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Industrial Relations Standard

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Available at: https://works.bepress.com/chris_andrews/4/
Industrial relations in this context refer to:

- the relationship between the University (as represented by appropriately delegated senior management) and the staff of the University (and their appointed representatives, if any).
- third parties to the employment relationship in connection with the employment arrangements for staff of the University.

Third parties may include staff representatives, staff associations, unions, government, industrial tribunals and legal representatives, amongst others.

Staff Associations established under the Bond University Act 1987 (“the Act”) are obligated to: advance the work of the University, and to preserve the independence, integrity and standing of the University and the University entity.

The University is obligated under the Act to recognise the staff associations as the appropriate entity to represent staff in relation to the objects referred to in the legislation; however the University is not required by the legislation to engage with the staff associations in any particular way.
Environmental Assessment:

- Is the employment environment a positive factor in the attraction and retention of key, high performing staff?
- Does the University's strategic plan include ways to enhance the *staff experience*?
- Does the negotiating environment provide a 'fair go all round'?
- Does the employee communication strategy ensure that channels exist for direct staff engagement, as well as engagement through nominated staff associations?
- Does the University actively support 'equal pay for work of equal value' principles?
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1 Definition of a Standard

1.1 A standard is an agreed specification or other criterion used as a rule, guideline, or definition of a level of performance or achievement (AUQA, n.d).

1.2 A Standard, according to Standards Australia (2008) provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context.

2 Preface/Rationale

2.1 This Standard has been developed with the premise that it supports the professional practice of human resources at Bond University, and can directly impact on the achievement of performance objectives.

2.2 The Standard, and a self-assessment or audit process, facilitates an integrated approach to the achievement of a University’s strategic goals.

2.3 A standard is an agreed, repeatable way of undertaking an activity. It is a published document that contains a specification or other criteria designed to be used consistently as a rule, guideline, or definition. Standards help to increase the reliability and the effectiveness of HR activities, and assist in their evaluation or measurement.

2.4 This HR Standard will establish the basis for “what we could expect to see” for the purposes of quality assessment, performance examination, a demonstration of better human resource practice and for demonstrating to stakeholders that value for money is being achieved. It can also be used for comparative benchmarking purposes.

2.5 This Standard:

2.5.1 was originally developed using higher education sector subject matter experts.

2.5.2 is practical,

2.5.3 has its foundation within the literature.

2.5.4 draws on experience in similar areas.
2.5.5 is internally consistent.

2.5.6 is outcome focused.

2.6 The Standard should be used as a tool to improve the management of industrial relations, and is designed to be outcome focused. It is not intended to be used as a mandated checklist.

2.7 The Standard describes evidence requirements which indicate the type of objective evidence that an auditor/assessor/examiner could expect to find to demonstrate that a criterion is being addressed. The extent of evidence provided should be commensurate with the issue being managed and the strategy being used.

2.8 The Standard is useful to:

2.8.1 Develop and implement industrial strategies in an efficient, effective and economic manner.

2.8.2 Address consistency and comparability with other Universities.

2.8.3 Provide assurance that Bond University is using quality processes.

2.8.4 Demonstrate conformance with legislative obligations.

2.8.5 Undertake a self-assessment of conformance with the Standard.

2.9 The structure of a Standard relies on the following framework (Victorian Auditor-General, 2008; Auditor-General of Queensland, 2007; HEFCE, 2005):

2.9.1 Inputs: the human, physical and financial resources used and the time required to produce the outputs. Inputs are what the process or activity uses.

2.9.2 Processes: the activities that generate the products and services that constitute the outputs; the actions or processes applied to convert resources into a product or service.

2.9.3 Outputs: the deliverables – goods and services – produced to achieve the outcomes being sought.

2.9.4 Outcomes: the results or consequences of the actions or outputs. Outcomes may be short, intermediate or long term.

2.9.5 Risks: “…the possibility of something happening that impacts on organisational objectives” (AS/NZS 4360:2004)
3 Objectives of this Standard

Strategic Objectives:

I. To maximise long term organisational and individual performance by creating and maintaining a productive working environment: this is particularly important in delivering a superior student experience.

