

The role of the New Zealand Universities Academic Audit Unit in a
time of reform -
contributing to quality New Zealand university education serving
students' futures¹

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The sub-title of this paper – contributing to quality New Zealand university education serving students' futures – is taken from the Vision of the New Zealand Universities Academic Audit Unit. The Vision reminds us that the Unit is but one player of many who provide support to universities in New Zealand in their ongoing determination to provide high quality learning environments in which to prepare students to work and live in an ever-changing, unknown and uncertain future.

Like other quality assurance agencies in New Zealand, the Unit is in the process of adapting to a changing environment dominated by the challenges arising from the latest set of Government educational reforms first announced in 2006.

The New Zealand tertiary sector

The Unit works with eight universities which in other jurisdictions would be described as institutions of higher education. In New Zealand, the term 'tertiary education' is used to describe a sector which is the third stage of learning, encompassing higher education as well as vocational education and training. Tertiary education comprises all education and training that might be termed 'post-compulsory'.

The distinctive characteristics of universities are enshrined in New Zealand law. Universities are primarily concerned with more advanced learning, the principal aim being to develop intellectual independence; university research and teaching are closely interdependent and most of the teaching in universities is done by people who are active in advancing knowledge; universities meet international standards of research and teaching; universities are repositories of knowledge and expertise; and universities accept a role as critic and conscience of society (Education Act 1989 section 162(4)(a)).

The Tertiary Education Reforms: context, impact and opportunities

Education in New Zealand comes under scrutiny by Government from time-to-time, particularly as new governments attempt to implement their political agendas. In the late 1980s, there were great debates about education which gave rise to the Education Act 1989 which marked the beginning of a more market-driven approach to education at all levels, and required higher levels of accountability. The Education Act 1989 provided the legislative authority for the creation of the New Zealand Qualifications Authority with overarching responsibilities for quality assurance at tertiary level and the senior levels of secondary

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school including the transition from secondary to tertiary level education and training. The Education Act 1989 also provided legislative authority for the re-formation of the New Zealand Vice-Chancellors' Committee as a statutory body with responsibility for quality assurance within the university sector. The New Zealand Universities Academic Audit Unit was established by the New Zealand Vice-Chancellors' Committee in 1993, beginning operations the following year, and the administration of academic audits in 1995. The New Zealand Vice-Chancellors' Committee appoints the Board of the Unit, and the Board appoints the Director. The Constitution of the Unit requires the Unit to act as a fully independent body in the conduct of its audit activities.

Since 2000, the tertiary education sector in New Zealand has been subject to closer scrutiny by Government reviews. It is important to spend a little time talking about these reforms; the reforms provide a new *context* for the operation of quality assurance agencies; the reforms *impact* on the work of the quality assurance agencies; and the reforms provide new *opportunities* for quality assurance agencies.

- Context

In 2000, the Government set up the Tertiary Education Advisory Commission which produced four reports during 2000 and 2001. One outcome arising from the consideration of the Commission's reports was the creation of the Tertiary Education Commission which began operations in 2002.² The Commission is responsible for policy development as well as funding the Government's contribution to tertiary education (Tertiary Education Commission 2006-1).

During 2006, the Government released four Cabinet papers and appropriate Cabinet Minutes which described a new set of Tertiary Education Reforms. The papers were entitled:

- *Distinctive contributions of tertiary education*
- *Investing in a plan*
- *Funding the system*
- *Quality assurance and monitoring.*

The last of these papers (New Zealand Cabinet 2006) declares early on that a quality assurance and monitoring system must support a high trust and high accountability environment (sections 11, 13). Quality assurance and monitoring, the paper states, relates to accountability, institutional performance and risk, and high quality teaching and learning, and must also protect public confidence (section 11).

The Tertiary Education Commission is leading the implementation of the reforms on behalf of the Government. The Commission describes the reforms as being about improving the tertiary sector's ability to deliver on Government priorities, and to meet the education and training needs of stakeholders such as students, employers, and communities on a regional as well as national basis (Tertiary Education Commission 2006-2). The Cabinet papers consider the Commission's ongoing responsibility to be in making investment decisions and monitoring the performance of tertiary education organisations. The Commission's role is 'to influence and shape the nature, quality and levels of information that should be provided through quality assurance processes' (New Zealand Cabinet 2006, section 48).

² An 'Interim Tertiary Education Commission was operational in 2002 pending legislation in 2003 under which the Commission was formally established.

In summary, this new context puts a focus on the tertiary sector's ability to deliver on Government priorities in education.

