

PRESIDENT'S ADVISORY COUNCIL

06 March 2007

(week 10)

Present:	Said Irandoust (<i>Chair</i>) Worsak Kanok-Nukulchai Sivanappan Kumar I M Pandey Sudip K Rakshit	Udaya Rathnayaka (<i>SU President</i>) Jonathan Shaw Khin Ni Ni Thein Hoang Le Tien (<i>AOH Coordinator</i>) Vilas Wuwongse <i>Secretaries:</i> Karma Rana Renedith Calabdan
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Apologies:	Dennes T Bergado Peter Haddawy	Stephen Ogunlana
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Invited:	Patcharee Wangsakan Teerapan Satagowit	Sanjeev Jayasinghe
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PAC 07.03.01 Welcome and Apologies

The President welcomed all present to the PAC meeting. Professor Sivanappan Kumar, Dean SERD, as host also welcomed the PAC members to the School of Environment, Resources and Development. The President on behalf of PAC, offered a vote of thanks to Dean, SERD and to the staff members who made necessary arrangements in preparation of the meeting.

PAC 07.03.02 Review of the Minutes of the PAC Meeting of 21 February 2007.

The minutes of the 21 February 2007 PAC meeting were confirmed.

ISSUES FOR DECISION**PAC 07.03.03 Partnership Agreements**

The President opined that AIT should aim at forging long-term and broader collaborations with other institutions. A procedure should also be in place that allows careful reflection of the results & benefits before renewal of any partnership agreement is approved. Inactive agreements should be terminated. (c/o ERCO through VPER)

PAC deliberated and endorsed the following partnership agreements:

- 1] **Korean Institute of Geosciences and Mineral Resources, Korea**
- 2] **Center for Informatics, University of Salzburg (CI/US), Austria (*Update*)**
Feedback from CI/US, Austria on the revised MoU based on the initial comments from PAC, was reported by Dean, SET. The President recommended that a clarification on Article IV, item (c) be made. Evaluation of the financial benefit and importance of the agreement should be made at the end of the agreement.

PAC members made the following comments on the agreement with **NECTEC/NSTDA on Academic Cooperation in Automotive Electronics** presented by Dean, SET:

- Clarify 2.2, in terms of commitment required on the part of AIT. The President recommended that a detailed breakdown of financial commitments expected from both parties, including conditions required be explicitly drawn as part of the agreement. It was advised to use the format (in table form) of the agreement signed with Pakistan or Vietnam.
- Use the standard paragraph in the introduction of AIT.

VPDR reported on the positive outcomes of her trip to the U.S which included meetings with potential partner agencies and international organizations. The Clinton Foundation requested AIT to submit an official letter from AIT President on possible collaborative proposals. VPDR also reported that the agreement with the University of Arkansas Fort Smith was signed by the chancellor of the UAFS.

ISSUES FOR DISCUSSION

Audit and Finance

PAC 07.03.04 Audit

The President informed the meeting that Mr. Teerapan Satagowit, AIT Internal Auditor (IA) will be a regular invitee to PAC meetings. The IA provided a brief on the functions of the Internal Audit Office as well as reported on the audit work done by Internal Audit Office for 2006. The priorities planned for 2007 internal auditing cover the following:

- 1] Cash management review of all funds.
- 2] AITCV operation and financial management review.
- 3] Fixed asset management review.
- 4] Purchasing Function Review.
- 5] ERP System Review.

(Please see Annex 1 - Internal Auditor's brief report)

PAC 07.03.05 Finance

1] Travel Rates.

Head-Finance Office received two inputs from PAC members on the proposed rates benchmarked with RTG travel rates. President recommended that a comparison with Swedish universities rates be made. The President received feedback from some colleagues which suggested that RTG rates are comparably higher than the per diem rates generally used because travels are granted as a form of reward or incentive to high ranking officials.

The President remarked that AIT reimbursement of travel expenses will be based on actual expense.

