

Audited Financial Statements and Statement of Service Performance

1 July 2023 –
30 June 2024

*Te Pokapū Kōunga Mātauranga
mō ngā Whare Wānanga o Aotearoa*

November 2024

AQA

Academic
QualityAgency
For New Zealand Universities

Report from the Chair of the AQA Board 2023-2024

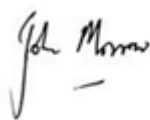
Work on the Cycle 6 Audit has continued during 2023-24, with site visits to the University of Canterbury, the University of Waikato and Lincoln University; reports on these institutions were published in December 2023 and June 2024. One year follow-up reports from the University of Auckland and Massey University were published in April and June 2024.

During the second half of the reporting period the Board and staff have been involved in addressing the implications of the New Zealand Vice-Chancellor's Committee decision in February 2024 to discontinue the operations of AQA and investigate a different model of academic audit. The first priority has been to put arrangements in place to complete the site visits and reporting processes for the outstanding cycle audits in 2024, following Professor Sheelagh Matear's planned retirement from the directorship in April.

The Board is most grateful to Professor Matear for deferring her retirement until the middle of the year and agreeing to work with panel chairs to complete the audits scheduled for the second half of the year on a part-time contractual basis. We are most fortunate that Rochelle Gribble of Universities New Zealand has agreed to be seconded into the role of Acting Director to assist with site visits, manage the ongoing business of AQA and oversee the wrap-up of its operations and the closure of its office.

Professor Matear's willingness to assist in the completion of cycle 6 is a reflection of the degree of commitment that she has brought to the work of AQA since she took up the directorship in February 2016. The Board is most appreciative of her extensive contributions to audit processes and to quality enhancement in the New Zealand university sector and the connections she has forged with academic quality agencies in other countries. We wish her well in her retirement.

Finally, I wish to record my thanks to panel chairs and auditors who have contributed to cycle 6 and to the deputy chair and other Board members for their role in steering AQA to the end of its mission.

A handwritten signature in black ink, appearing to read 'John Morrow' with a horizontal line underneath.

Emeritus Professor John Morrow
Chair of the AQA Board



ACADEMIC QUALITY AGENCY FOR NEW ZEALAND UNIVERSITIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

These AQA financial statements are included in the consolidated financial statements of NZVCC which have been audited. AQA has not been audited separately. NZVCC financial statements can be found at <https://www.universitiesnz.ac.nz/latest-news-and-publications/new-zealand-vice-chancellors-committee-financial-statements-2024>

**ACADEMIC QUALITY AGENCY FOR
NEW ZEALAND UNIVERSITIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

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**ACADEMIC QUALITY AGENCY FOR
NEW ZEALAND UNIVERSITIES
FOR THE YEAR ENDED 30 JUNE 2024**

BACKGROUND

Establishment of AQA

The Academic Quality Agency for New Zealand Universities (AQA) was established in 1993 (as the New Zealand Universities Academic Audit Unit) by the New Zealand universities acting jointly through the New Zealand Vice Chancellors' Committee (NZVCC) and began operations in 1994.

AQA is a subsidiary of NZVCC for financial reporting purposes. This in no way compromises the operational independence of the AQA in carrying out its activities. It is funded by the universities and its Board is appointed by the NZVCC. However, its operations, including academic audits, are independent of the NZVCC and of the individual universities.

Sources of Funds

An annual operating grant of \$410,000 from the universities was the main source of funding received by AQA.

Undertaking reviews, revenue from Cycle 6 Audits and interest earned supplements this funding.

Further Information about Academic Quality Agency for New Zealand Universities (AQA)

The AQA website, www.aqa.ac.nz provides a wide range of information and publications.

The AQA offices are located at Level 3, 69 The Terrace Wellington.

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STATEMENT OF RESPONSIBILITY

We acknowledge that:

- (a) The preparation of financial statements of the Academic Quality Agency for New Zealand Universities and judgements used herein are our responsibility.

- (b) The establishment and maintenance of an internal control system designed to give reasonable assurance as to the integrity and reliability of the financial and non-financial reports for the year ended 30 June 2024 are our responsibility; and

In our opinion, the financial statements for the year under review fairly reflect the financial position and operations of the Academic Quality Agency for New Zealand Universities.

For and on behalf of the board



Emeritus Professor John Morrow
Chair of the Board
Academic Quality Agency for New Zealand
Universities

Date: 17 October 2024



Rochelle Gribble
Acting Executive Director
Academic Quality Agency for New Zealand
Universities

Date: 17 October 2024

**ACADEMIC QUALITY AGENCY FOR
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STATEMENT OF OBJECTIVES

Purpose

The purpose of the Academic Quality Agency for New Zealand Universities is to contribute to the advancement of New Zealand university education by:

- engaging as a leader and advocate in the development of academic quality,
- applying quality assurance and quality enhancement processes that assist universities in improving student engagement, academic experience and learning outcomes, and
- supporting confidence in the academic quality of New Zealand universities.

