

## PRESIDENT'S ADVISORY COUNCIL

10 February 2006

(week 06)

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**Present:** Said Irandoust (*Chair*)  
Peter Haddawy  
Nisha Onta  
Worsak Kanok-Nukulchai  
Sivanappan Kumar  
Stephen Ogunlana  
I M Pandey

Jonathan Shaw  
Sudip K Rakshit  
Vilas Wuwongse  
Ann Lopez-Fontanilla

*Secretaries:* Karma Rana  
Renedith Calabdan

**Apology:** Dennes T Bergado

**Invited:** Ng Eng Wan  
Ralf Kircher

### PAC 06.02.01 Welcome and Apologies

The President welcomed Mr. Ralf Kircher, News and Media Specialist, who will attend PAC meetings on a regular basis to communicate outcome of important discussions on issues of interest to the community. Likewise Ms. Ann Lopez-Fontanilla, Head of Students Office, who is also currently serving as the Coordinator of the Administrative Office Heads for the next three months, was welcomed to her first PAC meeting.

### PAC 06.02.02 Review of the Minutes of the PAC Meeting of 11 January 2006.

The minutes of the 11 February 2006 PAC meeting were confirmed.

### PAC 06.02.03 Follow-up on Actions Taken

#### 1. MoU with University of Montreal (UM)

The VP-ER outlined the rationale for proposing the non-renewal of the MoU with UM. It was suggested that future collaborations with partner universities should be based on a good framework such as the Korean Polytechnic University model, wherein the student exchange component of the agreement provides that payment of tuition fee made to the home institution by students who are at AIT on exchange program, are subsequently transferred to AIT and vice versa.

On a relevant matter, Dean SOM put forward a request to maintain total reciprocity between AIT and institutions at which students pursue exchange or dual degree programs, particularly those in the case of SOM, in terms of not requiring the payment of registration and other related fees, citing the reason that if AIT students will have to pay related fees in partner universities it would be significantly higher than what AIT is charging. It was also explained that fees are paid by students at their respective home institutions, while costs for lodging, food and other incidental expenses are covered for by the students. The proposal to maintain reciprocity was *agreed upon*, however the overall view on this issue will be further discussed, in the presence of the VP(E) at the next PAC meeting in light of the memorandum issued by the VP(E) according to which

application processing fee for applicants who are under the Exchange/Special/Dual degree programs will be charged due to cost incurred by AIT in processing applications received from partner universities.

The overall view on the issue application processing fee will be further discussed at the next meeting with inputs from VP (E) and School Deans.

### **Training Guidelines and Procedures**

The VP (R) affirmed that development of guidelines and procedures related to training (and later consultancy) will be worked out soon in collaboration with AIT Extension (AE) and schools. The VP (ER) also informed PAC members that training programs will be conducted not only by AE but also by schools, which will require development of standard pricing schedules across the Institute. It was confirmed that AE will also be operating according to RCM model.

The VP (R) to initiate development of training guidelines and procedures.

#### **3. Golf Course**

Ensuing from the recent meeting of the President with WWF, an arrangement is being explored according to which WWF may take over the development and maintenance of the arboretum provided that it accepts full financial responsibility in the operation of the arboretum. The result of WWF officers' consultation with the Head Quarters on this matter will be provided to the President. Another possibility being considered is the offer expressed by the AIT Alumni Association (AITAA) to support and generate the funding necessary to re-open the golf-course, which will co-exist with the arboretum. The President advised to wait for the feedback from WWF HQ.

#### **4. On-Campus Travel Agent**

The meeting was informed of the latest development on efforts taken to bring in a new on-campus travel agent. Following the re-advertisement made, a travel company with good credentials, business record and accounting system met the requirements of most WG members. Following the final reference checks being made by CFO, the WG will submit its recommendation to the President after which the formal offer will be made to the travel company.

The CFO will provide pertinent documents to the President.

