

Table 1 **Specific Costs for HEIs of external academic QA (by QAA)**
during three year transition period 2003-2005

Institution £000s	1	2	3	4	5	6	7	8	9	10	11	12	Total for case studies
QAA inspection costs:													
Cost of Institutional Audit	265	78	217	307	422	200	90	208	324	150	125	103	2,490
Cost of associated DATs	84	156	330	71	285	334	95	30	260	155	8	47	1,855
Subtotal - cost of IA and DATs	349	234	547	378	707	534	185	239	584	305	134	150	4,345
Cost of DEs	42	0	103	0	74	0	0	53	104	132	0	0	507
Projected cost of FD reviews *	0	39	0	0	0	0	0	26	31	37	0	0	134
Total cost, QAA inspection	391	273	650	378	781	534	185	318	718	475	134	150	4,986
Average annual cost - 3 year transition period	130	91	217	126	260	178	62	106	239	158	45	50	1,662

Institutions are randomly coded

Note: the cost of IA and DATs are locally derived actual costs: cost of DEs and FD reviews include some projections and extrapolations using sector averages.

** FD review costs include expected costs for 2005*

Table 1a Range of DAT, DE and FD Review experience and cost

Review Event		No.	£000s	Number of case study institutions experiencing this number of this event *							
				0	1	2	3	4	5	6	7
DATs	# experienced by case studies	52			1	1	1	4	1	3	1
	Average cost		36								
	Range of cost seen		5 - 71								
DEs	# experienced by case studies	14		5		7					
	Average cost		36								
	Range of cost seen		21 - 66								
FD Reviews	# experienced by case studies	6		8	2	2					
	Average cost		22								
	Range of cost seen		16 - 37								

* DAT numbers include one thematic trail

Table 2

**Costs for HEIs of external QA in higher education:
Average and total QAA costs**

£000s	Total for case studies <small>note 1</small>	Ave. for case studies total costs	Ave. for case studies annual costs <small>nt 2</small>	Estimate England total costs	Estimate England annual costs <small>nt 2</small>	Ave. for all HEIs annual costs
QAA inspection costs:						
Cost of Institutional Audit	2,490	207	69	26,972	8,991	69
Cost of associated DATs	1,855	155	52	20,100	6,700	52
Subtotal IA and DATs	4,345	362	121	47,071	15,690	121
Total cost of DEs	507	42	14	5,495	1,832	14
Cost of FD reviews <small>(note 3)</small>	134	11	4	768	256	2
Provision of auditors to QAA <small>(note 4)</small>				4,030	1,343	10
Total Cost, QAA inspection - all activities, 2003 to 2005 <small>(note 5)</small>	4,986	415	138	57,364	19,121	147

Note 1: Source: Table 1

Note 2: Annual costs assuming three year cycle

Note 3: Based on 69 reviews in 2004/05

Note 4: Sector-wide estimate based on 4.5 weeks for core auditor and secretary, three weeks each for three other team members

Note 5: Excluding overseas audit and collaborative audits

Table 3 Current Annual cost of professional QA

Institution	1	2	3	4	5	6	7	8	9	10	11	12	Total for case studies
£000s													
Type of inspection													
Annual costs of QA													
Ofsted / ITT (note 1)	98	19	0	55	0	66	152	16	0	0	0	0	405
Medical NHS (note 2)	0	0	0	8	0	74	0	0	0	0	0	0	81
All non-medical NHS													
Major Review costs(note 3)	32	0	46	0	18	0	9	0	20	10	0	0	136
Other non medical NHS cost(note 4)	7	0	25	1	30	63	0	13	20	62	0	0	220
Subtotal	39	0	71	1	48	63	9	13	40	72	0	0	356
Ofsted / ALI - FE in HE	0	0	0	0	0	0	0	32	39	0	0	33	104
Total all PSRBs (note 5)	57	0	84	57	33	130	13	189	77	156	0	21	818
Total annual cost, all non QAA QA	195	19	155	120	81	333	174	249	156	229	0	54	1,765
<i>Memo item:</i>													
Actual cost - Health Major Review (note 6)	160		231		91		46		100	52			680
Relevant number of PSRBs	13	0	4	14	5	13	5	30	9	62	0	2	157

Institutions are randomly coded

Note 1: ITT inspection costs exclude costs borne by placement schools

Note 2: one of the two medical schools was inspected under the old regime, one under new QABME scheme.

