

**Australian Universities Quality Agency Ltd
ACN 092 938 200**

**AUQA Board Meeting 2006/3
10.00am, Tuesday 05 September 2006**

**AUQA Board Room
Level 10, 123 Lonsdale Street, Melbourne, VIC 3000**

MINUTES

1. ATTENDANCE

Present

Emeritus Professor Deryck Schreuder (Chair)
Mr Patrick Coleman
Rev. Dr Mark Harding
Mr Ian Hawke
Mr Clive Hildebrand
Professor James McWha
Professor Ingrid Moses
Professor Millicent Poole
Professor Ian O'Connor
Mr Colin Walters
Mr Terry Werner
Dr David Woodhouse

Apology

Observer Dr Carolyn Allport (NTEU)

In attendance as Observer (for part of the meeting)

Ms Robyn Adams, Audit Director
Ms. Katy Wong, Corporate Accountant

Secretariat

Dr Antony Stella

The Chair welcomed those in attendance, and acknowledged the importance of the meeting in shaping the quality assurance developments especially related to cycle 2 audits. He suggested that after considering items 2 and 3 of the agenda, the Board should discuss item 5 which bears on many aspects related to cycle 2 audits. The Board agreed.

2. MINUTES OF MEETING 2006/2

The Board **confirmed** the Minutes of meeting 2006/2 held on 05 June 2006 (AB2006/3/3.1 Attachment 1) with the correction that Rev. Dr Mark Harding's time of joining the meeting has to be changed.

Action: Board Secretary

3. MATTERS ARISING NOT LISTED ELSEWHERE ON THE AGENDA

Director Colin Walters brought to the attention of the Board a paper on 'Governing bodies of higher education institutions: Roles and responsibilities - Lessons from the Corporate World' by Peter Allan. The Board agreed to discuss it under 'Other

business’.

4. **AUDIT MATTERS**

4.1 **Audits 2005**

Summary Feedback Reports of University of New South Wales, Queensland Department of Education and the Arts, Northern Territory Department of Education, Employment and Training, University of Wollongong (confidential) and Central Queensland University (confidential) (AB2006/3/4.1 Attachments 1-5) were **considered** by the Board.

4.2 **Audits 2006**

The Board considered the progress report on the 2006 audit program (AB2006/3/4.2 Attachment) and **noted** that for the first four audits of 2006, the target of sending out the Definitive Draft of audit reports to the auditee within 2 months has been adhered to. For two audits, the period was only one month. The Board appreciated the fact that in each case, the total time to the published report is within the target period of four months.

The audit reports of three SAIs – University of Technology Sydney, Murdoch University and Batchelor Institute – that have already been approved by the Board by correspondence were **ratified**.

Director Walters asked that audit teams be reminded of the provision in the audit manual that “comments in audit reports do not contain statements that cannot be substantiated. Hence, if the Panel has formed the view that comment on a particular matter needs to be made, it has firm evidence on which to base its comment” Audit Manual Version 3, p 29 June 2006.

4.3 **Audits 2007**

The Board received a progress report on the 2007 audit program, which included a proposal to develop the audit processes in the direction of a future Cycle Two emphasis on outcomes and standards; and to make use of external reference groups in assessing outcomes (particularly as regards the Australian National University and the Australian Film, TV & Radio School). Such expert assessing groups (chosen by AUQA) would work to assist the main Audit panel which would have total discretion in their receiving their scholarly advice.

The Executive Director spoke to the merits of this new procedure in completing the first cycle of audits, and was supported by the Chair. Robust discussion of the paper followed.

Ultimately, Directors were of the strong view that the use of reference groups as proposed would be too great a change from the practices adopted to date in the current cycle, and might encourage a perception of special treatment for the institutions involved in the 2007 audits. It was suggested that, if needed, such a reference group might best be formed by the audited institution itself, rather than being the creation of AUQA. The Board also agreed that any input from such reference groups to the audit should rather be recorded in the Performance Portfolio, to be considered by the audit panel.

The Executive Director noted, in conclusion, that when he reported to the Board in 2004 on his first contact with the VC of ANU about the audit, he

mentioned that he had raised with the VC the possibility of a larger audit panel, with a strengthened research subgroup that might concentrate on auditing the IAS.

There was, finally, discussion on conveying the Board's position to the institutions involved in 2007 audits, through both formal communication and dialogue.

Action: Executive Director

4.4 Auditor Appointment

The recommendations of the three member Auditor Vetting Sub-Committee comprising Director Ingrid Moses, Director Colin Waters and Director David Woodhouse, on the appointment of the nominees to the Register of Auditors (AB2006/3/4.4 Attachment), were considered by the Board. Fourteen nominees were approved for appointment to the Register.

Noting that the cycle 2 related approaches would be signed off by the Members of AUQA before the next board meeting in November and that there would be a need for an appropriate skill mix to deal with emerging areas in cycle 2, the Board agreed that the next appointments should be made after identifying the auditor profile that is required to strengthen the Register.

On the request of Director Colin Walters and on the invitation of the Board, in his place Director Patrick Coleman has agreed to serve in the Auditor Vetting Sub-Committee. The Board noted Director David Woodhouse's suggestion that the Auditor Vetting Sub-Committee should also consider the planning aspects of the Register and function as the Auditor Vetting and Planning Sub-Committee.