II. To negotiate workplace terms and conditions in an environment free from: the abuse of power, discrimination, bullying and harassment e.g. staff are free to join, or not join, an industrial organisation.

III. To promote the opportunity to resolve workplace disputes in a timely manner at the lowest possible level, through appropriately staged interventions.

IV. To recognise that employees and the University may have both complementary and competing interests (Dolenko) [a pluralist perspective].

V. To recognise the role, influence and effect of third parties in the employment context.

Operational Objectives:

I. To recognise the negative impacts of direct and indirect industrial grievances, complaints and disputation (adapted from Dolenko).

II. To promote effective communication and exchange of information on workplace issues through appropriate communication and consultation undertaken at the right level and at the right time (adapted from Dolenko).

III. To recognise the operational role of staff representatives in an industrial process.
### 4 Inputs Criteria

**Inputs:** the human, physical and financial resources used and the time required to produce the outputs. Inputs are what the process or activity uses.

<table>
<thead>
<tr>
<th>Inputs Criteria</th>
<th>Sources of evidence</th>
<th>Indicators of success</th>
</tr>
</thead>
</table>
| **IP 1**        | The provision of relevant workplace information is recognised as the basis for informed participation and consultation. | Review recent change instances for evidence of the provision of appropriate information. Review consultation in instances of recent workplace changes. | > Staff were informed and consulted.  
> Staff had the opportunity to have input.  
> The final decision is communicated to staff and the implementation plan is documented.  
> A review occurs after the change has been implemented to assess conformance with objectives. |
<p>| <strong>IP 2</strong>        | Industrial negotiations are approached and conducted in good faith. | Evidence of the opportunities provided to meet and participate in negotiations. | Agreement is reached or, failing final agreement, there is a clear indication of areas of agreement and disagreement. |
| <strong>IP 3</strong>        | Minimum terms and conditions of employment exist for staff in agreements, policies or legislation. | Industrial awards, contracts of employment, University policy. | Access to these documents is readily available and is explained to those affected in a timely manner. |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Where to review the application of the particular criterion</td>
<td>The range of performance which demonstrates good HR practice</td>
</tr>
<tr>
<td>IP 4</td>
<td>The negotiating environment is free of coercion.</td>
<td>Examine complaints of coercion (if any) for evidence of unreasonable management action.</td>
</tr>
<tr>
<td>IP 5</td>
<td>The organisation provides training for staff on industrial agreement terms; especially interpretations.</td>
<td>Examine training and coaching records.</td>
</tr>
<tr>
<td>IP 6</td>
<td>The organisation provides training for managers on industrial agreement terms; especially interpretations.</td>
<td>Examine training and coaching records.</td>
</tr>
<tr>
<td>IP 7</td>
<td>Complaince with the rights and responsibilities of the employer, employees and third party representatives (Dolenko)</td>
<td>Evidence of compliance to legislative conditions for each staff grouping.</td>
</tr>
<tr>
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</tr>
<tr>
<td><strong>IP 8</strong></td>
<td>Operational changes are clearly signalled to staff (Dolenko) through appropriate change management processes.</td>
<td>Formal change management processes are evidenced in appropriate circumstances.</td>
</tr>
<tr>
<td><strong>IP 9</strong></td>
<td>Industrial issues are properly researched and decision making is evidence-based.</td>
<td>Review issue files for evidence of research and appropriate preparation.</td>
</tr>
<tr>
<td><strong>IP 10</strong></td>
<td>A clear remuneration policy approach exists at the University level informed by relevant market salary information.</td>
<td>Remuneration comparators and positioning are identifiable by staff grouping.</td>
</tr>
</tbody>
</table>
| **IP 11**       | A clear process of job evaluation exists and serves to align equivalent jobs at the same level (Dolenko). | > Examine structures in existence for each staffing group.  
> Select a sample of new positions for review. | There is a transparent process for evaluating and re-evaluating jobs. |
<table>
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</tr>
</thead>
<tbody>
<tr>
<td>IP 12: A promotion process exists and serves to provide an effective internal labour market.</td>
<td>Review promotion round results to ensure an appropriate success rate for internal applicants by staff grouping.</td>
<td>Staff departures for high performing staff are not due to the denial of opportunities for promotion.</td>
</tr>
<tr>
<td>IP 13: Performance based pay systems reward staff based on superior productivity.</td>
<td>Examine the spread of payments of a selected sample to ensure the result was evidence based.</td>
<td>Staff with superior performance are rewarded; staff without superior performance are appropriately rewarded.</td>
</tr>
</tbody>
</table>
| IP 14: Senior staff encourage co-operation and discussion on matters affecting the workforce (Dolenko). | > Examine change proposals for evidence of opportunity to participate in discussions on workplace changes.  
> Examine staff input to operational decisions affecting their work area. | Change management processes are used when required to implement workplace change. |
### 5 Processes Criteria