### **PAC 06.02.04 Issues from the President**

#### **1. Faculty Salary Recovery**

The President had requested VP-Education and Dean SET to develop a model on faculty salary recovery which correlates faculty activities and outcomes into measurable financial outputs, towards ensuring that the FoS operate in a financially sustainable manner. While there was agreement in principle on the concept, details on the exact formulation of such a model needs to be further discussed.

PAC members put forward ideas of what the exercise entails as follows:

- Redefine faculty roles and requirements in a precise manner by presenting a clear package/set of basic requirements for individual faculty that would factor in

- teaching, research & publications, student supervision, outreach/sponsored projects, academic or institutional administration.
- Discuss and develop objective ways of correlating teaching activity to financial output, either by increasing the minimum number of students required per course or using total credit hours as a criterion.
  - Clearly delineate research (publishable material) from consultancy.

The President clarified that the exercise will provide the benefit of obtaining factual data necessary towards better understanding concrete conditions AIT needs in order to achieve and maintain viability as an institution. It will bring about a common understanding on numbers and their implications which will subsequently provide the FoS and school a better way of managing and prioritizing use of its resources. There is a general understanding that for a post graduate institution to be sustainable, it can not rely entirely on tuition fees and has to diversify its sources of revenues through research, consultancy, outreach activities etc.

The development of such faculty salary recovery model should not be viewed as a threat by faculty members but from the perspective of having in place measurable and objective parameters of performance and productivity. It was pointed out that the development of such a system should take into account the possibility of distortions which may, as in the past, be introduced into the system. Therefore its development and implementation would need to be transparent and accountable.

The VP (E) and Dean, SET to develop the model on faculty salary recovery for further discussion at PAC.

## 2. International Status

The VP-ER provided a brief on efforts being taken towards obtaining international status for AIT. While several approaches are being considered, it is hoped that the passing of the new act governing international organization proposed by the Ministry of Foreign Affairs, currently under the scrutiny of the Council of State would facilitate easier acquisition of such status. VP (ER) is also working closely with the Ministry of Foreign Affairs in pursuing this matter. This issue will be discussed in the next meeting of the Executive Committee of the Board scheduled for 27 March and subsequently at the 27 April meeting of the Board of Trustees.

## 3. AIT Centers

- The President reported on the developments and follow-up actions being taken on the establishment of AIT Centers in Sri Lanka, Indonesia and Pakistan. Results of initial dialogue with partners involved are developing positively in the case of Sri Lanka and Indonesia (next meeting with officials will be on 27 February). However, departure from the previously agreed concept of establishing a center conveyed by the initially identified partner in Pakistan, may now entail re-drafting of the proposal and re-consultation by AIT with the Higher Education Commission of Pakistan.
- The Asian Development Bank (ADB) has expressed interest in establishing an ADB Regional Knowledge Hub at AIT. The VP(ER) is following up on the development of the proposal and also in liaison with ADB on this matter.
- The possibility of establishing a UNESCO Center at AIT and UNESCO Professorial Chairs, are being explored in close collaboration with VP(ER), Dr. Ni Ni Thein. The

envisaged center's main fields of focus are still being considered and nano-technology has been identified to have a strong potential.

- Based on feedback received from the Government of Vietnam, the President stressed that it is imperative for AIT to change its mode of partnership with Vietnam into the future reflecting a more strategic partnership that takes into account Vietnam's current level of economic development and AIT's role as a partner contributing to the country's advancement in education, training and increasingly through research and engagement in joint projects. A Task Force will soon be established to look into this matter and other issues related to the AITCV's operation and strategic direction.

#### **4. Orientation Visits to AIT by Trustees and Partners**

The meeting was informed of the recent orientation visits to AIT campus by the Ambassadors of Norway, Germany and the Thai ambassador to Sweden as well as of the gracious gesture of hosting a dinner for the members of the AIT Board of Trustees by the Korean Ambassador. The increased level of support and cooperation by the Government of Korea through the Korean Embassy in Bangkok was noted with appreciation.

