

Audit Handbook
for
non self-accrediting
Higher Education Providers

Information and advice for auditing bodies and non self-accrediting institutions to be audited under the requirements of the *Higher Education Support Act 2003*.

**Department of Education, Employment and
Workplace Relations**

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HEP Quality Audit Handbook, Version 3

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FOREWORD

When the first version of this Handbook was prepared for the pilot process of observed audits, it was stated that a revised version of the Handbook would be prepared when the pilot process was complete and circulated to all approved Higher Education Providers (HEPs) and other parties with an interest in the audit of non self-accrediting HEPs.

This version of the Audit Handbook represents that revision. It draws on the reports and recommendations of the consultants who observed the pilot audits for the Department of Education, Employment and Workplace Relations (Dr John Grant, Professor Gus Guthrie and Dr Anne Martin) and also on feedback received from other participants in the pilot process.

In the present Handbook the term 'integrated process' (used in the draft Handbook to describe quality audit and re-approval procedures carried out at the same time) has been changed to 'concurrent process' as an acknowledgement that while the two processes may be carried out at the same time they may not necessarily be integrated. The Quality Audit Factors have been lightly revised and a new part has also been added to the Handbook (Part C, Scope of Audit and Choice of Auditing Body).

It is hoped that this Handbook will be a useful guide to approved Higher Education Providers as they prepare for quality audit, and to other stakeholders involved in the audit process.

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EXECUTIVE SUMMARY

Non self-accrediting higher education providers (HEPs) are required to undergo periodic quality audit by the *Higher Education Support Act 2003* (the HESA). Two options are available for the audit of these institutions:

- an audit by the Australian Universities Quality Agency (AUQA) or
- an audit which is undertaken concurrently with re-registration or other re-approval processes by a State/Territory higher education accreditation agency listed as a quality auditing body in the Higher Education Provider (HEP) Guidelines. In this Handbook this process will be referred to as the concurrent quality audit and re-approval process.

AUQA is currently listed as a quality auditing body in the HEP Guidelines. State accreditation agencies which have successfully completed an observed pilot audit will also be listed in the HEP Guidelines.

The following important principles underlie the quality audit of non self-accrediting HEPs:

- the audits will be based on the four Quality Audit Factors set out in this Handbook;
- the audits will be used to inform continuous quality improvement for the institution and will not produce a pass/fail outcome;
- they will also provide the Minister for Education, Employment and Workplace Relations with information about the quality of approved HEPs as part of the continuing quality and accountability requirements of the HESA.

State/Territory agencies carrying out a concurrent quality audit and re-approval process are free to determine the extent to which they integrate the two procedures in order to maximise efficiency and minimise duplication of effort for both agencies and institutions. It is expected that auditing bodies will develop and implement their own procedures for this process, to support the requirements set out in the Handbook.

The Audit Handbook

The Handbook is intended to provide auditing bodies with a broad operating framework and consistent requirements for the audit of non self-accrediting HEPs. It sets out the common requirements for quality audit for each of the possible auditing bodies. For auditees, the Handbook provides an overview of what to expect during an audit process and an outline of how to prepare for the audit. Auditees should read the Handbook in conjunction with any directions provided by their chosen auditor which set out specific procedures and requirements.

The Handbook is also intended to assist HEPs in undertaking forward planning and preparation for their quality audit by indicating the areas on which the audit will focus and the kinds of data which it may be helpful for the provider to collect in the period before the audit is scheduled.

Part B of the Handbook sets out the 'Quality Audit Factors for Non Self-Accrediting Higher Education Providers' (the QAFs) which constitute the core focus of the audit, regardless of which auditing approach is used.

Part C of the Handbook, The Audit Process, sets out the aspects of the audit which are expected to be implemented consistently, irrespective of the auditor or auditee, and the aspects which may vary at the discretion of the auditor.

The Appendices provide generic examples of good audit practices, based on the AUQA experience to date, to assist both auditors and auditees in preparing for the pilot and subsequent audits. The material in the appendices is indicative rather than prescriptive.

PART A OVERVIEW

1. The Quality Audit Requirement

In 2003 the Australian Government introduced the *Higher Education Support Act 2003* (HESA), which amongst other matters made it possible for students studying at non self-accrediting higher education institutions to receive financial assistance for their tuition fees through the FEE-HELP scheme.

Non self-accrediting institutions (NSAIs) approved under the HESA for this purpose are known as approved Higher Education Providers, or HEPs¹. The HESA requires that approved HEPs meet a range of quality and accountability requirements, including periodic audit by a quality auditing body named in the HEP Guidelines.

All higher education institutions in receipt of Australian Government funding are required to undergo a nationally consistent process of quality audit as part of their obligation to account for disbursement of public funds. As well as providing this accountability, the policy intent of the quality audit requirement is to encourage institutions to strive for continuous quality improvement and develop an effective internal system of quality assurance, with the object of maintaining and improving the quality of the education they provide.

Self-accrediting institutions (SAIs) have undergone quality audits by AUQA since 2001, but the process will be new to many non self-accrediting institutions (NSAIs). Under the National Protocols for Higher Education Approval Processes, NSAIs are already subject to ongoing scrutiny by their State or Territory to obtain authority to operate and for accreditation of courses. These approvals must also be regularly renewed (usually every five years).

In States in which the accreditation agency has completed a successful pilot audit and has been listed as a quality auditing body in the HEP Guidelines, providers have a choice of a quality audit by AUQA or a concurrent quality audit and re-approval process conducted by the accreditation agency.

The choice of which audit approach to use is determined by the auditee. In deciding which approach to select, HEPs may wish to discuss the options with AUQA or with their State/Territory accrediting authority (where appropriate).

The Australian Government expects that there will be an underlying consistency in the approach to the auditing of approved HEPs. In order to promote transparency and comparability in these auditing arrangements, minimum core requirements for quality audits for approved HEPs are set out in this Handbook. Other elements of the audit approach and format may vary, however, depending on whether it is a State/Territory agency or AUQA which conducts the audit.

As well as satisfying the HESA requirement, the quality audit process provides HEPs with the opportunity to assure themselves, their students and other stakeholders that they provide higher

¹ Although universities are also 'Higher Education Providers' (though self-accrediting), the term 'HEPs' is to be understood in this document as applying only to non-self accrediting higher education providers.

education of good quality and are committed to further quality improvement. The publication of audit reports, so that they are accessible to prospective students and interested members of the public will further assist in the development and sustainability of this significant part of Australia's higher education sector.

2. Terminology

Several frequently used terms are defined below to assist in a clearer understanding of the quality audit process described in this Handbook. These definitions conform to the HESA legislation and will not necessarily be identical to those used by each of the State and Territory jurisdictions, given that each has developed its own processes and terminology for accreditation, registration, and re-registration/authorisation.

Auditor refers to the body undertaking the quality audit, either AUQA or a State/Territory higher education accrediting agency listed in the HEP Guidelines.

Auditee refers to the higher education provider or institution which is being audited. The terms 'institution', 'auditee' and 'HEP' are used interchangeably in this Handbook.

Agency refers to a State/Territory higher education accreditation agency.

AUQA is the Australian Universities Quality Agency, the independent national quality assurance agency for the higher education sector.

Educational objective(s) refers to an institution's academic purpose, mission, or goals as defined by the institution itself. It does not refer to educational 'learning' objective(s) as the term is more commonly understood at the course or award level. The quality audit process seeks to establish whether an activity or practice is deemed suitable for the achievement of the institution's defined purpose or educational objective(s).

