Petroleum and Mineral Law and Policy. Aimed at senior practising managers in the petroleum industry, it focuses on developing strategic management, organisational development and leadership skills, concentrating on key challenges and issues facing the commercial, community, governmental and political stakeholders.

From September students on the Scots Bachelor of Law (LLB) programme will be able to pursue a course of study allowing them to take all the professional subjects required by the Law Societies of Scotland, England and Wales and Northern Ireland as pre-requisites for qualifying in each country. This builds on and extends Dundee's current unique position as the only law school in the UK to offer degree programmes in both Scots and English Law.

The School of Law has partnered with the Law Faculty at the University of Cergy-Pontoise [UCP] in France to offer a new joint Masters programme from September. Students will be taught through English and will gain an in-depth knowledge of a wide range of contemporary commercial law subjects from both a common law and civil law perspective.

I can report a successful visit to India in February formalising relationships with a number of institutional partners, strengthening our connections with others and building a platform for future activity. The trip followed Professor Ravindra Dhir's successful UKIERI bid partnering the University with six NITs including the Dr B R Ambedkar National Institute of Technology in Jalandhar which will enhance research opportunities and lead to the exchange of students and staff and the development of tailored taught postgraduate programmes in civil engineering with the first intake expected later this year. While there I addressed the Jalandhar NIT graduation ceremony, launched the Network Concrete initiative, met with the British Council and visited Delhi IIT before continuing to Loyola College, Chennai to formalise an articulation agreement for international business students and then to Symbiosis College, Pune where a very promising relationship with the School of Law was reinforced. Finally I hosted a small gathering of Dundee alumni and friends of the University. I also learned on my visit that the UK Research Councils are opening an office in Delhi, prompting the possibility of further collaborative projects for UK universities in India.

Appointments/awards

Our thanks go to departing DUSA president Milan Bogunovic and his Executive for their hard work over the last year in representing the students at every level. We wish them all success for the future. Congratulations and welcome to our new student president David MacLeod and the new DUSA executive team. We look forward to working with them over the coming year in continuing to improve the University and the student experience.

The New Teaching Block has won this year's Green Gown Award for Energy and Water Efficiency. The Green Gown Awards are conferred nationally by the Environmental Association for Universities and Colleges and have become the most prestigious recognition of best practice in universities and colleges. This is the second year running that the University of Dundee has received a Green Gown Award. Last year the Queen Mother Building was recognised for its sustainable construction credentials. The NTB diverts previously wasted low grade heat from the University's Combined Heat and Power (CHP) plant

to provide free heat for the building. Solar shading, heat recovery systems, and intelligent lighting and water controls also combine to raise the NTB's green performance.

Congratulations to first year art student Sarah Gillespie who won the top prize at The Enterprise Gym annual awards ceremony in March for her creativity and enterprise in getting her singer songwriter career started. Over 1000 students are now signed up to the E-Gym.

Congratulations also to law students Steven Blane and Bruce Langlands (no relation) for a very creditable performance in the world finals of the Louis M Brown International Client Counselling Competition in Bangalore where they took third place. The pair represented Scotland and competed against seventeen teams from around the globe.

Events

Some 80 law graduates from the last 40 years attended the Law School's alumni dinner in the Royal Society of Edinburgh in March. The event is part of a planned approach by the School of Law to engage with alumni and to seek support particularly in relation to curriculum development and CPD.

The physics department hosted a week long visit by Nobel Prize winner and honorary graduate Professor Zhores Alferov in March. During his visit he met the Dundee physics, engineering and renewable energy students and delivered two public lectures.

The Sports Union's annual Blues & Colours Awards ceremony in March honoured the University's top performing sportsmen and women who have made their mark over the year, including a good number of Dundee athletes selected to represent Scotland and Scottish University Sport. I am pleased to draw Court's attention to the contribution to university life of the 44 sports clubs and their 1800 members. Congratulations and thanks to Anna Anderson the outgoing Sports Union President and her Executive Committee for all of their work over the year and we wish her successor Paul Blake and his team an equally rewarding term of office.

I was privileged to participate in a ceremony with the City of Dundee in March to return the Liber Studiorum – a unique set of engravings by J M W Turner – to the safekeeping of the City. The University's Book and Paper Conservation Studio has made a first class job of cleaning and restoring the Liber Studiorum. This superb collection comprises more than 70 etchings which Turner published in 14 parts at irregular intervals between 1807 and 1819, and is one of the City's great unseen art treasures.