Head-Finance Office will present at the next PAC meeting another set of travel rates based on information from Swedish universities.

Key numbers reported:

- Cost projection for the proposed rates (benchmarked with RTG) taking into account actual number of travel in 2006 (fund 10), AIT will incur an additional Baht 1.2 million.
- 2006 travel cost for fund 10 = Baht 7.5 million

2] Monthly Financial Performance Monitoring – January 2007 Results

The President requested H-Finance to provide at the next PAC meeting an analysis on the decline in tuition and fee revenue for 2007 compared to 2006 by school and FoS. Some PAC members opined that there could be other factors which contributed to the decline in Fund 10 revenue for January 2007 aside from the effect of the higher discount given as fellowships in 2005 which was thought to be felt only this year (2007). Some reasoned that this effect could have been observed in the previous semester's financial results already.

The President requested Head, Finance Office to provide PAC the following information at the next PAC meeting:

- Comparative revenue of 2006 vs. 2007 from new students during the same period, categorized by school as well as by FoS.
- Comparative revenue of 2006 vs. 2007 from existing students during the same period, categorized by school as well as by FoS.

3] The 2006 performance reports of schools and units were circulated by Head, Finance Office to PAC members. Some figures that need clarification will be further discussed by the deans with the Head, Finance office or to the assigned staff.

4] Expenditure report of all units/offices under central administration was provided to PAC members.

The Head of Finance Office in collaboration with Head-RES was requested by the President to benchmark with comparable educational institutions/universities in Thailand, Singapore and some western universities the following information:

- 1] percentage of the total administrative cost against the total institute revenue
- 2] percentage of the salary part/personnel component of the administrative cost with the total revenue of the institution.
- 3] total costs in relation to faculty vs. staff costs

5] Concerning request to open PDF accounts for all faculty, the Head/Finance Office suggested that accounts will be opened upon request.

6] The President requested that the 2006 AIT audited financial report should be ready in time for the Board meeting on 28 March 2007. The audited financial report is also needed in publishing the 2006 Annual Report of AIT.

7] A training of principal investigators and project staff on i] project-related ERP functions and ii] filling up of new online SCPU forms is planned to be conducted by end of March 2007 to be facilitated by SCPU and Finance Office.

PAC 07.03.06 Issues from the President

The President highlighted some of the outcomes of the 02 March 2007 Executive Committee Meeting as follows:

1] Ownership and International Status of AIT : Draft AIT Charter

The Director Generals from the Department of Treaty and Legal Affairs, and Departments of International Organizations, Ministry of Foreign Affairs (MOFA), Thailand were invited and participated in the deliberation on the draft AIT Charter. The actions agreed upon at the meeting and future steps towards AIT attaining full international status are summarized as follows:

1. AIT submits revised draft Charter to the Ministry of Foreign Affairs of Thailand after consultation with the Executive Committee on Tuesday, 6 March 2007.
2. Final Draft from the Ministry of Foreign Affairs of Thailand to be submitted to AIT before 14 March 2007.
3. Final Draft of the Charter presented at the AIT Board of Trustees for approval at its 28 March 2007 meeting.
4. Upon Board approval of the draft Charter on 28 March 2007, AIT submits the draft Charter with any further comments or revisions to the Ministry of Foreign Affairs of Thailand.
5. The Ministry of Foreign Affairs Thailand submits the draft AIT Charter for approval by the Thai Cabinet.
6. As host country, The Royal Thai Government becomes the first signatory to the Charter.
7. The Ministry of Foreign Affairs Thailand together with AIT invites other partner countries to join.

8. The concerned authority of all signatories approve the ratification.
9. AIT achieves intergovernmental status once a minimum of three countries have signed the Charter.
10. AIT upgraded to full international status upon the enactment of the Geneva II Act, currently awaiting approval by the Thai Parliament.

