

**Annual report  
for the year  
2009**

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



**Emeritus Professor David Mackay**  
*Chair of the Board*



**John M Jennings**  
*Director of the Unit*



**Ruth Berkalitzky**  
*Office Manager*

**New Zealand Universities Academic Audit Unit**  
*Te Wāhanga Tātari*

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**New Zealand Universities  
Academic Audit Unit - Te Wāhanga Tātari**

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*as adopted by the Board*

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## Membership of the Board for 2009

<i>Chair</i>	Emeritus Professor <b>Les Holborow</b> Emeritus Professor <b>David Mackay</b>	term expired 31 January 2009 appointed 1 February 2009 term expires 31 December 2011
<i>Deputy Chair Nominated by the professions</i>	Dr <b>Tony Baird</b> ONZM Medical Council of New Zealand	term expired 31 December 2009
<i>Member of the New Zealand Vice-Chancellors' Committee</i>	Professor <b>Stuart McCutcheon</b> University of Auckland	term expires 30 June 2011
<i>Nominated by the Association of University Staff of New Zealand</i>	Dr <b>Alison Kuiper</b> Lincoln University	term expires 31 December 2011
<i>Nominated by the New Zealand Union of Students' Associations</i>	Mr <b>Jordan King</b> New Zealand Union of Students' Associations	term expired 31 December 2009
<i>Nominated by Business New Zealand</i>	Mr <b>Jeremy Baker</b> Executive Director, Industry Training Federation	term expires 31 December 2012
<i>Member of the community with expertise in quality assurance</i>	Ms <b>Heather Baigent</b> Director, Interact Consulting Ltd	term expires 31 December 2012
<i>Director</i>	Mr <b>John M Jennings</b> Director	

## Report from the Chair of the Board

The year 2009 represented a year of significant changes for the New Zealand Universities Academic Audit Unit and presaged further changes in 2010. Emeritus Professor **Les Holborow** retired from the position of Chair of the Board at the end of January 2009 and I took up the position on 1 February. I wish to record my appreciation of the work of Professor Holborow in his five-and-a-half years as Chair and the assistance that he provided me in the transition to the new role. As well as conducting its regular review cycle, the Unit itself was reviewed during 2009 and the recruitment process for a new Director was begun and completed just before Christmas. The present Director, **John Jennings**, will retire from his position on 28 February 2010 to be replaced by Dr **Jan Cameron**. The Unit will move offices during 2010 to new accommodation adjacent to the New Zealand Vice-Chancellors' Committee and many of the recommendations of the review of the Unit will be implemented in the course of the year.

During 2009, the Board of the Unit received updates from the Director on progress with the main audit activities for the year – the administration of the whole-of-institution audits of the University of Auckland during the first half of the year and of Victoria University of Wellington during the second half of the year. These were the second and third academic audits of Cycle 4 which are being administered by the Unit during 2008-2012. The Board is always grateful for the dedication of those contracted by the Unit to serve on academic audit panels. The value of the reports that arise from the audit process depends very much upon their professionalism and experience.

The Board has taken an interest in the development by the Unit of evaluation questions that will be used as the framework for academic audits from 2010. As reported in the last annual report, the Board participated in the development of the evaluation questions late last year, and did so again early in 2009 prior to their being sent to the universities for comment. The evaluation questions were confirmed mid year and the Director has been visiting the universities to be audited from 2010 to ensure the purpose and scope of the questions are understood. The change from audit topics to evaluation questions has been welcomed by the universities.

The most far-reaching event for the Board and for the future of the Unit was the commissioning by the Board of a panel to review the Unit. The review was supported by the New Zealand Vice-Chancellors' Committee and was formally announced in early 2009. The Board was delighted to secure the services of Dorte Kristoffersen as Chair of the panel. At the time of the review, Ms Kristoffersen was Deputy Executive Director of the Hong Kong Council for the Accreditation of Academic and Vocational Qualifications, Hong Kong, China; she was also Vice-President of the Asia Pacific Quality Network and a member of the Board of the International Network of Quality Assurance Agencies in Higher Education, and had much experience in reviewing quality assurance agencies as chair and member of a number of panels around the world. Other members of the panel were Dr Anne Martin (former Deputy Vice-Chancellor, Deakin University, Australia) Professor Barrie Macdonald (former Pro-Vice-Chancellor, Massey University) and Pauline Kingi CNZM (Regional Director, Te Puni Kōkiri, Auckland). The Board employed Exmoor Associates to act as an independent secretariat.