Sir Craig Reddie, Director of the London Organising Committee for the Olympic Games 2012 delivered the Institution of Civil Engineering Prestige Lecture at the University. Court members may be aware that the University has been included in the official London 2012 pre-Games Training Camp Guide for athletes preparing for the Olympic Games.

The Honourable Lord Malcolm, alumnus and Senator of the College of Justice presided over the University's recent Mooting Competition.

The Saturday Evening Lecture series has been a great success this year with some 4,000 people attending so far.

Historian Andrew Roberts will give a lecture '*Churchill and his Detractors*' on Saturday 9 May to commemorate the 100th anniversary of Churchill's election as the Member of Parliament for Dundee. The lecture will be accompanied by an exhibition '*Winston Churchill: Blood, toil, sweat and tears*' to be opened by Lady Soames. These events are joint initiatives with the City of Dundee and will be supported by visitors from the USA, New Zealand, Australia and the UK.

The annual Duncan of Jordanstone Degree Show opens on 17 May exhibiting the work of graduating students from all disciplines.

Naomi Klein, world famous author of No Logo is appearing at a free lecture at the University of Dundee to talk about her international bestseller, *The Shock Doctrine* on 22 May.

Alan Langlands
Principal & Vice-Chancellor

APPENDIX 2

FINANCE & POLICY COMMITTEE (Minute 56)

A meeting of the Committee was held on 24 March 2008.

Present: Mr BWM Johnston (Convener), Principal Sir Alan Langlands, Mr WI Ball, Professor DH Boxer, Professor A Burchell, Mr JR Milligan, Mr EF Sanderson, Mr IDM Wright.

In Attendance: Mr MPF Bogunovic (President of the Students' Association), Secretary, Director of Information Services, Director and Deputy Director of Finance, Director of Strategic Planning, Ms R McBurney and Clerk to Court.

1. MINUTES OF PREVIOUS MEETING

Resolved: to approve the minute of the meeting on 28 January 2008.

2. MATTERS ARISING

(1) Voluntary Severance (Minute 3)

The Director of Finance reported that the second phase of the voluntary severance scheme had now been officially launched. The first phase had achieved £3.5m in savings and it was hoped to achieve at least £3m from the second phase. In answer to a question about the accounting of voluntary severance costs, the Director of Finance confirmed that the 2007/8 budget had not been redrawn as a result of the earlier accounting of some of the costs in the 2006/7 financial statements. The 2007/8 budget remained as approved at the Court meeting on 11 June 2007.

(2) Ninewells Resource Unit (Minute 6)

The Director of Finance reported that the project was now underway. Tenders for the work had been received and had in fact come in at almost £1m less than in the original capital proposal.

3. SFC MAIN GRANT LETTER

The Director of Finance provided a summary of the contents of the main grant letter from the Scottish Funding Council. Teaching funding across the sector had increased for 2008/9 by 2.7%, but because of the reduction in the University Part-time Incentive Premium, coupled with a reduction in the Wider Access Retention Premium, the University of Dundee's net increase was 1.9%. This would be partially offset by additional funding from the Scottish Government for places in Dentistry, Education, Social Work and Creative Arts, which would bring an extra £700k (including fees). It was noted that the additional funding for Dentistry was related to the proposed Dental School in Aberdeen but that the impact of this on the University's Income and Expenditure is not yet fully known. The sector-wide quality research grant had increased by 4.7%, the research postgraduate grant by 9.7% and the knowledge transfer grant by 12.7%. The funding for the University had increased by 7%, -1.8% and 6.1% respectively, resulting in a total net effect to the University for its research funding of 6.3%, which was slightly higher than the sector average of 5.9%.

The Director of Finance indicated that whilst the outcome for the University of the Main Grant Letter was better than had been expected from the Scottish Government's settlement, the outlook for the three years of the comprehensive spending review remained unchanged, particularly in the face of the forecast pay expenditure inflation.

It was confirmed that there was no information on the two tranches of £10m announced by the Scottish Government for Higher Education, although it was expected that the University would receive its share of the first of these in the next few weeks.

4. MANAGEMENT ACCOUNTS – PERIOD 7

The Director of Finance introduced the management accounts for the period to 29 February 2008. These were showing an operating surplus before voluntary severance costs of £1.9m, which represented a £1.8m favourable variance against the budget to date. The forecast operating position for the year end was a deficit of £3.4m, with an additional forecast £3m of voluntary severance costs. These would be offset by gains on disposals to a forecast bottom-line position of break even. The increased deficit was due to the expected clawback of Part-time Incentive Premium. Following improved monitoring of research advanced payments, aided by the addition of a Balance Sheet to the monthly accounts, the University had now revised its forecast year-end cash position, with working capital borrowings now projected to be around £26m.

