

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

**AUQA Board Meeting 2006/4  
10.00am, Tuesday 28 November 2006  
AUQA Board Room  
Level 10, 123 Lonsdale Street, Melbourne, Victoria 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 (Deputy Chair)  
Emeritus Professor Millicent Poole  
Professor Ian O'Connor  
Mr Colin Walters  
Mr Terry Werner  
Dr David Woodhouse

**Apologies**

Observer - Dr Carolyn Allport  
Board Secretary – Dr Antony Stella

In his welcome the Chair commented with pleasure on the presence of all Directors for the final meeting of 2006.

**2. MINUTES OF MEETING 2006/3 HELD 05 SEPTEMBER 2006**

The Board **confirmed** the Minutes of meeting 2006/3 held on 05 September 2006 (AB2006/4/2).

**3. MATTERS ARISING NOT LISTED ELSEWHERE ON THE AGENDA**

**3.1 Report by the Chair from the Ad Hoc Committee**

The Chair reported on the work of the Ad Hoc Committee (consisting of the Chair, the Deputy Chair, the Chair of the Finance Committee and one other Director) in implementing the policy and procedures established in 2005 for annual salary adjustment for the Executive Director. The Board **endorsed** the recommended salary package for 2006-7, taking into account the Performance Review feedback from the Executive Director. The Board congratulated the Executive Director on his leadership of AUQA.

The Board also expressed a desire for the Ad Hoc Committee annually to note and report on the salary arrangements for the Audit Directors as determined by the Executive Director.

**Action: Chair, ED**

### **3.2 Legal Advice**

The Board **noted** the legal advice concerning the status of AUQA information passed to a Commonwealth public officer as a Board member or Auditor.

The Board **agreed** to delay to a future meeting consideration of whether this affected AUQA auditors (not being directors covered by the Companies Act), particularly with regard to the retention or destruction of materials resulting from an audit.

It was **agreed** that a paper should be prepared for a future meeting outlining AUQA policies and procedures on the issue.

**Action: ED**

## **4. AUDIT MATTERS**

### **4.1 Audits 2005**

The Board **noted** that the Summary Feedback Report for the University of Melbourne (AB2006/4/4.1 Attachment) completes the reporting on Summary Feedback for all the 2005 audits.

### **4.2 Audits 2006**

The board **considered** and noted the report on the progress of the 2006 audits.

\* Two further audit reports have been completed since the last Board meeting, both within the 4 month target timeframe.

\* The Executive Director indicated that in future audits will be spread more evenly through the year.

### **4.3 Audits 2007 and 2008**

The board **received** progress reports on the 2007 and 2008 audit programs.

#### **2007 Audits**

The Board **discussed** the planned audits for 2007, particularly the University of the South Pacific which has an MoA with AUQA (and the New Zealand Universities Academic Audit Unit) for an audit as a paid consultancy. An audit visit is targeted for December 2007 or March 2008. The budget for the project will be put to USP visitors when they are here next week. (It has been suggested to AusAID that they might fund the Audit.)

**Action: ED**

## **2008 Audits**

The Board **received** the list of 10 institutions, randomly drawn from those who last had an audit visit in 2002 or 2003. The spread was well balanced nationally and across the several university “groupings”.

The Executive Director has advised the Vice-Chancellors and they will be sent formal letters of announcement following this Meeting, at which time the information will become known publicly.

Representatives from all institutions have been invited to attend a briefing on 13 December.

**Action: ED**

## **RQF**

The Board **discussed** potential overlap with the RQF process, and stressed that communication will be very important as two quality processes may be running in parallel. However, it was noted that the Cycle 2 increased focus on standards should fit better with RQF than Cycle 1. The Board **agreed** that it would be beneficial to discuss harmonising the Cycle 2 processes with RQF.

**Action: ED**

## **ANU**

The Chair requested that the Deputy Chair preside for this item.

The Board **received** and **discussed** the Long List of possible auditors prepared by the Executive Director and approved by the Chair.

The Executive Director also **tabled** a summary statement of his communications with the Vice-Chancellor of ANU. The Board **agreed** that the response by the University, setting conditions proposed by the Vice-Chancellor, was unacceptable.

The Board **agreed** that the Executive Director should now write to the Vice-Chancellor on behalf of the Board setting out the appropriate terms and arrangements for the audit. The matter would be referred to the Minister, as per the *Higher Education Support Act* Section 19-27(3) should ANU not confirm these arrangements within the next working week.

It was **agreed** that any correspondence with the Minister would include copies of the correspondence with the Vice-Chancellor.

The Board **resolved** that

- it is important to exactly follow the correct procedure set out in the HES Act;
- the Executive Director would keep the Board informed of all communications with the University; and
- a contingency plan should be prepared for the Audit as if the issue may not be resolved through the Minister’s Office until early 2007

**Action: ED**

## 5. AUQA POLICY AND BOARD ISSUES

### 5.1 Review of AUQA

The Board **noted** the updated Action Plan (AB2006/4/5.1), and that items will be omitted when completed or embedded in routine activities.

### 5.2 Audit Cycle 2

The board **received** the updated document on Audit Cycle 2 (AB2006/5.2) including the list of proposed members for the Reference Group. The Board also recommended the inclusion of Dr Barry McGaw (Melbourne) if available, as well as other reserve names to keep on file for future phases of the project.

