

# Annual Review 2011 - 2012

*a report on the activities of the*  
New Zealand Universities  
Academic Audit Unit - Te Wāhanga Tātari

### **Important Note**

The New Zealand Universities Academic Audit Unit changed its name from 1 January 2013 and is now the **Academic Quality Agency for New Zealand Universities**. The organisation's new website is [www.aqa.ac.nz](http://www.aqa.ac.nz) and email correspondence about this document or other matters can be sent to [comms@aqaa.ac.nz](mailto:comms@aqaa.ac.nz) or [director@aqaa.ac.nz](mailto:director@aqaa.ac.nz).

All other contact and physical address details remain the same.

**Academic Quality Agency for New Zealand Universities**  
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# Annual Review 2011 - 2012

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New Zealand Universities Academic Audit Unit  
*Te Wāhanga Tātari*

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*as adopted by the Board and incorporating financial statements  
for the period 1 July 2011 – 30 June 2012*

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## Membership of the Board for 1 July 2011 – 30 June 2012

<i>Chair</i>	Emeritus Professor <b>David Mackay</b>	term expires 30 January 2015
<i>Deputy Chair</i>	<b>Mr Jeremy Baker</b> Learning State Ltd. (formerly of Industry Training Federation)	term expires 31 December 2012
<i>Nominated by Business New Zealand</i>	<b>Hon Steve Maharey</b> Massey University	term expires 30 June 2014
<i>Member of the New Zealand Vice- Chancellors' Committee</i>	1 July 2011 – 31 December 2011: <b>Dr Alison Kuiper</b> University of Sydney (formerly of Lincoln University)	term expired 31 December 2011
<i>Nominated by the Association of University Staff of New Zealand (now the Tertiary Education Union)</i>	1 January 2012 – 30 June 2012: Associate Professor <b>Maureen Montgomery</b> University of Canterbury	term expires 31 December 2014
<i>Nominated by the New Zealand Union of Students' Associations</i>	1 July 2011 – 31 December 2011: <b>Mr Max Hardy</b> New Zealand Union of Students' Associations	term expired 31 December 2011
<i>Nominated by the professions</i>	1 January 2012 – 30 June 2012: <b>Mr Ralph Springett</b> Massey University Extramural Students' Society	term expires 31 December 2012
<i>Nominated by the community with expertise in quality assurance</i>	<b>Mr John Sinclair</b> NZ Institute of Architects	term expires 31 December 2012
<i>Member of the community with expertise in quality assurance</i>	<b>Ms Heather Baigent</b> Interact Consulting Ltd	term expires 31 December 2012
<i>Director</i>	<b>Dr Jan Cameron</b>	

# New Zealand Universities Academic Audit Unit

## **Mission**

To contribute to the advancement of New Zealand university education by:

- engaging as a leader and advocate in the development of academic quality,
- applying quality assurance and quality enhancement processes that assist universities in improving student engagement, academic experience and learning outcomes.

## **Terms of Reference**

- to consider and review the universities' mechanisms for monitoring and enhancing the ongoing academic quality of academic programmes, their delivery and their learning outcomes, and the extent to which the universities are achieving their stated aims and objectives in these areas;
- to comment on the extent to which procedures in place in individual universities are applied effectively;
- to comment on the extent to which procedures in place in individual universities reflect good practice in maintaining quality;
- to identify and commend to universities national and international good practice in regard to academic quality assurance and quality enhancement;
- to assist the university sector to improve its educational quality;
- to advise the New Zealand Vice-Chancellors' Committee on quality assurance matters;
- to carry out such contract work as is compatible with its audit role.

NZUAAU began operations in 1994 and completed two pilot audits and Cycle 1 whole-of-institution academic audits of all universities between 1995 and 1998. Cycle 2 academic audits – on the national theme of research policy, management and performance, support for postgraduate research students, and the research-teaching link, as well as institutional themes nominated by the universities and agreed to by NZUAAU – were conducted during 2000 and 2001. Cycle 3 academic audits – on teaching quality, programme delivery and the achievement of learning outcomes – were conducted during 2003-2006.

