

Quality Improvement through Quality Audit

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1 Quality Audit

First let us be clear what is meant by 'quality audit'.

ISO defines **quality audit** as a three-part process, which involves checking

- the **suitability** of the planned quality procedures in relation to the stated objectives;
- the **conformity** of the actual quality activities with the plans; and
- the **effectiveness** of the activities in achieving the stated objectives.

Note that this does not actually mention the word 'quality'. This is because the meaning is implicit: a quality audit is a check to see whether the organisation is structured to achieve its objectives; or whether, on the contrary, the objectives are simply theoretical or PR statements, unrelated to the way in which the organisation goes about its business. In other words, the check is whether the organisation's structure and activities are suited to the objectives or purpose of the organisation. In brief, it is a check to see whether the organisation is 'fit for its stated purposes'. Thus, the meaning of quality that is embedded in the concept of quality audit is that of 'fitness for purpose' (or 'fulfilling requirements', as it is phrased in AS/NZS ISO 9000 (Int):2000).

Some people dismiss the concept of quality as fitness for purpose on the grounds that it is too limited or too product-oriented. Neither is the case. In fact, of all the ways in which we use the word quality nowadays, 'fitness for purpose' is the most useful because firstly it embraces all the other meanings; and secondly, it puts the emphasis on the intent rather than the checking.

Let me explain that. Firstly, the term 'quality' is applied to a number of characteristics, including excellence, value for money, conformance to specifications, transformation, value added, etc. Any of these is a valid goal of an educational organisation, and an organisation can be said to be exhibiting quality if it is doing what is necessary to achieve its goals - in other words if it is fit for its purposes. Thus, a concept of quality as fitness for purpose is inclusive of all the aims and purposes of education.

Secondly, if quality is fitness for purpose, it is first necessary to define the purpose. There is no need to take a restricted view of the term 'purpose': educational institutions have many constituencies to serve and therefore they have many objectives. All these are part of the purpose of the institution. Thus, FFP is not a restrictive concept, because it does not require any restrictions on the possible

purposes that may be specified. Quality audit, a check of fitness for purpose, is then clearly secondary to the purposes themselves and the setting of them.

This makes quality audit a very flexible tool precisely because it operates in terms of an organisation's own purposes. Unlike assessment or accreditation, it does not set an external standard against which the organisation may 'pass' or 'fail'. It evaluates the organisation in its own terms. This means that, if well applied, it can assist in quality improvement.

Note that I have so far made no mention of external quality checking bodies. The definition of quality audit does not assume that the audit will necessarily be carried out by an external body. A quality audit of an organisation can be carried out by the organisation itself or by an external body, which may be associated with or independent of the organisation (often called first-party, second-party or third-party checks, respectively).

2 Quality Improvement

If quality is fitness for purpose, what is quality improvement? Clearly, it is becoming more fit for purpose; ie changing plans or actions so as to come nearer to achieving the specified purposes or objectives. How does improvement happen? One obvious way is that people have bright ideas, creative thoughts and innovative suggestions about how things can be changed for the better, and the organisation is open to hearing and acting on these. Therefore, an institution that wishes to improve should establish a culture in which new ideas are encouraged and welcomed, and new procedures are put in place if they are judged to be useful.

Is there a way we can do this more systematically, rather than waiting for individual inspiration to strike? The answer is yes, and one mechanism is often captured in the four letters ADRI, which stands for Approach, Deployment, Results, Improvement. When Deming started to develop his concepts of systematic quality management, he adopted Shewart's cycle of PDCA - Plan, Do, Check, Act. More recently, the various quality awards (such as the Malcolm Baldrige or the Australian Business Excellence awards) have re-phrased this as ADRI. Approach is what you plan to do and how you plan to do it; Deployment is how you implement these plans, ie what you actually do; and Results are the consequences of these actions. At this point, the results may simply be accepted, and no changes made to either approach or deployment. Alternatively - and preferably - if the results are not quite the same as the desired objectives, systematic reflection on what approach and deployment led to these results may suggest ways in which they can be Improved. (AQC, 2001)

The reason this concept (PDCA/ADRI) has persisted for 60 years is that it has proved to be an effective way of systematically conceiving and achieving quality (ie achieving the chosen purposes or objectives). That is not to say that it is the only way. There are other ways of thinking about quality in a systematic fashion, and all

systems should leave scope for insight and initiative. The ADRI concept should not be seen as antipathetic to innovation, but as a structured backdrop against which ideas and innovations can be tested and implemented.

