



**NEW ZEALAND UNIVERSITIES ACADEMIC AUDIT UNIT
TE WAHANGA TATARI KAUTE TOHUNGATANGA
O NGA WHARE WANANGA O AOTEAROA**

**FOLLOW-UP TO THE FORMAL RESPONSE
TO THE 2001 INDEPENDENT REVIEW OF THE
NEW ZEALAND UNIVERSITIES ACADEMIC AUDIT UNIT**

DECEMBER 2005

This follow-up report is being written three years after the formal response in July 2002. The aim is to evaluate how well the Unit has carried out the tasks that it said it would at the time of the response. It is considered a timely thing to do given that the New Zealand Vice-Chancellors' Committee and the Board of the Unit are in discussion as to the future of academic audit post 2006.

The formal response is provided in full; the follow-up comments are presented in boxes, and are placed immediately after the sections of the response to which they refer.

BACKGROUND

- 1 The Unit was reviewed during 2001 by a panel, chaired by Professor John Burrows, who presented their report - containing 18 recommendations - in October 2001. The report was considered by the Unit's Board which circulated a preliminary response dated 5 November 2001, which was seen by the New Zealand Vice-Chancellors' Committee prior to that Committee issuing its own response dated 26 February 2002.
- 2 The new Director of the Unit, appointed with effect from 21 January 2002, considered the findings and recommendations of the report when developing a Draft Planning Document in which the objectives and planned activities for the Unit for the period 2002-2006 were set down. That draft document was considered by the Unit's Board who supported the Director's intention to discuss the issues raised by that document with all universities during April 2002. The final form of the Planning Document, together with a statement about Cycle 3 institutional audits, was adopted on 5 June 2002.
- 3 The Board considered the draft of this Formal Response at its meeting on 5 June 2002, and approved the draft response subject to further amendment. Amendments were forwarded by e-mail to members of the Board who accepted them after an e-mail exchange.

GENERAL COMMENT

- 4 The Board wishes to reaffirm its November 2001 observations that it is pleased to note the recognition expressed by the Panel of the key role the Unit has played since its inception in 1993 in assisting the universities in the significant developments they have undertaken in recent years in quality enhancement, and in the Panel's conviction the Unit will continue to have an essential role to play.

- 5 It is clear to the Board that there is general acceptance of the findings of the review which represents the concerns of universities with respect to their experience of 'audit fatigue' and their wish for time to implement changes arising from recommendations in Cycles 1 and 2 audit reports. It is not surprising, therefore, that the New Zealand Vice-Chancellors' Committee and the universities should welcome many aspects of the report, in particular the strengthening of the Unit's contribution to the enhancement of quality along with the Unit's core audit functions.

COMMENTARY ON THE RECOMMENDATIONS

- 6 The following commentary on the recommendations of the review report expresses the Board's responses and intended actions in the knowledge of the views of both the New Zealand Vice-Chancellors' Committee, and of the universities following the Director's visits. As indicated in 2 above, the Unit's Planning Document addresses and progresses on a number of the issues identified in the Report and its recommendations.

RECOMMENDATION 1

That the NZUAAU continue to work co-operatively and share good practice with other quality assurance agencies in the tertiary education system, and indeed beyond it.

RECOMMENDATION 2

That the NZUAAU and NZVCC continue to meet with other agencies which monitor the universities with a view to promoting mutual co-operation and the minimisation of duplication and overlap.

- 7 Recommendations 1 and 2 are supported by the Board. The networking with other quality assurance agencies established under the Foundation Director is being continued and enhanced by the new Director. The new environment following the release of the reports of the Tertiary Education Advisory Commission, the anticipated establishment of the Tertiary Education Commission, and the implementation of government strategies for tertiary education will have to be matched by stronger linkages between the Unit and other quality agencies, especially government agencies. This is to ensure that the Unit is best able to support the universities in meeting the monitoring and quality assurance requirements of these agencies, and to do that in ways that minimise duplication and overlap in these requirements.

The Unit established contacts with the Transition Tertiary Education Commission in 2002 and has maintained ongoing contacts with operational staff of the Tertiary Education Committee since 2003. The Board has occasional discussions with members of the Commission.

