

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

**AUQA Board Meeting 2008/4
10.00am Tuesday 25 November 2008**

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

MINUTES

1. ATTENDANCE & APOLOGIES

Present

Emeritus Professor Deryck Schreuder (Chair of the Board)
Mr Ian Hawke (Deputy Chair of the Board)
Mr Patrick Coleman
Mr Clive Hildebrand
Emeritus Professor Michael Koder
Professor Bill Lovegrove (Teleconference)
Professor James McWha
Professor Alan Pettigrew
Mr Colin Walters (Teleconference)
Mr Terry Werner
Dr David Woodhouse (Executive Director)

Observer Carolyn Alport and Audit Director Rob Carmichael were in attendance for the non-confidential items.

Apology: Professor Ian O'Connor

Board Secretary – Dr Antony Stella

The meeting started at 10.00 hrs with the welcome by the Chair of the meeting.

2. MINUTES OF MEETING 2008/3 HELD ON 19 AUGUST 2008

The Board **confirmed** the Minutes of meeting AB2008/3 held on 19 August 2008 as an accurate record of the meeting.

3. THE AGENDA

3.1 Approval of the Agenda and items to be starred; **approval** of all un-starred items

Items that were deemed to require discussion had been starred on the Agenda. Directors were invited to indicate if they wished to change the

status of any items. After considering all updates and an additional paper provided, the Board identified items 7 and 10 as requiring discussion.

On a motion from the Chair, the Board **agreed** to the actions recommended in the papers (and which were not starred or taken up for discussion at the meeting), and they were deemed to have the approval of the Board.

The starred items were then taken for discussion. The Board also **agreed** that item 8.2 on Board annual review would be taken up for discussion at the end of the meeting as a confidential item.

3.2 Matters arising not listed elsewhere on the agenda

The Board noted that the discussions and negotiations with the ED on his performance appraisal and salary adjustment have concluded, and that the ED has accepted the extension of his contract for another year. The Board congratulated the ED and wished him well in these challenging times in higher education.

4 AUDIT MATTERS

4.1 Audits 2008

The Board **received** a report on the 2008 audit program and noted that the audit reports are published well ahead of the timelines.

Feedback summaries of three Cycle 2 Audits were considered. The Board agreed that for its own QA purposes, as a part of its governance responsibilities, it should review the 2008 Cycle 2 audit reports. The Board recalled that a similar exercise was done when the first batch of Cycle 1 audit reports were published and that it was helpful.

An external consultant will be commissioned to analyse the Definitive Drafts, comments from institutions, and the final audit Reports of the 2008 Cycle 2 auditees. The ED will develop the Terms of Reference for this review and bring it to Board's attention at the next meeting. The review will begin as soon as all the 2008 audit reports have been published (February 2009).

The Board considered the proposal that AUQA auditors who serve on an audit panel should undertake not to carry out any consultancy for the auditee for a period of one year following the publication of the audit report. The Board agreed with the principle of the proposal, but wished that it be confined more narrowly to consultancy that could relate to the audit. This will be incorporated into the Code of Conduct of the auditors and the policy on conflict of interest. The ED will revise the Code of Conduct and inform the Board of the revisions at the next meeting.

Action: ED

4.1 Audits 2009

The Board **received** a report on the 2009 audit program.

4.3 Audit Schedule 2010 Onwards

The Board **received** a report on the Audits scheduled for 2010 onwards, noting that Carnegie Mellon University will be audited by AUQA in 2010, and that Christian Heritage College in Queensland has opted for AUQA to carry out its second audit. This will occur in 2012.

4.4 Progress Reports

The Board **received** a report on the Progress Reports submitted to AUQA by auditees since the previous Board meeting.

5. AUQA POLICY AND BOARD ISSUES

5.1. AUQA Policies

The Board **approved** the revised Risk Register, noting that the risks are generally seen to be low, and that one of the tables was incomplete. A further revision will be circulated. The ED invited directors to suggest any further improvements to be made to the Risk Register.

Action: ED

5.2. Standards in Australian Higher Education

The Board **received** a report on the first meeting of the Advisory Group on Standards in Australian Higher Education.