The report of the external review of the Unit (available on the Unit's website <http://www.nzuaau.ac.nz>) commended the Unit for many of its operations (reference is made to them in the report from the Director), and provided sixteen recommendations, twelve of which related to consideration of, or improvements to, the governance/management of the Unit and various aspects of the academic audit process. Of immediate interest to the Board are four recommendations, together with key passages in the text, which focus on the strategic future of the Unit. The report notes that, although the Unit has existed for fifteen years, the basic structure for quality assurance of the universities has not been reviewed, and that it may be timely for the New Zealand Vice-Chancellors' Committee to consider undertaking an environmental scan in relation to the structures used to fulfil its quality assurance responsibilities. The

Board is already in discussion with the New Zealand Vice-Chancellors' Committee over this, as such a scan – which is being delayed until the arrival of the new Director – will inform the way the Board addresses other key recommendations on the strategic direction of the Unit and on matters of governance and management.

The Board held four meetings during the year – normal business meetings in March, June and November, with a special meeting in September to discuss the report of the external review of the Unit. I have appreciated the support of the Board and the guidance they have provided me in my first years in this role. Because of the review of the Unit, and the appointment process for a new Director, it has been a busier year than usual for the Board and I wish to acknowledge the commitment and time members have devoted to the Unit.

Two members of the Board retired at the end of 2009 – Dr **Tony Baird** (nominated by the professions) and **Jordan King** (nominated by the New Zealand Union of Students' Associations). I wish to thank them for their contributions. In particular, the Board lost a faithful servant in its current Deputy Chair, Tony Baird, who had given outstanding service as a member for the last seven-and-a-half years, with the last two years as Deputy Chair of the Board. The Board has been grateful for his insightful contribution and strong support for quality university education. Tony Baird brought to the Board a considerable experience gained from the national medical positions he has held.

The terms of two other members of the Board who have made significant contributions were also to end on 31 December. The Board is delighted that the New Zealand Vice-Chancellors' Committee agreed to the reappointment of both members – Ms **Heather Baigent** (member of the community with expertise in quality assurance) and Mr **Jeremy Baker** (nominated by Business New Zealand). Jeremy Baker will take over from Tony Baird as Deputy Chair of the Board.

The Board is grateful for the work of the Office Manager, Mrs **Ruth Berkalitzky**, in the administration of the Office and the personal assistance to the Director during a busy year, with two institutional academic audits and the preparation for the external review of the Unit

In early 2009, the Director indicated his intention to retire from the position at the end of January 2010, after eight years in the position. During the second half of the year, after receiving the report of the external review of the Unit, the Board advertised the position and was able to announce the appointment of Dr **Jan Cameron**, Assistant Vice-Chancellor (Academic) at the University of Canterbury, who will take up the position on 1 March 2010. John Jennings will stay on as Director until the end of February 2010. Jan comes to the Unit with considerable experience of quality assurance and accreditation processes in the tertiary sector. She has been closely involved in audit cycles at the University of Canterbury, managing the Cycle 3 audit and doing the preparatory work on Cycle 4. She has also been involved at the national level, including many years as a member of the New Zealand Vice-Chancellors' Committee's Committee on University Academic Programmes.

The year 2009 was **John Jennings'** last as Director of the Unit. John joined the Unit at the beginning of 2002 and in his eight years as Director has built up an enormous amount of respect across the university sector for the objective, dedicated and systematic way he handled the academic audit cycles. His detailed knowledge of quality assurance processes is appreciated in the tertiary education sector as a whole and his diligence, tact and guidance have been much appreciated by the Board which will farewell him in March 2010. I want to personally wish him well in his retirement

**Emeritus Professor David Mackay**  
**Chair**

# Report from the Director of the Unit

## Background

The New Zealand Universities Academic Audit Unit was established by the New Zealand Vice-Chancellors' Committee in 1993. The Unit operates as an independent academic audit and enhancement agency under terms of reference which were revised with effect 1 January 2006. The Constitution of the Unit requires the Unit to act as a fully independent body in the conduct of its audit activities.