The Board **discussed** the issue of “Fitness for Purpose” versus “Standards”, and the need to be clear about whether “standards” refers to institutional setting of standards, or the application of established external national/international criteria.

The Board **discussed** the Auditor Register for 2007 and the need to ensure the inclusion of auditors with the most appropriate skill sets for Cycle 2. Auditor training to educate auditors about the new approach implied by Cycle 2 is part of the 2007 Strategic Plan. It may be necessary to contract expertise for the more specialised data analysis required during Cycle 2.

The Executive Director reported that a revised template for audit reports is being drafted, and should be ready to be considered at the meeting on the 13 December.

**Action: ED**

### 5.3 Strategic Plan 2007-2012

The board **discussed** the strategic plan for 2007-2010 (AB2006/5.3). Revisions will include:

**Finance:** the Board felt that there is an argument for asking for additional funding in relation to increase in number of audits that is foreseen. The Executive Director will include the implications of the new Protocols to be introduced in 2008 in his paper to the board on resourcing.

**Standards:** The Board **discussed** the need to be more aware of changing standards overseas and how improvements in standards and facilities overseas will affect Australian institutions.

**Staffing:** The Board **noted** that current and future staff workload is identified as a weakness in the Strategic Plan. The Board expressed concern at the level of staffing resources to meet Agency needs, and requested that the Executive Director develop a statement addressing this issue for the next Board meeting.

The Executive Director will revise the document in line with the Board’s comments.

**Action: ED**

## 6. FINANCE MATTERS

### 6.1 Financial Statements

On the recommendation the Chair of the Finance Committee the Board **approved** the Financial Statements. (AB2006/4/6.1)

The Board **noted** the September figures as presented to the Board.

The Board **noted** that the October figures will be with the Finance Committee next week.

**Action: ED, Corporate Accountant**

### 6.2 Finance Committee Matters

The Board **received** the proposed Budget for 2007. (AB2006/4/6.2)

\* The Executive Director is in discussion with a prospective tenant for the surplus office space which would result in income of approximately \$30,000.

\* The Executive Director will initiate a review of the provisioning for long service leave in discussion with the accountant, the auditor and the finance committee and will look into the recommendation to set up a provision account. **Action: ED, Chair of FC**

\* The Board **approved** the replacement of the previous AUQA Board Secretary with Dr Antony Stella as a signatory on the account. **Action: ED, Corporate Accountant**

• The Board **discussed** the profitability of external consultancy contracts and questioned whether the current consultancy day rate was in line with market values. The Executive Director will report back to the Board with a new schedule of consultancy fees.

**Action: ED, FC**

## 7. CHAIR'S REPORT

The Chair of the AUQA Board reported that he had received positive feedback from CEOs and Vice-Chancellors of audited institutions through the informal review process. Most institutions had taken the opportunity to offer quite extensive feedback.

The Chair proposed that AUQA work closely with Director Mr Colin Walters towards dialogue and collaboration with DEST concerning the development of the RQF process.

Professional activities: The Chair reported that

- he has been appointed by the ARC to join the Review of the Federation Fellowships program;
- he is going to Canada in January 2007 to take part in a conference on higher education in federal systems (funded by the hosts); and
- he was the Convenor of the 6<sup>th</sup> National Chancellors' Governance Conference held at Old Parliament House, Canberra, 10//11 November 2006.

## 8. EXECUTIVE DIRECTOR'S REPORT

The Board **received** a report from the Executive Director on AUQA activities (Paper AB 2006/4/8). The Executive Director highlighted the following issues:

\* Audit Progress Reports: the Board **requested** that there should be a regular item in the Executive Director's Report. They agreed on the importance of the reports in ensuring the implementation of audit recommendations, and that they could offer support in ensuring that the audit progress reports were completed by the agencies.

\* The Board **agreed** to maintain the Australian Higher Education Quality Award for two more years and then to assess its effects and visibility. The Board also **agreed** on the need to attract more nominations for the 2007 Award.

**Action: All Directors and AUQA staff**

\* The Chair offered his congratulations to Dorte Kristoffersen on her election as Secretary / Treasurer of the Asia Pacific Quality Network (APQN).

## 9. DEST/MCEETYA MATTERS

### 9.1 NSAI Audits

The Board **received** and noted the NSAI Audits paper. (AB2006/4/9.1)

### 9.2 MCEETYA Matters

#### Membership of the JCHE

The Board **agreed** that AUQA should cultivate its direct line of accountability to the Ministers through MCEETYA, rather than trying to broker further lines of reporting through JCHE.

The Board also **agreed** that the best approach to a relationship with JCHE would be to seek observer status.

The Executive Director will write to the chair of JCHE, requesting that papers for future meeting be made available to AUQA so that AUQA can request observer status for any relevant items.

**Action: ED**

### 9.3 Transnational Quality System (TQS)

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

## 10. OTHER BUSINESS

None

**11. BOARD MEETING DATES FOR 2007**

The Board **agreed** the following dates for 2007:

Meeting AB2007/1	1 March 2007
Meeting AB2007/2	7 June 2007
Meeting AB2007/3	23 August 2007
Meeting AB2007/4	29 November

In closing the Meeting with appreciation for dedicated service by the Directors in 2006, the Chair wished all members best Festive Greetings.

Signed:.....

Chair AUQA Board.....

Date:.....