Accreditation is the process of assessment and review which authorises a higher education institution to offer a course leading to a higher education qualification or award listed on the Australian Qualifications Framework (AQF). A course accreditation process focuses on ensuring that a course is at an appropriate academic level for the award to which it leads and is comparable to accredited courses in the same discipline and at the same level offered by other Australian higher education institutions. It also seeks to ensure that the course and the methods used to deliver it are likely to achieve its stated objectives.

Registration or Authorisation is the regulatory process by which whole institutions gain the authority to offer higher education awards. This process ensures that the institution is a legally accountable and reputable entity with an appropriate form of governance and has the physical facilities, staff and other resources necessary to operate as a higher education institution. Under the National Guidelines for Higher Education Approval Processes², registration and course

² National Guidelines for Higher Education Approval Processes: Guidelines for the Registration of non self-accrediting Higher Education Institutions and the Accreditation of their Courses (relating to Protocols A and B), as approved by MCEETYA October 2007.

accreditation may be undertaken at the same time or separately, each with different requirements which must be met.

Quality audit is focussed on effectiveness and on fostering continuous quality improvement at the level of the whole institution. Quality audit can be defined as ‘a systematic and independent examination to determine whether activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives’ (AUQA Audit Manual, citing the Australian/New Zealand Standard, 1994). Quality audit is therefore based on the institution’s own educational objectives, and the extent to which these are being achieved, including the institution’s own assessment of its performance against its objectives. Quality audit is sometimes called ‘fitness for purpose’ audit because the objectives set out the institution’s purposes. The institution’s self-review of its quality assurance systems and how they could be made more effective is an important part of the quality audit process. Quality audit is not a pass/fail process. Rather it is based on the expectation that all institutions will seek to improve their performance, regardless of whether they have only recently begun to develop a culture of continuous quality improvement, or whether this is already well embedded in their institutional culture.

AUQA has developed a web-based glossary of quality-related terms which readers of this Handbook may find a useful resource in further understanding the audit experience (www.auqa.edu.au/qualityenhancement/index.shtml).

3. The Nature and Scope of the Quality Audit

Quality audit may be a new experience for some HEPs, although many will be familiar with compliance auditing, which is conducted on a pass/fail basis. It is important to stress that an institution cannot pass or fail a quality audit of the type described in this Handbook.

The audit process starts with the institution itself – preparations for quality audit should ideally be based on the auditee’s existing quality assurance system. Quality audit conducted by an external body provides an institution with the opportunity to review or take stock of its existing arrangements and achievements as a basis for future planning and continuous improvement.

The QAFs (see Part B) provide information about the aspects of institutional performance which will be considered during the quality audit process. The QAFs are also a valuable tool for assisting HEPs to identify issues on which they can reflect and act as a part of their commitment to quality improvement and preparation for quality audit.

All HEP audits must adhere to certain core requirements intended to support nationally consistent outcomes. These include:

- the use of an auditee self-review (often called the Performance Portfolio);
- the preparation of an audit report by the auditor detailing the outcomes of the audit which will be provided to the auditee and to DEEWR and published on the auditor’s Internet site; and
- a report by the auditee on the action it has taken to implement the recommendations of the audit report.

Within this framework, the auditor has scope to determine many of the operational details of how the audit is conducted. Aspects of the process which are at the discretion of the auditor include:

- details of the audit schedule and program;
- arrangements for and conduct of an institutional visit to further investigate aspects of the audit or concurrent audit and re-approval process being undertaken; and
- administrative requirements, including staff support and arrangements for communication with the auditee.

Fees for the concurrent quality audit and re-approval process will be determined as a result of the participating agencies calculating the additional cost of the audit component on a cost recovery basis. This will be a separate fee from the fee for the re-approval process. Fees for an AUQA audit will be charged on a cost recovery basis and will be advised by AUQA.

4. AUQA Audits of HEPs

HEP audits conducted by AUQA will be structured around consideration of institutional performance assessed against the institution's objectives and the criteria set out in the QAFs. The audits will also include other core requirements set out in this Handbook. Each State or Territory agency is free to determine if and how an AUQA audit could be used to fulfil some part of its institutional re-registration/authorisation process. AUQA has held some preliminary discussions with some accreditation agencies with a view to developing arrangements of this kind in the future.

5. State/Territory Agency Audits of HEPs

The option of a quality audit conducted by a State or Territory agency has been provided to make it possible to run concurrently the quality audit requirement with the State/Territory re-approval requirement. This option is intended to allow aspects of the quality audit and of the re-approval process to be rationalised, thereby saving providers time, resources and/or costs.

As with an AUQA audit, the quality audit component of a concurrent quality audit and re-approval process will be structured around consideration of institutional performance assessed against the institution's objectives and the criteria set out in the QAFs. As a starting place for the audit panel in considering this, the auditee will submit a self-review document ("Performance Portfolio") in which the auditee reviews its performance against its objectives and the QAF criteria. However the extent to which the self-review is also used to meet the requirements of the re-approval process will be decided by the agency. It may ask the auditee to submit a single report which covers both processes, or it may ask the auditee for two reports, one for each process. It is important that the agency give the auditee clear instructions about the documentation which it must supply for the audit.

The concurrent process will also be used to meet the requirements for the State/Territory re-approval process which is also being conducted. This Handbook does not deal with the requirements for the re-approval part of the concurrent process.

PART B: THE QUALITY AUDIT FACTORS (QAFs)

1. Introduction

The primary purpose of the QAFs is as a framework for the aspects of institutional performance which will be considered during the quality audit process of HEPs. The QAFs are designed to assist both auditors and auditees in considering and conducting an audit. The document provides a valuable tool for assisting all HEPs to identify core issues on which they can reflect and act as a part of their own commitment to continuous quality improvement and preparation for a HESA quality audit in the future.

The QAFs cover four key areas and are intended to serve the following functions for the quality audit of HEPs:

- to provide a framework in terms of audit scope and focus;
- to encourage institutions in a productive process of self-review of institutional performance, and to stimulate their engagement in a continuing cycle of educational improvement;
- to ensure that there is a level of consistency in the audit process across the different auditing bodies and the panels used by them;
- to provide transparency about the basis of the quality audit process; and
- to outline the basis on which a quality audit panel either praises the current practice or arrangements of the institution, affirms a decision for change which the institution has already made, or suggests ways in which the institution could improve its performance or arrangements. These are most usually referred to as commendations, affirmations and recommendations. (See Part D, section 6 below.).

Within the scope and focus for each QAF, the audit panel will consider institutional performance against the auditee's stated objectives.

The 'Criteria for Review' for each Audit Factor are intended to provide general guidance to auditees by indicating the likely areas that the institution should consider in relation to each QAF during its self-review. They are also intended to provide guidance to audit panels by indicating likely areas to consider in undertaking the audit. The following points should be noted:

- in preparing the self-review document, institutions are not required to deal with each criterion separately, or to consider them in the order in which they are listed in this Handbook;
- there may be criteria which are either not relevant to an institution, or which appear to require the repetition of ground already covered. In such a case the criterion should be used or omitted at the discretion of the auditee;
- similarly, the criteria for review are not intended to be exhaustive. If an institution considers it relevant to consider matters or include evidence which is not covered by the criteria for review it should do so.