The ADRI sequence is offered - indeed commended - as a structured approach to achieving quality. It therefore also forms a reasonable basis for checking how well an organisation is achieving its goals. When it is used as a basis for such checking, the relation of ADRI to quality audit is clear: The three stages of quality audit correspond directly to A, D and R, respectively, and so quality audit leads naturally to the I step, that is Improvement.

Note that, although the ADRI sequence and the quality audit process are phrased in terms that lead in a linear fashion from objectives to plans to actions to results (and then loop back round through improvements), in real life things rarely happen so neatly. As an analogy, pedagogical theory tells us to design our courses by first writing objectives, etc, but in practice there is much iteration and changing of objectives as we write our courses – and even perhaps after we have begun teaching. One is reminded of the messy process of experimentation, which, once an impressive result has been achieved, is written up for publication as if it all happened in a systematic and orderly fashion. Similarly, there is a danger that the definition of quality audit can lead an auditee to invent for audit purposes an orderly process that never happened. It is important to recognize this danger, and to use the ADRI process as a template but not a straightjacket. (Woodhouse, 2002)

3 External Audit

I have still made no mention of external quality checking bodies, and it is now time to address that issue. Over the last 20 years, there has been a great increase in the number of external quality agencies (EQAs) for higher education. Most EQAs have been established by or at the behest of the relevant government. The reasons for this proliferation vary from country to country, but the most frequently cited reasons are the increase in public funding, the relation of higher education to national needs, and the growth in HE student numbers. More specifically, the purposes of EQAs around the world include one or more of the following.

1. Assist the higher education institution (HEI) to set up and develop its internal QMS (institutional development or capacity building).
2. Assist the HEI to improve its quality (quality improvement).
3. Evaluate the HEI's systems for achieving their objectives (ie purposes) or standards, and the effectiveness of these systems (audit).
4. Measure the quality and/or standards of the HEI according to some (internal or external) yardstick (assessment).
5. Provide an explicit comparison between one or more institutions, either within the same country or internationally (benchmarking).

6. Provide a ranking of the HEIs according to some criteria relating to performance (ranking).
 7. Determine whether the HEI can be permitted to offer specified programs, or qualify for some other benefit (a gatekeeper role, usually termed accreditation).
 8. Define and certify qualifications (qualifications authority)
 9. Establish and maintain a framework of qualifications (framework)
 10. Assess and record learning, including experiential learning, to enable credit accumulation and transfer (credit accumulation and transfer).
 11. Steer the HEI in particular directions, in terms of planning, scope or methods (steering or transformation; relates to fitness of purpose)
 12. Provide a report on the HEI as a basis for (government) funding (funding).
 13. Provide a report on the HEI to show how it has used the funds and other resources it has enjoyed (ie act as a buffer body or honest broker: accountability).
 14. Monitor the financial viability of the HEI (viability).
 15. Check the HEI's compliance with legal and other requirements (compliance).
 16. Provide independent information about the HEI for various constituencies (prospective students, employers, etc.) (information provision).
 17. Report on the quality and standing of the HE sector as a whole (sector report).
 18. Collate the results and outcomes of the activities of other EQAs (co-ordination)
- (AUQA, 2002)

We could group these as follows:

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| ◦ Quality improvement | 1,2 |
| ◦ Audit | 3 |
| ◦ Assessment & standards | 4,5,6 |
| ◦ Accreditation | 7 |
| ◦ Qualifications | 8,9,10 |
| ◦ Steering, funding | 11,12,13,14,15 |
| ◦ Information | 16,17,18 |

AUQA does not address all these purposes. The most important in terms of AUQA's constitution and public expectations are 2, 3, 16, 17, 18. There are other purposes that are not incompatible with AUQA's role (eg 1), others that AUQA will not do (eg 4,5,6), and others that it is not authorised to do (eg 7,9,10).