Terms of Reference

AQA will:

- acknowledge the principles of Te Tiriti o Waitangi;
- maintain consistency with international expectations, standards and developments in external quality assurance;
- advise the New Zealand Vice-Chancellors' Committee and Universities New Zealand on quality assurance matters;
- reflect areas of importance to universities with respect to their teaching, learning, student experience and student outcomes activities;
- undertake quality assurance reviews (currently in the form of an academic audit) that are robust, fair and perceptive and that assist universities and their students;
- acknowledge and respect the individual contexts of universities in undertaking quality assurance reviews;
- make provision for appeals regarding the content of a quality assurance review;
- publish quality assurance reviews of universities;
- identify and promote good practice in quality assurance and enhancement;
- support the contribution of an effective student voice in quality assurance and enhancement;
- recognise other accountabilities and responsibilities of universities;
- maintain a constructive relationship with the Committee on University Academic Programmes (CUAP) that recognises the responsibilities of CUAP and AQA;
- contribute to the development of quality assurance in New Zealand and internationally;
- undertake contract work as is compatible with its purpose and terms of reference.

**ACADEMIC QUALITY AGENCY FOR NEW ZEALAND UNIVERSITIES
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STATEMENT OF PERFORMANCE

Contextual Information

The Academic Quality Agency for New Zealand Universities (AQA) was established by the New Zealand Vice-Chancellors' Committee (NZVCC) in 1993 as an operationally independent body to carry out institutional quality assurance and promote quality enhancement for the universities.¹

The Purpose of AQA is to contribute to the advancement of New Zealand university education by:

- engaging as a leader and advocate in the development of universities based on high quality, internationally acceptable, academic practices;
- providing quality assurance and quality enhancement services which assist universities in facilitating excellent student experience and learning outcomes; and
- supporting confidence in the academic quality of New Zealand universities.²

AQA achieves its purpose through six strategic goals:

1. Be a Te Tiriti o Waitangi responsive organisation and good Te Tiriti o Waitangi partner
2. Be recognised as a leader and authoritative voice in academic quality
3. Deliver value to universities and students in (Cycle 6) academic audit
4. Support quality enhancement in universities
5. Contribute to confidence in the academic quality of New Zealand universities
6. Continue to be a well-performing quality assurance agency.

These goals are pursued through five strategic action areas:

1. Te Tiriti o Waitangi (TT)
2. Best practice (BP)
3. Communications and engagement (CE)
4. Partnerships and relationships (PR)
5. Resourcing and capability (RC)

This statement of performance expectations sets out objectives and measures AQA plans to achieve in the July 2023 to June 2024 period to progress towards its goals.

This statement of performance expectations is derived from the 2022-2027 strategic framework and informed by AQA's Te Tiriti o Waitangi Action Plan and the Cycle 6 Academic Audit schedule.

¹ Originally established as the New Zealand Universities Academic Audit Unit.

² AQA (2021). Constitution. Retrieved from

<https://www.aqa.ac.nz/sites/all/files/AQA%20Constitution%20Approved%20Dec%202021.pdf>

The 2023-24 period has again been characterised by high levels of academic audit activity.

Total cost of service:

	2023/24 Projected	2023/24 Planned	2022/23 Delivered	2022/23 Planned
Total income	\$529,930	\$533,250	\$544,356	\$538,000
Total expenditure	\$539,477	\$622,845	\$624,369	\$611,986
Surplus/deficit	\$(9,547)	\$(89,595)	\$(80,014)	\$(73,986)

Goal 1: Be a Te Tiriti o Waitangi responsive organisation and good Te Tiriti o Waitangi partner

Description: AQA understands that Te Tiriti is central to its work, functions, and processes. AQA has mechanisms to ensure equitable Māori participation and leadership in setting priorities, and resourcing, implementing, and evaluating the organisation’s work. AQA also ensures its services are provided in a culturally appropriate way, which includes te ao Māori values influencing the way AQA works.

Measure	2023/24 Projected and current status	2023/24 Planned	2022/23 Delivered	2022/23 Planned
1.1 Te Tiriti o Waitangi Plan (TT)	No review of AQA’s Te Tiriti Action Plan will be undertaken	Review Te Tiriti Action Plan	approved Nov 22 meeting; Te Tiriti workshop held Feb 23 meeting	Plan in place by Q1 2023
1.2 Develop values for AQA framed within mātauranga Māori	Will not be achieved	Values developed, design created and published	New measure	
1.3 Academic quality material available in te reo Māori (CE)	Te reo Māori policy approved October 2023. Audit reports executive summaries are translated into te reo Māori	Te reo Māori policy in place by end 2023 Change email signatures, voicemails, correspondence to include te reo Māori in line with te reo Māori policy Update website to include te reo Māori content, with content increasing a minimum of 10%	Deferred (pending policy development)	Website redevelopment incorporates te reo Māori

Measure	2023/24 Projected and current status	2023/24 Planned	2022/23 Delivered	2022/23 Planned
1.4 Review and revise AQA policies to ensure alignment with Te Tiriti (BP, TT)	Policies reviewed October 2023 and published	Policies reviewed	New measure	
1.5 Board membership (TT, RC)	2 current members of the AQA Board whakapapa Māori, the position nominated by Te Mana Ākonga was vacant Jan-Jun 2024	At least 3 members of the AQA Board whakapapa Māori, including a member nominated by Te Mana Ākonga	in place	At least 3 members of the AQA Board whakapapa Māori, including a member nominated by Te Mana Ākonga
1.6 AQA capability – audit Panels (TT, RC)	Achieved	All audit Panels appointed have at least one member who is Māori	5 Panels appointed to date have at least one member who is Māori	All audit Panels appointed have at least one member who is Māori
1.7 Auditor training (TT, RC)	On track. All non-Māori auditors will have participated in at least one Te Tiriti o Waitangi training module or have equivalent experience	100% audit Panel members who are not Māori have participated in Te Tiriti o Waitangi training or have equivalent experience	100% non-Māori auditors appointed for first 5 panels participated in Te Tiriti o Waitangi training.	100% audit Panel members who are not Māori have participated in Te Tiriti o Waitangi training or have equivalent experience
1.8 Develop authentic relationships with Māori (PR, TT)	Not progressed	Develop a Māori relationship plan	New measure	

