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# Measuring the Impact of External Quality Audit on Universities: Can External Quality Audit be Credited for Improvements and Enhancement in Student Learning? How Can We Measure?

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This paper presents a brief review of literature on the impact of external quality audit on universities. It presents the thoughts of many higher education professionals who have responsibility for quality assurance and enhancement. The paper presents both national and international perspectives. Secondly the presenters of the paper will provide several possible strategies to carry out an impact study and participants will be invited to critique the proposed strategies and engage in discussion about how to measure the impact of external quality audit on universities. There will also be an opportunity for participants to discuss the impact of external quality audit on their own institutions.

The review of literature on the impact of an external quality audit brings together the findings of various writers on impact studies. The sources of information used include: journal articles, research findings and review reports of various quality audit agencies. The review of literature is based on the Australian, New Zealand, United Kingdom, Swedish, Denmark and Hong Kong experiences. It is worth noting that external quality audit in these countries are at different stages. Attachment one provides an analysis of the impact of external quality audit in various contexts.

It would be worthwhile to first define what external quality audit means and how it differs from internal reviews and audits within an institution. An external quality audit is an independent audit aimed at checking whether the organisation is structured to achieve its objectives; or whether, on the contrary, the objectives are simply theoretical or public-relations statement, unrelated to the way in which the organisation goes about its business. The aim of the external quality audit is to identify areas of good practice, areas where improvement is needed and to develop systems and processes for effective quality management. External quality audit also provides benchmarking possibilities and informs the government on the quality standards of the institution. External quality audit involves independent panel members auditing an institution's overall activities such as: governance, learning and teaching, research, community engagement, internationalisation, human resources, support and infrastructure, commercial entities and other activities the institution undertakes in its name.

## **Literature Review**

Askling, (1997) discusses the impact of external quality monitoring on internal strategic management and quality enhancement. She concludes that external evaluation is only one of several factors influencing institutional quality enhancement. Other demands come from, for example, increase in the number of students, growing diversity in terms of previous knowledge, and the need for external funding. Swedish experience shows that developing a culture of systematic quality improvement across an institution is a long process (Wahlen, 2004). Research on the impact of quality monitoring is difficult because it is impossible to control all relevant factors to be able to map causal relationships (Harvey & Newton, 2004). There is little explicit evaluation within institutions of the impact of changes made as a result of quality

assessment. Evaluation of impact is difficult because of the complexity and pace of change in most institutions (Brennan, Fredericks & Shah, 1997).

There are methodological problems attached to studying the effects of the many external audit initiatives (Stensaker, 2003) and measuring impact is complicated due to universities' complex forms of information-processing and decision-making traditions (Weusthof, 1995).

Massy, (1999) also points out that it is a mistake to say that evaluations have transformed higher education in Sweden and Denmark. Universities are too complex, their governance systems too convoluted, and their faculties too traditional for real transformation to take place in only a few years. Various studies do not provide us with the full picture of the many effects related to external quality audit. While there are positive claims, such as increased attention to teaching and learning and signs of cultural change occurring, studies have also shown that the money spent on external quality audit outweighs potential benefit and various evaluation and monitoring systems trigger greater centralisation and more 'bureaucratisation' (Stensaker, 2003). Brennan & Shah, (2000), suggest that there are three types of impact: impact through reward, impact through changing policies and impact through changing higher education culture. So far the answer to the question whether external quality audit has transformed higher education has been ambiguous and not very positive when it comes to quality improvement. The findings support claims from the organisational theorist Henry Mintzberg that change seeps in by the slow process of changing the professions (Mintzberg, 1983).

Harvey, (1999) suggests that impact studies can fall under three broad types. The first type includes 'opinionated' or 'theoretical' analyses which tends to 'predict' the likely impact (Wilson, 1996). The second type is based on limited evidence, much of it is anecdotal (Harvey, 1998). The third type is analysed based on systematic data collection (Harvey, 1999). A study at Sheffield Hallam University by Harvey, Brown & Leman sought academics' perceptions of the different external monitoring processes in England. They found that some processes, notably external examination, were perceived as providing a check on standards, however there was little support for the view that *external quality evaluation improved the student learning experience* (Harvey, Brown & Leman, 2003).

Harvey, 2006 also conducted a workshop at the 2006 International Network for Quality Assurance Agencies in Higher Education (INQAAHE) in The Netherlands. His discussion with representatives from various countries of external quality assurance agencies focused upon the impact of quality assurance. The following change was mentioned:

1. things change from one review to another given that agencies undertake follow ups to see if recommendations are implemented.
2. tracking of performance indicators suggest improvements are following in the wake of quality assurance processes. Such indicators include: retention, graduations, graduate employment, and employability attributes e.t.c.
3. internal reviews as part of quality management system and establishment of quality office or responsible person.
4. surveys of institutions on the benefits of external audit.
5. self assessment report and improvements as a result.
6. outcomes of student satisfaction surveys and student engagement.
7. graduate survey on their preparedness of the demands of the industry/profession.
8. employers satisfaction with university graduates and their preparedness for the world of work and community satisfaction.
9. cost and benefit analysis.