The Unit began operations in 1994. The Unit completed two pilot audits in 1994 and Cycle 1 institutional 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 the Unit – were undertaken during 2000 and 2001; and Cycle 3 academic audits – on teaching quality, programme delivery and the achievement of learning outcomes – were undertaken between 2003 and 2006. Cycle 4 academic audits – whole-of-institution – are being administered during the four years mid-2008 to mid-2012.

The Unit was itself reviewed by independent panels in 1997 (towards the end of Cycle 1), during 2001 (towards the end of Cycle 2), and again in 2009. Each review seeks input from the universities and other key stakeholders, and each review report contributes towards the determination of the future work of the Unit.

The vision of the Unit is:

*Quality New Zealand university education serving students' futures.*

The mission of the Unit is:

*To contribute to quality New Zealand university education by:*

- *engaging as leader and advocate in the development of quality cultures,*
- *applying quality assurance and quality enhancement processes that enable improvement in student engagement, experience and learning outcomes.*

## The year in review

The chief activities of 2009 were the academic audits of the University of Auckland (report released August) and Victoria University of Wellington (report released November). The first half of the year was made very busy with the completion of a self-assessment portfolio for the external review of the Unit by an independent panel which included two international members and two national members. The report of the external review was considered by the Unit towards the end of the year.

Other activities were undertaken to the extent possible given the limited resources of the Unit. The following report on Unit activities during 2009 is structured around the four objectives and proposed activities as set down in the Unit's operational plan for the period under review.

## Quality audits

### Objective 1

*Timely completion of academic audits producing audit reports acknowledged as authoritative, fair and perceptive, and of assistance to universities.*

### Activities proposed in the *Operational plan 2007-2009* and a report on action in 2009

#### *Terms of reference*

*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,*

Term of reference 1

*Comment on the extent to which procedures in place in individual institutions are applied effectively,*

Term of reference 2

*Comment on the extent to which procedures in place in individual institutions reflect good practice in maintaining quality.*

Term of reference 3

*Carry out such contract work as is compatible with its audit role.*

Term of reference 7

#### *Activities*

*Receive and comment on the follow-up reports to the Cycle 3 academic audit report recommendations and the universities' enhancement initiatives from universities audited in 2005 and 2006.*

The last of the follow-up reports on progress on Cycle 3 recommendations and enhancement initiatives was received from Lincoln University (audit report released in January 2007) and was considered by the Board. The University has succeeded in embedding the recommendations into its operational plans.

*Prepare successfully for the administration of the substantive Cycle 4 academic audits to a timetable as agreed by the Unit and the universities.*

Professional and appropriately qualified academic auditors are critical to the quality of academic audit. In February, a two-day auditor meeting was held for auditors who had been engaged in academic audit in Cycle 3, together with a small number of new non-academic auditors with significant experience of quality systems outside of universities. This supplemented an auditor training for academics new to the Unit which was held during 2008. (The register of auditors for Cycle 4 is available on the Unit's website <http://www.nzuaau.ac.nz>.) The first day – to which all auditors who attended the 2008 training were also invited – covered a range of topics, including a comparison of ISO audit with the Unit's academic audit process, and the relationship of internal to external academic audit. The second day focussed on discussions of the evidence appropriate to respond to the evaluation questions which were being developed by the Unit within the indicative framework devised by the Unit for Cycle 4 academic audits. Members of the Board chaired sessions throughout both days.

*Proper briefing of universities on the nature of Cycle 4 academic audits.*

*Liaise with universities prior to the audits and respond to requests for assistance and/or information in preparation for the audits.*

In March, the Board approved a draft set of evaluation questions for use in academic audit for distribution to all universities for comment. The questions replace the 'activities' identified in the indicative framework promulgated in the academic audit manual for Cycle 4 audits. The framework of main sections covering all aspects of the university, and the 'topics' with each section all remain as in that framework. In mid-June, the Board considered the comments received from four universities. (The September 2009 version of the evaluation questions is available on the Unit's website <http://www.nzuaau.ac.nz>.)