Goal 2: Be recognised as a leader and authoritative voice in academic quality

Description: AQA has a leadership role in the development of good quality assurance practice. It draws from developments internationally and nationally to inform future practice. Developments in practice include working in partnership, providing advice and contributing to national and international discussions.

The emphasis in 2023-24 will be on progressing plans in partnership and re-engaging with international developments in academic quality.

Measure	2023/24 Projected/Current Status	2023/24 Planned	2022/23 Delivered	2022/23 Planned
2.1 Activities in partnership agreement with NZUSA achieved (PR)	Partnership active to the end of December 2023 when NZUSA ceased operational activity. Additional meetings held with Te Mana Ākonga 26 March 2024 and 14 June 2024	Partnership activities achieved	AQA and NZUSA meet at least quarterly, NZUSA facilitates the contribution of a Student Voice column to AQA newsletters, AQA and NZUSA (and TMĀ) have agreed priorities for future work, AQA and NZUSA collaborate on an annual Student Voice Summit. Meeting with new executive for NDSA 15 February 2023 Meeting with President NZISA 21 June 2023	Partnership report
2.2 Develop and undertake activities in a partnership agreement with Te Mana Ākonga (TT, PR)	Partnership agreement agreed to be signed but not progressed due to lack of certainty over further role of AQA	Partnership agreed Partnership activities achieved	NEW	NEW
2.3 Develop and maintain a “State of the Sector” analysis (BP)	Not be developed due to lack of staff capacity	Report accepted by AQA Board	NEW	NEW
2.4 Presentations or papers on academic quality (BP)	2	2	5	2

<i>Measure</i>	<i>2023/24 Projected/Current Status</i>	<i>2023/24 Planned</i>	<i>2022/23 Delivered</i>	<i>2022/23 Planned</i>
	<p><i>Paper published in Quality in Higher Education</i></p> <p><i>Invited to give guest lecture on the Global competition in higher education policy making and quality assessment programme at the National Chengchi University, Taiwan</i></p>			
<i>2.5 Membership of academic quality related national bodies, committees or working groups (PR)</i>	<p><i>2</i></p> <p><i>JCG</i> <i>NZQA QAF redesign - Quality and QA Advisory Group</i></p>	<i>2</i>	<i>2</i>	<i>2</i>
<i>2.6 Advice or submissions on matters of academic quality (PR, CE)</i>	<p><i>2</i></p> <p><i>Submission to UAG first phase</i></p> <p><i>Interviewed by master's students in Educational Sciences at the Vrije Universiteit Brussel (Brussels, Belgium)</i></p> <p><i>Also happens on an informal basis, eg advice to CUSPaC on panel composition and self-review processes</i></p>	<i>2</i>	<i>1</i>	<i>2</i>

Goal 3: Deliver value to universities and students in (Cycle 6) academic audit

Description: AQA undertakes regular academic audits of all New Zealand universities using a framework developed by AQA in consultation with the sector and other stakeholders. Academic audits are conducted to a schedule approved by the Board and with the agreement of the universities. From time to time, AQA may be contracted to undertake other forms of audit or review including academic audits of international universities. The quality and timeliness of the work of AQA are overseen by a Board, comprised of a Vice-Chancellor and academic, student and lay members who are appointed by the NZVCC but operate independently of them and of the universities.

The emphasis in 2023-24 is the delivery of academic audits for the next three universities in the cycle. Auditor recruitment, training and feedback on experience will continue to be areas of focus.

Measure	2023/24 Projected/Current Status	2023/24 Planned	2022/23 Delivered	2022/23 Planned
3.1 Recruit Māori and student auditors for Cycle 6 (BP) <i>REVISED MEASURE</i>	All panels have at least one member who is Māori and a student or recent graduate	3 Māori Panel members and 3 students available for audit panels	5 student auditors have been appointed to Panels and another 4 are on the Register.	At least 8 student auditors are recruited
3.2 Deliver auditor training workshops (BP)	Module 2 sessions held: 24 March 26 March 3 May 17 May 2024 Module 3 held 10 May 2024	All auditors appointed to panels have completed auditor training	All auditors appointed to panels have been trained Auditor training sessions held: Module 2 - 21 October 2022, 28 October 2022, 24 March 2023, 5 May 2023 plus 2 individual sessions; Module 3 – 7 February 2023, 30 June 2023.	All auditors appointed to panels have completed auditor training
3.3 Develop advice for Panel members on Te Tiriti, equity and cultural safety within the Aotearoa New Zealand context (RC, TT)	Included in 2 nd Edition of Auditor supplement with further advice in site visit workbook	included in next print of the Supplement for Auditors	New measure	

