

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

**AUQA Board Meeting 2007/1
10.00am, Thursday 01 March 2007**

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

MINUTES

1. ATTENDANCE & APOLOGIES

Present

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

Observer - Dr Carolyn Allport

Board Secretary – Dr Antony Stella

The Chair welcomed the Directors and commented with pleasure on the presence of all Directors for the first meeting of 2007.

Because of the number of significant matters on the Agenda the Chair indicated a wish to change the order of business, with the agreement of the Directors.

2. MINUTES OF MEETING 2006/4 HELD ON 28 NOVEMBER 2006

The Board **confirmed** the Minutes of meeting 2006/4 held on 28 November 2006 (AB2006/4/2).

3. MATTERS ARISING NOT LISTED ELSEWHERE ON THE AGENDA

The terms of several Board Directors (Mark Harding, Ingrid Moses, Millicent Poole, Deryck Schreuder and Terry Werner) end on 31 March 2007. Director Schreuder has been re-nominated by the Commonwealth government and Directors have agreed to renew his term as Chair if he is appointed by the MCEETYA Members.

The Chair warmly thanked the parting Directors for the knowledge and wisdom they brought to the Board; and for the way they individually contributed to the policy development of the AUQA Board.

The Executive Director has been elected as the President of the 'International Network of Quality Assurance Agencies in Higher Education' (INQAAHE). The Chair of AUQA Board congratulated Dr Woodhouse on this important international recognition which will have a significant impact on AUQA's reputation as a major quality assurance agency.

Because of a general concern that media coverage of AUQA audits has not always had a satisfactory balance, the Chair and Executive Director will have meetings with editors and media representatives in the coming months. The Board was advised that implementation of the Media Plan of AUQA will be strengthened by appointing a media adviser. This is intended to ensure a more consistent and professional media coverage throughout the year.

The Executive Director sought the consent of the Board to report on Progress Reports under Agenda Item 4: Audit Matters, which had been included in the ED's report (Agenda item 8) and this was agreed.

Action: Chair, ED

4. AUDIT MATTERS

4.1 Audits 2006

The Board noted that all the audit reports of 2006 have been published and that the audit reports were all produced on time. The Board congratulated AUQA on timely publication of reports.

4.2 Audits 2007

The Board received a progress report on the 2007 audit program. For the discussion on the Australian National University, Director Ingrid Moses chaired the discussions. The Board noted the Determination from the Federal Minister which directs ANU to undergo a normative quality audit; with a review panel of at least five members; who may interview any staff, students or Council members; during a visit lasting between 2 and 4 days. It refers to the audit having some characteristics of Cycle 2 audits and taking account of the several reviews ANU has carried out. AUQA has already agreed to these emphases. The Determination also states that it is important that there is some consistency of approach across all institutions audited by AUQA as part of this first cycle of quality audit. The Executive Director is in contact with the University to see how close to the original schedule it is possible to embark on the audit.

Action: ED

4.3 Audits 2008

The Board received a progress report on the 2008 audit program. The Board noted that, although 'internationalisation' has been selected as one of the themes for the 2008 auditees, some institutional contexts may require a theme other than internationalisation.

The Executive Director briefed the Board on the developments with the Reference Group (RG) that advises AUQA on standards and outcomes in Cycle 2 audits. The RG has endorsed the Risk Assessment Framework that AUQA can apply while selecting the audit themes. Phase 1 of the RG is expected to be completed by June 2007. Director Ian O'Connor suggested that the SAIs that are to be audited in February 2008 will benefit from the draft of the RG's work as soon as possible. The Board advised that it needs to see the work of the RG before making it public.

Action: ED

The Executive Director briefed the Board on the selection of the themes that has been done for three SAIs. The Board noted that the process is progressing well. The Board was advised that there was a good match between the themes identified by AUQA and what SAIs proposed. The Board reiterated the need to acknowledge the public attention to standards and outcomes and the audit panel has to be sensitive to that. The RG's advice to AUQA on standards and outcomes will address this issue.

The Board had a full discussion on various aspects of benchmarking in the context of Cycle 2.