Action: Executive Director and Auditor Vetting and Planning Sub-Committee

5. AUQA POLICY AND BOARD ISSUES

5.1 Election of Deputy Chair

Directors of the Board were requested to make their nominations for the Deputy Chair, indicating that the nominee has signalled a willingness to stand. Director Clive Hildebrand had recorded his support for Director Ingrid Moses and ensured her willingness to stand. The Board accepted the nomination and welcomed Director Ingrid Moses as the Deputy Chair of the Board.

5.2 Review of Policies

The Board noted the proposed changes to the Risk Register and **endorsed** the revisions.

5.3 Review of AUQA

The Board discussed the Action Plan of AUQA (AB2006/3/5.3 Attachment) in response to the Affirmations and Recommendations of the external review report. In relation to strengthening the involvement of students in the QA process, the Board suggested a revision in the proposed actions. The need to explore new ways of reaching the campus student structures and student representatives who have a role in quality assurance developments of the institution was expressed.

To address the external review recommendation on monitoring the action taken by the auditee on audit recommendations, the possibility of using DEST data was considered.

Director David Woodhouse informed the Board that an update on progress will be reported at each meeting.

The Board considered the revisions suggested to the Objectives of AUQA as endorsed by the Board and the DEST version submitted to JCHE. Changes to the wordings such as replacing 'national quality standards' by 'quality and standards in the Australian higher education sector' were discussed. The Board agreed that since the revision of objectives of AUQA is still with JCHE, the suggestions for rewordings will be sent to JCHE for its consideration. The Board also reaffirmed that the objectives of AUQA in their current form give the authority to deal with cycle 2 and therefore, can be kept apart from the developments of cycle 2 audits.

The Board **advised** the Executive Director to write to JCHE with comments on revisions to objectives.

Action: Executive Director

5.4 Audit Cycle 2

The Board had extensive discussions on the issues related to the second cycle of audits and endorsed the main thrust and approach to cycle 2 as outlined in the paper 'AUQA AUDITS - 2007 ONWARDS' (Paper AB2006/3/5.4 Attachment 2). Some changes to wordings and emphasis were suggested. Director David Woodhouse agreed to send the revised version of the paper to Board directors for approval out of session, and then to the Members of AUQA for final sign off.

Directors discussed the need for an implementation plan for cycle 2 and suggested that a working/reference group that will bring in external expertise should be constituted to specifically work on 'standards'. Directors agreed that the composition should include Board Directors and staff of AUQA and senior academics and AUQA auditors from the sector with relevant background.

Action: Board and the Executive Director

5.5 Labor Party's White Paper and its implications for AUQA

Director Colin Walters referring to the requirements of the Australian Public Service Code of Conduct, wished to withdraw from the discussion of this item and left the meeting.

The Board considered the possible comments of AUQA on the discussion paper recently released by the Federal Labor Party (AB2006/3/5.5 Attachment).

After discussing the implications for AUQA, the Board decided that a detailed submission from AUQA to the Federal Labor Party is not required. It was agreed that the Chair and Executive Director in their meeting with the Federal Opposition spokesperson on education on 29 September, will present AUQA's views and comments orally, speaking to a brief list of key points. Depending on the outcome of the meeting, if necessary, AUQA will make a written submission after the meeting. Directors will be briefed on the developments after the meeting takes place and accordingly AUQA's response will be decided.

Action: Chair and Executive Director

6. FINANCE MATTERS

The Board discussed the FBT liability of AUQA when it provides salary packaging to its employees. It was clarified that any FBT liability is included as part of the employee's 'Total Remuneration Package', and thus it will not be an additional expense to AUQA. The Board approved the revised Salary Packaging Policy with the amendment that the sentence "Employees are to note that any FBT that arises in relation to salary packaging will form part of their Total Remuneration Package (TRP)" be added to the policy.

Regarding the North office space, the Board noted that AUQA has already occupied about 35% of that space and therefore the financial adjustment required at the end of the year if a new tenant is not found, nor the space used by AUQA, will be \$198,248. The Executive Director briefed the Board on the changes being planned for the interior structures of the space to enhance the chances of letting it.

The Board approved the Corporate Accountant as the new alternate signatory of AUQA bank accounts.

Action: Executive Director

7. CHAIR'S REPORT

The Chair of AUQA Board reported that the meeting with MCEETYA was positive and that the Members of AUQA were optimistic about their QA regime.

He briefed the Board that meetings with the Members of AUQA were helpful and he was yet to meet more members and efforts to schedule those meetings are underway.

The Chair has been interacting with AVCC and expressed the view that further consultation with AVCC is necessary.

The Chair's interaction with the head of the auditee, after the audit report is made public, is providing useful feedback about the various aspects of the audit.

Action: Chair and Executive Director

8. EXECUTIVE DIRECTOR'S REPORT

The Board received a report from the Executive Director on AUQA activities (Paper AB2006/3/8).

9. DEST / MCEETYA MATTERS

9.1 NSAI audits

The Board **noted** the recent developments in the auditing of NSAI Higher Education Providers (HEPs) for Higher Education Support Act (HESA) purposes

9.2 MCEETYA & JCHE

The Board **received** oral updates on progress regarding MCEETYA and JCHE meetings.

9.3 Transnational Quality System (TQS)

The Board **noted** the progress with TQS.

10. OTHER BUSINESS

The Board considered the paper on governance circulated by Director Colin Walters and thanked him for the useful paper.

11. NEXT BOARD MEETING DATES AND TIMES

Meeting AB2006/4	28 November	1000 hrs
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