In 2002 and 2003, meetings were held between the Unit and the Office of the Auditor General and the Ministry of Education. The Director has maintained informal interaction with personnel at a more operational level in the Tertiary Education section of the Ministry of Education; staff from the Commission have also been involved in activities promoted in whole or in part by the Unit – such as the Quality Enhancement Meeting 10 in 2005.

The Director has been appointed on to a number of New Zealand Qualifications Authority working groups; this work has kept the Unit informed of the thinking of the Authority and its delegated quality assurance bodies, and has provided opportunities for the Unit to offer advice.

Up until late 2003, the Director met with New Zealand Qualifications Authority and its delegated bodies - Institutes of Technology and Polytechnics Quality, the Colleges of Education Accreditation Committee – to discuss operational details. These meetings have

lapsed, in part because of the chances to interact and compare operational processes arising from membership of working groups.

The Unit has kept in touch with the Education Review Office, through an annual meeting of the Chair of the Board and the Chief Review Office, and through the use of a member of the Education Review Office staff in auditor training conducted by the Unit.

Recommendation 2 argues for interaction with other agencies with a view to promoting mutual co-operation and the minimisation of duplication and overlap. In April 2005, the Unit prepared for the New Zealand Vice-Chancellors' Committee a list of 19 'external quality requirements'. Some of them are activities necessary for good management, several are exercises in accountability to those who provide funding, or in compliance with legislative requirements. Duplication may arise from the assembling of data, and the Unit has always sought to minimise duplication and overlap by encouraging universities to provide reports and materials that already exists to the greatest extent possible. As the Director has become more involved in academic audit, he has been able to observe that academic audit requires consideration of academic issues that are not covered in other 'external quality requirements'. The substance of academic audit is unique and of a nature quite distinct from that of other 'external quality requirements'. The issue for the Unit and the universities is that the Unit must work hard to avoid unnecessary duplication of effort.

- 8 In its relationships with these external agencies, the Board recognises that the Unit must maintain an appropriate balance between the operational independence necessary to sustain the effectiveness and credibility of its audit functions, and its support and advisory relationship to the New Zealand Vice-Chancellors' Committee in matters of quality assurance. The Board is pleased to note the Vice-Chancellors' Committee's recognition of the importance of the Unit having clearly established operational independence, while also noting the Committee's desire to be kept informed as to the general nature of the Unit's discussions with the external agencies.

The Director maintains a close working relationship with the Executive Director of the New Zealand Vice-Chancellors' Committee so as to ensure that, on the one hand, both are involved in matters that affect the Committee and this Unit and, on the other hand, each respects the other's independence when appropriate.

RECOMMENDATION 3

That the NZUAAU consult with the NZVCC as to the possibility of a representative of the Ministry of Education or TEC being invited to attend audits of universities as either a panel member or an observer.

- 9 The Board does not support this recommendation; neither does the New Zealand Vice-Chancellors' Committee. It is important that audit be carried out by a Unit which is independent of any policy-making or funding body, and the Board believes that the perception of independence would be undermined by the presence of personnel from the Ministry and/or Commission, even as observers. The Board will not be pursuing this recommendation. However, the Board recognises the importance of developing an informed relationship with both the Ministry and the Commission with respect to its audit functions and is actively seeking to establish such a relationship.

This recommendation was not supported.

RECOMMENDATION 4

That there continue to be regular meetings of representatives of NZUAAU and CUAP to ensure that there is understanding and accord as to their respective spheres of activity.

- 10 Supported by the Board. It is necessary to rethink the relationship between the two organisations, and the Chair of the Board and the Director of the Unit are approaching the Committee on University Academic Programmes (CUAP) to talk about these issues. Given that the New Zealand Vice-Chancellors' Committee has responsibility under the Education Act for the quality assurance of the core activities of universities, it is important that CUAP and the Unit work together well on behalf of the Vice-Chancellors' Committee so that there can be no question as to the quality of the assurance processes throughout the university system. The Board is pleased to note that in its response to the Review, the New Zealand Vice-Chancellors' Committee appears to concur, given its comment that 'both the NZUAAU and the NZVCC need to be vigilant to protect the legislative protections provided to universities and their quality assurance processes under the Education Act'. The Board believes that CUAP has an important role in this as well.