Cycle 4 academic audits – fully institutional audits – are being administered between 2008 and 2012. The New Zealand Universities Academic Audit Unit acts as a fully independent body in the conduct of its audit activities.

## Report from the Chair of the Board



### **Finance**

The reporting period saw the first stage of a transition process as NZUAAU moves to a new name and identity and refocuses its quality assurance activities. The significant changes will be fully implemented in 2013 when the first of the Cycle 5 audits takes place. To date, these changes have been managed within budget although the universities approved a modest increase to the overall budget for the Unit for the next financial year. The 2011/12 financial year ended with a modest surplus.

### **University Audits**

2012 saw the last of the Cycle 4 audits with the completion of the review of Lincoln University. The audits of the University of Otago and AUT University were completed in the first half of the reporting period. In all the cases the post review follow-ups will apply but otherwise the Cycle is completed.

Planning for the Cycle 5 audits began in 2011 and continued through 2012. This has been a fully consultative process involving university staff through workshops and other forms of consultation. Advice was also sought from the broader educational sector, and practice in similar tertiary environments overseas was also reviewed. The end product of this process has been the development of a new framework for Cycle 5. This framework will incorporate best practice internationally and streamline the review process both for the universities and for the NZUAAU and its auditors.

### **Focus and Identity**

The Unit has continued its strategy of expanding its quality enhancement operations. This has been a prime focus of the Quality Enhancement and Communications Manager and has resulted in the production of a number of qualitative reports on the outcomes from audits, the production of a Newsletter and other initiatives.

In tandem with the development of the Cycle 5 framework and increased focus on enhancement the Board decided that work was required on the identity or “brand” of the Unit. It was felt that the existing name of the NZUAAU no longer described accurately the functions it carried out. Accordingly a review process was initiated and external consultants employed to assist in the re-positioning of the NZUAAU. The consequence is that from the beginning of 2013 the NZUAAU will become the Academic Quality Agency for New Zealand Universities, or AQA in its shortened form.

### **International Relations**

The 2009 Review of the NZUAAU recommended that it work to build up its international connections and significant progress has been made in this area since 2010. In the reporting

period the Director has participated in Board meetings of the Asia Pacific Quality Network and participated in reviews of overseas tertiary institutions. I chaired a pilot review of the Polytechnic of Namibia in July 2011. NZUAAU has been affected by the winding up of its Australian equivalent, AUQA, in 2011 but is working through the matter of its relationship with the replacement Australian tertiary quality regime. Initial contacts with Fiji in early 2012 have developed further and the new AQA will be assisting the University of the South Pacific with a Review in the second half of 2103.

### **Board Changes**

Dr Alison Kuiper and Mr Max Hardy retired from the Board at the end of 2011 and were replaced by Associate Professor Maureen Montgomery and Mr Ralph Springett.

Three Board members will retire at the end of 2012, including the Deputy-Chair.

A handwritten signature in black ink, appearing to read 'D Mackay', with a long, sweeping underline that extends to the right.

David Mackay  
*Chair of the Board*

## Report from the Director



### Finance

Having decided that there would be no increase in the annual grant requested from the universities in 2011-2012 it is pleasing to report a net surplus at the end of the year. This was made possible by a decision not to explore theme audits as the framework for Cycle 5 with, as a consequence, no expenditure on pilots of this approach. Some other activities which had been provided for in previous years, and budgeted for in this financial year, did not occur, particularly with regard to national and international conferences.

This was the first full year in which administrative support services were provided by Universities New Zealand and the Unit's financial operations brought in-house. As anticipated, these changes have resulted in an improved quality of service and reduced administrative expenditure. Under the terms of the service lease agreement, Universities New Zealand now also manages the payroll for NZUAAU.

### Staffing

NZUAAU has continued to have a staffing complement of 1.8 FTE. During this financial year the Quality Enhancement and Communications Manager accepted the additional role of Finance Manager. This allowed NZUAAU to take over the accounting services previously provided by Miller Dean Accountants. NZUAAU engaged MTM Accounting to oversee preparation for financial audit.