The University of Canterbury (academic audit first half of 2010) had asked to be audited against the January 2009 version of the evaluation questions; the University of Waikato (academic audit second half of 2010) welcomed the new evaluation questions and will use them for their audit. The Director kept in touch with both universities during 2009 to ensure that their self-assessment and the nature of the academic audit against the high-level evaluation questions was well understood.

During the second half of 2009, the Director visited other universities yet to be audited in Cycle 4 – Auckland University of Technology and the University of Otago (audits in the first and second halves of 2011 respectively) and Lincoln University (audit in the first held of 2012 – visit made in January 2010).



Meetings associated specifically to briefings for academic audit are viewed by the Unit as part of the maintenance and enhancement of strong and purposeful professional working relationships with all universities. As well, such visits help the Unit gain a good knowledge of the quality culture of the universities in order for the Unit to provide a service that adds value to their work. The Unit is most grateful for the willingness of university personnel to assist the Unit achieve this objective.

*Conduct the academic audit of the University of Auckland and the Victoria University of Wellington during 2009*

The University of Auckland presented its self-assessment portfolio to the Unit in late February, and the site visit by the audit panel took place in mid May. The final report was presented to the University in early September and was released as a public document a fortnight later.

Victoria University of Wellington presented its self-assessment portfolio to the Unit at the beginning of June, and the site visit by the audit panel took place in mid August. The final report was presented to the University in early November and was released as a public document a fortnight later.

(The reports are available on the Unit's website <http://www.nzuaau.ac.nz>.)

University feedback on the audit process is requested after each audit. Massey University gave its feedback on its 2008 academic audit during a meeting in April at the University with the Chair of the panel and the Director, offering suggestions for improvement, some of which had been put in place by the Unit. Feedback from the University of Auckland and Victoria University of Wellington will be sought in 2010.

## Quality networking

### Objective 2

*Improved quality of the Unit's activities through enhanced networking links with government, education and academic audit agencies involved in tertiary education.*

### Activities proposed in the **Operational plan 2007-2009** and a report on action in 2009

*Enhance existing relationships with government, education and academic audit agencies in New Zealand.*

The Unit has maintained strong operational links with the following national educational and quality assurance agencies:

- the Ministry of Education – in particular, personnel in the Tertiary and the International Divisions, and the Office of the Administrator of the *Code of practice for the pastoral care of international students*,
- the Tertiary Education Commission – in particular, personnel involved in the implementation of the quality assurance and monitoring aspects of the tertiary education reforms,
- the New Zealand Qualifications Authority – in particular, the Deputy Chief Executive, Quality Assurance, and personnel involved in the development of evaluation indicators,
- Institutes of Technology and Polytechnics Quality (ITP Quality),
- the Education Review Office,
- Ako Aotearoa (National Centre for Tertiary Teaching Excellence),
- the Office of the Auditor General.

As well, the Unit has maintained a constant liaison with the Executive Director of the New Zealand Vice-Chancellors' Committee and through her, with the Committee's Committee on University Academic Programmes. Liaison with the New Zealand Tertiary Education Union and with the New Zealand Union of Students' Associations is maintained primarily through the membership of nominees of those agencies on the Board of the Unit.

The Chair of the Board and the Director normally attend the quarterly meetings of the Inter-Institutional Quality Assurance Bodies Consultative Group. This has representatives from all agencies that conduct quality assurance and quality audit in tertiary education, and is convened by the New Zealand Qualifications Authority. The Unit regrets that the scheduled meetings during 2009 were cancelled because of a lack of agenda items, since this removed opportunities to be made aware of quality assurance developments in kindred agencies.

The Unit has also been in discussion with WEB Research – The Centre for Research on Work, Education and Business – which has been involved in the developmental work being undertaken by the New Zealand Qualifications Authority. WEB Research is very familiar with the processes and outputs of this Unit. The Unit has welcomed the opportunity to have external input as the Unit develops a process that will parallel that of the New Zealand Qualifications Authority. In summary, the Unit's well-established processes are well-suited to the

Authority's move towards self-assessment and external evaluation and review, with the main difference being the extent to which the Authority's reports have overall judgements of confidence. This is consistent with the report of the external review of the Unit which believes that the Unit could have a more equal balance between enhancement and quality monitoring and a stronger accountability role, and that the Unit's reports should describe clearly the level of confidence that an audit panel has in the quality of a university's systems and processes.