Measure	2023/24 Projected/Current Status	2023/24 Planned	2022/23 Delivered	2022/23 Planned
3.4 Audit engagement initiated (BP)	2 first planning meetings held as scheduled	2 Otago – October AUT - November	2 As scheduled	3 UC – September Waikato – December Lincoln - May
3.5 Audit Panels appointed (BP)	Lincoln, Otago and AUT panels appointed	Lincoln – Oct Otago – Feb AUT - April	3 As scheduled	3 Massey – October UC – February Waikato - May
3.6 University Self-reviews submitted (BP)	3 As scheduled	3 Lincoln – Oct Otago – March AUT - May	2 As scheduled	3 Massey – November UC – March Waikato - May
3.7 Audit Site visits undertaken (BP)	3 Completed as scheduled	3 UC - July Waikato – Sept Lincoln – March	3 As scheduled	3 Auckland – July VUW – September Massey - March
3.8 Audit reports published (BP)	3 UC- Dec Waikato – Dec Lincoln – June	3 UC – Oct Waikato – Dec Lincoln - June	2 Auckland – November	3 Auckland – October VUW – December Massey - June
3.9 Feedback on experience of audit sought (BP, TT)	2 Feedback sought from UC, UW and LU	3 UC – Oct Waikato – Jan Lincoln - June	2	3 Auckland – November VUW – January Massey - June
3.10 One-year follow-up reports received	3 (Auckland, THW-VUW, Massey)	3 Auckland – Oct THW – March Massey - June	NEW	NEW

Goal 4: Support quality enhancement in universities

Description: AQA's mission includes assisting universities to facilitate excellent student experience and learning outcomes. AQA undertakes this quality enhancement role in a variety of ways, including by identifying and disseminating national and international good practice in regard to academic quality assurance and quality enhancement, and by facilitating dialogue on quality enhancement initiatives.

<i>Measure</i>	<i>2023/24 Projected/Current Status</i>	<i>2023/24 Planned</i>	<i>2022/23 Delivered</i>	<i>2022/23 Projected</i>
<i>4.1 Deliver AQA events that support enhancement (CE)</i>	<i>1 Quality Forum held 16 November 2023</i>	<i>1</i>	<i>3</i>	<i>1</i>
<i>4.2 AQA Newsletters (CE)</i>	<i>4 (September, December, March, June)</i>	<i>4</i>	<i>4</i>	<i>4</i>
<i>4.3 Good practice guides (CE, BP)</i>	<i>0 (although guidance for one-year follow-up reports discussed at the quality managers' meeting and included in request to university)</i>	<i>1</i>	<i>1 (Pasifika themes in Cycle 5)</i>	<i>1</i>
<i>4.4 Gain or add value from international engagement, demonstrated through practice change, invitations to undertake work internationally, provide advice or contribute to conferences. (PR)</i>	<i>3 invited to participate in and facilitate a focus group for the INQAAHE Global Trends II study; invited to consultation on new decision-making body for INQAAHE; invited to participate in HEEACT research workshop</i>	<i>2</i>	<i>6</i>	<i>2</i>

Goal 5: Contribute to confidence in the academic quality of universities in Aotearoa New Zealand

Description: Contributing to confidence in the academic quality of universities in Aotearoa New Zealand is part of AQA's purpose. It does this by undertaking academic audits which are fair and robust and communicating the outcomes of those audits in a manner that is accessible to non-specialist audiences. AQA also makes public comment based on evidence when required to do so, or contributes to other comments.

Measure	2023/24 Projected/Current Status	2023/24 Planned	2022/23 Delivered	2022/23 Planned
5.1 Reports on academic audits reports accessible to a non-specialist audience (CE)	3	3	2	3
5.2 Public comment on matters of academic quality (CE)	Response to media enquiry from Times Higher Ed Australia 9 April 2024	As required	media interview on matters related to generative AI tools and academic integrity on 2 February 2023	As required
5.3 Engagement with tertiary sector bodies (other than universities) (PR)	See also 2.5 2 NZQA – ongoing NZQCF review	2 invitations to contribute or participate	2	2 invitations to contribute/participate

Goal 6: Continue to be a well-performing quality assurance agency

Description: AQA’s annual operating grant is funded by the universities collectively. The Board of AQA prepares and recommends a budget to the NZVCC prior to the commencement of each financial year. In doing so, the Board seeks to ensure that the annual grant provides for an adequate level of resources to enable the organisation to achieve its stated objectives for that year, and that the organisation’s net asset levels and cash flow are sufficient to sustain its continued operation.

AQA is recognised as being fully aligned with the INQAAHE Guidelines of Good Practice. To maintain alignment it will continue to seek and respond to feedback.

Measure	2023/24 Projected/Current state	2023/24 Planned	2022/23 Delivered	2022/23 Projected
6.1 Revise the stakeholder analysis and engagement plan to ensure alignment with Te Tiriti Action Plan (TT, PR)	Will not be achieved	plan revised	New measure	