HEPs vary considerably in size, structure and the type of awards offered. Some offer awards in conventional academic fields, others in less conventional fields, and there will be varying emphasis on research in the documents setting out their institutional mission. Others may offer

courses in applied and/or creative fields of endeavour, where traditional research is not a significant part of the institutional objectives. The QAFs therefore use the terms ‘scholarship’ and ‘creative activity’ to allow for this sort of variation. Because of the considerable diversity amongst HEPs, the issues addressed in the QAF document will be applied flexibly in the audit process, taking the size, structure, institutional mission and circumstances of each institution into account.

2. The Quality Audit Factors

Quality Audit Factor 1: Institutional and Educational Objectives and Institutional Governance

QAF 1 - Audit Scope & Focus

The institution has clearly defined its purposes and its role in the higher education sector. It has educational objectives aligned with these purposes and its place in the sector. The institution is governed in an appropriate manner, displays academic integrity and operates according to sound business management practices. It fosters open intellectual enquiry and is committed to the promotion of student learning.

Criteria for Review

Institutional and Educational Objectives:

F1.1. The institution has defined its role in the Australian higher education sector in a clear and accurate manner, and has set out goals or aims which are conducive to continuous quality improvement.

F1.2. The institution’s educational objectives are known and understood throughout the organisation, are consistent with its stated purposes and are actively used as guides for decision-making and resource allocation.

F1.3. The institution encourages open intellectual inquiry through its academic goals, processes and services.

F1.4. The institution is supportive of an organisational culture based on concern for students as learners and has education as its primary purpose.

Institutional Governance:

F1.5. The institution is governed in a manner consistent with recognised good practice in the Australian higher education sector.

F1.6. The governance of the institution is characterised by sound business management practices and exhibits an appropriate level of autonomy from any other business interests of a financial sponsor or owner.

F1.7. The institution accurately represents its academic goals, processes, and services to students and prospective students.

Quality Audit Factor 2: Achieving Effectiveness in Teaching, Learning and other Core Functions

QAF 2 - Audit Scope & Focus

The institution achieves its educational objectives through the core functions of teaching and learning, scholarship and creative activity. It is able to demonstrate that it discharges these core functions effectively and seeks ways to do so even more effectively.

Criteria for Review

Teaching and Learning

F2.1. The institution monitors the admission and progress of all students to ensure that its requirements are adequate and standards are appropriately maintained.

F2.2. The institution encourages and disseminates good practice and innovation in teaching and learning, irrespective of mode of delivery (see also 2.4 and 2.5 below).

F2.3. The institution takes full responsibility for all courses which lead to a qualification it awards, either within Australia or overseas, including delivery, and irrespective of whether offered through technologically mediated instruction, other distance education methods, attendance on campus, or a partnership. Where a course is delivered through a collaborative arrangement, the nature of that arrangement is clearly explained to prospective students.

F2.4. The institution has processes in place to ensure that student achievement is consistent with its stated educational objectives, irrespective of whether a course is offered through technologically mediated instruction, other distance education methods, attendance on campus or through a partnership.

F2.5. The institution monitors the satisfaction of its students (including any students taught offshore) with the quality of their teaching and learning experience, and takes steps if necessary to improve this.

F2.6. The institution monitors the satisfaction of its graduates, their employers or the higher education institutions which they subsequently attend, with the quality of the qualification(s) gained, and takes steps if necessary to achieve improvement.

F2.7. Where relevant to its educational objectives, the institution engages with the community and interested parties through collaborative arrangements to provide opportunities for practical engagement (such as practicum placements).

F2.8. The institution has measures in place designed to prevent and detect cheating and plagiarism amongst its students and to deal with any instances of these practices in a consistent and forthright manner.

Scholarship and Creative Activity

F2.9. The institution actively values and promotes scholarship and creative activity, as well as their dissemination in ways appropriate to the institution's purposes and character.

F2.10. The institution fosters a culture of critical inquiry and innovation appropriate to the educational objectives of its programs among its staff and students.

Quality Audit Factor 3: Organisational Structures, Decision-making Processes and Resources to Support Teaching and Learning

QAF 3 - Audit Scope & Focus

The institution supports the achievement of its institutional purposes and educational objectives through an appropriate and effective set of organisational structures and decision-making processes, including the resolution of grievances, provision of professional development for academic staff, student support processes and information resources.

Criteria for Review

Organisational Structures and Decision Making

F3.1. The organisational structures and decision-making processes which support the institution's teaching and administrative functions are clear, consistent with its purposes, and facilitate effective decision making.

F3.2. The institution has published student and staff grievance policies and can provide evidence of satisfactory implementation of these policies and fair resolution of grievances.

Academic and Administrative Staff

F3.3. The institution's academic staff members act so as to ensure academic quality in accordance with the institution's educational purposes and character.

F3.4. The institution's recruitment policies and retention practices are designed to ensure the availability of academic and administrative staff with the appropriate qualifications and experience to achieve its objectives.

F3.5. The institution provides for a quality of institutional leadership, teaching and administration which is consistent with its objectives by putting in place appropriate staff induction and development opportunities, workload policies, and opportunities to associate with peers from other institutions, such as participation in conferences and the use of visiting scholars.

F3.6. The institution provides for an evaluation process for academic staff which is consistent with its institutional purposes and educational objectives, and includes appropriate peer review, and consideration of evidence of scholarship and teaching effectiveness.

Support for Student Learning

F3.7. The institution seeks to identify the characteristics of its students (including international students) and their needs as learners, whatever the mode in which they are undertaking their studies, in order to meet those needs as effectively as possible.

F3.8. The institution ensures that all students (including international students) are advised about and understand the requirements of the course in which they are enrolled and receive timely, useful, and regular information about it and about any financial obligations which they may have undertaken in relation to it.

F3.9. The institution ensures that support for student learning is sufficient for their students' learning needs, irrespective of whether a student is studying via technologically mediated instruction, other distance education methods, attendance on campus or through a course offered by a partner institution.

Information Resources

F3.10. The institution provides information resources and technology appropriate to its educational purposes and these resources are sufficiently coordinated and supported to fulfil its key academic and administrative functions.

F3.11. The institution's academic record-keeping system ensures the long-term maintenance and integrity of its student records.

Quality Audit Factor 4: Maintaining a Commitment to Quality Improvement

QAF 4 - Audit Scope and Focus

The institution considers evidence about how effectively it is accomplishing its institutional purposes and educational objectives. Such considerations inform the institution's strategic planning and its establishment of priorities within its component units, and may lead to the revision of institutional and educational objectives, approaches to teaching and learning, and planning and budgeting priorities. There is an institution-wide commitment to continuous quality improvement.

Criteria for Review

Review and Evaluation

F4.1. The institution has quality assurance processes which operate at each level of institutional functioning and assist in tracking how effective its processes are in producing outcomes consistent with its educational objectives.

F4.2 The institution's quality assurance processes, including the academic planning process and the quality management system for teaching and learning, collect evidence about the extent to which the institution is achieving its purpose and educational objectives.

F4.3 As part of this process the institution considers and evaluates the quality of outcomes achieved (including rates of student retention, graduation, and employment or transition to further education), where appropriate by benchmarking these against appropriate comparators. It takes steps to improve these outcomes as needed, at the whole-of-institution level, the organisational unit level, or both.

