

**the Agency's mission is to safeguard
the public interest in sound standards
of higher education qualifications and
to encourage continuous improvement
in the management of the quality
of higher education**

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This *Strategic plan* sets out the Quality Assurance Agency's objectives, strategies and targets in the period up to the end of 2005

03

In developing this *Strategic plan 2003-05*, the Board of Directors started by examining the Agency's mission statement. The statement that was adopted in 1997 no longer captures as fully as we would wish the purpose and nature of the Agency's work, the benefits we hope we provide, and our overall contribution to the success and effectiveness of higher education in the UK. The Board has therefore adopted a revised mission statement, and developed alongside it statements of the Agency's key purposes, the values that underpin our work and the standards to which we subscribe in conducting our work. Those statements can be found on pages 8 and 9.

Strategic planning is not an exercise in prophecy or stargazing, nor is it an exercise in detailed operational planning. This *plan* reflects the Agency's understanding of the environment in which we work, the shifts and currents in that environment, the needs of our stakeholders and how those can evolve, and our own role and capacities. Through that process we have identified priorities for the period of the *plan* that will allow us to meet our stakeholders' needs by achieving our mission and key purposes.

We have taken a three-year perspective, which we believe is an appropriate one at this point in the Agency's work. We have tried to establish clear priorities for that period and show what we hope to achieve by the end of that period and how we propose to measure our progress. At the same time the environment is not static, and will change during the course of the *plan*. Shortly before publication of this document, the Secretary of State for Education and Skills published *The future of higher education*. Some parts of that document were not directly relevant to the work of the Agency, other parts of it were – in relation to arrangements for degree-awarding powers; university title; and the Access Recognition Scheme that the Agency offers in England, Wales and Northern Ireland – and we will wish to work with our partners in the sector and governments to ensure that the implications of change are fully understood and then effectively implemented.

The Agency is a UK organisation. All UK higher education institutions (HEIs) are Agency subscribers, and we contract with the four HE funding bodies to provide

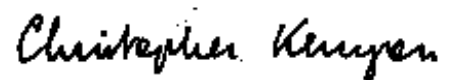
specific services. We value the diversity and differentiation that a devolved educational environment brings with it. To support that, we have reviewed and renewed the way we manage our work in Scotland and Wales, so that we can continue to function effectively as a UK body in a devolved context.

The Agency is also a leading player on the European and international quality assurance scene, where we seek to make sure that the UK voice is heard clearly and effectively. The European dimension in particular will become increasingly important over the period of this *plan*, with moves towards a European higher education 'space', and it is crucial that a UK body is engaged in those debates.

I believe that the agenda we have set out for the next three years is a challenging one. The Agency is in a transitional period: it has completed the programmes of reviews and audits it inherited from its predecessor bodies and has carried out the developmental brief it inherited from the *Dearing* and *Garrick reports*. It is now tasked with developing and implementing the successor methods and roles, which are proceeding at different speeds and with different emphases across the UK.

Finally, I should like not only to express my own confidence in the Agency's Board and staff, whose hard work will be needed if this *plan* is to be achieved, but also to offer particular thanks to the many hundreds of colleagues from across the sector and the professional bodies and subject associations who work with us. We will not be able to achieve any of our objectives without the high degree of professionalism, objectivity and commitment that characterises their contributions.