2] Handing-over of Chairmanship of the Executive Committee

The 02 March 2007 Executive Committee meeting marked the passing over of Chairmanship of the Executive Committee from Ambassador Laurent Aublin to Ambassador Jonas Hafström. It was also the last meeting for many long serving members of the Executive Committee and Board of Trustees.

A special plaque presentation ceremony was held during which the Board Chair and President expressed on behalf of the Executive Committee and AIT community their appreciation and gratitude to the outgoing Chairman of the Executive Committee, Ambassador Aublin for his valuable contribution made to the Institute. The meeting also acknowledged during the same ceremony the valuable contributions made by other outgoing members H.E. Mr. J. D. A. Wijewardena (Ambassador of Sri Lanka), H.E. Mr. Denis Comeau (Ambassador of Canada), Ambassador Jan Axel Nordlander (Special Envoy for Human Rights, Department of International Law, Treaty Law and Human Rights, Ministry of Foreign Affairs, Sweden) and Professor Ashoka Chandra (Chairman, Engineering Council of India).

3] Report from Audit Committee

The issue regarding the conversion of the Institute's US Dollar holdings into Thai Baht was also discussed. After considering the present situation and the expected trends, the Audit Committee recommend that a study of the foreign exchange level required to meet regular AIT disbursement be made and any excess over that level should be converted to Thai Baht as soon as possible. This will limit the exposure to exchange losses to the minimum required.

The President informed the meeting of the follow up report from KPMG Sweden which has recently been received on their institutional review of AIT. The report is highly encouraging and expresses full confidence in the measures taken by the administration to reform various aspects of its operations. It also states that AIT has proved its capability to pursue the measures on its own and that the risk that AIT is handling external funds in an inefficient and non-transparent way has diminished since KPMG's last report and recommends not to withhold payment of research grants.

4] FY 2006 Unaudited Financial Results

The Executive Committee received the FY 2006 unaudited financial results and noted that the external auditor, KPMG has commenced their audit and expects to complete their work by the end of March 2007 as originally planned to have the audit completed for presentation and approval of the Board of Trustees in April. Since the meeting of the Board was preponed to March 28, it is possible that the audit report will not be finalized by then. Efforts are being made to monitor the progress clearly for any major items of contention so that these can be cleared soonest.

5] FY 2007 January Month Results

An analysis of the tuition revenue in Fund 10 shows that a total of 358 applications were received compared to 441 for the same period in 2006, which is an equivalent reduction of approximately 19%. However, in terms of the total number of actual enrolled students (new intakes and continuing students), in January 2007, there were 1,673 compared with 1,728 last year – a decrease of 55 students (note that this is the total number and does not equate to full-fee paying equivalent). In terms of the net tuition and fee revenue for January 2007, the amount is Baht 189 million compared to Baht 218 million in January 2006. This shows a reduction of Baht 29 million, equivalent to about 13% decline.

(PAC Discussion)

The President requested Head, Finance Office to provide at the next PAC meeting an analysis of the decline in tuition and fee revenue for 2007 compared to 2006 by school and FoS. Some PAC members opined that there could be other factors attributed to the decline in Fund 10 revenue for January 2007 aside from the effect of the higher discount given as fellowships in 2005 which was thought to be felt only this year. Some reasoned that this effect could have been observed in the previous semester's financial results already. *(also discussed in PAC 07.03.05, 2)*

The January 2007 salary expenses are down from Baht 37 million last year to Baht 28 million, primarily due to the effect of the right-sizing exercise conducted last year.

6] FY 2007 Budget

The Executive Committee endorsed for approval by the Board the FY 2007 budget proposal presented by the administration. The Executive Committee noted that stringent guidelines have been put in place to monitor the financial performance over the year. Schools are expected to maximize revenue from various fields of study and to make every attempt to earn sufficient revenue to cover expenditures. Fields of study which fail to meet the financial viability standard have been identified and corrective measures are being taken to improve the situation. The expenditure budgets for non-salary items are dependent on achieving the target revenues from tuition and fees and contribution from sponsored activities. The expenditure budget allocation is the maximum amounts that could be expended, but will be adjusted during the year by maintaining a constant percentage to budgeted revenues. The budget for payroll includes additional faculty positions as necessary but should only be filled in relevance to the financial viability of the school activities.