#### **5. Greater Involvement of Faculty in Country-Specific Promotions**

The President expressed his intention of appointing faculty members and staff from the External Relations and Communications Office with clearly outlined tasks and responsibilities for specific countries to be involved in proactive intelligence. The responsibility of pro-active intelligence of potential countries and governments' development agenda for the region where AIT could have a key role, ought to be actively taken primarily by individual faculty members' while groupings can also be formed in parallel for such purpose. However, the information on such initiatives must be shared and communicated to all concerned and it is vital that the faculty informs the administration of linkages made so that AIT could approach partners in a unified and coordinated manner.

President, to appoint faculty from schools and ERCO staff who will work on country-specific promotions and pro-active intelligence. Deans, to encourage awareness and active participation of faculty in these efforts at school level.

6. A gallery of former faculty and senior administrators will be developed on the AIT webpage.

#### **7. Thailand : Partnership for Development (Mega-projects)**

The Royal Thai Government has announced a call for proposals under the "Thailand: Partnership for Development" (mega projects) namely on the Establishment for World Class University of Science and Technology; in which AIT could significantly contribute and participate. It was noted that various other proposals are being developed at the School and unit levels as well. The deadline for submission of final proposals is 31 April 2006. To facilitate a positive and timely response to the initiatives of RTG, the President has established a steering committee which will oversee the development and completion of the proposals. It will comprise of the three VPs, School Deans, D/AE, and one faculty member from each school nominated by the respective Deans. It was pointed out that one of the major components of the projects is the identification of partner universities.

The proposals should contain unique ideas/innovative concepts and introduce new dimensions to the envisaged projects, which could be initially generated at the school/unit levels in collaboration with potential partners (i.e. national universities). An

Institute-level proposal could subsequently be developed which would require strong proposal writers. The schools will identify appropriate individuals for this task while the President will explore the possibility of Sida funding for two experts to support AIT in these bid for mega projects.

- VP (ER) was requested to find out the interest of NSTDA and Thammasat University to partner with AIT on the abovementioned initiatives.
- School Deans to initiate active discussion and brainstorming at school/unit levels and dissemination of available information pertaining to the mega-projects to all faculty. The first meeting of the Steering Committee to be called by the President soon.

## **POLICY AND STRATEGY MATTERS**

### **PAC 06.02.05 P & P Statements**

The draft P & P on (i) Power, Authority and Delegation, (ii) Delegation of Authority, and (iii) Policy, Preparation and Compliance were presented by the Head of Research and Education Support (RES) Office. Inputs from D/AIT Extension (AE) were integrated in the formulation of P&P statement (iii) and comments made by PAC members will be incorporated accordingly.

- The draft P&P Statements will be further revised by the Head of RES based on the comments made at PAC and will be uploaded onto a special website for easy access (<http://www.cs.ait.ac.th/zope28/RES>). Members were requested to provide any additional feedback within a week. Input from the Academic Senate will be sought on all relevant P&P Statements. Identified responsible officer(s) for each P&P will have to initiate the revision process as needed while keeping Head, RES informed of steps taken toward this end.
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- An office for record keeping of all the P&P statements and the leading person responsible for such task, need to be identified.

### **PAC 06.02.06 Visit of President and Vice Presidents to Fields of Study in 2006**

To date, the administration had visited two Fields of Study (FoS) namely CSIM and AARM. Ensuing from the first two visits, the President identified the need for strengthening the role of the FoS Coordinator in terms of power and authority (curriculum development, research initiatives, finances etc.) from what is currently a largely facilitative role.

The President emphasized the need to develop a cost recovery model which is not purely based on tuition fees alone but that which also takes into account cost recovery for time spent by faculty in sponsored and contracted research and projects etc. in calculating the break-even cost.

### **PAC 06.02.07 Strategic Development Plan (2005-2010)**

The Strategic Development Plans (SDP) of the schools are still being awaited. The Administrative Offices have also been requested to critically examine how their respective offices and constituent units are operating, and benchmark their processes and performance with those at the best peer institutions. Plans need to be formulated on how to improve the quality and efficiency of services.