The issue of responding to quality concerns that arise after the audit was of particular interest to the Board. There have been situations where the audit foreshadowed certain concerns in the audit report and failure to act on those recommendations emerged as major concerns later. The Board discussed the role of AUQA in responding to such situations. The Board resolved that the Executive Director should write to the relevant State and Territory Minister, addressing him/her in the capacity of one of the owners of AUQA, and indicating how those concerns resonate with the audit conclusions of AUQA. The Chair and ED have agreed to draft a letter in response to a specific situation that has become a cause of concern to AUQA and consult Directors Ian Hawke and Terry Werner in the process.

Action: Chair and ED

The Board had a full discussion on a request from the University of Queensland (UQ), to delay the proposed 2008 audit, especially relating to a change of Vice Chancellor around the scheduled audit time. The Board resolved that UQ will be asked to submit the Performance Portfolio by December 2008, with Audit Visit in March 2009.

Action: ED

4.4 NSAI Audits

The Board received a report on the most recent developments in the auditing of NSAI Higher Education Providers (HEPs) for Higher Education Support Act (HESA) purposes. Director David Woodhouse informed the Board that the audit of the Australian College of Theology (ACTh) went on well and that the auditee was appreciative of the process.

The increasing demand from NSAI for the AUQA audit, and the consequent resource implications to AUQA were noted by the Board. Since the NSAI audit is a requirement for the HESA, the Board advised AUQA to develop a full cost

recovery model for the NSAI audits and consult the Commonwealth for any contribution it would like to provide, as the entity that has introduced this requirement.

Action: ED

4.5 Auditor Appointment

The Board accepted the recommendations of the Auditor Planning and Vetting Committee (AVPC) and approved the six new names to be included in the AUQA Register of Honorary Auditors. The Board commented on the need to consider the issues of gender and overseas balance when adding potential auditors. The proposed developments with the searchable auditor database, when it becomes operational, will help the AVPC to consider this balance in future.

The term of Director Ingrid Moses ends on 31 March 2007 and with it her membership of the AVPC will also conclude. The Board invited Directors Ian Hawke and Ian O'Connor to join the AVPC and they have agreed to serve.

4.6 Progress Reports

The Board considered the report on the Progress Reports of the Notre Dame, Bond, Deakin and La Trobe Universities and the agencies from ACT and South Australia.

Directors discussed the different ways of ensuring that institutions take satisfactory action to address the issues of concern that are noted in the Audit reports. Director Colin Walters was in support of exploring the possibility of the IAF visits by DEST to strengthen that follow-up. He advised the Board that, if the IAF visits identify issues of concern that still need to be addressed by the institutions, he will consider bringing them to the attention of the AUQA Board.

Action: Director Colin Walters

5. AUQA POLICY AND BOARD ISSUES

5.1 AUQA Policies

The Board considered the paper on retention and destruction of materials resulting from an AUQA audit. The policy as presented to the Board was approved with the comment that the recommendation related to AUQA Directors should read as below:

- i. Upon appointment, Directors be advised that AUQA-related confidential documents should be kept in secure storage and that at the end of their appointment, those documents in hard copy and electronic format are destroyed in a secure fashion. (Addition is highlighted)

Director Colin Walters brought to the attention of the Board the extensive e-mail communications regarding AUQA matters which are archived in the organisational

back-up systems of some Directors. The Executive Director explained to the Board that AUQA is considering the development of a web portal, which will enable password protected communication lines through AUQA domain.

The Board acknowledged the complexities involved in this matter. Director Colin Walters offered to review the policy against the Australian Standard on this matter before the June Board meeting.

Action: Director Colin Walters

5.2 Review of AUQA

The Board received and discussed progress on the Action Plan that addresses the recommendations and affirmations of the external review report of AUQA. It was agreed that areas that will continue to be acted upon in a continuous manner can be dropped from the action plan as are the completed ones.

Action: ED

5.3 Audit Cycle 2

The Board noted the work done to date by the Reference Group. The need to keep the SAs informed of the developments with the Cycle 2 Audit preparations was noted. The Board congratulated the Executive Director for the well informed interview on Cycle 2 in the Campus Review.