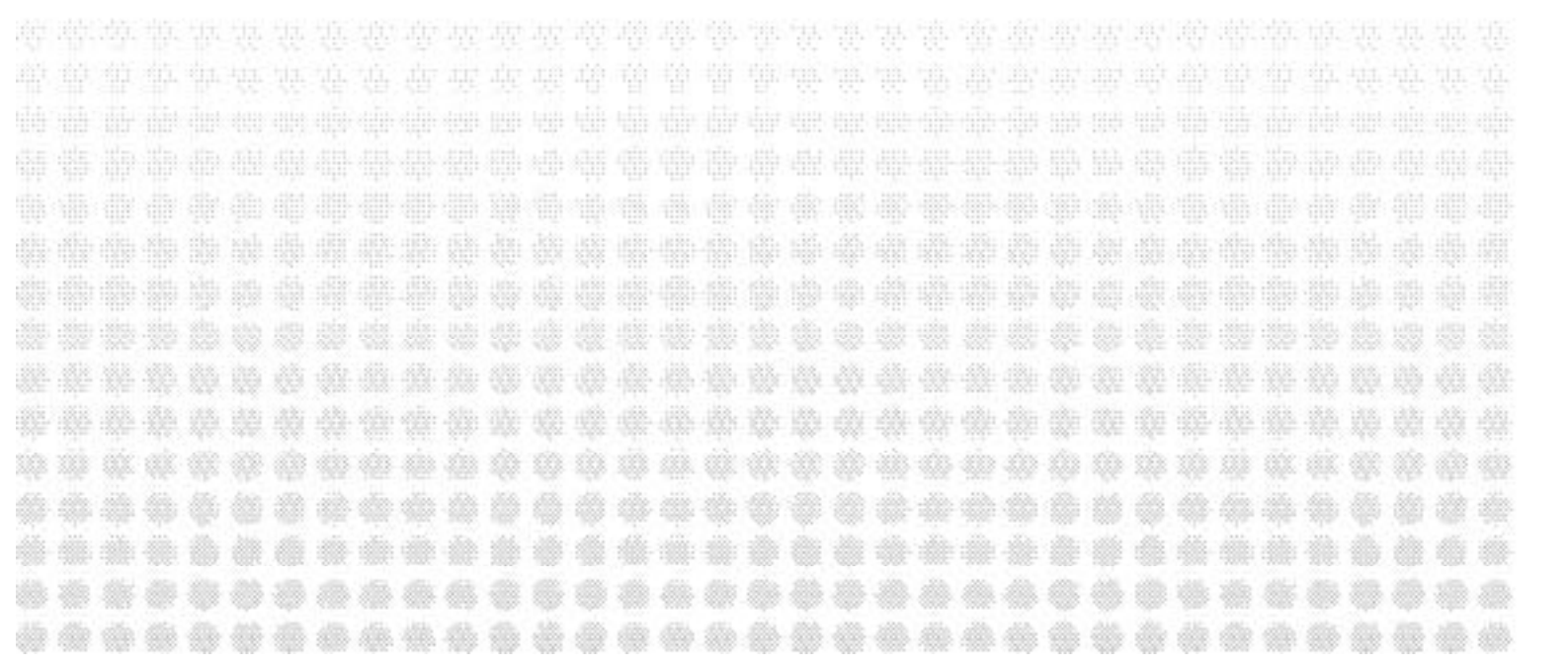
The Agency tries to be as transparent as possible – you will see that openness is one of the standards we have set ourselves – and we would welcome any comments you might have on this *plan*.



Christopher Kenyon
Chairman, Board of Directors

The Quality Assurance Agency for Higher Education (the Agency) was established in 1997 with the mission to 'promote public confidence that quality of provision and standards of awards in higher education are being safeguarded and enhanced'. Further details on the Agency are given in Annex A.

This *Strategic plan 2003-05* is the successor to the *business plan 2000-03*, and describes the Agency's intentions for the period from 2003 to the end of 2005. Annex B reviews achievements against the *business plan 2000-03*, published in October 2000.



Introduction

by Peter Williams, Chief Executive



The years 2003 to 2005 are transitional ones for the Agency

05

Current position

The years 2003-05 are transitional ones for the Agency. The programmes of subject review and continuation audit – inherited from our predecessor bodies – that formed the main part of our activities over the first five years, are now finishing. The programmes of academic reviews of subjects and institutions – implemented in Scotland from October 2000 and in England from January 2001 – have reduced to a small number in Scotland (in newly designated HEIs only) while continuing in England (mainly in further education [FE] colleges) in 2002-03. We are developing and implementing successor programmes of review activity:

- In HEIs in England and Northern Ireland, the first full programme of institutional audits began in February 2003 and will be completed by 2005; thereafter, it is intended that a six-year cycle should become the norm. During the period up to 2005 we will also carry out a limited number of academic reviews of subjects (in England) and developmental engagements at subject level (dependent in each case on the timing of the institutional audit and the track record in audit and assessment since 1995). There will also be distinct, and separate, programmes of reviews of foundation degree programmes, which started in February 2003. In Northern Ireland, we will carry out the reviews of foundation degree programmes in partnership with the Education and Training Inspectorate (ETI). In England, we will be implementing and carrying out a programme of reviews of NHS-funded healthcare HE provision.
- In Scotland, the years 2003-05 will see the first two years of the agreed four-year cycle of the new enhancement-led institutional reviews (ELIR). We have been contracted to provide the professional support to the sector in planning and implementing the quality enhancement engagements that are part of the new model in Scotland, and 2003-05 will also be the first two years of implementation of this aspect of the model.

- In Wales, following a programme of developmental engagements in HEIs in 2002, a new quality assurance and standards framework is being developed for implementation in the academic year 2003-04. We are developing the operational description and handbook for the new process and will be working with partners to implement the new framework.

As well as transition in the review programmes that we run, there will also be change in our development and enhancement work. The developmental agenda that we picked up from the *Dearing report* – the *Code of practice*, subject benchmarks, qualifications frameworks, and programme specifications – is now largely complete. While maintenance of the various elements of the academic infrastructure will be an important part of our future work – for example in updating sections of the *Code of practice* and benchmark statements – we are now developing a more active strategy for its contribution to quality enhancement. This draws on the intelligence obtained from our main review and audit activities, with a sharper focus on liaison with stakeholders and active dissemination of information, and works within the context provided by the Teaching Quality Enhancement Committee (TQEC) and the new quality enhancement body proposed in its final report.