Measure	2023/24 Projected/Current Status	2023/24 Planned	2022/23 Delivered	2022/23 Planned
6.2 Response to feedback (BP)	Measure 3.3 reflects feedback. Also minor changes made to site visit schedules to allow more time with Māori interviewees.	Changes in response to feedback documented	Changes documented	Changes in response to feedback documented
6.3 Biennial communications survey (CE)	not scheduled this year	BIENNIAL	reported in AQA newsletter June 2023	1
6.4 SLA with Universities New Zealand reviewed and renewed (RC)	Revision to SLA following office move and SLA for 6 months Jul-Dec 2024 signed.	Review completed and lease re-signed	Signed 12 May 2023	Review completed and lease re-signed
6.5 Annual grant approved (RC)	Budget for 6 months approved	New funding agreement reached with NZVCC.	Annual grant approved at NZVCC meeting 22-23 June	Annual grant approved
6.6 Staffing and resourcing levels reviewed (RC)	ongoing	Review undertaken	reviewed as part of budget setting	Review undertaken
6.7 Amend staff appointment process	Amendments made but not enacted	Amend AQA's appointment process to include requirements for Te Tiriti and cultural capability	New measure	
6.8 Budget achieved (RC)	Will be better than budget due to salary savings from not filling the second professional position in AQA	Achieved	not achieved – overspent by \$6,028	Achieved
6.9 Board appointments made	The 2 student positions have been unfilled from December 2023 due to the previous members changing their roles. At least one position will be filled Jul-Dec 2024.	Board positions filled	NEW	NEW

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. The Board believes that the statements contained in this report accurately reflect the overall performance of AQA for the year ended 30 June 2024.

For and on behalf of the board



Emeritus Professor John Morrow
Chair of the Board
Academic Quality Agency for New Zealand
Universities



Rochelle Gribble
Acting Executive Director
Academic Quality Agency for New Zealand
Universities

Date: 17 October 2024

Date: 17 October 2024

**ACADEMIC QUALITY AGENCY FOR
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FOR THE YEAR ENDED 30 JUNE 2024**

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	Notes	AQA Actual 2023/2024	AQA Budget 2023/2024	AQA Actual 2022/2023
Revenue				
Annual Grant from Universities		410,000	410,000	410,000
Audit Fees		105,295	119,250	123,620
Interest Revenue		13,935	4,000	10,735
Consultancy & Sundry Revenue		700	0	0
Total Revenue		529,930	533,250	544,355
Less Expenditure	7	539,477	622,845	624,369
Surplus/(Deficit) for the year		-9,547	-89,595	-80,014
Other Comprehensive Revenue and Expense		0	0	0
Total Comprehensive Revenue and Expense for the year		-\$9,547	-\$89,595	-\$80,014
Surplus/(deficit) attributable to:				
Owners of the controlling entity		-9,547	-89,595	-80,014
Minority interest		0	0	0
		-\$9,547	-\$89,595	-\$80,014
Total comprehensive revenue and expense attributable to:				
Owners of the controlling entity		-9,547	-89,595	-80,014
Minority Interest		0	0	0
		-\$9,547	-\$89,595	-\$80,014

**ACADEMIC QUALITY AGENCY FOR
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STATEMENT OF CHANGES IN EQUITY

	AQA Actual 2023/2024	AQA Budget 2023/2024	AQA Actual 2022/2023
Equity at start of the year	271,312	271,312	351,326
Total Comprehensive Revenue and Expense for the year	-9,547	-89,595	-80,014
Equity at end of the year	\$261,765	\$181,717	\$271,312

**ACADEMIC QUALITY AGENCY FOR
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**STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2024**

	Notes	AQA Actual 2023/2024	AQA Budget 2023/2024	AQA Actual 2022/2023
Assets				
Current Assets				
Cash and cash equivalents	8	282,640	169,975	316,980
GST Refund		0	3,652	3,496
Receivables (from exchange transactions)	9	55,997	53,000	53,493
Recoverable (from non-exchange transactions)		0		0
		<u>338,637</u>	<u>226,627</u>	<u>373,969</u>
Non-Current Assets				
Intangible Assets	10	90	91	181
Total Assets		<u>\$338,727</u>	<u>\$226,718</u>	<u>\$374,150</u>
Liabilities				
Current Liabilities				
Payables (from exchange transactions)	11	73,142	30,000	85,736
GST		3,820	0	0
Non-exchange liability		0	0	0
Employee benefit liability	12	0	15,000	17,102
Revenue received in advance		0	0	0
		<u>76,962</u>	<u>45,000</u>	<u>102,838</u>
Non-Current Liabilities				
Employee benefit liability		0	0	0
Non-exchange liabilities		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities		<u>76,962</u>	<u>45,000</u>	<u>102,838</u>
Net Assets		<u>\$261,765</u>	<u>\$181,718</u>	<u>\$271,312</u>

**ACADEMIC QUALITY AGENCY FOR
NEW ZEALAND UNIVERSITIES
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STATEMENT OF FINANCIAL POSITION (cont.)
AS AT 30 June 2024

	Notes	AQA Actual 2023/2024	AQA Budget 2023/2024	AQA Actual 2022/2023
Net Assets/Equity				
Accumulated revenue and expense		261,765	181,717	271,312
Net assets/equity attributable to the owners of the controlling entity		261,765	181,717	271,312
Minority interest		0	0	0
Total Net Assets/Equity		261,765	181,717	271,312
Total Net Assets/Equity and Liabilities		\$261,765	\$181,717	\$271,312

**ACADEMIC QUALITY AGENCY FOR
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FINANCIAL STATEMENTS
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STATEMENT OF CASHFLOWS