F4.4. The institution's main stakeholders, including staff, students, graduates, employers and (where applicable) practitioners are involved in the assessment of its educational effectiveness and the extent to which it is achieving its educational objectives.

Planning & Managing for Quality

F4.5. The institution gives priority in its strategic planning and budgeting processes to the achievement of its institutional and educational objectives.

F4.6. Leadership at all levels is committed to planning and managing processes for continuous quality improvement, based on the results of the processes of inquiry, evaluation and assessment throughout the institution.

F4.7. The institution, and its component parts, has implemented review processes which may lead to the revision of their stated purposes, structures, and policies.

PART C: SCOPE OF AUDIT AND CHOICE OF AUDITING BODY

1. Scope of quality audit of HEPs

While some approved HEPs are unitary, single-campus institutions, many are not. They may have two or three campuses in a single State or Territory, or in different States or Territories, or consist of a central co-ordinating body with a number of member teaching institutions. In this case the member institutions may be all in the same State as the central body or in different (and various) States and Territories. Finally, HEPs may have off-shore operations.

Auditing bodies which are listed in the HEP Guidelines may audit a non self-accrediting HEP which requests that they do so, consistent with the principles set out in points 2 to 4 below and with the audit scope for that auditing body specified in the HEP Guidelines. In considering the scope of the audit, the auditing body should give consideration to all the operations of the HEP in question. The relevant cost/benefit issues, consideration of the scale of the various operations, the application of risk assessment techniques and the use of sampling techniques may all be significant in deciding which operations, campuses or member institutions should be visited as part of the audit. The fact that a decision is made not to visit a campus or off-shore operation of a HEP does not however mean that its operations should otherwise be excluded from consideration in the audit.

2. HEPs which operate in more than one jurisdiction

Some HEPs have their headquarters in one State and a campus or campuses in other States. In such a case re-approval processes for that HEP will involve more than one jurisdiction, and will probably be undertaken by a mutual recognition process.³ The re-approval process conducted by the primary jurisdiction may be conducted concurrently with a quality audit to meet the HESA requirement. Only the accreditation agency in the primary jurisdiction, if it is listed in the HEP Guidelines as a quality auditing body, is able to conduct a quality audit in this case. The remaining re-approval processes will still need to be carried out by the secondary jurisdiction/s but will not be held concurrently with the quality audit.

In this type of quality audit, the audit panel will need to make a judgement as to whether the HEP's operations in the secondary jurisdiction do in fact require an audit visit. (See Part C, sub-section 1 above.) In making a decision about this, the auditing body will take a range of factors into account, including the scale and complexity of the functions conducted at the campus concerned. If it is decided that the second campus does require an audit visit, it is suggested that a sub-group of the panel (for example, the Chair and the audit director) conduct the visit.

In undertaking such a visit in a jurisdiction other than its own, the agency will be operating as a quality audit body listed in the HEP Guidelines rather than as a State or Territory accreditation agency.

³ *The mutual recognition process is described in the National Guidelines for Higher Education Approval Processes, Sections 12 and 19.*

The quality audit of an institution which consists of a central co-ordinating organisation with a number of member teaching institutions raises similar issues to the audit of an institution which operates in more than one jurisdiction.

If the central organisation and all of the member institutions are located in the same State, or if the central organisation and the majority of the member institutions are located in the same State, it may also be audited by the State agency in that jurisdiction if it is listed in the HEP Guidelines as a quality auditing body. In the case of a central co-ordinating institution which is principally located in one State but has a small number of member institutions in another State or States, only the principal jurisdiction may undertake a quality audit concurrently with a re-approval process. The remaining re-approval processes will still need to be carried out by the secondary jurisdiction/s but will not be held concurrently with the quality audit.

Where such a HEP has member institutions in several States or Territories, given the complexities of the audit there would be little to be gained from carrying out a concurrent process. In this circumstance the HEP should be audited by AUQA.

3. HEPs which have off-shore operations

A small number of HEPs have off-shore operations. These institutions may be audited by AUQA or the State agency in the home or primary jurisdiction, if it is listed in the HEP Guidelines as a quality auditing body.

The off-shore operations of the HEP should be included in the quality audit. During the early stages of the audit planning process it is essential that a decision be made as to whether the off-shore operation requires a visit by the audit panel or part of the panel, or whether it is adequate to examine it as part of the audit but without a site visit. In this case the scale and complexity of the operations concerned will be an important consideration in deciding whether an audit visit is necessary. If it is decided that a provider's offshore operations do require an audit visit, it is suggested that a sub-group of the panel (for example, the Chair and the audit director) conduct the visit. In a case where the provider has multiple offshore campuses, the panel should consider visiting a sample of these, to keep the process manageable and to avoid undue expense for the provider. If it is decided that a visit is required, at least one member of the audit panel should have an appropriate level of experience and expertise in the audit of off-shore operations, for example as an AUQA auditor. An auditing body other than AUQA which is contemplating a first audit of this type is urged to consult AUQA in relation to appropriate panel membership and procedures.

PART D: THE AUDIT PROCESS

1. Introduction

This part of the Handbook is a summary of the main features of a typical quality audit process for HEPs. Appendix 1 contains an outline of a typical audit schedule.

2. Initiating the Audit

HEPs will be audited on a regular cycle, at five or six-yearly intervals. For audits conducted by State/Territory agencies the timing will normally be determined by the institution's re-approval schedule in its primary jurisdiction, so that the two processes may be undertaken concurrently. Audits conducted by AUQA, since they are not undertaken concurrently with a re-registration process, may take place outside this schedule, although still within a cycle of the same length.

DEEWR will contact each HEP once it has been approved, either to indicate that it will be audited by AUQA or (in the case of institutions located in either Victoria or Queensland) to ascertain whether the institution wishes either AUQA or the relevant State agency to conduct the audit. AUQA has now developed an audit schedule and the agencies which have been listed as auditing bodies will also draw up audit schedules for the HEPs which choose to be audited by them. The auditor (whether AUQA or the agency) is responsible for contacting the institution to initiate the audit process and arrange details.

3. The Self-Review or Performance Portfolio

HEP audits will be based on a self-review prepared by the institution. The self-review is often referred to as the Performance Portfolio. The Performance Portfolio should primarily consist of a review of the institution's performance against the QAFs. If the auditing body is a State/Territory agency, the agency will provide the auditee with directions as to whether the self-review and the re-approval report will be combined or separate.

The self-review is the outcome of a self-assessment process that the institution has undertaken of its own objectives, activities and outcomes. It uses information, data and procedures from its own internal planning and quality systems to evaluate how well it is achieving its objectives. It should include commentary and narrative in the form of analysis, evaluation and reflection, with consequent identification of which processes are effective and which require improvement. In the latter case, it may foreshadow action to address this requirement. Self-reviews are usually most useful if they involve key staff from the institution, although sometimes an external facilitator may be asked to assist in the process. (See Appendix 3 for examples of possible content of a self-review.)

While the audit is conducted at a particular point in the institution's existence, it is necessary for the panel to understand the development strategies and processes so that it can comment appropriately on the achievement of objectives since the last quality audit or re-registration.

It is important that the self-review presents the qualities and achievements of the institution in a way which specifically addresses the four QAFs. One way of doing this would be to use the QAFs as chapter headings. While the precise structure of the self-review may be adapted accorded to the auditee's size and complexity, it is important that the self-review comprehensively address the QAFs, provide a range of supporting material to substantiate assertions made and provide contextual information to assist the auditors to fully understand the institution and its operations. The agency will advise whether the self-review should be prepared as a stand-alone document or as part of a combined self-review and re-approval report.