The President added that the eventual outcome for 2007 will depend largely on the continued awareness and discipline of the Institute's need to be economical. In this regard the President stressed the importance in continuing efforts to generate more revenues and in maintaining strict financial discipline.

7] Professorial Appointment

The Executive Committee approved the contract extension of Professor Worsak Kanok-Nukulchai, Dean (since 1 November 2005) and Professor (since 1 July 1989) in the Structural Engineering Field of Study of the School of Engineering & Technology, as recommended by the Vice President for Academic Affairs and endorsed by the President. The Executive Committee noted with appreciation that in addition to serving as Dean, Professor Worsak has also been teaching two courses, supervising on an average seven students per year, been active in sponsored research projects and received numerous awards and distinctions.

8] AIT Landmark Contribution by Alumni

Mr. Chawalit Chantarart, AIT Alumni Association (AITAA) Business Officer and Dr. H. L. Tien, Advisor to the AITAA Mother Chapter, who were attending as representatives of the AITAA Mother Chapter, presented the concept to the Executive Committee. Leading up to the 50th anniversary celebrations of AIT in the year 2009 the AITAA wishes to make a concrete contribution to the Institute by way of sponsoring the construction of an AIT landmark which should be ready in time for the golden jubilee celebrations. The plan is to complete the first phase in year 2007 and the second phase in 2008.

While the Executive Committee supported the concept in principle it expressed some concerns regarding the proposed structure (construction of statues) and stressed that members of the AIT community also be presented with the proposed concept and consulted. The Executive Committee received assurances from the alumni that there would be no cost implication to AIT in the project.

It was agreed that feedback from the community would be sought prior to the concept being presented at the 28 March 2007 meeting of the Board of Trustees.

9] Proposal for Reopening the Golf Course

Professor I. M. Pandey, Dean, School of Management and Chair of the Institute Task Force looking into the possible reopening of the golf course presented the concept and outcomes of the task force deliberations. The Executive Committee welcomed and supported the proposal to have the arboretum and golf course coexist in harmony with there being a lot of spin off advantages. The income generated from the golf course could be used to maintain the arboretum, and also provide possible funding for students. The task force has invited the external parties who have submitted proposals (which includes one from the alumni) to AIT to make presentations. The task force noted that as a priority there must be no financial risk attached to AIT from the reopening of the golf course. The Executive Committee recommended that in addition to there being a lease (rental) agreement, profit sharing also should be part of the agreement. There is also general consensus among the alumni towards the reopening of the golf course.

Results of other issues deliberated during the 02 March 2007 Executive Committee meeting are recorded summary report of EC meeting (*Annex 2*)

10] Update on Asia-Africa Initiative

VPER informed PAC on the progress of the Asia-Africa initiative developed by AIT in collaboration with UNESCAP. One of the planned activities is the organization of an international forum at the end of the year 2007. A department in MOFA in charge of Thailand's cooperation with South Asia and Africa also offered support in terms of providing AIT with the list of relevant Thai companies involved with Africa.

In a meeting between Dr. Robert Nygard of Sida and Dr. Roland Amoussou-Guenou, Program Manager for AIT-Africa Initiatives, Dr. Nygard offered to see the possibility of linking AIT with the activities of Sida in Eastern Africa.

11] Upcoming Trips of the President

- **Baku, Azerbaijan (8-9 March)**

The President will travel to Baku (8-9 March) to take part in the "First Forum of the Azerbaijan and Turkish Diaspora Organizations' Leaders" in Baku, Azerbaijan at the

invitation of the Chairman of the Republic of Azerbaijan State Committee on Affairs with Azerbaijanians Living in Foreign Countries. Many world leaders together with representatives from different governments and state agencies and well known public figures will be participating in the event. All expenses for the President's visit will be borne by the Azerbaijan Republic.