### Academic Audits

Audits of AUT University and the University of Otago were completed during 2011-2012. Initial activity related to the audit of Lincoln University also took place in the first half of 2012. As part of its public accountability role, NZUAAU continues to publish university audit reports on its website. NZUAAU also managed an audit of the Committee on University Academic Programmes (CUAP).

The other major audit-related activity during this year has been scoping of Cycle 5 audit, and workshops in preparation for development of the Cycle 5 framework. NZUAAU is grateful to the number of people from the universities who have contributed in a variety of ways to this project.

### International

The Director has been active as a member of the APQN Board, including leading a project on mutual recognition of quality assurance processes across four national agencies. Both staff and the Chair of the Board have attended several international conferences, with both staff presenting at these. NZUAAU has, with Universities New Zealand, co-hosted several international delegations. Looking forward, NZUAAU is enthusiastic about building

relationships in the Pacific which, while existent in name, have not been given effect for some time.

### **Organisational Identity**

During the year NZUAAU explored the renaming of the Unit to reflect more accurately the scope of responsibilities and our organisational form. In addition, it has been timely to investigate a new visual identity, given the existing one is dated (developed twenty years ago) and does not obviously reflect any of the objectives of the organization. Work has been planned for a new name and identity to coincide with the beginning of the fifth academic audit cycle. From 1 January 2013 the organisation will be called the Academic Quality Agency for New Zealand Universities.

### **Personal**

I record my appreciation to the Chair of the Board and the Deputy Chair for their unstinting support, to the Quality Enhancement and Communications Manager for her on-going enthusiasm and professional contribution and to the Executive Director and staff of Universities New Zealand for their services and collegiality.

A handwritten signature in black ink, appearing to read 'J Cameron', written in a cursive style.

Dr Jan Cameron  
*Director*

## Financial Summary

### New Zealand Universities Academic Audit Unit

Statement of Financial Performance for the year ended 30 June 2012 (summary)

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>Income</b>		
University Annual Grants	367,700	367,700
Academic Audit Fees	72,091	59,489
Interest Income	4,818	4,713
Consultancy and Sundry Income	5,610	10,720
Share of INQAAHE Trust Fund dissolution	7,812	-
<b>Total Income</b>	<b>458,031</b>	<b>442,622</b>
<b>Expenditure</b>		
Administration and Office expenses:		
- Occupancy costs	29,762	34,905
- Computer and Website expenses	9,930	17,469
- Accounting and Financial Audit	13,875	25,144
- Printing, insurance and other general expenses	18,580	22,009
- UNZ Staff Services	<u>9,810</u>	<u>5,394</u>
Total: Administration and Office expenses	81,957	104,921
Salaries, Wages and ACC Levies	210,897	180,085
Recruitment, Training and Development	-	6,297
Meetings, Consultancy, and Honoraria	61,378	96,696
Travel and Accommodation	50,785	62,735
Interest (finance lease)	697	1,202
Depreciation	840	534
<b>Total Expenditure</b>	<b>406,554</b>	<b>452,470</b>
<b>Net (Deficit)/Surplus for the Year</b>	<b>\$51,477</b>	<b>(\$9,848)</b>

## New Zealand Universities Academic Audit Unit

Statement of Financial Position as at 30 June 2012 (summary)

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Assets:</b>		
Current Assets	168,458	144,962
Fixed Assets	2,040	2,879
<b>Total Assets</b>	<b>170,498</b>	<b>147,841</b>
<b>Current Liabilities:</b>		
Accounts Payable	12,195	25,632
Annual Leave, Wages & Employer Superannuation	8,836	11,140
Accruals	19,007	40,441
Income received in advance	12,111	-
BNZ Credit Card	140	152
Current Portion Lease Liability	<u>3,852</u>	<u>3,744</u>
	<b>56,141</b>	<b>81,109</b>
<b>Non-Current Liability:</b>		
Lease Liability	-	3,852
<b>Total Liabilities</b>	<b>56,141</b>	<b>84,961</b>
<b>Net Assets</b>	<b>\$114,357</b>	<b>\$62,880</b>

## **BACKGROUND**

The New Zealand Universities Academic Audit Unit was established by the New Zealand Vice-Chancellors' Committee in 1993 and operates under Terms of Reference that can be summarised thus:

- to review and comment on the effectiveness of systems for monitoring and enhancing academic quality and standards in New Zealand universities to ensure that they are appropriate for achieving the universities' stated aims and objectives, and that they are applied effectively, and
- to identify, devise, disseminate and commend to universities good practice, assist universities to improve educational quality, advise the New Zealand Vice-Chancellors' Committee on quality assurance matters, and interact with other national and international agencies and organisations engaged in quality assurance in education.