- Impact

This new context impacts on quality assurance agencies, including the New Zealand Universities Academic Audit Unit. With respect to universities, the Tertiary Education Commission and the New Zealand Vice-Chancellors' Committee (which is responsible for quality assurance and monitoring in universities) signed a Memorandum of Understanding in November 2007 that, in part, requires the Committee to contribute to the development of a consistent set of tertiary evaluation indicators for self-assessment by tertiary education organisations and for external validation by quality assurance agencies for the whole tertiary education sector. The New Zealand Vice-Chancellors' Committee will then work with the Commission to assess the application of some or all of these evaluation indicators to the university sector, and the possibility of developing evaluation indicators specific to the universities. When the set of evaluation indicators has been determined, consideration will be given to whether their adoption will require any changes to the existing processes followed by the Committee's quality assurance agencies – that is, the Committee on University Academic Programmes, and the New Zealand Universities Academic Audit Unit.

In practical terms, academic audit as conducted by the Unit since 1995 relates very closely to the Government's desire for ongoing self-assessment by institutions with periodic external evaluation and review. The Government's proposals, however, now require us to look much more carefully at the relationship of processes to outputs/outcomes, and of outputs/outcomes to processes.

- Opportunities

The Tertiary Education Commission, then, is interested in measuring institutional performance and outputs/outcomes against Government priorities. This, in turn, provides opportunities for quality assurance agencies to stake their claims to investigate and support educational institutions in the maintenance and enhancement of their core activity – education.

Education is more than merely achieving Government priorities. Education is 'based on human intellectual capacity and the desire to know and understand' (Malcolm and Tarling 2007). Education is about the transformation of the learner and the greater engagement by learners in their own learning. Besides observing the extent to which institutions achieve Government priorities, quality assurance agencies can provide an additional dimension by evaluating the quality of processes that lead to relevant outputs and outcomes.

The Government Cabinet papers actually help us in this task. The papers declare that Government is proposing a dynamic approach to thinking about quality that captures the achievement of 'outcomes' and acknowledges the effect of significant underlying inputs and processes – an approach which focuses on the most important outcomes and the most important factors contributing to these outcomes. In other words, the approach should consider inputs, processes, outputs and outcomes.

Let us consider inputs, outputs and outcomes for a moment.

Inputs in education include such factors as:

- the adequacy of funding streams,
- the quality of staff,

- the adequacy of facilities and resources,
- the diversity of students – profile, experience, qualifications, capability, intentions, expectations,
- the adequacy of student learning support,
- the diversity of stakeholder requirements and expectations.

These factors impact on the ability of an institution to deliver education and to maintain and enhance the quality of its research, teaching, learning and community engagement.

Outputs are data, such as completion and retention rates, the number of graduates per qualification, the number of research publications (by institution, by discipline, by staff member).

Outcomes, on the other hand, relate to the positive contributions and benefits to society arising from well-prepared graduates applying their skills and knowledge in the workplace, and the application of research in positive ways that contribute to a better society.

Tertiary Education Commission papers talk about a new focus on outcomes. Outputs which indicate value for money are not to be ignored. But performance measures and indicators are not absolutes and do not tell us about the quality of the educational processes that result in the outputs and outcomes. Performance indicators such as completion rates and retention rates do not tell the whole story, and quality assurance is required to ensure the aim of institutions is *not* merely to meet or beat the targets. The main aim of quality assurance must be at least to maintain and at best to enhance academic standards and the student learning environment. A focus on outputs and outcomes by the Commission, therefore, must remain just one focus, and not the only concern of quality assurance agencies.

Crombie and Davies (1998) make the point that, in health care, a balance is required between outputs/outcomes and processes. Such a point can be easily adapted to the care of learners in the educational process. Outcome measures do not necessarily identify the quality of educational care and quality of teaching and learning. Instead, further work is required to identify if any of the processes of care may be weak or at fault, because only then can remedial action be taken. Crombie and Davies rightly claim that audits of processes, then, must test the extent to which professional good intentions are turned into good professional practice. Audit (external evaluation and review) must require evidence of the appropriateness of processes by the institution demonstrating that processes lead to worthwhile outcomes.

In summary, the opportunities offered to quality assurance agencies such as the New Zealand Universities Academic Audit Unit, arising from the tertiary education reforms, are associated with their ability to provide the evidence about the real quality of the educational processes – the quality of student learning, the quality of student engagement with learning – which lie behind the measures and record of outputs and outcomes. It is important to understand the nature of the changing context in which New Zealand quality assurance agencies must work in the future. The reforms are impacting on the way they carry out their business. Most importantly, the reforms are providing an opportunity to develop a closer relationship between processes and outputs and outcomes (see the latest edition of the Unit's academic audit manual (Jennings 2007) for details of the principles, processes and scope of Cycle 4 academic audits).