The Unit and CUAP undertook discussions to establish a protocol that would set down the limits of our responsibilities while acknowledging areas of overlap and common interest. The New Zealand Vice-Chancellors' Committee was not attracted to the idea of a formal protocol and opted for a statement in the constitution that 'the Director of the Unit and the Chair of CUAP hold regular, informal meetings to discuss matters of mutual interest'. The Unit has sought advice from the Chair of CUAP on occasion. It is interesting to note that the 2005 review of CUAP recommends: 'That the complementary roles of CUAP and the NZUAAU are reinforced through articulation of a protocol which identifies their respective roles and responsibilities in terms of programme accreditation, approval and university audit.'

RECOMMENDATION 5

That links be strengthened between the Australian and New Zealand university quality audit agencies.

- 11 The Director visited the Agency in June 2002 and discussed the working relationship between them and this Unit. Given the distinctive social and economic context of New Zealand universities, it is important that, at this time, there be a New Zealand quality assurance Unit. Nevertheless, it is recognised that the international credibility of the activities of the Unit can be strengthened by joint activities - for example, access to each others register of auditors or the merging of both into one register, the use of New Zealand auditors in Australia and Australian auditors in New Zealand, the mutual recognition of the audit process enabling each to audit and validate for the other - and it is hoped the Director's visit marks the beginning of an on-going working relationship which will be useful to both agencies.

In practice, the two agencies use members of each other's register of auditors, and we keep each other informed of such appointments. This Unit contributes to the Australian Agency's on-line good practice database by recommending good practice examples for inclusion, and by having the documentation supplied by the universities peer reviewed for the Australian Agency. Given the different cultures and stages of academic audit in the two countries, such practical interactions that exist at present are much more beneficial than any high-level links that might be strong in symbolism but have little or no practical effect. In September this year [2005], an Academic Audit Director from the Australian Agency was guest speaker at the Quality Enhancement meeting of quality personnel from all universities and offered advice

and opinion on discussions about external academic audit in New Zealand that has been incorporated into feedback on the process considered by the Board of the Unit.

RECOMMENDATION 6

That each university should undertake a comprehensive whole-of-institution audit once every 4 or 5 years.

- 12 The Board accepts this recommendation. The Planning Document assumes a five-year cycle for institutional audits (2 universities a year, followed by a review of the Unit and CUAP in the fifth year) and the Director's visits to universities have confirmed the desirability of this timetable. Adopting this timetable permits the Unit to expand its developmental/enhancement role (see comment to recommendations 7 and 8) and to take the initiative in seeking other audit activities. The Unit recognises it has the ability - indeed, the duty and access to the appropriate expertise - to investigate/audit matters of concern to the university system as a whole, possibly by carrying out system-wide analyses of key issues. Wherever possible, the Unit will negotiate with universities, particularly in regard to the institutional audits which must be designed to add value to the universities' own programmes of quality enhancement. Similarly, the Unit would want to discuss other forms of audit with universities, but it must retain its right to initiate such system-wide audits as it thinks fit and proper.

Cycle 3 audits are institutional audits and will be completed over four years (2003-2006). Discussions are now underway regarding audit post 2006.

RECOMMENDATION 7

That between the comprehensive audits each university should undertake continuous improvement and self-reviews on selected themes and send the resulting reports to the NZUAAU for information, comment, advice and monitoring.

RECOMMENDATION 8

That the NZUAAU expend and enhance its development role in relation to both individual universities and the university system as a whole.

- 13 The Board's support for recommendations 7 and 8 is reflected in the Unit's Planning Document which is built upon the premise that the activities of the Unit must add value to the universities' own processes and programmes of quality enhancement. The Director is actively engaged in developing an appropriate way of gaining information about the universities' own programmes of quality improvement, and of receiving materials prepared by the universities for their own use which demonstrate the effectiveness of the implementation of their own programmes. The aim of this approach is to ensure that not only is the Unit well-briefed as to the 'quality culture' of the universities but also that the Unit is encouraging and supporting universities to improve their own quality processes. The establishment of system audits, as set out in the Unit's Planning Document 2002-2006, is a first step to expanding the Unit's developmental role with respect to the university system as a whole, as set out in Recommendation 8.

In discussing these concepts with universities, the Unit put forward the idea of having universities send the Unit reports arising from their continuous improvement and self-reviews on selected themes. The intention was that the material be sent to the Unit for information, comment, advice and monitoring. Such an idea was premature, and was not carried through. More recently, the Unit has suggested an annual contact between the Unit and each university to discuss current quality assurance activities. If such a scheme were implemented, it is to be

hoped that the exchange of information would help inform future external academic audits of each university so that the external audits are more relevant to the needs of the university. There appears to be support for this if such contact were to lead to the enhancement of the added value to be gained from academic audit.