The Committee wondered whether there was any risk to the forecast level of disposals in the current climate in property markets. The Director of Finance explained that there were in fact more University properties on sale than were reflected in the year-end forecasts, but he confirmed that the University was monitoring disposals carefully.

5. INCOME PROJECTIONS: SUSTAINABILITY REVIEW & STRATEGIC FRAMEWORK

The Director of Finance presented a paper which the Committee had requested at its previous meeting. The paper showed progress against the two targets of research overhead recovery and taught postgraduate recruitment contained in the Sustainability Review and amplified in the Strategic Framework. Progress on research overhead recovery was above target, but behind target on PG recruitment. Taking the two areas together for 07/08 the University has met the targets for the year but there is some way to go, particularly on TPG, to meet the 5 year growth targets.

The Principal sounded a note of caution on the research overhead recovery success to date for 2007/8; it was not yet clear whether this reflected an upward trend or a bubble. On postgraduate recruitment, he noted that there was some evidence that recent overseas visits were eliciting applications from prospective students.

The Committee discussed the possible reasons for the dip in postgraduate numbers in 2007/8. The Secretary indicated that changes to fees and to entry requirements may have contributed, although for 2008/9 entry these had been revised. The University's Admissions & Student Recruitment Service had recently proposed ways of increasing the response rate to applicants as a means of increasing the conversion rate of applicants to firm offers.

It was also noted that when taking into account the recent funding settlement and the effects of the agreed pay awards, the University must find additional income or cost reductions amounting to £3M, over and above the targets contained with the Strategic Framework, if it is to meet its goal of a 3% surplus.

6. FINANCIAL PROJECTIONS FOR MAJOR CAPITAL PROJECTS

The Deputy Director of Finance introduced a paper which analysed the financial performance of five major capital projects against the plans set out in the original capital authorisation proposals. The five projects were: CTU and Geotechnical Engineering laboratories; Queen Mother Research Centre; Centre for Health Informatics; Centre for Interdisciplinary Research (now James Black Centre); and Centre for Energy, Petroleum & Mineral Law & Policy and Centre for Research on Water (now UNESCO Centre for Water Law, Policy & Science). It was noted that the total capital spend on the projects was 34M against 33.1M as approved by Court, this amounted to a variance of less than 3% which the committee felt was a commendable outcome. It was acknowledged that some of the projects had not achieved all the additional income anticipated in the original proposals. There were a number of reasons for this, in particular the fact that three of the projects had been delayed, which had therefore had an impact on the deliverability of the associated business plans within the original timescales.

It was agreed that the capital authorisation process should be revised to ensure consistency in the way revenue projections were made, and additionally, that revenue assumptions should be properly embedded in the business plans of the relevant Schools and/or Colleges. The Committee recognised the importance of identifying a 'project owner' who could take the lead for these large projects, whilst acknowledging that the skills required to deliver the capital

project on time and budget are different to those required to meet the operational objectives. This would re-inforce the concept of ownership within College and School plans.

It was noted that where projects had not delivered the financial returns envisaged at the outset, there were still identifiable and important collateral benefits associated with them. One example was the Health Informatics Centre, the institution of which had provided the impetus and focus for a number of high level research projects which would otherwise not have happened at Dundee.

- Resolved:**
- (i) to ask that the University review the K2 project authorisation process;
 - (ii) that the Committee should receive reports of this kind on all major capital projects at the appropriate times.

7. **SUBSIDIARIES' SIX-MONTH RESULTS**

The Director of Finance introduced a summary report on the performance of the University's seven subsidiary companies. The Committee noted that the cost of most of the energy through Dundee University Utility Supply Company Ltd was fixed until 2010. Any significant effect as a result of rising energy prices would therefore impact at that time. The Committee agreed to watch carefully the performance of Dundee University Press Ltd over the next eighteen months.

8. **FINANCE DIRECTORATE UPDATE**

The Director of Finance reported on changes in the operation of the Finance Directorate as a result of the internal audit review into financial management carried out one year ago.

The 2008/9 budget-setting round had begun almost two months earlier than in previous years. This had meant that Schools and Colleges had a better understanding of the process and that they felt a greater degree of ownership of the budgets that were being negotiated. In terms of reporting, the addition of a balance sheet in the monthly management accounts was aiding understanding of cashflow behaviour particularly with regard to advanced payments for research projects. There had been some minor organisational changes to the finance directorate with the bringing together of management accounting and planning, and the expansion of the research finance office to include commercialisation activity.