Notes	AQA Actual 2023/2024	AQA Budget 2023/2024	AQA Actual 2022/2023
Cash Flows from Operating Activities			
Proceeds from:			
Interest Received	13,723	5,423	9,165
Annual Grants from Universities	410,000	410,000	410,000
Audit Fees	109,133	108,529	95,342
Other Receipts	700	0	0
Goods and Services Tax	1,550	-2,021	-1,007
Payments to Suppliers	-280,450	-326,329	-243,450
Payments to Employees	-288,996	-342,607	-350,855
Net Cash Flows from Operating Activities	-34,340	-147,005	-80,805
Cash Flows from Investing Activities			
(Increase)/Decrease in Term Deposits & Portfolio	70,000	50,000	130,000
(Purchase)/Proceeds from Intangible Assets	0	0	0
Net Inflow/(outflow) from Investing Activities	70,000	50,000	130,000
Net Increase (Decrease) In cash and cash equivalent			
	35,660	-97,005	49,195
Opening Cash at Beginning of Year	146,980	146,980	97,785
Closing Cash at 30 June	\$182,640	\$49,975	\$146,980
Represented by:			
Petty Cash	190	0	191
BNZ Bank Accounts (Excluding Term Deposits)	182,450	49,975	146,789
	\$182,640	\$49,975	\$146,980

**ACADEMIC QUALITY AGENCY FOR
NEW ZEALAND UNIVERSITIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTES TO THE FINANCIAL STATEMENTS

1 Reporting Entity

The reporting entity AQA is a financial subsidiary of the New Zealand Vice-Chancellor's Committee (NZVCC), which is a public benefit entity and was established under the Education Act 1989. As a subsidiary of NZVCC, AQA is required to prepare financial statements in accordance with Section 153-156 of the Crown Entities Act 2004.

The consolidated financial statements for the year ended 30 June 2024 are published by NZVCC and comprise of NZVCC and AQA together referred to as the 'Group'.

2 Basis of Preparation

(a) Statement of Compliance

The financial statements of AQA have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAPP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and other applicable Financial Reporting Standards as appropriate for Tier 2 Public Sector Public Benefit Entity (PBE) Standards, for which all reduced disclosure regime exemptions have been adopted.

AQA has elected to report in accordance with Tier 2 Public Sector PBE Standards to align with the parent entity, NZVCC.

These financial statements were authorised for issue by Emeritus Professor John Morrow, Chair of the Board of AQA and Rochelle Gribble, Acting Executive Director of AQA, on 17 October 2024.

(b) Measurement Basis

The consolidated financial statements have been prepared on the historical cost basis except, as indicated below:

- Financial instruments
- Property, Plant & Equipment
- Long-term employee benefits.

(c) Functional and Presentation Currency

These financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

There has been no change in the functional currency of AQA or any significant foreign operations of AQA during the year.

3 Use of Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the AQA financial statements include the following:

- Revenue recognition – non-exchange revenue (conditions vs restrictions).

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2024 include the following:

- Key assumptions underlying determining the recoverable amounts for impairment testing.
- Useful life, recoverable amount, depreciation method and rate.

(c) Changes in accounting estimates

There have been no changes in accounting estimates during the period.

4 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the AQA.

(a) Foreign Currency

Transactions in foreign currencies are recorded at the New Zealand rate of exchange ruling at the date of transaction. At balance date, foreign monetary assets and liabilities are translated at appropriate closing exchange rates, and gains or losses due to currency fluctuations on these items are included in the Financial Statements.

(b) Revenue

Revenue from Exchange Transactions

Revenue from exchange transactions are those where AQA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity.

Revenue from exchange transactions is recognised when the amount of revenue is earned and is reported in the financial period to which it relates.

Grant Revenue

Grant revenue is received from the eight universities, through NZVCC, on a six-monthly basis and is applied on a straight-line basis over the financial year in which it relates.

Rendering of Services

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date.

Revenue from Non-Exchange Transactions

Non-exchange transactions are those where AQA receives an inflow of resources but provides no (or nominal) direct consideration in return.

(c) Employee Benefits

Short-term Employee benefits

Short-term employee benefit liabilities, wages and salaries, including non-monetary benefits and annual leave are recognised when AQA has a legal or constructive obligation to remunerate employees for services provided within 12 months of reporting date, and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis.

(d) Finance income

Interest revenue is recognised using the effective interest method as it accrues.

(e) Financial Instruments

Financial assets and financial liabilities are recognised when AQA becomes a party to the contractual provisions of the financial instrument. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that AQA commits to purchase or sell the asset.

The AQA derecognises a financial asset when the rights to receive cash flows from the asset have expired or are waived, or the AQA has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- i. The AQA has transferred substantially all the risks and rewards of the asset; or
- ii. The AQA has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Classification and subsequent measurement

Financial assets

Financial assets within the scope of NFP PBE IPSAS 41 Financial Instruments. The classifications of the financial assets are determined at initial recognition. On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive revenue and expense (FVOCI) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD).

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The AQA's financial assets are classified as either financial assets at fair value through surplus or deficit or amortised cost. Financial assets include: cash and cash equivalents, trade debtors and other receivables and term deposits.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTSD:

- iii. it is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- iv. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. This includes all derivative financial assets. On initial recognition, the AQA may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

The AQA’s financial liabilities include trade and other payables (excluding GST, PAYE and employee entitlements).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit). They are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit in the Statement of Comprehensive Revenue and Expense. Financial liabilities are derecognised if AQA’s obligations specified in the contract expire or are discharged or cancelled.