- **Bali, Indonesia**

The President has been invited to attend the 42nd SEAMEO Council Conference on 13-15 March 2007 hosted by the Ministry of National Education of Indonesia and the SEAMEO Council. A 5-minute presentation on AIT will be allotted in the agenda. AIT documents will also be included in the conference proceedings.

PAC 07.03.07 Proposal to Allow Non-AIT Students to Register for AIT Courses

VPER presented the background paper (Annex 3) submitted by Dr. Matthew Dailey, faculty in CSIM/SET on the concept of allowing non-AIT students to register for AIT courses either for credit transfer or just auditing. The PAC agreed on the following:

- 1] Discounts will be allowed based on certain criteria, one of which is by merit (i.e. higher discount for students with higher GPAs). It is important to attract the best students from other universities. (c/o VPER)
- 2] The ceiling of discount should not be more than 25%. Detailed formulation will be developed by VPER.
- 3] General guidelines on this activity should be developed. (c/o VPER)
- 4] AIT's current general guidelines on auditing should be reviewed.
- 5] Acceptance of students for audit will be the prerogative of the instructor. (dissemination - c/o VPAA)
- 6] The scheme will only apply for students of universities with which AIT has active partnership agreements.

PAC 07.03.08 Proposed Establishment of the AIT Center in Sri Lanka

The concept note on the proposed establishment of AIT Center in Sri Lanka in collaboration with the Ceylinco Education Group (CEG) was received by PAC members (see Annex 4) and was presented to the meeting by Mr. Sanjeev Jayasinghe, Fundraising Campaign Director. The idea is to establish an AIT Center in Sri Lanka offering Masters of Science in Applied Biotechnology which will be housed in Ceylinco with no start up cost to AIT. Marketing/advertising preparation will be covered by CEG targeting 10-15 students from industry and private sector for the first year. PAC recommendations are as follows:

- 1] Negotiate a tuition fee revenue sharing of 70%(AIT)/30% (CEG) for the first year and 90%/10% for the second year.
- 2] Run the program as a project for the first 3-5 years, instead of establishing a center based on one program and evaluate results. Depending on the outcome it could be upgraded to become a center.
- 3] There should be a feasibility study to determine the sustainability of the project.
- 4] Negotiate if CEG could also promote interests of AIT in Sri Lanka in terms of marketing, consultancy projects (percentage of commission could be agreed, tentatively set at 10%); and contact with government and international funding agencies. Explore possibility of CEG covering the cost for personnel assisting AIT on the administrative, marketing and promotion aspects in Sri Lanka.
- 5] FEBT will submit a detailed proposal concerning this initiative.

The President sees the importance of a center in terms of being able to provide AIT an active presence in a country which includes marketing, obtaining projects and contracts, and active contact with the ministries, funding agencies and internal organizations.

It was also suggested that review and evaluation of AITCV operation – learning from the experience - would be a helpful step. It was pointed out that strong support from the host government is very important on in setting up a center.

Mr. Jayasinghe will meet with Dean, SERD and faculty members of FEBT to discuss details of the proposal.

PAC 07.03.09 Schools and AIT Extension Retreat

It was clarified that proposed budget for schools and AITE retreats are included in the 2007 approved budget. In view of the clarification made and considering that School Deans and AITE Director are responsible in managing the finances of their respective units, the President agreed in principle to approve schools and AITE retreats provided that the following cost-reduction measures are applied:

- 1] As much as possible utilize several projects funding which allow coverage of expenses for project meetings to reduce fund 10 expense.
- 2] Expenses for family members joining the retreats should be covered by individuals.
- 3] Reconsider hotel room expenses. The difference in hotel rates submitted range from Baht 800 to 3,500 /room/night for some schools.
- 4] Only retreat days with Institute related contents should be covered by the AIT.

Dean, SET reported that hotel expense will be personally covered by SET faculty members for SET retreat.