6. ENVIRONMENTAL SCAN

6.1 External liaison

The Board **received** a report on some international issues, based on external interactions of AUQA staff, in Australia or overseas. The Chair commented that such briefings are very valuable to the working of the Board.

7. FINANCE MATTERS

7.1 Finance Committee Matters

The Board **received** the Financial Statement for the period ending 30 September 2008.

The Board was informed that JCHE has agreed to recommend to AESOC that the funding to AUQA be maintained at the 2008 level. An out-of-session decision by AESOC may be expected in mid December.

The Board received a proposed budget for 2009, recommended by the Finance Committee. The ED reported that the prudential reserve has recently been re-calculated, using the parameters agreed by the Board, and this is now higher than before. However, the surplus over the reserve is still significant, for a number of reasons, including cautious budgeting, frugal expenditure, and the significant Bahrain project in 2007. The ED therefore sought the Board's advice on the approach to the surplus in deciding on the proposed budget.

The Board **agreed**

- That the audit fees be as recommended
- That provisionally these be maintained unchanged over 2010 and 2011, even if costs rise
- That an outline budget for 2010 and 2011 be developed
- That explicit attention be paid to provision for computing and other facilities, with a view to establishing a sinking fund for these
- That provision be made for a move of the AUQA offices when the current lease ends in 2011
- That some enhancement in travel provision for auditors and audit directors be considered.

The Board **approved** the 2009 budget as presented, with the two options, while noting that it will consider revised proposal taking the above into account.

Action: ED

8. CHAIR'S REPORT

8.1 To receive a report from the Chair

The Chair initiated a discussion on the Board's activities during this year. See item 8.2.

8.2 Board Annual Review

The Board has undertaken its annual self-review process, with the aim of constantly improving governance in AUQA. The procedure in 2008 was initiated through a circular Memorandum to all Directors indicating that a confidential discussion would be held at the next Board meeting; and proposing a set of 'key points' for consideration in the discussion. Directors were invited to contact the Chair with any significant matters which they wished to raise, including any that might be outside the list circulated. The Chair responded to any such communications before the Board meeting; and appropriately added those issues to the agenda for a 'round table discussion'.

Following an introduction by the Chair on the constant challenge of enhancing efficiency and quality in AUQA's own governance and practices, Directors engaged in a wide-ranging review of the work of the Board over the previous Year. There was special consideration of

- Board agendas and the 'starring' system approach
- The frequency and duration of meetings

- The nature of audit reports and Board oversight
- Finance reporting and budget considerations
- The place of strategic issues and environmental scans in Board deliberations
- Reports from the Executive Director
- The role of the Chair and (Deputy Chair)
- The role and responsibility of Directors
- Other detailed considerations raised in discussion by Directors

The Chair and Executive Director undertook to note and to action areas of development in the work of the Board.

The Chair warmly thanked Directors for their valuable and practical contributions to the annual review of the Board.

9. EXECUTIVE DIRECTOR'S REPORT

The Board **received** a report from the Executive Director on AUQA activities since the previous Board meeting. The ED briefed the Board about the collaboration being developed with BHERT about AUQA's relation to the business sector, and with Graduate Careers Australia and the institutions on joint statistical research projects.

Action: ED

10. MCEETYA / DEEWR MATTERS

The ED reported that discussion has begun with the GAAs, including with JCHE and the HEROs group, on the details of the arrangements for the audit of GAAs in 2010. The GAAs have been surveyed and an analysis of their responses was prepared the day before the Board meeting and was therefore tabled. (Rob Carmichael is responsible for this project, and also spoke to this item).

Directors **agreed** that AUQA would not be auditing the GAAs' ESOS compliance.

Directors noted that Victoria and Queensland questioned AUQA's authority to audit their NSAI HEP audit function, and the Board **agreed** to seek a determination from the Federal Minister (as these audits relate to a Federal Act, HESA 2003).

The procedures for the audits will be developed in the light of the survey responses and put to the next meeting of the Board for approval.

Action: ED

11. OTHER BUSINESS

In closing the meeting the Chair extended Seasons Greetings to all Directors and thanked them for their commitment to the work of AUQA in 2008.

12. NEXT BOARD MEETING

The next meeting of the Board will be held on 17 February 2009.
The other 2009 Board meetings: 21 May; 25 August; 24 November.