In the context of the concerns raised regarding the English language competency of the international students of the Australian Universities, the Board recommended that in Cycle 2 Audits the panel specifically ask the institutions what mechanisms they have in place to assess that the students have satisfactory levels of language competence at both entry and exit.

The Executive Director also briefed the Board on the several occasions where this matter had already been raised in AUQA audit reports on institutions.

Action: All Audit Directors

5.4 Strategic Plan 2007-2012

The Board discussed the Strategic Plan briefly and expressed its general support for the KPIs. Directors will send specific comments, if any, to the Board Secretary and the Strategic Plan will be finalised by the end of March.

The need to have clear targets and time frames for the Benchmarking projects and Mutual Recognition initiatives was stressed. The Executive Director explained to the Board the changing scenario in the QA arrangements of many countries where Australian universities have significant operation, and he commented that AUQA will continue these efforts for the benefit of the Australian higher education institutions.

The Board noted the resource implications of Cycle 2 in terms of finance and human resource. The retraining needs for Cycle 2 will be addressed through the two auditor meetings scheduled for later this year. The November Auditor training meeting will be an induction program for all new

auditors. The Board noted that the review of Auditor Register will be done in September 2007.

Action: ED

5.5 Handling Causes of Concern

The Board considered the proposed new policy of the QAA of the UK to handle causes of concerns that emerge between two audits and agreed that AUQA has to develop its own policies and strategies on this issue. AUQA will develop a document addressing this issue for the Board's consideration.

Action: ED

6. FINANCE MATTERS

6.1 Financial Statements

The Board received the Income Statement and Balance Sheet to the end of 2006. The Board was advised that the accounts have been audited, and the auditor has advised that the accounts will be approved without qualification. The Board **approved** the financial reports and **authorised** the Executive Director to sign them on behalf of the Board.

Action: ED

6.2 Finance Committee Matters

The Board received the revised 2007 budget and noted the changes.

The Board received the revised Policy 007 on Consulting. The Policy, in the form as presented to the Board, was **approved** with the comment that point 2 will be revised to add clarity to the importance given to the core business of AUQA. The change in the wordings will be done in the next revision of the policy. The ED advised that the "Notes" given at the end of the Policy do not form part of the Policy and that they will be removed from the Policy Manual.

The Board received the revised Policy 025 on Investment. Director Clive Hildebrand suggested that only rating AA or AA+ fixed interest corporate debt securities should be used as long term investment options. The Board **approved** this policy subject to this amendment.

Action: ED and Corporate Accountant

7. CHAIR'S REPORT

The Chair agreed to circulate a note to the Board about the actions on which he had wished to brief the other Directors if there had been time.

Action: Chair

8. EXECUTIVE DIRECTOR'S REPORT

The Board had received, in advance of the Board meeting, a written report from the Executive Director on AUQA activities. The Board agreed to consider that report and **send comments**, if any, to the Secretariat by 7 March. Directors were invited to send any comments on the Annual Report 2006 and **approve** it by correspondence by 7 March.

Action: All Directors

9. DEST / MCEETYA MATTERS

9.1 MCEETYA Matters

The Directors considered the nominations made so far to the AUQA Board and noted the gender imbalance. AUQA has brought this to the attention of the AVCC and AVCC has agreed to reconsider its nominations. The Board suggested that a similar formal approach may be made to the other nominators as well.

Directors discussed the additional resource requirements of AUQA for Cycle 2 and in the light of the revised objectives. When the revised objectives are approved, the ED will approach MCEETYA with a projection on all the activities AUQA is expected to do in the next five to six years. Directors noted that AUQA needs to spend time on other QA developments as well to strengthen the image of the Australian HE sector and the general perception of work load does not give due consideration to this aspect. The Board also advised the ED to begin a dialogue with JCHE and brief the Chair of JCHE.

Action: ED

9.2 Transnational Developments

The Board had received, in advance of the Board meeting, a written report on the various transnational QA developments related to AUQA. The Board agreed to consider that report and **send comments**, if any, to the Secretariat by 7 March.

Action: All Directors

10. OTHER BUSINESS

None

11. NEXT BOARD MEETING

Meeting AB2007/2

5 June 2007