The Director of Finance informed the Committee of the Audit Committee's recommendation that the University appoint Grant Thornton LLP as the University's external auditors.

The Director of Finance explained to the Committee that he had not yet appointed a Procurement Manager. He wanted to gauge the impact of APUC (Advanced Procurement for Universities and Colleges) on the sector before addressing this issue.

9. **KUWAITI PRIVATE UNIVERSITY**

The Secretary reported that the University had signed a Memorandum of Understanding with a company wishing to set up a private university in Kuwait. The company would now seek a licence to proceed from the Kuwaiti government, following which, if successful, a feasibility study would be carried out, funded by the company.

APPENDIX 3

COMMUNICATIONS FROM THE SENATUS ACADEMICUS
(Minute 57)

1. PRINCIPAL'S REPORT

On Finance and Policy, the Principal indicated that research performance in the current year had been particularly strong with both higher research income and improved overhead recovery. Apart from the contracts noted in his report, there were also a number of other large grants in the pipeline. On a related matter, he reported that Professor Anne Anderson had been appointed to the Council of the EPSRC.

Whilst acknowledging the recent death of Professor Walter Spear, the Principal also reported the death of Dr Pat McPherson, noting that they had both in different ways made very significant contributions to the growth and development of the University.

The Senatus decided: to forward the report on its discussion to the Court.

2. PROFESSORES EMERITI

The Senatus decided: subject to the concurrence of Court, to confer the title of Professor Emeritus upon the following:

Professor J Raven
Professor T Goodman

3. DRAFT ACADEMIC CALENDAR

The Senatus received the draft Academic Calendar for 2008-9 (annex).

The Senatus decided: to forward the draft Calendar to the Court for approval.

4. AOCB

Naming of the New Teaching Block

The Principal informed Senate that its previous brief discussion on this subject had been reported to the Court which had expressed a preference for Geddes over Senate's preference for Dalhousie. After speeches in favour of both 'candidates' and a variety of expressions of support from members, a vote was taken which strongly endorsed Dalhousie once again as Senate's preference (38 to 7).

The Senatus decided:

- (i) to report this view to the Court;
- (ii) to explore a means of involving the student body in the naming of any future building.

ACADEMIC CALENDAR 2008-9August 2008

4	Mon		Resit examinations begin
15	Fri		Last day of resit examinations
22	Fri		Last day for announcement of results Last day for issue of Termination letters
26	Tues	C	Finance and Policy Committee 2pm

September 2008

1	Mon	C	Court Retreat Last day for lodging appeals	
5	Fri		Last day for School Committee Termination meetings	
8	Mon		First issue of Termination of Studies (Appeals) Committee agenda	
9	Tues	C	Senior Management Team 8.30am	
11	Thur	C	Education and Research Forum 3pm	
12	Fri	S	Termination of Studies (Appeals) Committee 9.15am	
15	Mon		Beginning of Session	Wk 0
16	Tues	S	Postgraduate Affairs Sub-Committee 2pm	
17	Wed	C	University/Unite Joint Committee 2pm C University/Unison Joint Committee 3pm	
19	Fri		Last day for Matriculation	
22	Mon		Semester 1 begins	Wk 1
		C	Health and Safety Sub-C 10am	
23	Tues	S	Honorary Degrees Committee 10am	
24	Wed	C	Senior Management Team 8.30am	
25	Thur	S	Research Committee 12 noon C University/UCU Joint Committee 10am	
26	Fri	S	Library & Information Services Committee 2pm	
29	Mon		College Board of Art, Science and Engineering 4pm	Wk 2
30	Tues		College Board of Arts & Social Sciences 4pm University Opening Service 5.15pm	

October 2008

1	Wed		College Board of Medicine, Dentistry & Nursing 4pm	
2	Thurs	S	Learning and Teaching Committee 10am College Board of Life Sciences 4pm	
3	Fri	C	Campus Services Committee 10am	
6	Mon	C	Finance and Policy Committee 2pm	Wk 3
			Dundee Autumn Holiday	
8	Wed	C	Audit Committee 2pm	
13	Mon			Wk 4
14	Tues	C	Human Resources Committee 2pm	
15	Wed	C	Senior Management Team 8.30am	
		S	Senate 4pm	
20	Mon			Wk 5
21	Tues	S	Advisory Group on Appeals & Complaints Procedures 11am	
23	Thurs	S	Academic Quality Sub-Committee 10am	
27	Mon	C	Court 2pm	Wk 6
28	Tues	C	Senior Management Team 8.30am	
29	Wed	S	Postgraduate Affairs Sub-Committee 2pm	