For extrapolation, the new scheme is used

Note 3: Major Review excludes costs borne by NHS partners

Note 4: NHS 'Other' QA includes statutory bodies, specifically NMC, HPC, General Optical Council, General Dental Council monitoring, General Social Care Council

Plus, Health professions

Workforce Development Confederations contract monitoring costs are excluded

Note 5: Note that health professional and statutory bodies are included in NHS QA above

Note 6: Variability in Major Review costs arises from range of professions reviewed

Table 4

**Current annual cost of professional QA
- average and total**

Type of inspection	Total for case studies £000s (note 1)	Average for case studies if relevant	Estimate All England	Ave for all HEI if relevant
Annual costs of QA				
Ofsted / ITT	405	51	3,808	
All non-medical NHS				
<i>Major review costs</i>	136	23	1,994	
<i>Other non medical NHS cost</i>	220	18	2,386	
<i>Sub total</i>	<u>356</u>	<u>41</u>	<u>4,380</u>	
Medical NHS	81	74	1,470	
Ofsted/ALI : FE in HE	104	35	1,602	
Total all PSRBs (note 2)	818	68	9,858	
Total annual cost, all non QAA QA	<u>1,765</u>	<u>147</u> (note 4)	<u>21,118</u>	<u>162</u>
Total annual cost, all QAA QA (note 3)	1,662	138	17,778	137
Provision of auditors to QAA (note 5)			1,343	10
Total annual cost, all QA	<u>3,427</u>	<u>286</u>	<u>40,239</u>	<u>309</u>
<i>Memo item:</i>				
<i>Actual cost - Health Major Review (note 6)</i>	680	113	4,986	

Note 1: Source : Table 3

Note 2: Includes an estimate of £1m paid directly by HEIs as accreditation fees

Note 3: Source : Tables 1 and 2

Note 4: Average for case studies is not the addition of all elements

Note 5: Source : Table 2

Note 6: Actual MR costs for case studies, divide by six data points

Projection is for all 88 institutions to be reviewed, total actual cost

Table 5 Comparative burden of PSRB inspections

see Table 5 supplement for abbreviations

Estimated Burden *	Inspecting Body	No. seen at case studies **	Visit and/or reporting pattern
Heavy	EQUIS	2	3 to 5 yearly visit
	DABCE	2	5 yearly visit
	AMBA	4	3 to 5 yearly visit
	IEE	1	5 yearly visit
	AACSB	1	5 yearly visit
	Brit Sociological Assoc	1	3 yearly visit
	RCCP		5 yearly visit
Medium	Law Society (with LPC)	2	2 to 3 yearly visit
	Bar Council	2	2 to 3 yearly visit
	CIPD	2	5 yearly, plus separate 5 yearly visit if 'centre of excellence'
	JBAE	2	Was 5 yearly - now separate visits by individual bodies
	RIBA/ARB (see note *)	2	Annual visit
	BPS	2	5 yearly visit
	NCTJ	1	2 yearly visit
	BCTJ	1	2 yearly visit
	BCS (see note *)	3	5 yearly visit
	IIE	1	5 yearly visit
	NYA	1	5 yearly visit
	Light	ILTHE	1
CIMA		2	Annual report
CIB		1	Annual visit
RICS		2	Annual report
Eng Council		1	Annual report
ACCA		2	Annual report
CIM		3	Annual report
Very Light		QMI	1
	Law Society (not LPC)	1	Annual return
	ICAEW	1	Annual return
	MRS	1	Annual return
	DMS	1	Annual return

* For comparative purposes, case study institutions were asked to compare the burden of meeting external body requirements. A 'Medium' burden was considered to be broadly similar to a DAT. In two instances - RIBA/ARB and BCS - institutions differed in their perception of burden. RIBA/ARB was rated 'Heavy' by one institution, and BCS was rated 'Heavy' by one and 'Light' by another.

** This is not a comprehensive list of PSRB involvement in the case study institutions, rather it is a list of those PSRBs where we have talked through the scheme in some detail.