The Working Group formed to oversee the implementation of the Academic Restructuring will meet again on 20 February 2006. It will also serve as a Steering Committee in the integration of the various SDPs from schools and units. The President informed the meeting of the possibility of Sida funding for the engagement of experts to assist in the preparation of the Institute Strategic Development Plan.

SDPs from Schools and administrative offices to be submitted in time for the meeting of the Working Group on 20 February 2006.

~~The draft ToR of AIT Extension Board was received. School Deans and D/AE were requested to provide the President, apart from the ToR, the list of proposed members' names and individual CVs, as well as the rationale of such nomination.~~

The most recent version of the ToR will be sent to school Deans and Director/AE, after which individual meetings with deans and D/AE will be made by the President. The concept of having School(s)/AE Boards will be presented by the President for Board of Trustees (BOT) approval.

President to schedule individual meetings with Deans and Dir./AE to expedite finalization the establishment of schools/AE Boards. The CVs of proposed members as well as the rationale of such nomination will be submitted by the Deans/AE Director.

#### **PAC 06.02.09 Decision Meeting**

The President reported that decisions were taken on the following issues at the two Decision Meetings convened to date:

- New Tuition Pricing (effective August 2006 semester onwards)
- Change in Tuition Fees to Thai Baht (starting from the August 2006 intake)
- Institute-wide Course (VP Education and Research to follow up, Academic Senate to further review proposed model)
- English Requirement for Admission (effective August 2006)
- Contribution from Research Projects sponsored by the government / development agencies (approved, VP Research working on overheads from trainings, consultancies, and other research projects)
- Recommendations from WG 2 (being implemented)
- Recommendations from WG 3 9 (Being implemented at the Institute, School and Unit levels. The preparation of the Strategic Development Plans also addressing many of the proposed strategic directions.

### **FINANCE AND AUDIT**

#### **PAC 06.02.10 FY 2005 Financial Results**

The Head of Finance presented the tentative financial results of 2005 highlighting the following:

- The total operating deficit based on the forecast for 2005 is 39 M Baht.
- The actual total operating deficit as of date of reporting is 96 M Baht.
- Total deficit on Agency Fund (Scholarship and non-scholarship) is 47,645,00 Baht with items which dates back to 1990's.

Factors initially identified by the Head of Finance which have contributed to the current financial results and its deviation from the projected deficit reported in November 2005 to the Board are:

- Inaccurate data used in forecasting student intake.
- Increase in operating expenditure by the Institute by 19 M Baht.
- AITCV related expenses borne by AIT.
- Depreciation.

The Head of Finance was requested to provide details on the factors earlier identified based on which the projections were made and to provide an in-depth analysis on the reasons for significant difference in the forecast vs. the actual figures.

It was recalled that the budget of schools/units were revised in August 2005, which included the Presidential directive to freeze hiring, strict control in capital expenditure and 10% cut in the budget of all central administrative units so that the last quarter results of 2005 could be kept under control. With the resultant figures, it is confirmed that all efforts made had no positive effect to the financial situation. This gap in the information should be clearly presented at the next meeting.

The Head of Finance was instructed to take the following actions:

- Facilitate immediate conduct of external audit in collaboration with the CIA to clean-up all the accounts in the old Agency Funds.
- Standard checking procedures applied on all accounts conducted quarterly by the Finance Office should be done every month.
- Schedule a monthly meeting between the President, Head of Finance and School Deans on school financial performance and operation. Budget should be changed if there is any variance from the target results.
- Effect immediate freeze in capital expenditure.
- Plans for downsizing should be seriously considered by schools and units.

## OPERATION

**PAC 06.02.11** All deferred items will be taken up at the next PAC meeting.

## OTHER MATTERS

**PAC 06.02.12** **Next Meeting**

The next PAC meeting is scheduled for Tuesday, *07 March 2006*, at 13:30 hours, in the Board Room, Administration Building.