Auditees preparing for an AUQA audit will be guided by the following requirements for the self-review:

- a core document, of no more than 15,000 words;
- appendices, preferably of no more than 20 pages; and
- supporting material.

Appendix 3 contains generic examples of the sort of information which auditees using either approach might include in a self-review.

4. The Panel

The panel for a HEP audit conducted by AUQA will typically have 2-4 members, including the Chair and the Audit Director, who will be a member of the panel, or a smaller panel in the case of a very small HEP. A larger panel may be used for audits of complex institutions. Unless otherwise arranged, all communication about audit arrangements between the auditee and the AUQA audit panel is conducted via the Audit Director.

The panel for a HEP audit conducted by a State agency will be a panel for the concurrent quality audit and re-approval processes. The size and composition of the panel will reflect what is needed to conduct the concurrent processes. The panel may typically have 3-4 members or be smaller in the case of a very small HEP. The agency will set out details of its administrative processes in information provided to the auditee, providing clear lines of communication and responsibility for all aspects of the concurrent process.

For both audit options, the panel composition will be discussed with the auditee. Panel members will be selected by the auditor, bearing in mind the scope of the process or processes being undertaken, any special characteristics of the auditee and the need to have a panel that is coherent and balanced in background and experience. The panel should contain at least one AUQA auditor. Where the audit is of a HEP which has a second campus in another jurisdiction, the agency may include a panel member from the jurisdiction concerned.

Once the self-review has been submitted, the audit panel will consider it in various contexts. At one level, the panel will be reading for information on the auditee's performance in the areas covered by the QAFs. The panel will also consider whether:

- there is evidence of a genuine, useful self-review;
- the data presented have been validated;
- the Review clearly identifies the strengths and weaknesses of the institution and proposes appropriate actions on identified weaknesses.

The identification of an area for improvement in a HEP's self review will not be regarded as a weakness, especially if it is coupled with evidence that the auditee has considered ways of improving, removing or overcoming the issue. A rigorous self-assessment and an honest and frank self-review will serve to confirm the calibre of the institution's quality assurance and improvement processes.

In the case of a concurrent process, where the auditee has been asked to submit a combined audit and re-approval report, the panel may also read the self-review to ascertain whether the information presented meets the agency's criteria for re-approval.

The panel will also make arrangements with the auditee to visit and conduct interviews with nominated staff, students and other stakeholders and to explore and clarify audit issues (the institutional visit).

Appendix 2, Typical Audit Panel and Its Activities, provides generic information on suggested activities for an audit panel and audit elements of a concurrent process, including the institutional visit.

5. Preparation of the Audit Report

AUQA process

In the case of the audit of a HEP by AUQA, the audit report is prepared by the Audit Director and panel chair after considerable input from and discussion with the panel. The draft report is circulated in confidence to the panel members, who are asked to comment on its accuracy with respect to the panel's findings and its appropriateness in terms of tone, coverage etc.

Once consensus has been reached on a draft final version of the audit report, it will be sent to the auditee for comment on any errors of fact or emphasis. The response to the draft report will be reviewed by the panel chair and the Audit Director and revisions to the report made as considered appropriate. The draft report will go through all agreed internal review or approval processes, including the option for the auditee to seek a review of the report, prior to AUQA sending it to DEEWR.

AUQA will send a copy of the final audit report to DEEWR within three to four months of the audit visit, with a copy to the auditee.

Concurrent process

In the case of a concurrent State/Territory agency process, an agency staff member/s with responsibility for the audit elements will be identified at the outset of the process and participate in all aspects of it. This will include reading the self-review and taking part in any institutional visit/s and panel discussions about issues arising and likely findings. In some instances, the identified person will also write the audit element/s of the report. If the agency makes other arrangements for report writing, the identified person will be the main liaison and reference point for audit issues. Other panel members will also contribute to the discussion and findings in relation to audit elements, as agreed by the panel. Agencies will provide separate reports on the quality audit and re-approval elements of the concurrent process, given that the report on the

quality audit component ('referred to in this Handbook as the 'audit report' for convenience) will be published and the report on the re-approval component is usually considered confidential.

The agency will send the draft of the audit report to the auditee for comment on any errors of fact or of emphasis, and to provide an opportunity for the auditee to seek a review of the findings before it is finalised.

Audit elements of the report will be checked by the usual processes used for re-approval reports and signed off by a senior officer of the agency who has been delegated to do this. The agency will also submit the audit elements of the report to any agreed internal review or approval processes prior to sending the final version to DEEWR and to the auditee.

The agency will send a copy of the audit component of the final report to DEEWR within three to four months of the audit visit, or sooner if possible.

6. Structure of the Audit Report

In the case of audits conducted either by AUQA or by a State or Territory agency, the audit report will assess how the institution has performed against each of the QAFs. The approach will be qualitative and designed to support improvement, avoiding judging the institution as "passing" or "failing" on individual criteria or on the exercise as a whole.

The audit report should record the panel membership, the date of the audit and other relevant details necessary to provide context and assist in understanding of the auditee and its operations.

For each QAF, the report will include specific comment on both the institution's strengths and any areas in which it needs to improve, including any which have been identified by the auditee prior to the audit, for example as part of the self-review. For the sake of national consistency and also consistency with the terminology of the HESA, it is preferable that these identified issues are referred to as Commendations, Affirmations and Recommendations. The Commendations, Affirmations and Recommendations should be clearly identified within the text and may also be listed separately. Commendations, affirmations and recommendations may be defined as follows:

- a '**commendation**' refers to the achievement of a stated goal, or to some plan or activity that has led to, or appears likely to lead to, the achievement of a stated goal, and which in the panel's view is particularly significant;
- an '**affirmation**' is made where the panel agrees that there is evidence that a matter in need of attention has been identified by the auditee in the self-assessment process, and there are plans to act on it; and
- a '**recommendation**' refers to an unsuitable approach, a faulty deployment, or a lack of success in relation to a stated goal, and which in the panel's view is particularly significant. Recommendations indicate matters in need of attention, possibly with suggestions for action.

The commendations, recommendations and affirmations will be recorded in the section devoted to the relevant QAF, and the text will indicate the basis for each by way of reference to the self-

review, interview process or other means. From and including audits conducted in 2008, affirmations and recommendations should be prioritised, with priority findings identified clearly.

Audit reports will vary considerably in length depending on the size, nature and complexity of the institution and the style of audit which it has chosen to undergo. The number and nature of the areas identified either for favourable comment or as needing improvement will also vary considerably, keeping in mind the diversity of institutions being audited.

In the case of audits of HEPs conducted either by AUQA or by a State or Territory agency, it is anticipated that the audit report will not be longer than 25 pages of text, plus appendices, and may be shorter in some instances.

In either case it is important that the report provides the auditee with sufficient detail to inform a continuous quality improvement process and for this reason a simple checklist approach to the report is not supported.

7. Publication of the Audit Report

Once the audit is complete and a copy of the audit report has been sent to DEEWR, the report will be published by the audit body on its website.

8. Manager of Quality Branch to write to auditee

Within one month of receiving a copy of the audit report from the audit body, the Manager of Quality Branch in Higher Education Group in DEEWR, or the person holding the equivalent position will write to the auditee seeking their initial response to the audit report. The auditee will have two calendar months to respond.