*Enhance relationships with international quality assurance agencies.*

The Unit maintains linkages with international agencies, in particular:

- the Australian Universities Quality Agency,
- the Quality Assurance Agency for Higher Education, England,
- the Scottish Office of the Quality Assurance Agency for Higher Education,
- the Office for National Education Standards and Quality, Thailand.

*Enhance relationships with international quality networks.*

The Unit is limited by its size (only one professional member of staff) in its ability to play an active role in international quality networks. The Director's term as the non-Board member of the Asia Pacific Quality Network's Finance Committee ended in March.

The Director is a member of the committee that referees submissions for the database on Good Practice in Quality Assurance administered by the International Network of Quality Assurance Agencies in Higher Education.

*Visitors*

During the year, the Unit met with the following international visitors:

- Professor Rajesh Chandra, Vice-Chancellor, University of the South Pacific,
- Morake Mathaga from the Tertiary Education Council, Republic of Botswana

*Presentations*

Presentations about the role, philosophy and work of the Unit were given to:

- the Board of the Independent Tertiary Institutes in New Zealand, chaired by Tim Cullinane,
- a delegation from the National Accreditation Agency for Higher Education in the Ministry of Education, the Republic of Indonesia, led by Professor Kamanto Sunarto.

## **Quality practices**

### **Objective 3**

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

### **Activities proposed in the *Operational plan 2007-2009* and a report on action in 2009**

*Terms of reference*

*Identify and commend to universities national and international good practice in regard to academic quality assurance and quality enhancement.* Term of reference 4

*Assist the university sector to improve its educational quality.* Term of reference 5

*Advise the New Zealand Vice-Chancellors' Committee on quality assurance matters.* Term of reference 6

The main response by the Unit to these terms of reference is realised through the recommendations and identification of good practice arising from its academic audit activities, and from the incorporation of good practice into its own operations. With only one full-time professional member of staff, the Unit draws from time to time on professional expertise from within the university sector and from the wider tertiary sector. The Unit is grateful for the willing assistance it receives, and for the wisdom, insights and expertise this brings to the work of the Unit.

*Activities*

*Become involved in working parties on aspects of quality assurance and quality enhancement set up by national and/or international government and/or education agencies.*

*Co-host the annual Quality Enhancement Meeting, ensuring that it provides an opportunity for robust discussion about the work of the Unit within the universities, and the sharing of good practice models in quality assurance and quality enhancement that are in operation in New Zealand universities.*

In September, the Unit, with the host university, was joint sponsor of the fourteenth annual Quality Enhancement Meeting (QEM) of the Unit and quality ‘personnel’ from all universities. QEM 14 was hosted and organised by the University of Canterbury. The theme for the meeting was ‘benchmarking’, with keynote presentations around the formal benchmarking arrangements in place between the University of Canterbury and the University of Adelaide, supplemented by a number of reports on benchmarking good practice in the other universities.

*Participate in, and present papers to, national and international conferences on the innovative aspects of the work of the Unit that contribute to the development of policies and practices in quality assurance and quality enhancement in education.*

In July, Sarah Carr of the University of Otago presented a paper, co-authored with the Director, to the Australian Universities Quality Forum in Alice Springs, on ‘Internal and external quality assurance: towards a model for integration’ based on the experience of New Zealand universities and the Unit. The session in which the presentation was made was chaired by Dr David Woodhouse, former director of the Unit and now Executive Director of the Australian Universities Quality Agency and President of the International Network of Quality Assurance Agencies in Higher Education.

In November, the Director presented a paper entitled ‘Lessons learned from academic audit’ to the World Quality Day seminar held by the Auckland Branch of the New Zealand Organisation for Quality.

*Produce publications that contribute to the literature of quality assurance, quality audit and quality enhancement in higher education.*

The following Unit publications were released as public documents during the year. All these publications are available from the Unit Office and are on the Unit’s website, <http://www.nzuaau.ac.nz>.

- *Massey University, Te Kunenga ki Pūrehuroa: academic audit report, Cycle 4.* December 2008 [released January 2009].
- *Annual report for the year 2008: a report on the activities of the New Zealand Universities Academic Audit Unit – Te Wāhanga Tātari.* March 2009
- *Self-assessment portfolio for the 2009 external evaluation and review of the New Zealand Universities Academic Audit Unit Te Wāhanga Tātari.* March 2009.
- *University of Auckland Te Whare Wānanga o Tāmaki Makaurau: academic audit report, Cycle 4.* August 2009.
- Dorte Kristoffersen (Chair of the panel), *External review of the New Zealand Universities Academic Audit Unit Te Wāhanga Tātari New Zealand.* August 2009 [released October 2009].
- *Victoria University of Wellington Te Whare Wānanga o Te Ūpoko o Te Ika a Māui: academic audit report, Cycle 4.* November 2009

*Other publications:*

- John M Jennings. The value of external audit. *QNewZ*, May 2009, p.11-12.
- Sarah Carr and John M Jennings. Internal and external quality assurance: towards a model for integration. In *Proceedings of AUQF 2009 – internal & external quality assurance: tensions and synergies*, p.63-68. July 2009. Available at: <http://www.auqa.edu.au/files/publications/auqf%20proceedings%202009.pdf>

## **Quality processes**

### **Objective 4**

*Effective processes to produce timely completion of tasks and a high level of satisfaction by universities and other stakeholders in the work of the Unit.*

### **Activities proposed in the *Operational plan 2007-2009* and a report on action in 2009**

*Employ appropriate support resources to ensure the smooth and efficient running of the Unit in its dealings with its ‘customers’ in accord with the Unit’s values and code of practice.*

The review of the Unit by an external panel provided an opportunity for an independent evaluation of the quality of the Unit's efficiency, dealings with 'customers', and its commitment to quality university education. The panel evaluated the evidence provided by the Unit through interviews with a range of stakeholders. The Unit was pleased to note that the report commended it for:

- the comprehensive, well-structured and publicly accessible academic audit manual,
- the initiatives in seeking feedback with the purpose of continuously improving its work,
- the consultative approach to developing Cycle 4 and the reference in the last two years to the reform work led by the Tertiary Education Commission,
- the initiative to conduct contract audits,
- the annual Quality Enhancement Meetings which provide a systematic means of communication and information sharing among university quality personnel,
- the co-operation with the Australian Universities Quality Agency and that Agency's Good Practice Database,
- the systematic approach to documenting procedures, and
- the quality of its office procedures.

The review also provided sixteen recommendations. Four of them were with respect to the future strategic direction of the Unit, five with respect to governance and the management of the Unit, and seven recommendations addressed four aspects of the academic audit process – the self assessment, auditor training and selection, audit report writing procedures, and the lack of an appeals process. The Unit will assist the Board in addressing the recommendations as quickly as possible.

*Provide timely advice to, and seek information from, the Chair and the Board of the Unit as appropriate.*

The Board is consulted on all important statements of policy and the Chair is consulted on all significant public statements. The Chair is updated from time-to-time by the Director on the operations of the Unit.

*Use proper accounting processes to ensure the highest level of financial responsibility and the use of proper processes in complying with legislation.*

The 2008-2009 financial audit was without qualification and reflected the high level of care taken by the Unit's accountants and the importance placed by the Unit on maintaining a high level of financial responsibility.

## **Finances**

A summary of the financial performance and financial position for the financial year ending 30 June 2009 can be found at the end of this report. The expenditure for the year resulted in an operating loss of \$4,581 compared to a surplus of \$1,770 for the year ended 30 June 2008. Expenditure for the year ended 30 June 2009 included \$32,156 for work associated with the review of the Unit. The review of the Unit was not approved by the Board until late 2008 which was about six months after the budget for the year had been approved and the grant to the Unit determined by the New Zealand Vice-Chancellors' Committee.

A figure of \$49,050 for the review of the Unit was included in the budget for the year ended June 2010 and was accepted by the New Zealand Vice-Chancellors' Committee. Therefore the cost of the review has been included in the New Zealand Vice-Chancellors' Committee grant to the Unit for 2009-2010 and the expenditure on the review of \$32,156 incurred during 2008-2009 will be recovered by that grant.