**Processes**: the activities that generate the products and services that constitute the outputs; the actions or processes applied to convert resources into a product or service.

<table>
<thead>
<tr>
<th>Processes Criteria</th>
<th>Sources of evidence Where to review the application of the particular criterion</th>
<th>Indicators of success The range of performance which demonstrates good HR practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR 1 Negotiations are conducted in good faith.</td>
<td>&gt; Key staff interviews.  &lt;br&gt; &gt; Complaint files (if any).</td>
<td>A professional approach to the process of negotiations, regardless of the outcome of negotiations.</td>
</tr>
<tr>
<td>PR 2 The parties follow agreed dispute settling procedures.</td>
<td>Review recent disputes for evidence that they were handled at the appropriate level or escalated when necessary.</td>
<td>A graduated and timely movement through the appropriate dispute settling processes.</td>
</tr>
<tr>
<td>PR 3 Even in dispute the parties continue to conduct themselves professionally (since the dispute will eventually be resolved and staff will need to again work co-operatively).</td>
<td>&gt; Key staff interviews.  &lt;br&gt; &gt; Complaint files (if any).</td>
<td>A professional approach to the process of negotiations, regardless of the outcome of negotiations.</td>
</tr>
<tr>
<td>PR 4 Disputes are escalated when they cannot be resolved at lower levels; the areas of agreement and disagreement are clearly identified to the next level of escalation.</td>
<td>Review recent disputes for evidence that they were handled at the appropriate level or escalated when necessary.</td>
<td>A graduated and timely movement through the appropriate dispute settling processes.</td>
</tr>
<tr>
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<tr>
<td>PR 5</td>
<td>Managers apply industrial agreement terms in a fair and unbiased manner (Dolenko).</td>
<td>Review recent decisions for evidence of reasonable management action.</td>
</tr>
<tr>
<td>PR 6</td>
<td>A clear process for merit based promotion is evidenced by documentation, structures and procedures that will result in objective decisions.</td>
<td>Examine promotion processes.</td>
</tr>
<tr>
<td>PR 7</td>
<td>Performance management processes should be clearly designed to improve performance. This should occur before disciplinary action is taken (except in the case of misconduct).</td>
<td>Examine recent performance management issues for evidence of the reasonableness of management action.</td>
</tr>
<tr>
<td>PR 8</td>
<td>The resolution of a dispute is clearly communicated to directly affected staff.</td>
<td>Examine decision outcomes for evidence of appropriate communication to those directly affected.</td>
</tr>
</tbody>
</table>
### 6 Outputs Criteria