It is likely that governments and/or other clients of HE will require the existence of some sort of external checking or reference bodies for the foreseeable future. AUQA, for example, was announced by the Federal Minister of Education in December 1999. However, the universities had also (even if reluctantly) decided that an AUQA was needed, and in 1999 the AVCC was working on the design of a body that looked almost identical to AUQA as eventually set up. Thus, there is wide agreement across the HE sector and the government sector, as well as internationally, that AUQA audits are currently necessary.

The consequences of the work of EQAs vary, depending both on their purposes and on their modus operandi. Audit/ADRI is the best external QA approach, especially for a mature HE system, because it

- reinforces institutional independence
- supports institutional diversity
- is flexible
- can incorporate the other QA approaches if desired
- is least intrusive
- betokens most trust
- may be an alternative (or even an antidote) to competition

Most EQAs use some version of the same sequence of activities, namely:

- institutional self report,
- external review team,
- team visit to institution,
- team report,
- agency decision.

Despite this similarity, the details of the sequence vary between agencies and countries, because of the different national or regional context and culture. Furthermore, the precise consequences can vary enormously as a result of quite small differences in implementation of the steps in the sequence. The following are some of the approaches and emphases that AUQA has adopted, and advice that it gives, in order to enhance the utility of AUQA audits to the institutions.

1. Institutions and agencies should concentrate on their own needs, and develop the QA system needed for achieving their own objectives. They should not develop QA systems oriented to what they believe AUQA wants.
2. Develop and institutional self-review process that goes through the ADRI steps, so that AUQA audit becomes more of a validation than an investigation from scratch.
3. Liaise with AUQA to tailor the audit to the institution as much as is feasible
4. Do not write, for external audit, anything beyond a simple explanatory document. All other documents should be those that already exist because the auditee uses them for its own purposes.
5. As part of the evidence, AUQA wishes to see output measures, but does not specify these. They are to be selected by the auditee as relevant to its own objectives.
6. Co-ordinate QA activities, whether related to AUQA, other external agencies, or internal purposes, so they are complementary and mutually supportive, not cumulative in load.
7. Ensure that the process is useful to the academic (teaching, research, etc.) activities of the institution, and is widely recognised to be useful.
8. Even the documentation for the organization's own needs often seems excessive, unnecessary and onerous to already-loaded staff. Therefore aim to avoid extra writing.

9. As desired, the auditee can take advantage of the audit process, for example to make other changes.
10. Get as much benefit out of the self-review report as possible: it has a much wider value to the auditee than simply input to AUQA
11. Some improvements will arise by acting on the recommendations in the audit report.
12. Another obvious benefit comes from publicising the commendations in the audit report.
13. The audit report, by listing commendations as well as recommendations, generates a win-win situation: it says to the auditee 'you are good but can get better'
14. Auditees also find other benefits from the audit report, such as information for visitors, induction for new staff, and a more general point of reference.

4 Observed Improvements

The New Zealand universities set up an Academic Audit Unit in 1994 to carry out quality audits of the NZ universities. Since then the Unit has itself been reviewed independently on two occasions (in 1997 and 2001). The 1997 review panel concluded that "the audit process has been effective in bringing about a culture shift in the universities with respect to quality matters ... there is broad acknowledgement that positive benefits have resulted and that the outcomes have been worth the costs". The panel also observed "promising signs that universities are highly committed to the audit process, and are going beyond compliance". (Meade et al., 1997).