NZUAAU began operations in 1994 and completed two pilot audits and Cycle 1 whole-of-institution academic audits of all universities between 1995 and 1998. Cycle 2 academic audits – on the national theme of research policy, management and performance, support for postgraduate research students, and the research-teaching link, as well as institutional themes nominated by the universities and agreed to by NZUAAU – were conducted during 2000 and 2001. Cycle 3 academic audits – on teaching quality, programme delivery and the achievement of learning outcomes – were conducted during 2003-2006.

## **SUMMARY**

Cycle 4 academic audits – full institutional audits – are being administered between 2008 and 2012. During the year ended 30 June 2012, the AUT University audit process was completed and one further academic audit (that of the University of Otago) was administered. The final Cycle 4 audit, of Lincoln University, was commenced with the self-review document received and the panel appointed. The site visit for this audit occurred in July 2012.

The expenditure for the year ended 30 June 2012 resulted in an operating surplus of \$51,477 compared to a deficit of \$9,848 for the year ended 30 June 2011. The lower expenditure for the year ended 30 June 2012 was primarily due to the decision not to pilot thematic audits during this financial year, an underspend on professional services and staffing, the disestablishment of AUQA leading to no annual conference in Australia in 2012, and one less Board meeting than was budgeted for. In addition, some of the costs of attendance at other international events were subsidised via the Director's involvement with the APQN Mutual Recognition project. Finally, the restructuring of some administration costs and the new service arrangement with Universities New Zealand in 2010 has, as anticipated, reduced overall expenditure on office administration.

NZUAAU was one of the four trustees of the INQAAHE Conference Fund, established after the 2005 INQAAHE conference. In June 2011, the trustees, namely NZUAAU, NZQA and Universities New Zealand decided that in light of the limited funds remaining the fund should be wound up and the assets disbursed as one-third to each trustee to be used in accordance with the original terms of the trust. The 2010/11 financial statement for the INQAAHE fund thus reflects this decision, and the disbursement of NZUAAU's share of the remaining funds (less expenses) are incorporated in these statements for 2011/12.

*Overview of activities against the objectives of the New Zealand Universities Academic Audit Unit for the period 1 July 2011 to 30 June 2012*

### **Objective 1 Quality Assurance**

*Ensure academic audits are timely and produce audit reports which are of assistance to universities, are authoritative, fair and perceptive.*

#### **New Zealand University Academic Audits**

Cycle 4 academic audits were completed for AUT University and the University of Otago.

The AUT University audit site visit was conducted in June 2011 and the report was published in September 2011. The audit produced 8 Recommendations, 8 Affirmations and 17 Commendations. The audit panel Chair and the Director of NZUAAU spoke with the University on 8 February 2012 for discussion of audit recommendations and to receive feedback on audit process. The University expressed satisfaction with the overall conduct of the audit site visit, with some suggestions about improvements, particularly with regard to the feedback session on the final day of the site visit. This feedback is being incorporated into planning for Cycle 5 audits. The University is working through the panel's recommendations.

The University of Otago audit site visit was conducted in October 2011 and the report was published in March 2012. The audit produced 12 Recommendations, 5 Affirmations and 8 Commendations. The audit panel Chair and the Director of NZUAAU travelled to the University of Otago on 24 May 2012 for discussion of audit recommendations and to receive feedback on audit process. The University expressed overall satisfaction with the audit process and is working through the panel's recommendations.

The University of Canterbury submitted its one-year follow-up report in June 2012. This was deferred due to the impact of the February 2011 earthquake, which severely affected the campus and staff work priorities. The report comprehensively covered the University's response to each of the recommendations, and the Board was satisfied with the progress made to date. In addition, the Board expressed its appreciation for the quality of the University's response in difficult circumstances.