**Outputs:** the deliverables – goods and services – produced to achieve the outcomes being sought.

<table>
<thead>
<tr>
<th>OP 1</th>
<th>Employment agreements are enforceable.</th>
<th>Agreements affecting workplace terms and conditions must be made in writing and be signed by an appropriate delegate: examine dispute files for relevant evidence.</th>
<th>No evidence of serious breach; or non compliance is minimal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP 2</td>
<td>Information on workplace matters is freely available to staff, particularly new starters.</td>
<td>Examine the availability of staff information and induction activities.</td>
<td>Information is freely available and regularly updated.</td>
</tr>
<tr>
<td>OP 3</td>
<td>The <em>staff experience</em> is demonstrated by higher than otherwise engagement with the University.</td>
<td>Examine staff engagement through evidence based research (such as a staff survey).</td>
<td>The staff experience is a positive attraction and retention tool.</td>
</tr>
<tr>
<td>OP 4</td>
<td>Superior communication planning and delivery, especially in relation to change management.</td>
<td>Examine examples of recent staff communications.</td>
<td>Information was timely, accurate and covered the required topics.</td>
</tr>
<tr>
<td>Outputs Criteria</td>
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<td>Indicators of success</td>
<td></td>
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<tr>
<td><strong>OP 5</strong> Flexibility: achieving enhanced productivity; e.g. an ability to quickly and efficiently adapt to changes in the industry.</td>
<td>Benchmark flexibility against competitors in key performance areas.</td>
<td>Select sample for review against benchmarked universities.</td>
<td></td>
</tr>
<tr>
<td><strong>OP 6</strong> Policy documents affecting employment are readily available, with new policies communicated to staff (Dolenko).</td>
<td>Policy documents.</td>
<td>Policies are available and all new policies are communicated to affected staff groups.</td>
<td></td>
</tr>
<tr>
<td><strong>OP 7</strong> A regular cycle of management review and/or internal audit exists to ensure that employees receive their entitlements.</td>
<td>Examine the self assessment and audit processes for payroll to ensure that adequate checking and review occurs of payroll records and reports.</td>
<td>Errors are found in a timely manner through management action.</td>
<td></td>
</tr>
<tr>
<td><strong>OP 8</strong> There is a minimal requirement for external third party dispute resolution.</td>
<td>Examine evidence on external mediation, conciliation and arbitration.</td>
<td>Matters are largely handled internally with a small number requiring external interventions.</td>
<td></td>
</tr>
</tbody>
</table>
7 Outcomes

Outcomes: the results or consequences of the actions or outputs. Outcomes may be short, intermediate or long term. Actual outcomes should be assessed against the original objectives and performance is evaluated.

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Sources of evidence</th>
<th>Indicators of success</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC 1</td>
<td>Long term organisational performance reflects a highly productive working environment.</td>
<td>EBITDA, key performance indicators, 5 star ratings, key benchmarks – should all be strong against the competitor group.</td>
</tr>
<tr>
<td>OC 2</td>
<td>Workplace negotiations are undertaken in 'good faith'; in an environment free from the abuse of power, discrimination or bullying and harassment.</td>
<td>Evidenced from reviews already suggested within this document.</td>
</tr>
<tr>
<td>Outcomes</td>
<td>Sources of evidence</td>
<td>Indicators of success</td>
</tr>
<tr>
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</tr>
<tr>
<td>OC 3</td>
<td>Workplace disputes were progressed through appropriately staged interventions, in a timely manner.</td>
<td>Evidenced from reviews already suggested within this document.</td>
</tr>
<tr>
<td>OC 4</td>
<td>Employee interests and organisational interests were both recognised.</td>
<td>Examine organisational arrangements to assess whether a ‘fair go all round” is evidenced.</td>
</tr>
<tr>
<td>OC 5</td>
<td>The potential negative impacts of direct and indirect industrial conflict were managed.</td>
<td>Evidenced from reviews already suggested within this document.</td>
</tr>
<tr>
<td>OC 6</td>
<td>Workplace communication and consultation were undertaken at the right level in the organisation.</td>
<td>Evidenced from reviews already suggested within this document.</td>
</tr>
<tr>
<td>OC 7</td>
<td>Outcomes</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Representatives were appropriately recognised in negotiating processes.</td>
<td></td>
</tr>
</tbody>
</table>

**Sources of evidence**

Where to review the application of the particular criterion

- Evidenced from reviews already suggested within this document.

**Indicators of success**

The range of performance which demonstrates good HR practice;

- Favourable report from reviews.
8 Risk Criteria

The use of this Standard assists Bond University to avoid or effectively manage risks associated with:

- Low morale which could deliver low productivity.
- Non compliance with legal obligations.
- Industrial disputes requiring significant resource inputs for a marginal benefit.
- Lost opportunities to increase productive output.
- Negative public relations surrounding industrial matters.
- Reputation as an employer.
- Lost revenue opportunities through restrictive work practices.
Data Dictionary:

**Accountability**
A personal obligation, liability, or answerability to others for actions carried out and performance achieved; responsibility (CCH Macquarie Dictionary of Employment and Industrial Relations 1992).