9. Minister's power to require implementation of a specified recommendation

Under paragraph 19-20(c) of the HESA, the Minister may (in writing) impose a requirement on a provider to implement a specified recommendation or recommendations of a quality auditing body. Once the auditee has responded to the Manager of Quality Branch about the planned response to the recommendations contained in the audit report, the Minister may write to the auditee requiring the auditee to implement recommendations which are specified by the Minister in his or her letter. The letter will contain a time-frame within which the auditee is required to respond.

10. Post-Audit Progress Report

Auditees will be required to write a post-audit progress report approximately two years after receiving the audit report. The progress report will be a brief summary (of no more than 1000 words) of the action taken and further planning to address issues resulting from the

recommendations made in the audit report. For institutions audited by an agency, it is likely that the progress report will eventually form a discrete part of the mid-cycle report (where this is a requirement). Agencies will make clear their expectations about the detail and timing of post audit progress report in the instructions they provide to auditees. A copy of the progress report will also be sent to DEEWR.

For institutions audited by AUQA, the progress report will be made to AUQA, with a copy sent to DEEWR. The progress report will also be accessible to the public on the AUQA website.

The progress report will also be posted on the AUQA or agency website.

APPENDICES: AUDIT SUPPORT INFORMATION

APPENDIX 1: Indicative Audit Schedule

The descriptions and information contained in this Appendix, and in Appendices 2 and 3, have been drawn from the practice of higher education quality audit in Australia at the present time. For this reason they draw primarily on the practice of AUQA. The examples given are not intended to be prescriptive or to limit the initiative of other higher education auditing agencies as they develop their own approaches and a body of practice emerges on auditing non self-accrediting institutions.

This appendix provides information on an indicative sequence for a quality audit, starting from the time the auditee is identified for audit:

- the auditee will be formally notified of the audit by the auditor, including advice about the process and materials required from the auditee, primarily the self-review. The auditee would also be notified at this point if an concurrent audit and re-approval process is to take place;
- selection of the panel, including review of the names of potential panel members with the auditee for possible conflicts of interest;
- negotiation with the auditee about the date(s) for the institutional visit;
- submission by the auditee of the self review, or of the combined self-review and re-approval report if appropriate;
- panel meeting to discuss the self-review or the combined self-assessment and re-approval report as appropriate and identify any additional documentation or requests for further information and plan the program for the institutional visit;
- further discussions between auditee and auditor about any additional material required and details of the institutional visit;
- the institutional visit/s take place;
- audit report is drafted and circulated to panel members;
- audit report is revised and sent to auditee for correction of facts and/or emphases;
- audit report is finalised according to relevant processes;
- audit report sent to DEEWR and placed on AUQA or agency website;
- DEEWR writes to auditee, asking for broad response to the report's recommendations;
- Minister may write to auditee, requiring auditee to implement selected recommendations.

APPENDIX 2: Typical Audit Panel and its Activities

1. Audit Panel Composition

The panel for a HEP audit conducted by AUQA will typically have 3-4 members, including the Chair and an Audit Director who will be a member of the panel. A larger panel may be used for audits involving complex institutions. The Audit Director will be an AUQA staff member who has been given primary responsibility for managing the audit. Unless otherwise arranged, all communication between the auditee and the audit panel about audit arrangements should be via the Audit Director.

The panel for a HEP audit conducted by a State/Territory agency will typically be responsible for carrying out a concurrent quality audit and re-approval process. The size and composition of the panel will be guided by the requirements of these two responsibilities and the precise way in which the concurrent process will be conducted. Typically, however, such a panel may also have 2-4 members, or fewer in the case of a very small institution. An agency officer with overall responsibility for managing the audit (and possibly other) element/s of the process will be appointed to facilitate communication with the auditee and to act as a single point of reference for these issues. A panel member who has responsibility for reporting on the audit elements should also be identified at the outset.

In both instances, the panel composition for the audit or audit element of the concurrent process will be discussed with the auditee to give the auditee an opportunity to raise any issues, such as a potential for conflict of interest. A process for dealing with objections to panel membership will be available.

Panel members will be selected from the auditor's register of panel members, bearing in mind the scope of the audit, any special characteristics of the auditee and the need to have a panel that is coherent and balanced in background and experience. In the case of an concurrent audit/re-approval process conducted by an agency, the panel will include members with experience covering the processes, including audit, being conducted.

2. Appointment of Audit Director/Officer and Audit Panel

The auditor will appoint an individual who will have primary responsibility for overall management of the audit or audit element of the concurrent process and who can act as a central point of contact, inquiry and referral for the audit. For an AUQA process, this person will be the Audit Director.

While State/Territory agencies may develop their own terminology, this person will be referred to as the Audit Officer for ease of reference in this Handbook. The Audit Officer will have broad knowledge of the jurisdiction's institutional re-registration/authorisation and course accreditation processes. It is envisaged that cross-jurisdictional training will be provided for those undertaking this role at a later stage. The auditor will determine whether the Audit Officer is a member of the panel.

The Audit Director/Audit Officer is also responsible for coordinating and negotiating the timetable for the panel's meetings and institutional visit/s, providing general support to the panel and ensuring that appropriate arrangements are made for panel tasks.

The audit panel will be selected from the auditor's register of potential panel members, bearing in mind the scope of the audit (i.e. whether it is concurrent with re-registration), any special characteristics of the auditee and the need to have a panel with relevant background, experience and expertise. Once a proposed panel has been identified, the auditee should be invited, in confidence, to indicate any reasons any of the proposed panel members should not be involved with the audit. Valid reasons could involve inappropriateness or probable conflicts of interest for the auditee. The auditor makes the final decision on panel composition, taking into account any valid concerns of the auditee.

One panel member will be appointed as the Chair. In the case of a concurrent process, this person may have additional responsibilities in relation to re-approval processes. The role of the Chair is to provide overall guidance, advice and expertise about audit issues, including resolution of conflict or diverging views.

In developing any additional local processes which may be necessary, State/Territory agencies will consider the need for prospective panel members to formally declare any conflicts of interest in relation to audit elements and to sign confidentiality agreements about audit matters.

Audits conducted by agencies should also have as a member of the panel at least one experienced AUQA auditor (appointed by the agency) to provide broad guidance and to ensure national consistency in the audit process. Normally this person will be drawn from the agency's own register and thus be familiar with both agency and audit procedures. The need for panel membership to include an AUQA auditor will decrease as the audit expertise of agency panels increases.

3. The Audit Panel's Investigations

Once the self-review has been submitted to the auditing body, the Audit Director/Audit Officer distributes it to the other members of the audit panel. Alternatively, the auditee may send the self-review directly to panel members if this has been arranged in advance by the auditing body. Panel members then read the Review to determine the effectiveness of the auditee's quality system, and hence how much further checking and other inquiries are required. Even in the case of an apparently strong system, the panel may decide to further probe selected areas to obtain evidence that internal control procedures are being applied as described and to check that they are effective. This is done through follow-up requests for additional information and the institutional visit.

4. Initial Panel Consultations

After receipt of the self-review, the panel may wish to meet one or more times to discuss a range of issues arising from their reading of the Report. Issues for initial consultation could include:

- a detailed discussion of the self-review;
- identification of further information or clarification required from the auditee or other sources and how this should be obtained
- discussion and decisions about institutional visit/s and any interviews to be conducted during the visit/s.