Table 5 supplement

**Comparative burden of PSRB inspections -
Abbreviations in order of appearance in Table 5**

Inspecting Body	
EQUIS	European Quality Improvement System
DABCE	Degree Awarding Body for Chartered Engineers
AMBA	Association of Masters in Business Administration
IEE	Institution of Electrical Engineers
AACSB	America's Association to Advance Collegiate Schools of Business
Brit Sociological Assoc	British Sociological Association
RCCP	Registration Council for Clinical Physiologists
Law Society (with LPC)	Law Society (with accredited Legal Practitioner Course)
Bar Council	
CIPD	Chartered Institute of Personnel Development
JBAE	Joint Board for Accounting Education
RIBA/ARB	Royal Institute of British Architects / Architects Registration Board
BPS	British Psychological Society
NCTJ	National Council for the Training of Journalists
BCTJ	Broadcast Council for the Training of Journalists
BCS	British Computer Society
IIE	Institution of Incorporated Engineers
NYA	National Youth Agency
ILTHE	Institute of Learning & Teaching in HE
CIMA	Chartered Institute of Management Accountants
CIB	Chartered Institute of Building
RICS	Royal Institute of Chartered Surveyors
Eng Council	Engineering Council
ACCA	Association of Chartered Certified Accountants
CIM	Chartered Institute of Marketing
QMI	Quality Management Institute
Law Society (not LPC)	Law Society (without Legal Practitioner Course)
ICAEW	Institute of Chartered Accountants in England and Wales
MRS	Market Reserch Society
DMS	Direct Marketing Society

Table 6 Current and projected future steady state costs of the QAF and academic QA Review

	Projections - 6 year cycle				Comparison - 3 year transition				% change Transition to projection (where relevant)
	Whole cycle		Annual		Whole cycle		Annual		
	Estimate England	Average cost per institution	Equivalent cost sector	institution	Estimate England	Average cost per institution	Equivalent cost sector	institution	
	£000s								
Cost of Institutional Audit									
<i>Full audit - 85% of current cost (note 1)</i>	22,926	176	3,821	29	26,972	207	8,991	69	-58%
<i>Audit Trails - 2 during IA @10% of old DAT cost</i>	928	7	155	1	20,100	155	6,700	52	-98%
<i>Mid term review - 5% of full audit cost, all institutions</i>	1,146	9	191	1				0	new
<i>Further review - 20% of full audit cost, 5% of institutions</i>	229	2	38	0.3				0	new
Cost of Development Engagements (note 2)					5,495	42	1,832	14	N/A
Allowance for development work (note 3)	4,585	35	764	6					new
Total cost, Institutional Audit	29,815	229	4,969	38	52,567	404	17,522	135	-72%
Foundation Degree reviews (note 4)	0	0	0	0	768	11	256	4	
Collaborative audit (note 5)	7,716	59	1,286	10	441	3	147	1	
Provision of auditors to QAA (note 6)	4,030	31	672	5	2,015	16	672	5	
Annual cost of TQI (note 7)	18,585	143	3,098	24	9,293	71	3,098	24	
Total cost, QAA inspection activities (note 8)	60,145	463	10,025	77	64,315	495	21,438	165	

Note 1: Source: Table 2

Note 2: Source: Table 2

Note 3: A notional cost to allow for development work, based on 20% of cost of full audit during the cycle

Note 4: Source: Table 2

Note 5: Assuming 37 collaborative audits at a cost of approx 1.25 times that of a typical IA: two to take place 2005/06, 35 thereafter

Note 6: Source: Table 2

Note 7: TQI annual projection based on case study institutions best estimates and experience to date

Note 8: Projected cost per institution varies according to collaborative status: annual costs: with audit = £98,000 without audit = £61,000

Table 7

Projected annual costs - 1 year
Taking account of changes in inspection regimes

	Current average for case studies £000s <i>where relevant</i>	Projected average for institution <i>where relevant</i>	Estimate England
Type of inspection			
Annual cost of non-medical NHS QA <i>assume 10% further cost reduction for impact of MR</i>			
Major Review costs	23	20	1,795
Other non medical NHS cost	18	18	2,386
Subtotal	41	39	4,181
Annual cost of medical NHS QA <i>assume 10% less than this pilot reference</i>	74	66	1,323
Annual cost of Ofsted/ITT QA <i>assume 20% cost reduction for new cycle</i>	51	41	3,046
Annual cost of Ofsted/ALI FE in HE QA <i>assume 20% cost reduction for new cycle</i>	35	28	1,282
Total all PSRBs <small>(note 1)</small> <i>assume no change</i>	68	76	9,858
Projected annual total - all non QAA QA <small>(note 2)</small>		151	19,689
Projected annual total - all QAA QA <small>(note 3)</small>		77	10,025
Projected total - all QA		228	29,714