**Assessment**
To officially estimate the value of something (Concise Macquarie).

**Assurance**
An objective examination of evidence for the purpose of providing an independent assessment on risk management, control, or governance processes for the organisation. Examples may include financial, performance, compliance, system security, and due diligence engagements (Institute of Internal Auditors).

**Attestation**
One type of assurance service in which public accountants (or other professionals) issue a written communication that expresses a conclusion about the reliability of a written assertion of another party. To qualify as an attestation service, the engagement must involve written assertions on some accountability matter (Arens, Best, Shailer, Fielder, & Loebbeche, 2002).

**Audit**
An official examination and verification of records. (Concise Macquarie Dictionary).
A systematic analysis, appraisal, testing and verification of the legality, fidelity and efficiency or feasibility of proposed or completed procedures, operations, transactions, expenditures and the official records of them (CCH Macquarie Dictionary of Employment and Industrial Relations 1992).

**Auditing**
The accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria (Arens et al, 2002).
Benchmarking

Benchmarking is the formal and structured process of searching for those practices which lead to excellent performance, the observation and exchange of information about them, their adaptation to meet the needs of one’s own organisation, and the implementation of the amended practice. (Meade, 1998), (AUQA: n.d.)

Bond University Act 1987 (Qld)

The legislation establishing Bond University.

Bond University Academic Staff Association

Provision for an academic staff association is set out in s.12 of the Bond University Act 1987.

Bond University General Staff Association

Provision for a general staff association set out in s.13 of the Bond University Act 1987.

Capability

Capability is a broader concept than that of competence. Capability embraces competence but is also forward-looking, concerned with the realization of potential. Capability includes but goes beyond the achievement of competence in present day situations to imagining the future and contributing to making it happen. Capability is an integration of knowledge, skills, personal qualities and understanding used appropriately and effectively - not just in familiar and highly focused specialist contexts but in response to new and changing circumstances. (Dolan, n.d.)

Certification

Official recognition that a specified status has been achieved, or that certain privilege(s) may be exercised. The same as licensing (qv). (AUQA: n.d.)
Competency
The specific knowledge, skills, abilities and behaviour applied within an occupation or industry to the standard required in employment. (University of South Australia, n.d.)

The integrated application of knowledge, skills, values, experience, contacts, external knowledge resources and tools to solve a problem, to perform an activity, or to handle a situation. (Sitthisak, Gilbert and Davis, 2007).

Criteria
A standard of judgement; an established rule or principle for testing (Concise Macquarie).

Economic
Expenditure is economic if it achieves the desired objective at least cost. (Leibenstein, cited in Craven and McNulty 1994, p.4.)

Effectiveness
A process is effective if its outcomes match the stated goals. Effectiveness is often seen as an aspect of quality (qv). (AUQA: n.d.).
Expenditure is effective if it achieves its objectives without taking account of cost. (Leibenstein, cited in Craven and McNulty 1994, p.4.)

Efficient
Efficiency refers to the cost in relation to the outcomes achieved. It is rarely possible to describe it in absolute terms. One process is more efficient than another if it achieves the same outcomes at a lower cost (AUQA: n.d.)
Expenditure is efficient if it gives the highest Net Present Value (NPV) when other uses of the funds are considered. (Leibenstein, cited in Craven and McNulty 1994, p.4.)

Equity
Equity refers to: the quality of being fair and just; fairness (Macquarie Dictionary of Employment & IR: 1992). Equity is considered within a context – eg: equal access; equal treatment; equal opportunity; equal pay; equal worth. In the context of developing HR standards for specific activities there is a need to examine each of the proposed standards against equity considerations.
**Evaluation**
To ascertain the value or amount of; to appraise carefully. (Concise Macquarie)

The systematic investigation of worth or merit. Criteria must be specified for determining ‘worth’ or ‘merit’. ‘Evaluation’ is sometimes used as a neutral term. (Adapted from AUQA: n.d.)