(f) Impairment of Non-Derivative Financial Assets

AQA assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics. All impairment losses are recognised in surplus or deficit and reflected in an allowance account against receivables. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in surplus or deficit.

(g) Property, Plant and Equipment

Recognition and Measurement

Property, plant and equipment are initially recognised at cost. Property, plant and equipment are recorded at cost less accumulated depreciation. Subsequent costs are added to the carrying amount of an item of property, plant and equipment when the cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognised in surplus or deficit as an expense when incurred.

Depreciation

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Computers and Printers	48%SL
Office equipment, furniture and fittings	16.2%SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

(h) Intangible Asset

Recognition and Measurement

Intangible Assets are initially recognised at cost. The Intangible Asset-Website Upgrade is recorded at cost less accumulated amortisation. Subsequent costs are added to the carrying amount of the website upgrade, when the cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognised in surplus or deficit as an expense when incurred.

Amortisation

Amortisation is provided on website upgrade as the practice of reducing the value of assets to reflect their reduced economic worth over time. It is provided at the following rates:

Website Upgrade	50% DV
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(i) Budget

The budget figures for AQA are those approved by the AQA Board at their 16 May 2023 meeting, including the Annual Grant figure approved by the Vice-Chancellors at their 22-23 June 2023 meeting.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by AQA for the preparation of the financial statements.

(j) Goods and Services Tax

The financial statements are exclusive of GST except for Trade Payables and Trade Receivables which are GST inclusive.

(k) Taxation

AQA is a subsidiary of NZVCC which is a statutory body and registered with the Charities Services under the Charities Act 2005. AQA has been established with the same purposes as NZVCC. AQA's purpose is to manage its finances and conduct its activities for the benefit of NZVCC, which has charitable status, and AQA is therefore exempt from income tax.

(l) Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach method.

Cash includes cash on hand and deposits held at call with banks.

Operating activities includes cash received from all revenue sources of AQA including annual university grants, cost-recovery of New Zealand university academic audit costs, audits and reviews of non-New Zealand institutions, consultancy, conference fees and interest earned.

5 Adjustments arising on transition to the new PBE accounting standards

There have been no reclassifications on the face of the financial statements in adopting the new PBE accounting standards.

6 Revenue

All AQA revenue for the year ended 30 June 2025 was earned from Grants, Rendering of Services, Interest and exchange transactions.

7 Expenses

	AQA Actual 2023/2024	AQA Budget 2023/2024	AQA Actual 2022/2023
ACC Levy	526	650	264
Accountancy	3,500	3,250	4,250
Amortisation of Intangibles	91	91	181
Audit Fee (Financial Audit)	11,861	10,210	11,088
Bank Fee	156	350	206
Computer Maintenance and Training	15,211	14,127	15,629
Conference Fees	1,361	4,000	3,060
Consultancy/Other Honoraria	12,788	16,000	8,132
Honoraria - AQA Chairman & Board	37,610	42,550	35,913
Honoraria - Audit	83,300	79,800	95,200
Insurance	5,728	6,700	5,082
Interest expenses	12	0	0
IRD Penalties	0	0	0
Koha/Gifts	500	1,000	400
Meeting Costs	916	700	1,266
NZVCC Staff Services	7,068	8,573	6,044
Occupancy Rent	15,460	18,372	18,200
Office Expenses, Administration and General	7,226	9,700	10,470
Recruitment Costs	233	1,000	0
Staff Development (exc. Travel)	3,906	5,000	5,017
Salaries	266,441	321,257	338,713
Superannuation Contributions (Including KiwiSaver)	10,498	12,850	13,531
Temporary Staff costs	8,570	4,000	0
Subscriptions	2,455	3,000	2,720
Telephone and Tolls	336	475	336
Travel and Accommodation			
- New Zealand Travel	4,110	6,600	3,891
- International Travel	2,333	3,000	3,364
- Board Travel	6,497	3,600	6,379
- Audit Travel	15,767	24,600	16,680
- Accommodation and meals	15,017	21,390	18,353
	\$539,477	\$622,845	\$624,369



8 Cash and Cash Equivalents

	AQA 2024 \$	AQA 2023 \$
Bank of New Zealand		
Current Account (0.0275%)	26,389	37,653
Call Account (0.0275%)	156,061	109,136
	182,450	146,789
Petty Cash	190	191
	182,640	146,980
BNZ Short-term Deposits (6% to 6.1%)	100,000	170,000
	282,640	316,980

9 Receivables – Exchange Transactions

	AQA 2024 \$	AQA 2023 \$
Sundry Debtors	40,758	39,280
Prepaid Expenses	12,104	11,289
Accrued Interest	3,135	2,924
	55,997	53,493

10 Intangible Assets

	AQA Total \$
Cost of valuation Balance at 1 July 2022	13,920
Additions	0
Disposals	0
Balance at 30 June 2023	13,920
Balance at 1 July 2023	13,920
Additions	0
Disposals	0
Balance at 30 June 2024	13,920
Accumulated Amortisation and Impairment Losses	
Balance at 1 July 2022	13,558
Amortisation expense	181
Elimination on disposal	0
Balance at 30 June 2023	13,739
Balance at 1 July 2023	13,739
Amortisation expense	91
elimination on disposal	0
Balance at 30 June 2024	13,830
Carrying amounts	
At 1 July 2022	181
At 1 July 2023	91
At 30 June 2024/1 July 2024	90

The related amortisation expense has been disclosed separately in Note 4h.