Lessons from three cycles of academic audit

New Zealand universities have experienced three cycles of academic audit.³ The eight universities are now showing signs of ‘audit fatigue’, and believe that there has been diminishing value from the successive cycles of audit. They are questioning the continuing application of significant funding, resources and time into self-assessments and other requirements associated specifically with external audit processes.

Of course this hints at a problem. Quality assurance is not just about external evaluation and review. Quality assurance is about ongoing reflection and critique of the ways things are done. Quality is not an event to be endured every four-or-five years. Universities are relatively large, diverse and complex organisations with a range of disciplinary cultures, and internal review and audit goes on frequently in specific areas and activities. Traditionally, external evaluation and review tends to require an institution to carry out a review of all of its activities all at the same time. If self-assessment is undertaken by universities as a matter of normal business, then evidence in those areas should be ready and available for the external evaluation. Ongoing self-assessment should be at the heart of ‘quality’.

External evaluation and review requires a University to enter into an open-hearted engagement with the Unit, both during the review processes and in discussion of the draft audit report. This is where the resource issues arise as external evaluation and review does require effort additional to the ongoing internal evaluation and review activities. Academic audit units must take care to ensure external evaluation and review does not become an unmanageable task. Clear and realistic boundaries should be set.

The question to be faced now by the university sector in New Zealand is ‘How to move forward?’ What, then, are the lessons we can learn from the practice of an academic audit process that is focussed on external evaluation and review of the findings of an institution’s self assessment?

Universities generally confirmed the usefulness of a clearly-enunciated framework of open-ended questions for the self-assessment portfolio and, by association, for the self-assessment activities leading to the development of the portfolio. The aim of the framework was to define boundaries but not to constrain the universities’ enquiries. It was also hoped that a stronger relationship between the self-assessment and the day-to-day review activity would assist in enhancing the value of the self-assessment. Effective communication between the Unit and the universities was essential, as was the insistence of professional behaviour by all members of panels all of the time. Cycle 3 audits emphasised the necessity for panel members to remain engaged during interviews, and to employ probing questions which were open-ended and were not suggesting a pre-determined agenda. Regrettably this was not always the case; one panel was perceived as being unduly aggressive and as having a closed mind to options. Needless-to-say, this was disappointing to the Unit as such perceptions damage the ability of the Unit to conduct audits in the spirit of partnership.

In applying the lessons learned from Cycle 3, the Unit’s approach to Cycle 4 audits has been modified to require more focused portfolio texts and supporting documentation; to give much greater attention to the ability of processes to achieve worthwhile outputs and outcomes; to indicate topics to be covered in site visits interviews; to decrease the overall workload for panels (which on some occasions was more than 12 hours most days); to provide more time

3 Cycle 1 (1995-1998) – whole-of-institution; Cycle 2 (2000-2001) – research policy and management, research-teaching nexus, support of postgraduate research students; Cycle 3 (2003-2006) – teaching quality, programme delivery, the achievement of learning outcomes.

for panel-only discussion of better-targeted documentation; and to lessen the overall hours spent by panels in interviews in order to allow more time for reflection.

The challenge: a personal vision

There are signs that planning for tertiary education in New Zealand will become incentive-driven – funding by Government to run courses required by Government, to steer the system towards Government goals. The Government’s Cabinet papers state that the new monitoring system will focus the sector on the results required by Government, and that the new ‘investment in a plan’ funding system is designed to achieve results sought by Cabinet in 2004. (New Zealand Cabinet 2006, paragraphs 53, 69-72). We must take care not to let such an approach stifle innovation and experimentation in the delivery of academic programmes. We must not let such an approach encourage institutions to ‘play safe’ and to concentrate on ways to achieve Government targets and objectives at the expense of curiosity-driven research, teaching and learning. We must not let such an approach make it difficult to develop stronger engagement by students with their own learning.

The challenge for quality assurance agencies working in the New Zealand context of tertiary education reforms is to ensure that, through their contributions, the impact of education and learning is not judged only by what can be measured – not simply by the completion of assessment tasks, the accumulation of credits, the gaining of employment, important as these might be. Mantz Yorke, in his latest book *Grading student achievement in higher education* (Yorke 2008) warns of an emphasis on gaining grades.