November 2008

3	Mon		Academic Council Standing Committee 1pm	Wk 7
4	Tues	C	Risk Management Monitoring Group 10am	
10	Mon		Remuneration Committee 10am	Wk 8
11	Tues	C	Senior Management Team 8.30am	
13	Thurs	S	Research Committee 12 noon	
14	Fri	S	Library and Information Services Committee 2pm	
17	Mon	S	Learning and Teaching Committee 10am	Wk 9
			College Board of Art, Science and Engineering 4pm	
18	Tues	C	Campus Services Committee 10am College Board of Arts & Social Sciences 4pm	
19	Wed		Academic Council 1pm College Board of Medicine, Dentistry & Nursing 4pm	
20	Thurs		College Board of Life Sciences 4pm	

24	Mon	C	Finance and Policy Committee 2pm	Wk 10
25	Tues	C	Senior Management Team 8.30am	
<u>December 2008</u>				
2	Mon	C	Audit Committee 2pm	Wk 11
3	Wed	S	Senate 4pm	
8	Mon	C	Semester 1 examinations begin	Wk 12
10	Wed	C	Senior Management Team 8.30am	
11	Thur	C	Education and Research Forum 3pm	
14	Sun		University Carol Service 5pm	
15	Mon	C	Court 2pm	Wk 13
19	Fri		Semester 1 examinations end	
			End of Semester 1	
24	Wed		University closed after business until start of business on Monday 5 January 2009	
25	Thurs		Christmas Day	
<u>January 2009</u>				
5	Mon		Start of business	
12	Mon		Freshers' Week – January Intake	
14	Wed	C	Senior Management Team 8.30am	
15	Thurs	C	University/Unite Joint Committee 2pm	
		C	University/Unison Joint Committee 3pm	
19	Mon		Start of Semester 2	Wk 14
		C	University/UCU Joint Committee 10am	
21	Wed	C	Health and Safety Sub-C 2pm	
22	Thurs	S	Research Committee 12 noon	
26	Mon		College Board of Art, Science and Engineering 4pm	Wk 15
27	Tues	C	Senior Management Team 8.30am	
			College Board of Arts & Social Sciences 4pm	
28	Wed		College Board of Medicine, Dentistry & Nursing 4pm	
29	Thurs		College Board of Life Sciences 4pm	
<u>February 2009</u>				
2	Mon	C	Finance and Policy Committee 2pm	Wk 16
3	Tues	C	Human Resources Committee 2pm	

9	Mon			Wk 17
10	Tues	C	Senior Management Team 8.30am	
11	Wed	S	Senate 4pm	
16	Mon			Wk 18
23	Mon		Court 2pm	Wk 19
24	Tues	C	Senior Management Team 8.30am	
27	Fri	S	Library & Information Services Committee 2pm	

March 2009

2	Mon	S	Postgraduate Affairs Sub-Committee 2pm	Wk 20
3	Tues	C	Campus Services Committee 2pm	
5	Thur	C	Education and Research Forum 3pm	
9	Mon			Wk 21
10	Tues	C	Senior Management Team 8.30am	
		C	Audit Committee 2pm	
12	Thurs	S	Research Committee 12 noon	
16	Mon	S	Learning and Teaching Committee 10am	Wk 22
			College Board of Art, Science and Engineering 4pm	
17	Tues		College Board of Arts & Social Sciences 4pm	
18	Wed		College Board of Medicine, Dentistry & Nursing 4pm	
19	Thurs		College Board of Life Sciences 4pm	
23	Mon			Wk 23
24	Tues	C	Senior Management Team 8.30am	
			Academic Council Standing Committee 1pm	
30	Mon	C	Finance and Policy Committee 2pm	Wk 24

April 2009

1	Wed	S	Senate 4pm	
6	Mon		Easter vacation	
			Dundee Holiday	
7	Tues	C	Senior Management Team 8.30am	
10	Fri		Good Friday	
12	Sun		Easter Day	