**Evidence**
Proof; grounds for belief; that which tends to prove or disprove something. (Concise Macquarie)

Any information used by the auditor to determine whether the information being audited is stated in accordance with established criteria (Arens et al, 2002).

**Evidenced Based**
The conscious, explicit and judicious use of the best and current evidence in making decisions. It means integrating experience with the best available external evidence taken from systematic research. Evidence based decision making requires efficient literature-searching skills and the application of rules of evidence and logic in evaluating the research (Sackett, Rosenberg, Muir Gray, Haynes, & Richardson, 1996).

**Examination**
To inspect or scrutinise carefully; to interrogate; to test the knowledge, reactions or qualifications. (Concise Macquarie)

**Human Resource Audit**
An audit undertaken of human resource management, or within an aspect of human resource management. (Andrews, 2007)

**Inputs**
The human, physical and financial resources used and the time required to produce the outputs. Inputs are what the process or activity uses. (The Audit Office of New South Wales, 2000; Local Government Best Value Commission, n.d.)

**KPI: key performance indicators**
A performance indicator deemed particularly important or significant.
Measure
The act or process of ascertaining the extent, dimensions, quantity etc of something especially by comparison with a standard*; (Concise Macquarie)
In relation to a standard this view of the meaning of measure would presume the standard has a quantitative dimension.

Management Assurance
A level of assurance provided by Management alone. Management assurance requires qualified independent validation in order to raise its perceived value to the level of independent assurance (eg audit).

Outcome
The results or consequences of the actions or outputs. Outcomes may be short, intermediate, or long term.

Outputs
The deliverables – goods and services – produced to achieve the outcomes being sought. (Queensland Government Treasury, 2003).

Output measures
Demonstrate the contribution made by the output to the achievement of strategic goals and outcomes. Output measures are often:
- Cost - how much does the process or service cost to deliver?
- Time – whether outputs are delivered in a timely manner
- Quality – how good the output is. (Auditor General of Queensland, 2007)

Opinion
Judgement or belief resting on grounds insufficient to express certainty; a formal or professional judgement expressed; a personal view, attitude or estimation. (Concise Macquarie)
Note: Types of opinion: unqualified, qualified, adverse and disclaimer (ie insufficient competent evidence), (Siegal & Shim 2000)

Performance Indicator
A representation - numeric or otherwise - of the state of, or outcomes from, an organisation, or any of its parts or processes.
Performance indicators should be subject to informed interpretation and judgement; for example, by such assessment groups as audit panels. They are sometimes called management indicators, to suggest their purpose rather than their source. Organisational performance measures that have been developed independently tend to be weakly correlated with one another. To avoid this, they should be developed in an integrated fashion, with a common direction. (AUQA, n.d.)

**Processes**

The activities that generate the products and services that constitute the outputs. The actions or processes applied to convert resources into a product or service. (Department of Finance and Administration, 2000).

**Proof**

Evidence sufficient to establish a thing is true, or to produce belief in its truth (Concise Macquarie).

**Quality**

Fitness for purpose, where ‘purpose’ is to be interpreted broadly, to include mission, goals, objectives, specifications, and so on. This is an inclusive definition, as every organisation or activity has a purpose, even if it is not always precisely stated. Fitness for purpose’ means both that an organisation has procedures in place that are appropriate for the specified purposes, and that there is evidence to show that these procedures are in fact achieving the specified purposes.

Some people criticise this definition for ignoring ‘fitness of purpose’, but this misses the point. Fitness of purpose must be considered at the time that objectives are defined; quality is then a matter of achieving these objectives.

Using this definition, achieving quality in education involves two steps. The first step is for institutions to set objectives that embody what is expected and required by students, employers, legislation and statutes, in addition to responding to broader issues, such as the demands arising from the characteristic nature of academic activity and the rapid development of knowledge. The second step is for the institution to ensure that it attains its objectives. Quality is related to standards if the objectives include explicit specification of levels of attainment. (AUQA, n.d.)