The University of Waikato also submitted its one-year follow-up report in June 2012. The report comprehensively covered the University's response to each of the recommendations, and the Board was satisfied with the progress made to date, noting that, in some instances, events had overtaken recommendations.

Planning and assessment for the academic audit of Lincoln University occurred over the first half of 2011. The panel was convened and held a preliminary meeting on 29 May in Auckland.

#### **Other Audits**

NZUAAU was asked by Universities NZ to carry out the five-yearly audit of the Committee on University Academic Programmes (CUAP). The 3-day site visit for this audit was

conducted in September 2011, with the final report completed in November 2011 and published on the NZUAAU website in December 2012. The Panel's chair spoke to the audit recommendations at subsequent meetings of CUAP and the Vice-Chancellors, and NZUAAU received a follow-up response from Universities New Zealand on progress in June 2012.

In July 2011, the Chair of the NZUAAU Board, Professor David Mackay, led a panel of auditors in a pilot institutional audit of the Polytechnic of Namibia. The Polytechnic was the first educational institution in Namibia to create a Quality Assurance Unit, and the institutional audit was the first to be undertaken by the National Council for Higher Education.

### **Future New Zealand University Audits**

From June – August 2011, NZUAAU consulted with universities about the form of the next cycle of audit (Cycle 5, to commence in 2013). Following feedback, the Board confirmed audits would continue to be institutional audits run on a five-yearly cycle. Universities were advised that cycle 5 (2013-2018) will focus on teaching and learning and student support (including post-graduate), include an audit against a range of academic expectations, and pay attention to identification of academic risk and opportunities. Consultation on the framework commenced in February 2012, with a workshop in Wellington for university staff. A small steering group of senior auditors has provided advice and assisted the development of "NZUAAU Expectations". Drafted expectations were circulated for feedback in May 2012.

In March 2012, the Director visited Massey University to discuss the likely approach and general timing for audit in Cycle 5. Massey University is scheduled to be first for audit in Cycle 5.

### **Auditor Training**

Auditor training was provided for two new auditors on an individual basis in August 2011 and May 2012.

*References: Audit reports, AUT University (2011); CUAP (2011); University of Otago (2012); Board determination – Cycle 5 academic audits (December 2011).*

## **Objective 2 Quality Enhancement**

*Contribute to the development, dissemination and implementation of new policies and good practices in quality assurance and quality enhancement in education, both nationally and internationally.*

*Improve the quality of NZUAAU activities, including audit practice, by interaction with other education and academic quality assurance agencies, both nationally and internationally.*

### **National Activities**

In July 2011, NZUAAU published "Series on Quality 11: Thematic Overview of Institutional Audit 2000 – 2010". This report was published online and distributed in hardcopy to universities and other interested agencies. The report is the first in the 'Series on Quality' to

be published since 2006 and provides an overview of common themes and emerging challenges as reported in New Zealand university academic audits over the decade.

NZUAAU published quarterly newsletters online and to a subscriber list in September and December 2011, and March and June 2012. The subscriber list continued to grow throughout the year.

NZUAAU collaborated with Universities New Zealand to produce a summary brochure entitled 'Academic Quality Assurance of New Zealand Universities'. This brochure was published online and disseminated in hardcopy to universities and other interested agencies. During the year, the Director attended the National Tertiary Teaching Awards ceremony and the launch of "Student Engagement in New Zealand's Universities" report by Ako Aotearoa and the Australian Council for Education Research. She also attended the formal farewell for Karen Sewell, Secretary for Education.

The Director attended the New Zealand Tertiary Education Summit, Wellington in November 2011. The Quality Enhancement and Communications Manager attended a conference on Student Finance at Victoria University of Wellington and a HERDSA/Ako Aotearoa symposium on graduate attributes.

NZUAAU was involved in several meetings throughout the year with the Education Review Office, NZQA and Ako Aotearoa. The Director also provided a consultation interview with Transglobal regarding future business structure and function of AKO Aotearoa, and served as a member of Ako Aotearoa Organisational Good Practice Grant Selection Panel.