21	Tues	C	Senior Management Team 8.30am	
27	Mon	C	Court 2pm	Wk 25
			Examinations begin	
30	Thur	C	Education and Research Forum 3pm	
<u>May 2009</u>				
4	Mon		Dundee Holiday	Wk 26
5	Tues	C	Senior Management Team 8.30am	
6	Wed	S	Postgraduate Affairs Sub-Committee 2pm	
		S	Academic Quality Sub-Committee 10am	
8	Fri	C	University/UCU Joint Committee 10am	
11	Mon	C	Health and Safety Sub-C 10am	Wk 27
			Academic Council 1pm	
12	Tues	S	Advisory Group on Appeals & Complaints Procedures 10am	
		C	University/Unite Joint Committee 2pm	
		C	University/Unison Joint Committee 3pm	
13	Wed	C	Risk Management Monitoring Group 10am	
14	Thurs	S	Research Committee 12 noon	
15	Fri	S	Library & Information Services Committee 2pm	
18	Mon	S	Learning and Teaching Committee 10am	Wk 28
		C	Finance and Policy Committee 2pm	
			College Board of Art, Science and Engineering 4pm	
19	Tues	C	Campus Services Committee 10am	
			College Board of Arts & Social Sciences 4pm	
20	Wed	C	Senior Management Team 8.30am	
			College Board of Medicine, Dentistry & Nursing 4pm	
21	Thurs		College Board of Life Sciences 4pm	
25	Mon	C	Human Resources Committee 2pm	Wk 29
			Dundee Holiday	
27	Tues	C	Audit Committee 2pm	
29	Fri		Semester 2 examinations end	
			End of Semester 2	

June 2009

2	Tues	C	Senior Management Team 8.30am
3	Wed	S	Senate 4pm
15	Mon	C	Court 3pm
16	Tues	C	Senior Management Team 8.30am
24	Wed		Graduation Ceremonies
25	Thurs		Graduation Ceremonies
26	Fri		Graduation Ceremonies

July 2009

7	Tues	C	Senior Management Team 8.30am
14	Tues		Medicine & Dentistry Graduation (provisional) ???
28	Tues	C	Senior Management Team 8.30am

August 2009

10	Mon		Resit examinations begin
31	Mon	C	Finance and Policy Committee 2pm

September 2009

7	Mon	C	Court Retreat	Wk -1
			Semester 1 Freshers Induction Fortnight begins	
8	Tues	C	Senior Management Team 8.30am	
14	Mon			Wk 0
21	Mon		Semester 1 Teaching begins	Wk 1

C = Court Committee
S = Senate Committee

APPENDIX 4

CAMPUS SERVICES COMMITTEE (Minute 60)

A meeting of the Committee was held on 26 February 2008.

Present: Dr L A L Rolland (Convener), Professor S Gallhofer, Dr J Elliott, Mr M Bogunovic (President of the Students' Association), Mrs M Wagbara (Student Vice President - Education and Careers)

In Attendance: Dr D Duncan, Mr D Yule, Mr M Galloway, Mr G Davies, Mr R Kennedy, Mr A McColgan, Ms S Hamilton

1. MINUTES OF PREVIOUS MEETING

Resolved: to approve the minute of the meeting held on 13 November 2007.

2. MATTERS ARISING

Campus Green (Item 2.2)

The Secretary advised the Committee that at present there are insufficient funds to create a Campus Green in line with the original plan. Following discussion with members of the Design Review Group it was agreed that in the interim, the car park which runs from Park Wynd to Balfour Street would be grassed over to form a green which hopefully will be ready for Graduation this year.

Mr Galloway expressed his support for this proposal.

Following a query from the Student President, the Director of Campus Services confirmed that access for deliveries to the Union would remain unchanged for the time being.

The Student President also raised the issue of Riverside playing fields facilities. The University Secretary advised that a joint initiative was being investigated with potential partners.

Resolved: to proceed with forming a green space in the area to the south of the Queen Mother Building.

3. CAPITAL PROGRAMME & CAPITAL REPORTS ON PROJECTS OVER £2M

The Head of Estates drew particular attention to the Medical School Resource Unit which showed a projected financial outturn of £3.3m. Following receipt of tenders the latest figure is £2.23m and this is the revised project cost.

The contractual disputes involving the designers and contractors on the Library and Sports Extension projects are ongoing.

4. ESTATE STRATEGY

The Estate Strategy was presented to the University Court on 18 February 2008. The Director of Campus Services reported that the content was broadly accepted but that the order in which it is presented needs additional work. An executive summary and various maps of the campuses are also to be included. Court requested that Campus Services Committee comment on, and add their input to the Estate Strategy before it is submitted to the Scottish Funding Council.

The Director of Campus Services reported that he had met with key players in the University and within the City to discuss how the estate should develop and an extensive web based consultation exercise had been carried out.

The main influences in determining the priorities were addressing the maintenance backlog, improving the intensity of use of space, enhancing environmental performance and contributing to financial sustainability with the first three forming part of Estates KPIs.

The University Secretary outlined the main areas of expenditure over the 10 year life of the strategy which totalled £140m. There will be more emphasis on maintenance and key projects would involve Duncan of Jordanstone and the School of Medicine. Option Appraisals would be carried out for both schemes.