- Dean, SERD will submit the final retreat program and activities to the President.
- School Deans to submit to the President the revised retreat budget incorporating recommended measures, particularly support from identified projects.

PAC 07.03.10 Notice from Business Software Alliance on Use of Licensed Software

Notice from the Business Software Alliance (BSA) received by Dean, SET was circulated to PAC members. The notice serves as a warning to organizations using unlicensed software. Considering the current AIT setting, PAC recommended the following measures / action plan to be implemented:

- 1] Effective immediately, each school and unit should conduct a clean-up of all computers officially used by faculty, staff and students, particularly in laboratories. Only licensed software should be used.
- 2] Every school and unit should establish a standard clean-up routine every 6 months.
- 3] ITServ in coordination with school deans and office heads need to identify as soon as possible, software requirements in laboratories and offices, following which steps should be taken in officially acquiring needed licensed software.
- 4] A comprehensive Institute policy on the use of computer software should be drawn in consultation with CSIM and ITServ. (*draft c/o ITServ*)
- 5] Request CSIM faculty who are in close collaboration with IBM to explore possibility of acquiring licensed software for free under the framework of the IBM-AIT agreement.

PAC 07.03.11 Proposal on Establishing Doctoral Programs in Emerging Technologies

VPER reported that on 28 February 2007, Prof Vilas, Prof Worsak, Prof Chongrak, Prof Athapol and Dr Weerakorn paid a courtesy visit on Dr. Krissanapong Kirtikara, Secretary General of Commission on Higher Education (CHE), Ministry of Education, to congratulate him on his new appointment and to brief him on the current state of affairs and activities of AIT. The team from AIT presented a preliminary proposal for additional support from CHE to establish five new doctoral programs in emerging technologies,

i.e., Emerging Environmental Issues and Management, Sustainable Energy, Food Quality and Safety, Materials Science and Nanotechnology, and Services Science. The Secretary General recognized the important roles played by AIT in educational, economic and social development of Thailand, and expressed his support of some of the new programs proposed.

A new school on emerging technologies is envisioned to be a possible outcome of this proposal which will be submitted to RTG for a 5-year support. It is proposed that an additional budget of 150 million baht from what is allocated by RTG to AIT, will be requested for this purpose. If all processes required go well, the new programs are planned to be opened in January 2008. This concept stemmed from the earlier RTG plan of setting up of a world class university where call for proposals was announced.

As the concept is new to PAC members and there was no previous information circulated regarding the proposal, it was commented that this matter should be carefully considered. It was agreed that VPER will circulate relevant documentation on the proposed establishment of doctoral programs to PAC members.

Other Matters

PAC 07.03.12 Possibility of Issuing AITCC Food Coupons

Dr. Tien, Head-Infrastructure Office requested the Deans and AITE Director to consider the idea of providing AITCC food coupons to visiting researchers/scholars or exchange faculty, staff, students and training participants as part of the exchange agreement or training contract. This is to maximize use of available facilities in AIT. Special privileges and incentives will be offered to those who will be covered under this arrangement. The idea emanated from the MoU signed with the University of Arkansas Fort Smith.

The AOH Coordinator opined that this can be applied in AIT since some Schools have, in the past, provided cash to their visiting researchers/scholars to cover for their food and accommodation needs. At the same time some of AIT partner institutions provide the in-house accommodation and food coupons to visiting faculty and staff from AIT. Dr. Tien also suggested provision of campus accommodation to visiting researchers/scholars be further explored. This matter will be further deliberated in future PAC meetings.

PAC 07.03.13 PAC Campus Tour

Concerns on the cleanliness of offices, classrooms and of the campus as a whole was raised. It was agreed that PAC members will be conducting a campus tour during the next meeting of PAC.

PAC 07.03.14 Next Meeting

The next meeting will be held on Tuesday, 20 March 2007, starting from 8 a.m. As agreed the next PAC meeting will be hosted by the School Engineering and Technology.