To this point this point the paper has reviewed the literature on the impact of external quality audit. It is worthwhile to provide some analysis of the impact of external quality audit in New Zealand and United Kingdom (UK) where audits have progressed at different stages.

The New Zealand experience highlights the positive contributions external quality audit has made to the higher education sector. The report on the review of the New Zealand University Academic Audit Unit (NZUAAU) in 1997 and 2001 highlights that the audit process has been effective in encouraging a cultural shift in the universities with respect to quality matters, although this has been uneven across the sector.

However, there is a broad acknowledgement within the universities that positive benefits have resulted and the outcomes have been worth the cost. Overall, external quality audits in New Zealand have provided a stimulus for reform resulting in many initiatives.

There is little doubt that external quality audit has an impact upon institutions in the UK. It has provided an impetus for institutions to give more attention to the quality of their teaching. On the down side it has used a lot of time and resource and caused some stress. The first cycle of audit outcomes in the UK resulted in more than 50 items of negative media coverage about the Quality Assurance Agency (QAA) and outcomes of the audit reports. Several prestigious universities, including Oxford and Cambridge, challenged the QAA and its audit process (THES, 2000 and 2001). The first cycle of AUQA audits in Australia resulted in twenty-four critical, four mixed and seven constructive media stories about the outcomes of audits.

The cost of the first cycle of quality audits in the UK was approximately £250 million a year for the sector and £80,000 – £100,000 for an audit (THES, 2000). An analysis by the Australian Vice Chancellors Committee (AVCC) in 2002 of seven universities audited by the Australian Universities Quality Agency (AUQA) shows that universities had spent between \$350,000 to \$852,000 in audit preparations. This includes both direct and indirect costs related to the audit preparations. Assuming that each university spent an average of \$426,000, this means that approximately \$16 million is spent on AUQA audit preparation by 38 Australian universities.

An analysis of twenty five progress reports of Australian universities shows that institutions have actioned 527 affirmations and recommendations and there are 1599 actions underway. The external review report of AUQA dated May 2006 suggests that there is evidence from feedback by the higher education sector, that AUQA has had a positive impact in raising the awareness of quality matters, in developing a commitment to quality and quality enhancement across the sector, and also showcasing good practice within the sector (AUQA, 2006). Based on the Australian experience it is predicted that the second cycle of audits will provide more evidence as to whether external quality audits has resulted in positive outcomes in the institutions core business and impact on student learning.

## **Conclusion**

The literature review and the New Zealand and United Kingdom experience shows that external quality audit has made both positive and negative impact on the sector. The experience from different countries also tells us that it is possible to measure the impact of the external quality audit using both qualitative and quantitative data. However such analysis should be undertaken in countries like New Zealand and UK and others where audits are in their second or third cycle and recommendations coming out of the audits have been acted upon.

It is important to note that the outcome of the external quality audit and actions/improvement is a single factor contributing towards institutional improvement. Most institutions change and improve due to external and internal environment such as: increased student demand and diversity, competition, innovation and use of technology and many others. Many institutions already have internal quality management systems such as planning, reviews and improvement as part of the planning and quality framework. In most cases internal or external reviews initiated by institutions are for the purpose of change and improvement. Having said

that, external quality audit can be very effective and can be used as a lever for internal institutional change and improvement. Such change and improvement can only be strengthened if the follow up audit is focused on checking the progress an institution has made on the audit recommendations and effective use of tracking data from one audit to another on the institutional performance in various areas.

It is yet to be seen as to how the second cycle of AUQA audits unfolds in Australia from 2008 and how institutions learn from previous audits in both the national and international context. Recent media reports highlighting a number of issues that have emerged after two years of the audit recommendations and progress reports to AUQA have raised a number of questions such as:

1. To what extent is AUQA going to review the progress on affirmations and recommendations which came out the first cycle?
2. Is AUQA only going to review the progress report of institutions or are they going to look at evidence on whether the actions taken has had positive impact on the institution?
3. Is AUQA going to look at tracking data on institutional performance from cycle 1 to cycle 2 audits?
4. How is AUQA going to measure whether the first cycle of audit and its outcomes has had positive impact on student learning,
5. What would AUQA do if there is no evidence of progress made by institutions?
6. Is AUQA going to review how effectively institutions have closed the loop on the forward actions or improvement priorities which universities have mentioned in their performance portfolio in the first cycle?