Committee members were invited to give their views on the strategy and the following comments were received:

- (i) The Vice Student President of Education & Careers suggested that the issue of family accommodation needed to be addressed.
- (ii) The President of DUSA felt there was a lack of general space for students after 5pm.
- (iii) The Chairman emphasised the importance of space between buildings and the quality of that space and requested that this be underlined somewhere in the Estate Strategy document. Reference to the Design Review Group should also be made.

It was agreed that the Director of Campus Services would amend the document taking account of the comments made by Court and this Committee.

Resolved: to circulate a final copy of the Estate Strategy to members of the Committee for signing off. It will then be submitted to SFC and a copy passed to Court.

5. MAINTENANCE BACKLOG

The Director of Campus Services reported that one third of our buildings are currently sub-standard and that a substantial amount of investment is needed over the next ten years to repair or upgrade them.

The Head of Estates advised that after looking at detailed reports on the condition of our buildings, two lists of priorities had been established. The first is the work required for statutory compliance or health and safety reasons which is spread fairly broadly across the University. The second identifies significant works required to bring each building up to RICS Category B standard. He reported that Estates & Buildings are currently preparing programmes of work for the new financial year as part of the budget setting process.

6. ENVIRONMENTAL TASK FORCE

The Head of Estates advised that an Environmental Task Group had recently been established to develop a strategy and action plan aimed at improving environmental performance in the University. A new Environmental Policy had been drafted and a policy statement would shortly be posted on the University website.

7. ESTATES MANAGEMENT INFORMATION

The Estates & Buildings Practice Manager gave a presentation on the Property Information Management System (PIMS) currently being adopted by the Estates Office. At present we do not have an integrated system of information and PIMS would give us a single system which would integrate with other systems in the University. The system would be customised to meet our needs and would include:

- (i) Planned Preventative Maintenance
- (ii) Buildings, Space and Assets
- (iii) Helpdesk Functions
- (iv) Health & Safety
- (v) Mobile Surveying
- (vi) Reporting

It was anticipated that the system will be fully implemented in June 2008.

8. **ANY OTHER BUSINESS**

Future Agenda Items

- (i) Estates KPIs progress
- (ii) Biomass
- (iii) Document Management System

APPENDIX 5

AUDIT COMMITTEE (Minute 61)

A meeting of the Committee was held on 4 March 2008.

Present: Mr R Burns (Convener), Mr J Barnett, Dr H Marriage, Ms A Newton, Miss J Thomson.

In Attendance: Mr BWM Johnston, Secretary, Director and Deputy Director of Finance, Mr A Gray (PricewaterhouseCoopers), Mr C Shanbury (Grant Thornton), Ms R McBurney and the Clerk to Court.

1. MINUTES OF PREVIOUS MEETING

Resolved: to approve the minute of the meeting on 3 December 2007.

2. MATTERS ARISING

Review of Financial Management (Minute 5(1))

The Director of Finance reported on the ongoing implementation of the recommendations emanating from the internal auditors' review of financial management, which the Committee had first seen at its meeting on 2 May 2007. There had been some restructuring in the Finance Directorate, whereby Planning and Management Accounting had been brought together, and a revised unit had been created: Research and Commercial Finance. It was hoped that these changes would further strengthen the Directorate.

The Deputy Director of Finance was heading up a group to review the Directorate's computer system: CODA. In particular CODA's coding structure would be looked at with a view to revision.

In terms of reporting, it was announced that a monthly balance sheet had been added to the management accounts, and this would allow improved monitoring of working capital movements highlighted in the cashflow statement with a view to improving cashflow forecasting in general. In addition, capital movements on large projects would be closely examined to enable a better understanding of their impact on institutional forecasting.

The Director of Finance also reported that the Directorate had carried out training seminars for each of the Colleges to enable Deans and senior administrators in the Schools to understand better the University's overall financial position as well as their own local position, but also to provide necessary training in core financial concepts.

The Director of Finance also reported that the budget-setting process for 08/09 had been brought forward in comparison to previous years. This would ensure a more robust process, including a bottom-up approach, with full engagement of Schools and Student & Academic Support Services (SASS) Directorates.

The internal auditors agreed that substantial progress had been made, and in particular that the benefits accruing from the early implementation of some of their recommendations could now be felt.