The Director attended meetings of the Quality Assurance Consultative Group and, after that group's disestablishment from March 2012, NZUAAU became formally part of the Joint Consultative Group (along with Universities New Zealand and NZQA).

At the end of 2011, NZUAAU conducted a communication survey, collecting feedback on the Unit's website, newsletters, reports and other materials. Feedback was largely positive with some suggestions for improvement which are being incorporated into planned developments for 2012 and 2013.

### **International Activities**

The Director has continued as a member of the Board of the Asia-Pacific Quality Network (APQN).

The Director, Quality Enhancement and Communications Manager, and the Chair of the Board of NZUAAU attended the Australian Universities Quality Forum, Melbourne (29 June - 1 July 2011).

In October 2011 the Director met with international representatives to discuss quality assurance at the Fiji National University, and differences in systems between New Zealand and the Higher Education Commission in Pakistan.

In February 2012, the Director presented to a delegation of Indian Vice-Chancellors, guests of Universities New Zealand.

In February 2012, the Director was an International Observer of NAAC<sup>1</sup> audit of Amity University, Noida, India (as contribution to the APQN Mutual Recognition Project). The Director's contribution to this project throughout 2011/12 was significant, culminating in the submission of a final report at the end of June to the funding body, the World Bank.

From 28 February – 2 March, the Director and the Quality Enhancement and Communications Manager attended the APQN Annual Conference and AGM in Siem Reap Cambodia. The Director attended APQN Board meetings and facilitated a workshop on the Mutual Recognition Project. The Quality Enhancement and Communications Manager presented a paper on the thematic analysis of Cycle 2-Cycle 4 audits.

From 17-19 April, the Director attended the INQAAHE Members' Forum in Melbourne. She chaired a working group and presented at a plenary session as a member of the plenary panel. Later in April, NZUAAU hosted a delegation from China's Higher Education Evaluation Centre of the Ministry of Education.

In May 2012, the Director met representatives of the Office of the Education Council of Thailand and the Office of the Higher Education Commission of Thailand.

*References: NZUAAU Board papers, September and December 2011, March and July 2012; NZUAAU Newsletters.*

### **Objective 3 Quality Support**

***Ensure effective processes and adequate resourcing to achieve the above objectives at a high level of satisfaction for universities and other stakeholders.***

The Board of NZUAAU approved the shift of the Strategic Plan, as approved in the previous year, to a rolling Plan to tie in with budget processes. A budget based on the plan was submitted to the Vice-Chancellors in May, and approved, in June.

The service lease arrangement with Universities New Zealand was reviewed and confirmed. This arrangement continues to provide high quality administrative support to NZUAAU and has reduced overall administrative expenditure.

All policies and administrative procedures of NZUAAU were reviewed during the first half of 2012 and revisions submitted to the Board for approval in July 2012.

As trialled with the audit of AUT University, the Quality Enhancement and Communications Manager has attended all audits undertaken in 2011/12 as note-taker, rather than hiring outside secretarial support. This change has ensured that the notes demonstrate a high level of understanding of the task and content, and has contributed to an increased standard of support provided to the audit panel. The involvement of the Quality Enhancement and Communications Manager also provides a level of risk mitigation against any possible absence of the Director in the future.

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<sup>1</sup> National Assessment and Accreditation Council (India)

NZUAAU ceased its contract with Miller Dean Chartered Accountants for accountancy services. Day-to-day accounting functions are now undertaken within the office, and MTM Accounting Limited has been appointed to provide end-of-year financial reporting assistance and ad hoc advice. The Quality Enhancement and Communications Manager, appointed in February 2010 to a 0.6 position, was extended by 0.2 to accommodate this increased role.

Orbit Travel continued to manage international travel not booked with AirNZ.

Universities New Zealand provided Health and Safety oversight, including emergency preparedness. Staff of NZUAAU are kept up to date with changes in procedures, and attended a training course for the use of a defibrillator purchased by UNZ.

*References: NZUAAU Policies and Operations Manual; Board minutes.*