A necessary condition for success and personal satisfaction . . . is a desire to keep learning and to seek answers to the questions that life poses. A personal orientation towards learning goals is more likely to show long-term benefit than an orientation towards performance goals. . . . if grades act as the prime motivators, their influence may be to the detriment of life-long learning. (Yorke 2008, p.202)

Quality assurance agencies should always keep in mind that the true outcomes of education are open and unknown, and relate to the contribution to society made by those who engage in learning.

In all this talk about institutions, systems, plans, processes, results, outputs and outcomes, there is a real risk of thinking about education in terms of objects and items. We must remember the reality that education takes place within human communities. Institutions are human communities; people inhabit those communities, with their intelligence, with their hopes and ambitions, with their skills, and – yes – with their failings and moments of despair. Outputs are people, equipped with skills and knowledge to work within wider and broader human communities.

In October 2007, a new book – *Crisis of identity? The mission and management of universities in New Zealand* – was launched in Wellington, New Zealand. The book is written by Professor Wilf Malcolm, a former Vice-Chancellor, and Professor Nicholas Tarling, a senior University administrator for many years. In their book, Malcolm and Tarling remind us that a university serves not only its immediate communities, but also contributes to the awareness and quality of shared human experience worldwide. They remind us that the collective identity of knowledge as pursued and promoted by a university must always reflect, respect and nurture its essential human characteristics; a university’s commitment to the search for truth in support of human well-being is a primary expression of its academic responsibility as critic and conscience of society (Malcolm and Tarling 2007, p.224, 223, 228).

It is appropriate, also, to make reference on this occasion to the Sufficiency Economy Philosophy bestowed by His Majesty King Bhumibol Adulyadej, Kingdom of Thailand on the people of his Kingdom (United Nations Development Programme 2007). Two of the six messages in that philosophy are particularly relevant to this discussion:

- 2 *The Sufficiency Economy Philosophy is central to community empowerment and the strengthening of communities as foundations of the national economy.*
- 6 *Sufficiency thinking demands a transformation of values and a revolution in the mindset, both necessary for the advancement of human development.*

It is clear from this conference that Thailand is considering the role of education in implementing this philosophy, and the question is being asked as to how this philosophy might be embedded throughout the Kingdom. For me, there is a parallel for agencies such as the New Zealand Universities Academic Audit Unit. Quality assurance agencies are external to the institutions they audit and run the risk of being perceived as imposing ideas from outside. Just as those responsible for the implementation of the King's philosophy must work with the people of the Kingdom so that they have ownership of the philosophy, so too must quality assurance agencies work with the people that inhabit educational institutions so that they have ownership of quality assurance activities and of the quality enhancement initiatives and activities that arise from the academic audit process. The following terms found in the two messages quoted above are the essential qualities for supporting and progressing a culture of 'quality' in education as much as progressing the King's philosophy:

- *empowerment*
- *self-sufficiency*
- *advancement of human development* – to which I would add: *built on human values*

I would also add:

- *ownership*, and
- *adaptation to future contexts*

So, how can quality assurance agencies support educational institutions in their ongoing quality programmes? I issue a challenge, especially to my own Unit, but also to other quality assurance agencies. This challenge is a personal vision.

- **The challenge 1**

We must ensure that the audit process:

- **includes a self-assessment that looks forward as much as looks back**
Quality assurance must not just look back, as if frozen in time; quality assurance must include quality enhancement that looks forward, and that is enabling and empowering.
- **supports the creation and maintenance of reflective and self-critical spaces within institutions**

Self-critical reflection is a necessity; it is a core activity, not an optional extra. External audit – external evaluation and review – should ideally listen in to conversations that are on-going, responsive, developmental and an integral aspect of professional practice.

- **grows out of, and feeds into a shared commitment to the values and characteristics of the institution**

In New Zealand, the characteristics of a university are enshrined in law. Values are less apparent but must be understood. Values underscore activities, and both the audit panel and the University should have a shared commitment to those values.

- **The challenge 2**

We must ensure that the outcome of the audit process:

- **results in an enhanced student learning experience and an enhanced student engagement with learning**

The output of audit is the audit report. The outcome of audit, however, is the application of the report in ways that achieve positive change and benefit for learners.

- **results in a strengthening of the alignment of core activities with the values and characteristics of the institution**

I have said it is necessary to understand and commit to values. It is also necessary to ensure that the behaviour of the institution is consistent with those values. Change arising from the application of the audit process must be an expression of the values and characteristics of the institution (Jennings 2004).

So, that is my challenge. We must be ready to take up the challenge *and* we must be measured against our ability to succeed.

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