These consultations may identify specific topics for investigation and particular approaches to adopt. Sampling of academic departments, programs or processes may be necessary for a particularly complex institution.

A program for the institutional visit to the auditee is mapped out by the Audit Director/Audit Officer in consultation with other panel members. The list of further information required and the provisional audit visit program is sent to the auditee for discussion.

5. Arrangements for the Institutional Visit

Following an initial panel meeting, the Audit Director/Audit Officer will contact the auditee to discuss proposed arrangements for the institutional visit, including:

- details of the visit – this could include checking the appropriateness of proposed interviewees, clarifying the role and responsibilities of various bodies, deciding tentative dates for the visit and other logistical requirements
- further information required by the panel - clarification of issues and requests for further documents.

Administrative arrangements to support this process, such as the need for confirmation of final arrangements in writing and timelines for this, should be decided by the auditor and auditee. Issues arising such as the need for a preparatory visit to the auditee to clarify or ensure the auditee fully understands and is comfortable with the process should also be considered.

A definitive audit visit program should be produced according to a timeframe which meets the needs of both auditor and auditee.

6. Purpose of the Institutional Visit

The main purpose of the institutional visit or the audit aspect of the visit (in the case of a concurrent audit and re-approval process) is to allow the panel to test the most important claims made in the self-review and acquire further insight into the auditee's operations through first-hand investigation and personal interaction. Those who meet the panel will be asked to answer questions arising from the self-review and invited to explain the auditee's strengths and discuss any difficulties being faced. Audit panel members should seek to establish a genuine and constructive dialogue with those they meet.

The visit allows the panel to make an interpretation and judgement of the evidence it has been given in the self-review. These include such features as the thoroughness of program planning,

support for students, support for staff, the attitude of students, the intellectual atmosphere and the commitment to quality.

The panel uses its reading and analysis of the documentary material submitted as part of the self-review, the interviews during the panel visit and the panel's own reflections on them to reach its conclusions about audit issues.

The visit program is devised to permit the panel to carry out such investigations and test such hypotheses as it feels necessary and constructive. Interviewees can reasonably be expected to be asked questions about anything within the scope of the audit.

Panels are not permitted to accept gifts from auditees. Hospitality provided to the panel during visits should be moderate.

7. Typical Visit Format

In the case of a HEP being audited by AUQA, the audit visit will usually last for one or two days, but the auditor may determine that more time is required for a complex institution and this will be negotiated appropriately. Similarly, in the case of a small institution, a full day may not be required.

In the case of a HEP being audited as part of a State/Territory concurrent process, the amount of time required for a visit will partly depend on the extent to which the activities of the panel can fulfil both requirements, or whether the re-approval process will require separate interviews and/or inspections of facilities. This should be discussed and agreed by panel members and auditee and a program drawn up.

The pattern and nature of visit(s) for an institution with multi-campus and/or off-campus operations should be decided by the audit panel. The visit usually takes place at only one of the institution's campuses, although the panel may consider that visits to more than one campus or location are necessary or desirable. (See Part C, 'Scope of Audit and Choice of Auditing Body' above.)

Panels will also need to consider how best to conduct the visit. During AUQA audit visits, for example, the panel normally operates as a group, and does not move around the campus to a great extent. However during a concurrent process, the panel may wish to inspect additional aspects of the institution's facilities as part of the re-approval process. These arrangements will be discussed and agreed with the auditee prior to the visit.

Panel interviews with a range of audit issue stakeholders such as institutional staff (academic and non-academic) and students are an important part of the institutional visit and will take up some or all of any visit schedule. The overall schedule will be developed in advance in consultation with the auditee. It is important to be clear with those participating that panel interviews are confidential and that the audit report will not quote individuals.

Before leaving the institution, the panel may wish to invite auditee representatives to an 'exit meeting' to make general comments on the audit process. The panel chair may make a brief oral report indicating, in general terms, the flavour of the panel's observations and conclusions, ensuring that the tone and content of the oral report will be consistent with the subsequent full written report(s). If matters raised by the auditee at the exit meeting reveal a serious gap in the

panel's investigation, the panel may need to reconvene to reconsider some issue(s), and further clarification may be needed before the written report(s) are produced.

The panel will then usually meet privately either at the end of or soon after the institutional visit to begin discussing its conclusions and preparation of the report. Issues discussed at this meeting or meetings can provide the framework for the first draft of the report, although further revisions and refinement will be required. It is important to reach consensus, so that the report reflects the opinion of all relevant panel members, not just individual members.

Assisted by the panel chair, the Audit Director/Audit Officer records all the major points for inclusion in the audit report or in the combined audit and re-approval report. Major strengths and instances of good practice are highlighted, while areas for improvement are addressed constructively. In the case of a concurrent audit and re-approval process, the panel also considers whether the criteria for re-approval have been met.

8. Interviews

The range of people and groups met during an audit visit is related to the issues which emerge during the panel's reading and discussion of the self-review and, for audits undertaken concurrently with re-registration, any specific requirements of that process. Selection should take account of the scale of the institution and its organisational arrangements but is likely to include:

- the chair of the governing body;
- the CEO ;
- chairs and members of some/all key committees;
- senior managers, such as deans, heads of departments, administrative head, etc;
- a cross-section of academic staff, including newly appointed staff; or in the case of a very small institution, all academic staff;
- a cross-section of students drawn from different levels, disciplines and categories, such as undergraduates and post-graduates;
- a selection of graduates; and
- representatives of external groups with experience of the institution, its graduates and its activities such as employers, affiliated educational institutions and community representatives.

It is often useful to begin panel interview sessions by providing an outline of confidentiality arrangements to encourage a forthright exchange.

In small institutions staff members often hold a number of different responsibilities. While it is helpful for the panel to interview as many different people as possible, in the case of very small providers it may well be unavoidable to interview the same person more than once in different capacities.

In addition to these general categories of interviewees, an institution may have specific characteristics that suggest other interview groups or different compositions of the groups (or different locations to be visited). Such characteristics could include, for example, multiple campuses or joint activities with partner institutions or organisations. Suitable arrangements should be made for such interviews.

The panel would usually ask the auditee to select those to participate in interviews, subject to parameters it sets down. After selecting the people for the panel to meet, the auditee should brief them on the purpose of the meeting.

The panel will need to carefully consider the optimum size of the groups it interviews to ensure each is the right size to provide and exchange useful information. Lunch sessions can provide the opportunity for larger groups where up to 25 people may be involved.

An indicative program for a visit to a small to medium size HEP is at Appendix 4.

During the audit visit, the panel usually operates as a single group, but may split into subgroups for visits to different areas or campuses, or to allow for a session with a larger number of interviewees. Arrangements for such activities should be discussed and agreed in advance with the auditee.

APPENDIX 3: Preparing the Self-Review

HEP audits will be based on the self-review. This will be structured as the institution's response to the Quality Audit Factors. In cases where the auditing body is a State/Territory agency, it will provide instructions to the HEP as to whether the self-review and the re-approval report should be combined or separate. In most cases it is anticipated that they will be combined, with the self-review provided together with information required for the re-approval process.

During consultations about the proposed auditing approach, representatives of a number of HEPs stressed their preference for detailed guidance about the task of preparing a self-review. The descriptions which follow are provided for this reason. As with the material in the other appendices, what follows is intended to be indicative and to apply only to the quality audit component of the concurrent process. State/Territory agencies are expected to provide auditees with guidelines for combining the self-assessment component of the report with the re-approval component. It is anticipated that some of the detail provided here will change as all participants develop more experience in the quality audit process of the NSAI sector.