RECOMMENDATION 9

That the focus of audit be expanded to include some attention to outcomes as well as systems; and that to this end the NZUAAU, after consultation with stakeholders, negotiate with the NZVCC some key performance indicators.

- 14 It is appropriate to note that the Unit has always taken some account of performance outcomes in its audit processes to the extent that good or bad outcomes will lead the Unit to question the processes that support good or bad outcomes. Good practice can be understood from good outcomes - and more could be done to promulgate good practice identified during audit - while bad outcomes might arise from poor processes or from bad implementation and monitoring of good processes. However, the Board acknowledges the need to give more focus to the quality of actual outcomes in the Unit's audit processes, especially if the audit reports are to be of increased value to those outside the university system, as well as to the universities themselves. Developments in this regard will need to be worked through carefully with the universities themselves as, understandably, there is a nervousness as to the possible misuse of an increased focus on actual outcomes, particularly by the popular media, in making crude ranking systems across the different universities.
- 15 The Director received support from universities for the Unit to take an initiative in the formulation of the values, objectives and indicators that characterise universities, especially those that differentiate universities from other parts of the tertiary education sector. The Unit sees merit in considering key performance indicators for the university system, not as ends in themselves, but as indicators that measure progress towards objectives. The Unit is aware of the Ministry of Education's intention to develop indicators for the whole tertiary sector, and it will seek to contribute to these developments.

Strictly, recommendation 9 has not been progressed. Since the 2001 review, however, there has been pressure on universities arising from reporting requirements imposed by the Tertiary Education Commission and the Ministry of Education. Therefore it has not been seen as appropriate for the Unit to press this point. It is interesting to observe that most academic audit panels in Cycle 3 are calling (in one way or another) for the development and application of thoughtful and meaningful indicators to measure aspects related to the 'quality' of teaching and learning.

RECOMMENDATION 10

That in exceptional cases where a university is, without good reason, unable or unwilling to correct deficiencies identified by the NZUAAU, the Chair of the NZUAAU Board should raise the matter with the NZVCC.

- 16 The Board will consult with the New Zealand Vice-Chancellors' Committee as to the best way to meet the concerns that have given rise to this recommendation. This recommendation raises for the Unit the issue of how the Unit relates to the universities' governing bodies – an issue that will be kept in mind as the Unit monitors its future activities, functions and responsibilities.

It is too early for this to have been a problem in Cycle 3.

RECOMMENDATION 11

That the NZUAAU Board discuss with the NZVCC how a strategy might be developed to raise public awareness of the work of the NZUAAU and the quality of the university system generally.

- 17 Supported by the Board. The Unit is aware of the need to improve its communication strategy, and it agrees with the New Zealand Vice-Chancellors' Committee's comment in its response to the Review that 'there is an . . . important need to develop knowledge about the quality of education within New Zealand'.

It has been hard to know how to progress this recommendation, apart from the distribution of our academic audit reports to appropriate agencies and people.

RECOMMENDATION 12

That the existing NZUAAU Board be replaced by 2 bodies, an advisory committee with a constitution similar to that of the present Board, and a governing board comprised of persons with skill and experience in universities and quality assurance.

RECOMMENDATION 13

That a Maori student representative is included on the Advisory Committee; and that auditors be eligible for appointment to both the Advisory Committee and the Board.

- 18 The Board does not support recommendation 12. The Director has made it clear that he intends to keep the Board well informed, that he encourages the input of the Board in the development of policy, and that he requests the support of the Board in the implementation of policy. The Board believes that any perceived weaknesses in the governance, policy development or advisory roles of the Board are better addressed by ensuring the composition of the Board and the skills available to the Unit from Board members are appropriate.
- 19 The issue of Maori student representation and eligibility of auditors for appointment to the Board as suggested in recommendation 13, is still to be addressed by the Board.

On the general issue of the composition of the Board, the New Zealand Vice-Chancellors' Committee has sought to reduce the size of the Board, and was in discussion with the Board during 2005. In December 2005, a final revised composition of the Board was approved, and 2006-07 will be a transition period with the new composition taking shape as present terms of members of the Board end.