Note 1: £1m accreditation fees are included at sector level only: experienced variably across the case studies

Note 2: Average calculation across 130 institutions - not a sum of all events

Note 3: Source: Table 6

Figure 3: Relative cost of Institutional Audit and DATs

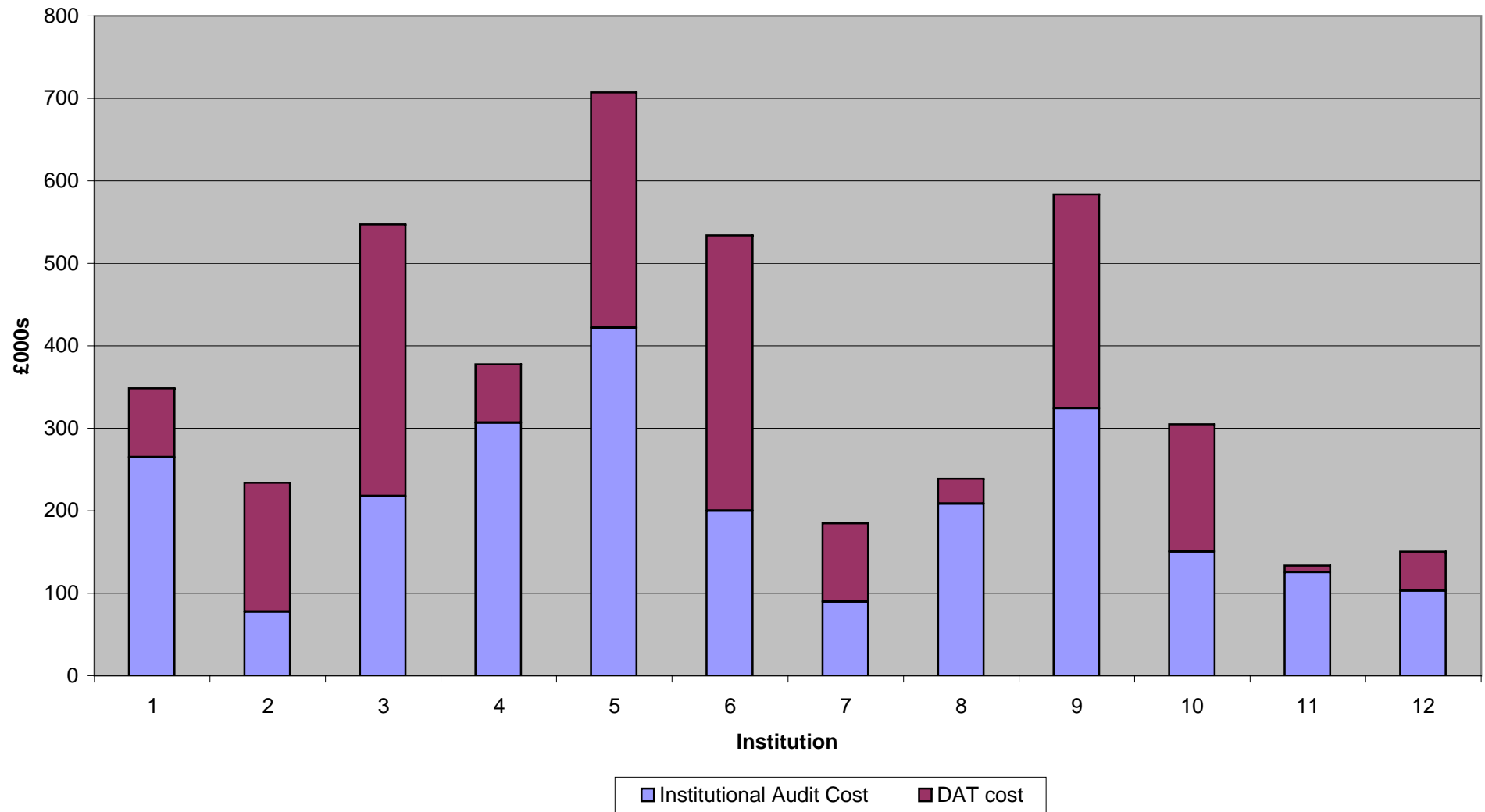


Figure 4: Comparison of QA spend per £000s income and per student FTE

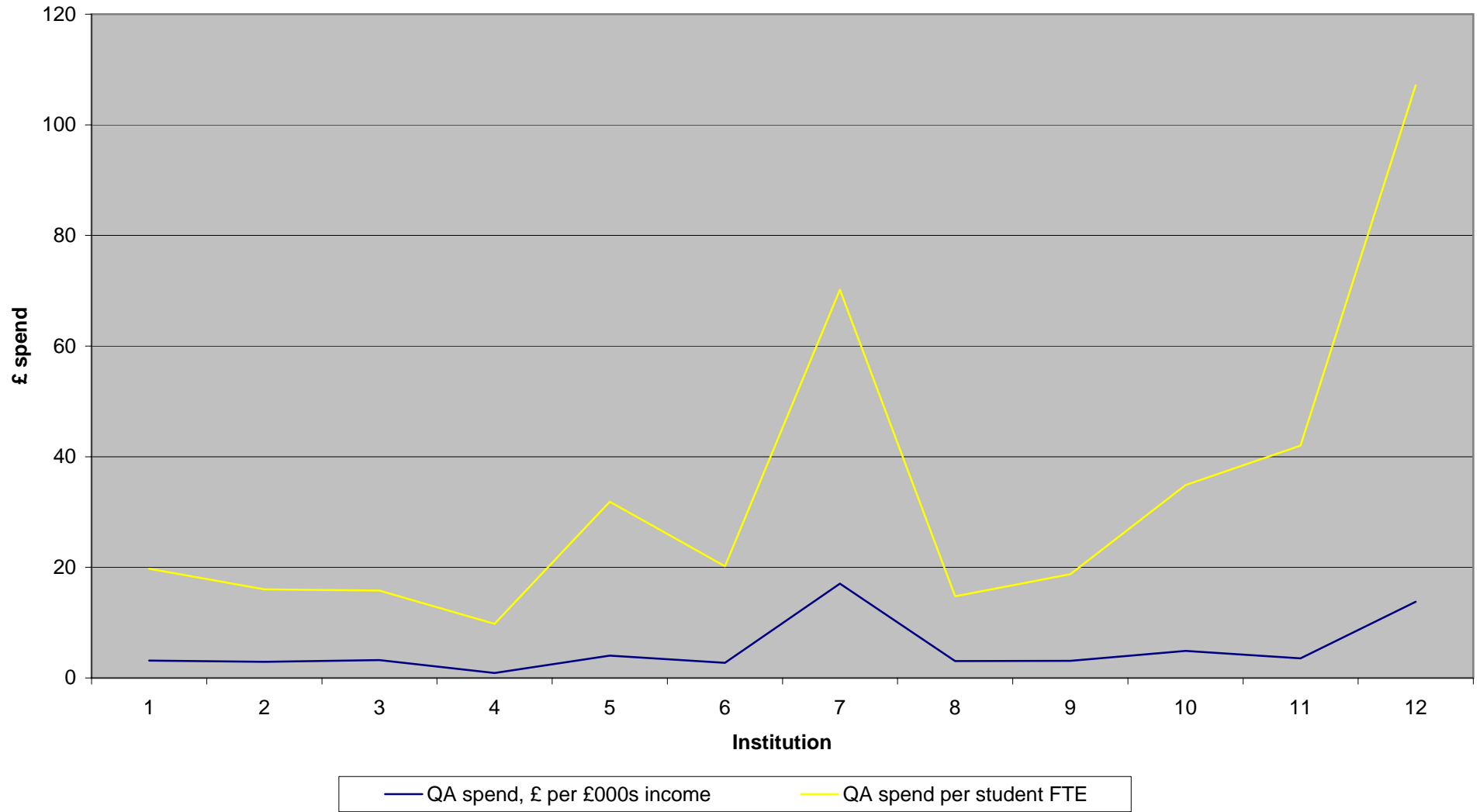


Figure 5: Proportional cost of external QA by audit type