The 2001 review panel reported that "The quality culture which now exists is in large part attributable to the activities of the Unit. The influence of an external auditor has been demonstrably beneficial". One university told the panel: "The major benefit, which was undoubtedly an objective of AAU, was to improve internal university approaches and to use the power of self-review as a means of seeking ongoing improvement. The fact that such approaches were stimulated and enhanced by the AAU activities is significant and of overall benefit to New Zealand universities amid wider claims for improved performance and accountability." Another university said: "The AAU has acted as a stimulus and catalyst for this university to build its now robust quality systems. For example it motivated our university to codify its existing processes and practices and highlighted areas which would benefit from improvement."

Positive submissions were also received by the panel from organisations outside the university sector. One governmental organisation said: "The AAU has led the way in the important shift to a focus on independent external audit in the New Zealand tertiary education quality assurance system. This shift has significantly

strengthened the quality of university education to the benefit of all New Zealanders.” (Burrows et al., 2001)

In Australia, AUQA began conducting its audits with three ‘trial audits’ in 2001 and the substantive audits beginning in 2002. Feedback from the audits to date is positive, with universities reporting beneficial effects on their own thinking and systems, both through the audits themselves and through their own self-reflection that has been triggered by the intended audit.

5 Flexibility over Time

I have stated that quality audit is a flexible approach to QA, because it deals with an institution in its own terms and against its own objectives. Therefore, one would expect it to continue to be useful and valid even as an institution changes. However, the way it is implemented should change in some way, because procedures quickly become stale and lose their efficacy. Therefore, in a second audit cycle - or even before - AUQA might change its approach to the quality audit process, in order to maintain its utility. There would be a number of ways of doing this, for example reducing the scope of any particular audit, removing the requirement for any specially-written document at all and working entirely from the institution’s existing data and documents, making each audit a much smaller event (but perhaps more frequent), agreeing with the institution which areas were particularly in need of attention, developing a ‘partnership for quality’ between the institution and AUQA, etc.

6 Improvement and Accountability

In this presentation, I have focused on improvement. However, the other reason for AUQA’s existence (as for most EQAs) is accountability. If AUQA is to produce reports that satisfy the needs of the wider constituency (of employers, students, alumni, government, society, international interests, etc.) it must be obviously independent of the institutions and agencies it audits. Any approach adopted by AUQA must ensure that this is achieved.

There are few areas of activity that are not currently subject to some form of external independent checking. Failures in so many areas show that such checking is necessary. However, a certain paranoia has set in about the term ‘independent’. It often seems that anyone who knows something about a subject is ipso facto deemed not to be independent of any body that deals with that subject. We reach the nonsensical situation that the only people asked to form judgements are those who know nothing of the subject they are judging.

AUQA has chosen to go in the opposite direction. By using as auditors people who do know something about what they are judging, and by addressing each institution

in its own terms, it provides judgements that are useful to the institutions. Conversely, by using as auditors people from outside the HE sector and from outside Australia, and by carrying out its audits in a searching and rigorous fashion, it provides judgements that are accepted as independent and authoritative by the rest of our constituency outside the institutions. That in itself is also a service to the institutions themselves.

7 Conclusion

People learn and develop by reflecting on their experiences (including what is said and done by themselves and others) and changing their ideas behaviour as a result. Organisations can learn and develop – hopefully in the direction of improvement – in a similar way. Quality audit or the ADRI sequence are systematic ways of implementing the learning process in an organisation. Thus, internal quality audit is a good mechanism for quality improvement. AUQA has therefore set up its procedures and approach so as to be as supportive as possible to institutions and agencies in their own continuing improvement.

When AUQA was announced by the federal Minister of Education, and then established by the nine Australian ministers of education, the AVCC was itself planning an AUQA-like body. Therefore, there was widespread support for the concept. Nonetheless, there was trepidation among the institutions about the form that the new agency would take, and whether it would be just another data-collection machine, or another inspectorial overburden.

To allay these concerns – as much as is possible – AUQA has stressed its intention to be supportive, economical, flexible, and cognisant of the characteristics of the institutions and agencies it audits. In this way, external quality audit does not detract from the institution's ability to improve, but augments it.

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