11 Payables – Exchange Transactions

	AQA 2024 \$	AQA 2023 \$
Accounts Payable	34,047	31,249
Accruals	39,008	53,455
BNZ Credit Card	87	1,032
Income in Advance	0	0
	73,142	85,736

12 Employee Benefit Liability

	AQA 2024 \$	AQA 2023 \$
Short term Employee Entitlements		
Salary Accrual	0	6,687
Employer Superannuation Contribution on Salary Accrual	0	268
Annual Leave	0	9,757
Employer Superannuation Contribution on Annual Leave	0	390
Total short-term Employee Entitlements	0	17,102
Total long-term Employee Entitlements		
Total Employee Entitlements	0	17,102

13 Financial Instruments

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	AQA 2024 \$	AQA 2023 \$
Loans and Receivables		
Cash and cash equivalents	282,640	316,980
Trade and Other receivables	55,997	53,493
Financial liabilities measured at amortised cost		
Trade and Other payables	73,142	85,736

Credit Risk

Financial instruments which potentially subject AQA up to credit risk principally consist of Cash and Cash Equivalents and Trade and Other Receivables.

The maximum exposures to credit risk at balance date were:

	AQA 2024 \$	AQA 2023 \$
Cash on Hand	190	191
Bank Balances	182,450	146,789
Accounts Receivable	55,997	53,493
Bank Term Deposits	100,000	170,000
BNZ Credit Cards (Credit limit as at 30 June)	16,000	16,000
	354,637	386,473

The above maximum exposures are net of any recognised provision for losses on these financial instruments. No collateral is held on the above amounts.

Concentrations of Credit Risk

AQA is not exposed to any concentration of credit risk.

Interest Rate Risk

AQA is primarily a short-term investor in on-call funds and term deposits not exceeding 180 days. The interest rate risk exposure on deposits pertains to fluctuations in market rates of interest.

Foreign Exchange Risk

Transactions in foreign currencies are recorded at the New Zealand rate of exchange ruling at the date of transaction. At balance date, foreign monetary assets and liabilities are translated at appropriate closing exchange rates, and gains or losses due to currency fluctuations on these items are included in the Financial Statements.

14 Related Party Transactions

NZVCC is a related party by virtue of the fact that the NZVCC has the capacity to appoint all members of the governing body of AQA.

During the year NZVCC applied for and received \$410,000 (2023: \$410,000) of University Annual Grants on behalf of the AQA. These funds were then paid to the AQA upon receipt of an invoice.

NZVCC provided serviced offices and provided other administrative services to AQA during the year and was paid \$36,654 (2023: \$38,439) for those services.

AQA's Board includes and pays an honorarium to a member of the Vice-Chancellors' Committee (see note 15) or their employing university.

15 Employee and Board Remuneration

The Executive Director's remuneration and benefits is in the \$230,000-\$240,000 band (2023: \$220,000-\$230,000).

The following members of the Board were paid honoraria during the year ended 30 June 2024.

		AQA 2024 \$	AQA 2023 \$
Emeritus Professor John Morrow	Chair 1.7.2021-30.6.2024	18,218	16,560
D Haines (paid to NKU)	Deputy Chair 1.1.2022-30.6.2024,		
	Member 1.7.2020-31.12.2021	4,554	3,548
Deborah Willis	Deputy Chair 1.7.2020-31.12.2021,		
	Member 1.1.2022-30.6.2024	3,124	2,840
Professor Jack Heinemann (correction to GST treatment 2020)	Member 1.7.2020-31.12.2020	0	185
Professor Cheryl de la Rey	Member 1.1.2021-31.12.2022	0	1,420
Dr John Egan	Member 1.1.2021-30.6.2024	3,124	2,840
Dr Sharon Toi	Member 1.1.2022-30.6.2024	3,644	2,840
Ellen Dixon (paid to NZUSA)	Member 1.7.2021-30.6.2023	0	2,840
Rosa Hibbert-Schooner	Member 1.7.2022-31.12.2023	1,822	2,840
Professor Grant Edwards	Member 1.7.2023-30.6.2024	3,124	
		37,610	35,913

16 Commitments and contingencies

There were no contingent liabilities as at 30 June 2024. (2023: Nil)

There were no operating, finance or capital commitments as at 30 June 2024. (2023: Nil)

17 Events after reporting date

No material events occurred after 30 June 2024.

18 Auditors' Remuneration

The auditor of AQA is BDO Wellington on behalf of the Auditor-General.

	AQA 2024 \$	AQA 2023 \$
Audit of the Financial Statements	10,665	9,940
Maximum Disbursements	84	84
Office Audit General overhead charged	1,112	1,064
	11,861	11,088

19 Covid 19 impact

COVID-19 impacts have reduced to minimal impact on normal operations. Some changes in practice have been retained as business as usual as follows:

- A hybrid model has been adopted for academic audits in which the first Panel meeting is held online. An online site visit preparation meeting has been introduced. Further information is available at <https://www.aqa.ac.nz/sites/all/files/Academic%20Audit%20and%20the%20ongoing%20impacts%20of%20Covid-19.pdf>.
- Contingencies are in place for the in person components of the audit process, including the ability to use blended meetings.
- National and international travel has resumed but is at a lower level than pre-COVID-19.
- Ongoing use is being made of flexible working.



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