3. INTERNAL AUDIT

(1) Partnerships and Collaborative Agreements

The internal auditors presented a report on the governance and reporting arrangements associated with three collaborations: Translational Medicine Research Collaboration (TMRC), Scottish Institute of Policing Research (SIPR), and the Division of Signal Transduction Therapy (DSTT). The auditors identified several areas of good practice, in particular that contracts clearly defined the purpose of the projects and the roles and responsibilities (both financial and non-financial) of all parties. The pivotal role of Research & Innovation Services in negotiating contracts was emphasised.

TMRC – The auditors noted that there was a potential risk to the University if the construction of the research laboratories for the collaboration was delayed. Additionally, they noted that, given that the majority of the research income to the collaboration came in US dollars, the weakening position of the US dollar might have some negative effect. The University Secretary reported that the collaboration was running satisfactorily and that arrangements were in place to deal with any delay in the construction of the laboratories. The Committee discussed the level of foreign exchange exposure, noting that little could be done at this stage to counteract the risk, but also that the risks would be felt by TMRI Ltd and its ability to fund projects, rather than by the University.

SIPR – The auditors noted that this was a relatively young collaboration, in which the University was the lead partner. The auditors were satisfied that key risks had been identified and that action was already being taken to mitigate them.

DSTT – For this collaboration, the auditors' main concern was to ensure that all income could be easily traced from its source to the research projects to be financed. The auditors were satisfied that adequate controls were in place.

Resolved: to note the recommendations contained in the report and the associated management responses.

(2) Asset Management

The internal auditors presented a report outlining the management arrangements in place for the recording and reconciliation of capital equipment assets at the University. The University had operated two separate equipment asset registers, the first managed by the Finance Manager (Assets) and the second by the management accounting team. The need for a single register was noted. Whilst the auditors highlighted the duplication of effort inherent in the maintenance of two records, which the Finance Directorate had already independently identified, they did note the quality of the register maintained by the Finance Manager (Assets). The auditors recommended an annual reconciliation of equipment assets against the financial ledger, as well as improvements to the process whereby new assets are identified and verified.

Resolved: to note the recommendations contained in the report and the associated management responses.

(3) Corporate Governance

The internal auditors presented a high-level report into the University's corporate governance arrangements. Overall, the auditors noted that arrangements were consonant with best practice and also that the operation of the Court and its committees was in line with the recommendations set out by the Nolan Committee's report on Standards in Public Life. The auditors noted a number of minor points to be taken into consideration during the next quinquennial review of the effectiveness of Court and its committees, scheduled for 2009. The auditors reported that they had carried out a detailed comparison of the University's arrangements against the Committee of University Chairmen's Governance Code of Practice, the Higher Education Code of Audit Practice and the Financial Reporting Council's Combined Code of Corporate Governance. The auditors noted that, in compiling their report, they had spoken with the Chairman of Court as well as other committee chairs. They had not been able to speak to the Rector, although they noted that they would, nevertheless, still be happy receive his comments.

Resolved: to note the report.

(4) Internal Audit – Progress Report

The internal auditors reported that, following discussions with officers, the audit plan for the remainder of 2007/8 had been revised to reduce the time required for reviews of the Implementation of the National Framework Agreement and of Financial

Reporting and Financial Management. This would allow for a review of the management of Estate Maintenance.

Resolved: to approve the proposed changes to the internal audit plan for 2007/8.

4. HEALTH & SAFETY SUB-COMMITTEE

The Committee received a report of the Sub-Committee's meeting on 18 January 2008.

Resolved: to note the report.

5. LEGAL/REGULATORY COMPLIANCE MATTERS

The University Secretary reported that discussions were ongoing between the University and the NHS on the introduction of more robust procedures for the governance of research projects involving patients.

6. EXTERNAL AUDIT CONTRACT

The Convener reported on the recent presentations by firms tendering for the provision of external audit services. The Director of Finance reported that he had clarified a number of issues with the preferred tenderer. He asked the Committee for authority to agree terms of engagement.

Resolved: (i) to recommend to the Court that it approve the appointment of Grant Thornton UK LLP as the external auditors for a period of three years beginning with the financial year to the end of July 2008; and

(ii) to authorise the Director of Finance to negotiate the terms of engagement.

7. INTERNAL AUDIT CONTRACT

The Committee discussed the performance of the internal auditors and also whether to initiate a formal tender process at the end of the current contract, which would expire on 31 October 2008, although renewable for a maximum of two further years.

Resolved: (i) to recommend to the Court that it approve the renewal of the contract of PricewaterhouseCoopers LLP to provide internal audit services for two additional years from 1 November 2008 to 31 October 2010; and

(ii) to recommend to the Court that a formal tender process for internal audit services be initiated in 2010 for the period 1 November 2010 to 31 October 2013.