On the specific issue of Maori student representation, this was discussed by the Board subsequent to the preparation of the 2002 response. A case was made by the Board, was put to the New Zealand Vice-Chancellors' Committee, and was declined.

RECOMMENDATION 14

That the audit manual be revised with a view to attaining greater readability, simplicity, and elimination of unnecessary detail, and to providing clearer guidance on the preparation of a university's audit portfolio.

- 20 The message in this recommendation was reinforced by the universities during the Director's recent visits. More focus and directness is required, and thought is being given to a three-part manual

with parts which focus (respectively) on the universities' responsibilities, the Unit's responsibilities, and the auditors' responsibilities.

The audit manual was revised in terms of recommendation 14, and published as Academic audit manual for use by the New Zealand Universities Academic Audit Unit, December 2002.

RECOMMENDATION 15

That the audit reports omit second-order detail, and ensure that recommendations are not unduly prescriptive.

- 21 A review of all reports produced in Cycles 1 and 2 has shown there to be a variability in the usefulness and relevance of recommendations. The Unit has reviewed its approach and has determined that recommendations will be kept to a minimum; that they will address issues, not provide details of processes, thus leaving the universities to consider a variety of process 'solutions' to the 'problems' identified by the audit panel; that they will be prioritised; that they will take into account the University's own programme of improvement arising from the self-review; that they will commend those aspects of the programme that will progress the University towards its goals and objectives; that they will make recommendations for improvement in aspects not covered by the self-review but considered desirable by the panel.

The Unit has attempted to keep to this prescription to the best of its ability. To date, prioritisation of recommendations has not been considered appropriate.

RECOMMENDATION 16

That the NZUAAU note the concerns expressed in D3 and 4 of this report.

- 22 ***D3 The panels***, in particular the issue of strong panel members with fixed views, and panel members who did not make the audit their sole priority. The Director heard about examples of this during his visits to universities, and the Unit is already reviewing this aspect and is determining the criteria/'standard' to be followed by auditors, which makes clear the Unit's expectations with respect to participation, behaviour and contribution to the team. The processes for selection of auditors, their training and appraisal, and their retention on the register are being reviewed.
- 23 ***D4 The panel visit***, in particular the persuasive individual appearing before the panel. The Unit has noted this point, and the Director sought opinion on this - and ways of overcoming it - during his visits to universities. The discussions pointed up the importance of the role of the Chair in the conduct of interviews, and the Unit is considering ways to support Chairs in this role.

The Unit has required all panels to work as teams and in partnership with the universities; and panels have been very careful to test strongly-expressed views of interviewees and to discount their comments if no supporting evidence can be found.

RECOMMENDATION 17

That the NZUAAU devises ways in which it can convey feedback to a university on its portfolio and to the staff of the university on the audit generally.

- 24 The Board accepts that follow-up to the audit report can and must be improved. The Planning Document 2002-2006 indicates that, in future, before and following each audit, the Unit will work

with each university to improve the audit process, and to discuss how the report and its recommendations will be integrated into their own programmes of quality improvement.

The follow-up visit of the panel Chair and Director provides an opportunity to provide informal feedback to supplement any formal feedback given in the audit report.

RECOMMENDATION 18

That transnational education and electronic learning be added to the topics subject to audit.

- 25 The Board accepts this recommendation. It recognises the growing importance of transnational education and electronic learning as an integrated part of the comprehensive academic responsibilities of many of the universities. These activities that will be naturally and properly included in the next cycle of audits within the context of the intended focus on teaching quality, programme delivery and the achievement of learning outcomes. The issue of transnational education will be discussed with the Committee on University Academic Programmes and the International Policy Committee, as suggested by the New Zealand Vice-Chancellors' Committee, and the method of auditing both transnational education and electronic learning will be discussed with the universities later this year.

Electronic learning has been a significant issue because of the nature of the Cycle 3 audit. Transnational education is not such an issue, with almost no offshore delivery of New Zealand courses (although that might change soon). Partnering arrangements – where two years are undertaken in an overseas institution and credit given to students who come to New Zealand to undertake the final two years of a New Zealand degree and graduate with a New Zealand qualification – are evaluated during academic audits.

***2005 comments adopted by the Board
2 December 2005***

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