1.0 Introduction

The following is provided as a guide to the amount of material likely to be useful in preparing a self-review.

HEPs which will have an AUQA audit should prepare:

- a core document responding directly to the institution's objectives and covering the QAFs, of no more than 15,000 words;
- appendices, preferably of no more than 20 pages; and
- supporting material.

While large and complex HEPs may reach these limits, smaller HEPs, which are the majority, are likely to provide significantly less documentation while still addressing the necessary issues.

HEPs preparing for an agency audit concurrent with a re-approval process will be advised by the agency of the full documentation required for the concurrent process. This will include:

- a self-review (structured as a response to the QAFs) prepared either as a stand-alone document, or as part of a combined self-assessment and re-approval report; and
- supporting documentation.

The agency will provide guidance as to the length of the self-review and supporting documentation. The self-review will be long enough to address the QAFs comprehensively.

Following the initial reading of the self-review, the audit panel may ask to see additional material prior to the audit visit.

The auditor will inform the auditee of the format in which the self-review or the combined report should be submitted, the number of copies required and other logistical requirements.

2.0 The Core Document

The core document should address the “Audit Scope and Focus” of each of the four QAFs and reference should be made to each QAF “Criteria for Review”. In addressing each criteria, the document will be most useful if it outlines, where possible:

- the auditee’s objectives;
- the plans the auditee has in place to achieve these;
- the systems in place for implementing the strategies (including any external QA processes, such as ISO9000 certification);
- the results being achieved;
- the auditee’s analysis of the extent to which objectives are being met; and
- the identification of strengths and weaknesses and possible strategies for improvement.

It is anticipated that the core document will be drafted by the HEP specifically in response to the QAFs, rather than consisting of existing institutional documentation. The core document should discuss and address the criteria for review by providing broad and/or more detailed commentary and reflection, as required. The report will refer to evidence to support assertions made and conclusions drawn.

The use of diagrams, flowcharts and other visual aids is encouraged wherever appropriate. Some statistics may already be available in other documents (such as the institution’s Annual Report) and these may be cross-referenced and provided in the appendices and supporting material, as appropriate. Information on the institution’s websites can also be considered and arrangements made for access to intranet information, if appropriate.

3.0 Appendices

The choice of material provided in appendices is at the discretion of the institution. In general it should provide evidence to show how the institution is achieving its aims, and to support the statements made in the core document. The appendices can include detailed data and factual information, cross-referenced to the core document and will frequently consist of existing institutional documents and information such as:

- values of the KPIs chosen by the institution;
- student numbers, and breakdown by various categories;
- student entry qualifications;
- staff numbers (academic and administrative, full-time and sessional etc);
- academic staff qualifications;
- student outcomes data;
- performance review policies;
- professional development opportunities for staff;
- library and other information resources available to staff and students; and
- other relevant factual information.

Trend data should be provided wherever possible, indicating progress (or otherwise) towards the achievement of the institution’s objectives. Reference can be made to national and/or international benchmarks if the institution uses them.

4.0 Supporting material

Supporting material will usually also be drawn from existing institutional documents. Audit panels will generally find it useful to have material which provides a broad context and background including:

- a brief description of the institution, including its major characteristics;
- a list of currently accredited higher education awards and courses with expiry dates for those accreditations and, in the case of multi-jurisdictional providers, specifying the accrediting jurisdiction;
- a glossary of terms and abbreviations;
- an indication of the management and organisational structure in an organisation chart (or equivalent);
- EFTSLs by location and by academic organisation unit (department, school, etc);
- a staff list (which may be in the Calendar or Handbook);
- an outline of the quality management system (which may refer to relevant committees and their terms of reference, membership, reporting and executive mechanisms);
- the latest institutional plans (e.g. overall strategic plan, teaching & learning plan etc);
- the most recent version of the auditee's Annual Report; and
- list of external partnerships, if any.

The panel may wish to add other elements to this list and auditees may chose to provide other material.

The focus is on providing information relating to the QAFs or the achievement of the institution's educational objectives.

5.0 Additional material.

The audit panel may consider additional material is needed to clarify, validate or expand on information about specific processes and activities. The panel may, for example, request more information on one or more of the following:

- internal processes for course/award design, approval and monitoring;
- teaching and learning innovation;
- equity, access, credit transfer and recognition of prior learning;
- student assessment principles and procedures;
- student evaluation of courses and of teaching;
- staff appointment, probation, development, promotion and appraisal;
- seeking and using external input and feedback;
- interactions with accrediting bodies such as professional organisations;
- award and course-level review processes, including follow-up;
- induction processes for new academic staff;
- student grievance procedures; and
- minutes of recent meetings of the governing body and/or academic bodies.

APPENDIX 4: Example of an Audit Visit Timetable

This appendix sets out an indicative timetable for a visit to a small to medium-sized HEP. It should be stressed that this is provided as a suggestion only. There are various ways in which the visit can be organised and the various elements scheduled. The timetable should be tailored to the needs of the HEP under review and the preferences of the panel and auditing body.

Note: In the table below, a bullet point indicates a separate interview session

<i>Session</i>	<i>Time</i>	<i>Activity/Group</i>
1.0		Private meeting of panel to review approach, finalise arrangements, inspect additional documents etc
1.1	Morning	<u>Audit Factor 1: Objectives and Governance</u> <ul style="list-style-type: none"> • CEO (alone) • members of senior management team • chair and external members of the governing body • sample of teaching and administrative staff
1.2	Morning	<u>Audit Factor 2: Teaching, Learning and other core functions</u> <ul style="list-style-type: none"> • chair and members of Academic Board; senior academic administrator; senior academic staff (deans, department heads, course coordinators etc) • sample of teaching staff, including full time and sessional staff
	Lunch	(may include panel tour of facilities if required) <ul style="list-style-type: none"> • Possibly with sample of students and graduates
1.3	Afternoon	<u>Audit Factor 3: Organisational Structures, Decision-making processes and resources to support teaching and learning</u> <ul style="list-style-type: none"> • senior academic/admin staff responsible for personnel matters • head librarian and IT Manager (or similar) • person responsible for distance learning support where relevant • head of student support services
1.4	Afternoon	<u>Audit Factor 4: Commitment to Quality Improvement</u> <ul style="list-style-type: none"> • senior academic and admin staff; Quality Manager or senior person responsible for quality systems • sample of key external stakeholders
1.5	Afternoon	Private meeting of panel to review findings and begin discussing report
1.6	Late afternoon	Leave-taking, possibly involving broad statements to key officials.

APPENDIX 5: Abbreviations

The following abbreviations are used in this Audit Handbook.

AQF.....Australian Qualifications Framework

AUQAAustralian Universities Quality Agency

CEO.....Chief Executive Officer

DEEWR..Department of Education, Employment and Workplace Relations (formerly
DEST)

EFTSLEffective full-time student load

HEPNon self-accrediting higher education provider

HEROs ...Higher Education Recognition Officers

HESAHigher Education Support Act (2003)

ISOInternational Organisation for Standardisation

KPIKey performance indicator

NSAI.....Non self-accrediting institution

QAF.....Quality Audit Factor

SAISelf-accrediting institution

VETVocational education and training