**Quality Audit**

‘Quality audit’ is 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’ (Standards Australia & Standards New Zealand Joint Technical Committee QR/7 1994). This definition has been adopted by AUQA as the foundation of its approach to audit (AUQA, n.d.).
A ‘quality audit’ must be distinguished from an ‘audit’ conducted by a qualified auditor operating under a professional audit framework and within the Australian Auditing Standards.

**Review**

An institution (or any part thereof) may be reviewed for any purpose, and the term ‘review’ can embrace a checking mechanism, whether it be assessment, audit or accreditation, internal or external, and so on. Care must be taken when using the term to differentiate the activity from a professional audit (AUQA, n.d.).

**Risk**

Risk is the likelihood that some peril may actually occur to produce a loss, that is, risk is the degree to which an organization is exposed to the loss of its resources. A risk is defined by the Australia/New Zealand Standard for Risk Management (AS/NZS 4360:2004) as “…the possibility of something happening that impacts on organisational objectives. It is the chance to either make a gain or a loss. It is measured in terms of likelihood and consequence.”

Risk is anything that threatens or limits the ability of a project to achieve its goal, objectives, or the production of project deliverables.

**Risk Management**

The Australian / New Zealand Risk Management Standard, AS/NZS 4360: defines risk management as: “the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects”.

Risk management is a process of thinking systematically about all possible undesirable outcomes before they happen and setting up procedures that will avoid them, minimise or cope with their impact.

Risk management involves establishing an appropriate risk management infrastructure and culture, and applying logical and systematic risk management processes to all stages in the life cycle of any activity, function or operation that includes risk. By minimising losses and maximising gains, risk management enables the University to best meet its organisational objectives.

**Self-audit**

An oxymoron; the correct term is self-assessment (or self-review or self-evaluation). Audit, by its very nature, cannot be ‘self’, as it lacks independence.
**Self-review**

Self-review can be an ongoing process that is built into all activities in a sense of continuous improvement; it might be an ongoing process that leads to a report to the governing body for confirmation or redirection; it might be a long event that leads to major change; it might be a brief event that provides a snapshot for comparison with an earlier snapshot; and so on. (AUQA Audit Manual, Version 3.0, section 2.4.2). May also be called self-evaluation but never self-audit (Andrews, 2007).

**Standard**

Anything taken by general consent as a basis of comparison; an approved model; a level of quality which is regarded as normal, adequate or acceptable (Concise Macquarie).

A norm or model adopted by general consent as a basis for comparison eg against which to measure individual or organisational achievements or procedures, or as a target to be aimed at (CCH Macquarie Dictionary of Employment and Industrial Relations 1992).

A standard is an agreed specification or other criterion used as a rule, guideline, or definition of a level of performance or achievement. One function of standards is to measure the criteria by which quality may be judged. Although standards are necessary, they are difficult to determine (AUQA, n.d.).

The term ‘standard’ is also often used to refer to:
- Factors for evaluating performance
- Normative characteristics
- Best practice exemplars.

Quality is related to standards if the objectives include explicit specification of levels of attainment. (AUQA, n.d.)

**Validation**

The independent checking of a process. The term is sometimes used to denote the accreditation of a program (as distinct from a whole institution) (AUQA, n.d.).

**Value**

Estimated or assigned worth (Concise Macquarie).
**Value for Money**

Auditors and economists (at least in the public sector) consider an activity to be worthwhile if it gives ‘value for money’. This means that an activity must be *effective*, *economic* and *efficient* (the three Es).

Note:

a) Expenditure is *effective* if it achieves its objectives without taking account of cost,

b) Expenditure is *economic* if it achieves the desired objective at least cost, and

c) Expenditure is *efficient* if it gives the highest Net Present Value (NPV) when other uses of the funds are considered. (Leibenstein, cited in Craven and McNulty 1994, p.4.)

d) While equity would normally be considered as a sub-set of the specification of effectiveness it may also be useful to explicitly add equity as a criteria for reference. This changes the value-for-money criteria to *effectiveness, efficiency, economy and equity* (the four E’s).

**Verify**

To prove something to be true by evidence or testimony. (Concise Macquarie)

**Verification**

The act of verifying. (Concise Macquarie)

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9 References:


