

**Annual report
for the year
2010**

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

New Zealand Universities Academic Audit Unit
Te Wāhanga Tātari

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Academic Audit Unit - Te Wāhanga Tātari**

as adopted by the Board

Membership of the Board

<i>Chair</i>	Emeritus Professor David Mackay	term expires 31 December 2011
<i>Deputy Chair Nominated by Business New Zealand</i>	Mr Jeremy Baker Executive Director, Industry Training Federation	term expires 31 December 2012
<i>Member of the New Zealand Vice-Chancellors' Committee</i>	Professor Stuart McCutcheon University of Auckland	term expired 31 December 2010
<i>Nominated by the Association of University Staff of New Zealand</i>	Dr Alison Kuiper University of Sydney (formerly Lincoln University)	term expires 31 December 2011
<i>Nominated by the New Zealand Union of Students' Associations</i>	Mr Pene Delaney New Zealand Union of Students' Associations	term expired 31 December 2010
<i>Nominated by the Professions</i>	Mr John Sinclair NZ Institute of Architects	term expires 31 December 2012
<i>Member of the community with expertise in quality assurance</i>	Ms Heather Baigent Director, Interact Consulting Ltd	term expires 31 December 2012
<i>Director</i>	Mr John M Jennings Dr Jan Cameron	till 28 February 2010 from 1 March 2010

Report from the Chair of the Board



Changes in the tertiary education sector have produced significant challenges for universities in 2010. The introduction by the Tertiary Education Commission of performance indicators for teaching outputs, linked to university funding, has necessitated a review of the general approaches to teaching and learning across the sector. It was also the year in which the funding cap introduced in 2009 began to have a more general impact on admission practices with some universities cutting off mid-year entry and most refining their admission processes to manage numbers. Funding pressures continued with the Universities having to absorb the impact of the end of the tripartite salary augmentation process. All these changes have implications for University processes, for quality and quality assurance and can be expected to impact on the role and work of the New Zealand Universities Academic Audit Unit in the next few years.

Changes in the operation of the Unit leave it well placed to face these challenges. Dr Jan Cameron took up the position of Director of the Unit in March and lost no time in pushing ahead with changes foreshadowed in the previous year as well as on a number of new initiatives. This work was made significantly easier by the re-location into new premises shared with Universities New Zealand. The new offices are both attractive and efficient, providing access to larger meeting room spaces and general facilities. Good progress is being made for shared service arrangements in general administration and IT and these will increase efficiency and lower costs, while enabling the Unit to maintain its autonomy.

The Board received the reports of two more Cycle 4 audits in 2010 – those of the University of Canterbury and Waikato University. Since Dr Cameron had only recently left Canterbury University, and to avoid any risk of conflict of interest, secretariat services for that audit were provided by the former director, Mr John Jennings. I would like to express appreciation to him for his willingness to return to take on this task. Both these audits proceeded smoothly which was once again due the professionalism and experience of the audit teams involved. Both produced a significant number of commendations and recommendations. In general terms the audits revealed the sustained commitment to international level teaching and research. Pleading features which were common to both were the range of initiatives to support Maori students and the strong relationships both universities have with external communities and stakeholders.


During the year significant progress was made in addressing the recommendations in the 2009 review of the NZUAAU. As recommended by the Review, the Director undertook an environmental scan of the tertiary quality assurance framework as it applied to universities. The purpose was to clearly define the position of the NZUAAU in this network and to highlight its role. The scan was discussed by the Board at its June meeting and formed the background to the incorporation of a number of changes into a draft strategic plan for the years 2010-2014. After a small number of amendments this plan was approved by the Board at its November meeting.

Some clear priorities have emerged from the review and strategic planning process. The Unit wishes to respond to the sector desire that the scope of its quality enhancement activities should be increased. This will require a relatively modest increase in the resourcing of the Unit since the Director alone would be unable to fulfil this need. The strategic plan also addressed a need for more professional auditor training and some revision of existing practice. Finally, the plan prepares for the conclusion of the cycle 4 audits and the move to a more thematic set of audits from 2012. These changes were endorsed by a meeting of Universities New Zealand on 11 February 2011.

At its June meeting the Board considered revisions to the Constitution of the NZUAAU put before it by the Director. These reflected a number of changes in the sector since the Unit began its work in 1993 as well as a significant amount of tidying up and streamlining. These changes were approved at the November Board meeting.

During 2010 an external review of the administrative needs of the Unit was conducted. This report identified some procedural problems and made a number of very helpful recommendations. In particular it recommended that the scale and level of support for the Director be enhanced. The shared services arrangement with Universities New Zealand has effectively incorporated many of the recommendations in the review.

The Board held three meetings in 2010 and continued to provide effective support and advice for the Director during 2010. Two new Board members joined the Board: Mr John Sinclair representing the professions and Mr Pene Delaney representing NZUSA. Both brought new perspectives to the Board's deliberations and provided thoughtful and objective contributions. Sadly, Pene left the Board at the end of the year and I wish to thank him for his good work. Professor Stuart McCutcheon, the Universities New Zealand member, also retired from the Board at the end of 2010 and will be replaced by Hon. Steve Maharey, Vice Chancellor of Massey University. I would like to acknowledge Stuart's consistently pragmatic, vigorous and constructive contributions.

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

Background



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

NZUAAU began operations in 1994. Two pilot audits were undertaken 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.

NZUAAU has itself been 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 has sought input from the universities and other key stakeholders, and each review report contributes towards the determination of the future work of NZUAAU.

During 2010 the Constitution and Vision, Mission and Objectives statements were revised. The vision is:

- *World class New Zealand universities based on high quality, internationally accepted academic practices.*

The mission is:

To contribute to high quality New Zealand university education by:

- *engaging as a leader and advocate in the development of universities based on high quality, internationally acceptable, academic practices;*
- *providing quality assurance and quality enhancement services which assist universities*

The year in review

The chief activities of 2010 were the academic audits of the University of Canterbury (report released August) and the University of Waikato (report released December); revision of the constitution; responses to the 2009 external review of NZUAAU; development of a Strategic Plan; participation as host in the Asia-Pacific Quality Network (APQN) Internship programme, and participation in the APQN Mutual Recognition Project.

A significant change has been the relocation of the premises to be co-located with Universities New Zealand in a serviced-lease agreement. In the latter half of the year an NZUAAU office needs assessment indicated ways of enhancing service and improving efficiency in administration.

Other key activities for the new Director included visits to all New Zealand universities to discuss NZUAAU activity, assess university needs and consider the form of future audits; meetings with auditors and a mid-cycle briefing for auditors; a review of the annual Quality Enhancement Meeting; participation in APQN and the International network of Quality Assurance Agencies in Higher Education (INQAAHE) conferences and the Australian Quality Agency Forum.

***Statement of service performance against the objectives of
the
New Zealand Universities Academic Audit Unit
for the period July 2009 to June 2010***

Objective 1 Quality audits

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

Terms of reference for NZUAAU:

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

1. Cycle 4 academic audits were completed for the University of Auckland (August 2009) and Victoria University of Wellington (November 2009).

The University of Auckland assessment was conducted in April (preliminary meeting) – May (site visit) 2009. The report was finalised in November 2009. The audit produced 7 Recommendations,

8 Affirmations and 11 Commendations. The audit panel Chair and the Director of NZUAAU visited the University on 30 April 2010 for discussion of audit recommendations and to receive feedback on audit process. The university expressed overall satisfaction with the audit process and was making progress towards meeting the recommendations.

The Victoria University assessment was conducted in July (preliminary meeting)-August (site visit) 2009. The audit produced 7 Recommendations, 2 Affirmations and 6 Commendations. As a consequence of the change in personnel at NZUAAU the formal follow-up visit to Victoria did not occur. However the Director followed up informally with Victoria staff during a visit on 8 July and they reported “no issues” with the audit process or the recommendations. Similar informal follow-up with the Chair of the audit panel indicated some issues with audit process but not such that impacted on the outcome for the University. These issues have now been addressed.

2. Planning and assessment for the academic audit of the University of Canterbury occurred over the first half of 2010. A preliminary meeting was held on 8 April and the site visit occurred 30 May-3 June 2010. Given that the newly-appointed Director of NZUAAU had managed the self-assessment for the University of Canterbury in her previous role, it was agreed with the University that the retiring Director of NZUAAU would provide secretariat services for this audit. The new Director thus played no part in the administration of the audit, received no documentation pertaining to the audit, played no part in the evaluation process, and was not party to any panel discussion or to the report writing.
3. No other audits have been carried out in the period July 2009-June 2010.
4. Throughout the first half of 2010 the Director has been consulting informally with University personnel about the possible form of future audits. There is considerable resistance to continuing with large institutional audits on a five yearly basis but on the other hand there is widespread support for introduction of more frequent and more tightly focused theme audits with less frequent full institutional audits.

References: Audit reports, Auckland University (2009); Victoria University of Wellington (2009); Audit report, University of Canterbury (2010).

Objective 2 Quality networking

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

Terms of reference for NZUAAU:

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

5. As part of her own induction the incoming Director visited six¹ New Zealand Universities during the first half of 2010, and met with five Vice-Chancellors. At the meetings with academic and administrative staff involved in university academic quality management, discussion centred

¹ The other two were visited in July and August 2010.

around future NZUAAU activity which would benefit the universities, emerging themes on the international quality agenda, and the approach to be taken to audit for those universities yet to be audited in Cycle 4.

6. The Director attended the Asia-Pacific Quality Network meeting in Bangkok in March, where she chaired one conference session, and the meeting of the International Network of Quality Assurance Agencies in Higher Education in Namibia in May. Overview comments from these meetings were shared with the NZUAAU Board and with universities both formally and informally. One outcome of the APQN conference was involvement in the international internship programme (July 2010).
7. At both APQN and INQAAHE meetings the Director attended workshops on audit process and auditor training.
8. Discussion with Australian Universities Quality Agency colleagues, both in person and by email, has explored best practice in auditor training and in quality agency governance.
9. In response to a recommendation from the 2009 external audit of NZUAAU, an “Environmental Scan” of quality assurance and quality enhancement responsibilities in the university sector has been completed, for presentation to the New Zealand Vice Chancellors’ Committee.

References: NZUAAU Board papers, March 2010 and July 2010; NZUAAU Newsletter August 2010; QEM15 presentations September 2010; Environmental Scan.

Objective 3 Quality practices

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

10. The Director presented to a “Focus on Teaching” workshop hosted by the National Tertiary Teaching Academy in Christchurch on 26 March and participated in a seminar on research in higher education sponsored by Ako Aotearoa in Dunedin on 29 April.
11. Throughout much of 2010 the Director has been on the steering group for a tertiary sector conference on self-assessment, hosted by Otago Polytechnic, in December 2010.
12. The Director was a member of an NZQA working party reviewing the graduate outcomes and award definitions for the new New Zealand Qualifications Framework, and reported back to the Committee on New Zealand Academic Programmes (subcommittee of NZVCC) on these developments.

Objective 4 Quality processes

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.

13. NZUAAU underwent external review in August 2009. The Audit Unit was commended on its manual for audit process (p18) and for its office procedures (p31). Recommendations pertained to


governance; strategic planning; staffing; auditor training and audit process. These are being addressed progressively.

14. In preparation for appointment of a new Director in March 2010 a number of office documents were reviewed and processes summarised as part of a comprehensive “handover” folio.
15. The NZUAAU Constitution was reviewed and revised in June to relocate operational detail to the Operations Manual.
16. Relocation of the NZUAAU Office in April 2010 facilitated considerable improvement in operational activity by way of greatly enhanced working environment and efficiencies gained by sharing of operating activity with UniversitiesNZ. Further efficiencies are yet to be gained as legacy commitments are relinquished.
17. NZUAAU continues to be supported by a 0.4fte Office Manager, who carries out administrative tasks. A needs assessment for office support was planned during the latter part of the period (completed in September 2010).
18. Miller Dean Chartered Accountants continued to provide accountancy services for all accounting activity.
19. Capital Edge continued to provide support for computing activity, including website maintenance.
20. Kensington-Swan continued to provide support on legal matters.
21. Minutes secretary service has been provided by external professionals, by local individuals for Board meetings and from Manpower for support of audit site visits. This support should be able to be provided for in-house but appropriate expertise is not available.

References: Report of external review of NZUAAU, August 2009; NZUAAU Constitution.

Finances

NZUAAU works to a July-June financial year. The expenditure for the year ended 30 June 2010 resulted in an operating surplus of \$5,130 compared to a loss of \$4,529 for the year ended 30 June 2009. Expenditure for the year ended 30 June 2009 included \$32,156 for work associated with the review of NZUAAU which was not budgeted for.



Dr Jan Cameron.
Director
7 October 2010.

Summary of the financial performance and financial position of the New Zealand Universities Academic Audit Unit for the year ended 30 June 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
Income		
University Annual Grants	380,030	307,370
Academic audit fees	59,587	65,440
Interest Income	3,455	6,800
Consultancy & Sundry Income	<u>2,354</u>	<u>10,290</u>
	445,426	389,900
Less Expenditure		
Administration and Office expenses	63803	54040
Accounting and Financial Audit	30557	29910
Salaries, Wages and ACC levies	174550	156843
Employment expenses	11502	-
Meetings, Consultancy, Honoraria	97827	67436
Travel and Accommodation	60434	88898
Advertising	<u>1623</u>	<u>2747</u>
	440,296	394,429
Net Deficit/Surplus for the Year	\$5,130	(\$4,529)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
Assets:		
Current Assets	115,277	129,469
Fixed Assets	5,605	11,778
	-----	-----
Total Assets	120,882	141,247
Current Liabilities:		
Accounts Payable	35,499	51,195
Annual Leave, Wages & Employer Superannuation	6,497	13,620
Current Portion Lease Liability	3,196	2,699
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	45,192	67,514
Non-Current Liability		
Lease Liability	7,461	10,634
	-----	-----
Total Liabilities	52,653	78,148
	-----	-----
Net Assets	\$68,229	\$63,099