#### ***Participant discussion - Way forward***

- Participant experience on the impact of an external quality audit on their institution.
- Engaging participants in discussion on various ways to conduct impact studies.
- Getting participants to critique on proposed methodology to conduct impact study.

#### ***Proposed method***

Survey of all quality contacts around Australian and New Zealand universities. Survey items will be related to the themes coming out of the Australian and New Zealand audits. Rating on (how important each item is on the effective operation of the university and performance as a result of the audit).

Secondly use one or several universities as a case study and review the outcome of the audit by monitoring trend data on various performance indicators before and 2-3 years after the audit. Also look at student surveys like national Course Experience Questionnaire (CEQ), student satisfaction, employee, employer, community survey results.

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## ATTACHMENT ONE

### REVIEW OF IMPACT STUDIES ON EXTERNAL QUALITY AUDIT

Writers	Country	Areas of impact
Higher Education Funding Council of England (HEFCE)	United Kingdom (97 and 01)	<ul style="list-style-type: none"> <li>-Two thirds of the panel recommendation has been acted upon</li> <li>- Actions taken involved formalisation of procedures and improved documentation</li> <li>- Reviews and revision of curricula and teaching assessments</li> <li>- Recommendation were more likely to be acted upon at departmental than institutional levels</li> <li>- Actions were more likely when assessment results fell below institutional expectation and</li> <li>- Recommendation which appeared insensitive to context or mission were less likely to be acted upon</li> </ul>

HEFCE	United Kingdom (2005)	<ul style="list-style-type: none"> <li>- The cost of the external review for the English higher education sector is approximately 40 million pounds a year</li> <li>- Impact is mostly on institutions in small institutions with wide spread vocational programmes</li> <li>- Increased data requirements by the external agency</li> <li>- Unquantifiable cost related to the diversion of academic staff time. Danger of the creation of a culture which is cautious about innovation, or sees quality as about satisfying external agencies, rather than as an intrinsic academic objective</li> <li>- Being strategic about reviews and having systems and process for cyclical reviews.</li> </ul>
Wahlen (2004)	Sweden (1995-96) and 2002	<ul style="list-style-type: none"> <li>- Leadership and organisation</li> <li>- Student influence</li> <li>- Policy and strategy</li> <li>- Cooperation with stakeholders</li> <li>- Evaluation and follow up</li> <li>- Educational development</li> <li>- Internationalisation</li> </ul> <p><b>Note:</b> Second cycle showed improvements compared to the first cycle Second cycle followed up on the recommendations from first cycle At least one panel member from the first cycle was also in second cycle</p>
Dill (2000)	United Kingdom, Sweden, New Zealand and Hong Kong	<ul style="list-style-type: none"> <li>- Helped initiate development of quality assurance systems within institutions</li> <li>- Placed attention to improving teaching and student learning on institutional agendas</li> <li>- Helped clarify responsibilities for improving teaching and student learning at the individual academic unit faculty, and institutional level</li> <li>- Reinforced institutional leaders in their effort to develop institution wide quality cultures</li> <li>- Facilitated discussion, cooperation and development within academic units with regard to means for improving teaching and student learning</li> <li>- Providing system wide information on best practice and finally</li> <li>- Offered visible confirmation to the public that attention is being paid to academic quality assurance.</li> </ul>

NZUAAU	New Zealand (1997-2001)	<ul style="list-style-type: none"> <li>- Improvements in strategic planning</li> <li>- Increased emphasis on the codification of process and practices</li> <li>- Strengthened internal review mechanisms</li> <li>- Specific staff appointments such as Quality Managers</li> <li>- An increased recognition for staff development</li> <li>- Improved promotions policies and procedures including increased recognition of teaching excellence</li> <li>- Streamlined and strengthened programme design process</li> <li>- An increased willingness to seek feedback from students</li> <li>- Graduates and employers and to incorporate their views in programme development and monitoring</li> <li>- Raised the profile for Treaty of Waitangi and social conscience issues</li> <li>- Enabled student groups on campus to highlight areas of particular concerns to students and finally the audit process</li> <li>- Has increased the credibility of the New Zealand university sector both nationally and internationally</li> </ul>
AUQA	Australia (2006)	<p>The recent external review report of AUQA suggests that there is evidence that external quality audit has had positive impact in raising the awareness of quality matters, in developing a commitment to quality and quality enhancement across the sector, and also showcasing good practice within the sector AUQA.</p> <p>Feedback from the higher education sector shows that AUQA has had a positive impact in raising the awareness of quality matters, in developing a commitment to quality and quality enhancement across the sector and also showcasing good practice.</p>
Massy (1999)	Denmark	<p>Large majority of stakeholders interviewed found the evaluation carried out was valuable.</p>