## **Administration of the Office**

The Office Manager, Mrs **Ruth Berkalitzky**, is also the Personal Assistant to me as the Director, and has worked conscientiously and with good humour to maintain and enhance the administration of the office and the important interface with the universities, the public and businesses.

The Unit's accountants are **Miller Dean Chartered Accountants Limited**, and the Unit's legal advisers are **KensingtonSwan**.

## **Governance**

The Unit is governed by a Board representing various communities of interest, and the Board carries responsibilities in formulating policy and in ensuring policy is carried out by the staff of the Unit. I join with the Chair of the Board in acknowledging the contribution of Dr **Tony Baird** whose term ended at the end of 2009. Throughout his time on the Board, especially as Deputy Chair, he has offered personal support and encouragement which I have appreciated. I also welcome the reappointments of **Heather Baigent** and **Jeremy Baker** for second terms.

As always, the vital link between governance and management is the interaction between the Chair of the Board and the Director the Unit. Emeritus Professor **David Mackay** took over from Emeritus Professor **Les Holborow** as Chair in February 2009. (An appreciation of the contribution of Professor Holborow to the governance of the Unit was included in last year's *Annual report*.) I am most grateful for the smooth transition and handover of duties and I have appreciated Professor Mackay's personal support and commitment to the Unit. Given he served as a Chair for one of the audit panels in Cycle 3 prior to his retirement from Victoria University of Wellington, Professor Mackay comes with some inside knowledge and experience of the workings of the Unit and the role and contribution of audit panels – knowledge and experience that should be most useful to the deliberations of the Board as it equips itself for the future.

## **Valediction**

In writing this, my last, *Annual report*, I have taken the opportunity to reflect on eight busy, productive and happy years as Director of the Unit. I have come to appreciate the extent of gratitude I owe to many people who have assisted me to grow and learn. I wish to thank the former and present Chairs, Board members, academic auditors and Unit staff for their support and assistance in ensuring that the Unit has done its best to serve the university sector in accordance with the Unit's vision of a 'Quality New Zealand university education serving students' futures'. I wish to thank those in the university sector who have served on reference groups set up by the Unit and who have offered their advice and wisdom so generously for the good of the Unit, the universities and the academic audit process. And, above all, I wish to acknowledge publicly my deep personal appreciation to my wife, Cynthia Jennings, who, while disabled and unable to move to Wellington, supported me in my desire to give my time and to devote whatever skills I might have to the service of the New Zealand university sector through working for this national agency based in Wellington.

It is my hope that the Unit has been successful in improving and consolidating relationships with the universities, has listened to the university sector and acted as responsively and responsibly as has been possible, has been professional in its behaviour, and has worked in partnership with the sector. I know that my successor, in enhancing the work of the Unit in the service of the university sector, will quickly earn the professional respect and personal friendships that I have enjoyed.

**John M Jennings**

***Director***

## Summary of the financial performance and financial position of the New Zealand Universities Academic Audit Unit for the year ended 30 June 2009

### Financial performance

	2009	2008
	\$	\$
<b>Income</b>		
Grants from New Zealand Vice-Chancellors' Committee	307 370	307 482
Audit fees	65 440	10 016
Interest income	6 800	8 878
Consultancy and sundry income	10 290	27 201
	389 900	353 577
<b>Less expenditure</b>		
Administration and office expenses	54 040	48 978
Accounting and financial audit	24 518	29 910
Salaries, wages and ACC levies	156 843	160 951
Meetings, consultancy and honoraria	67 436	51 753
Travel and accommodation	88 898	60 215
Advertising	2 747	-
	394 482	351 807
<b>Net (deficit)/surplus</b>	(4 581)	1 770

### Statement of financial position as at 30 June 2009

<b>Assets</b>		
Current assets	129 475	101 288
Fixed assets	11 778	18 597
Total assets	141 253	119 885
<b>Liabilities</b>		
Current:		
Accounts payable	51 254	26 632
Annual leave	13 620	10 076
Current portion lease liability	2 699	2 216
Non-current:	10 634	13 333
Total liabilities	78 207	52 257
<b>Net assets</b>	63 046	67 628