Strategic position by 2005

We have reviewed our mission statement. Informed by, and informing, the revised mission statement is a statement of the Agency's key purposes. These four key purposes have been used as the organising structure to express the Agency's objectives for the period up to 2005. Those purposes are themselves underpinned by the Agency's core values – what we believe in – and the standards we set ourselves in the way we do our work.

The strategic position we have set out is expressed in terms of the impact on the external environment and the development of the Agency. We will measure ourselves, and expect to be measured, against the contribution we make to the work and standing of the HE sector; our success in meeting the needs of stakeholders – involvement, information, advice, explanation; and the strengthening of our own capacity to provide a fair and impartial review and information service that meets the public interest in a way that is robust and proportionate.

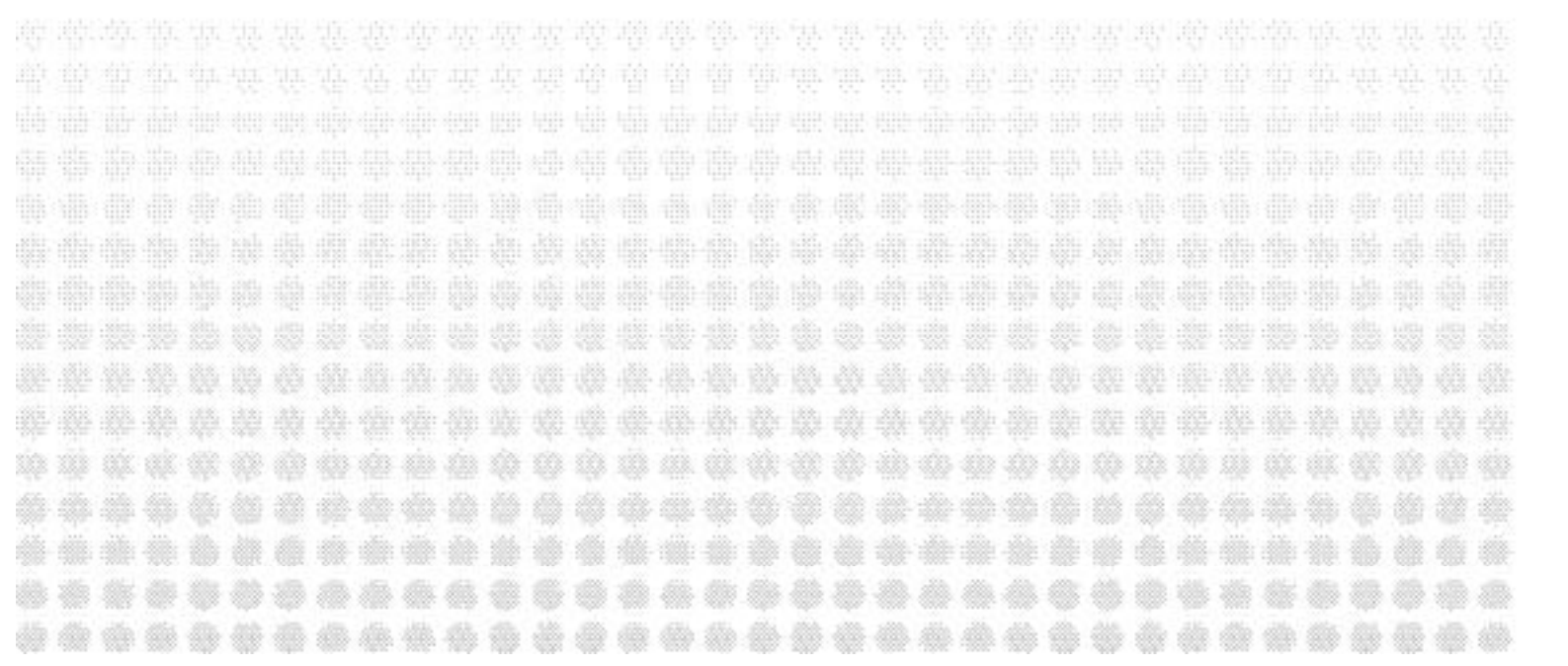
We will have satisfied our mission and purposes if, by the end of the *plan* period:

The sector

- the providers of higher education in England, Northern Ireland, Scotland and Wales have demonstrated the robustness of their management of standards and quality and have dealt effectively with any causes for concern that the Agency has identified
- HEIs' capacity to manage standards and quality has been strengthened through the respective audit and review processes in the different parts of the UK and through the Agency's liaison, evaluation, dissemination and support work
- the HE sector in England and Northern Ireland is in a position to complete the transition from an initial three-year programme to a six-year institutional audit programme from 2006 (note: there are no transitional arrangements for Scotland and Wales)



We measure ourselves, and expect to be measured, against the contribution we make to the work and standing of the HE sector; our success in meeting the needs of stakeholders; and the strengthening of our own capacities





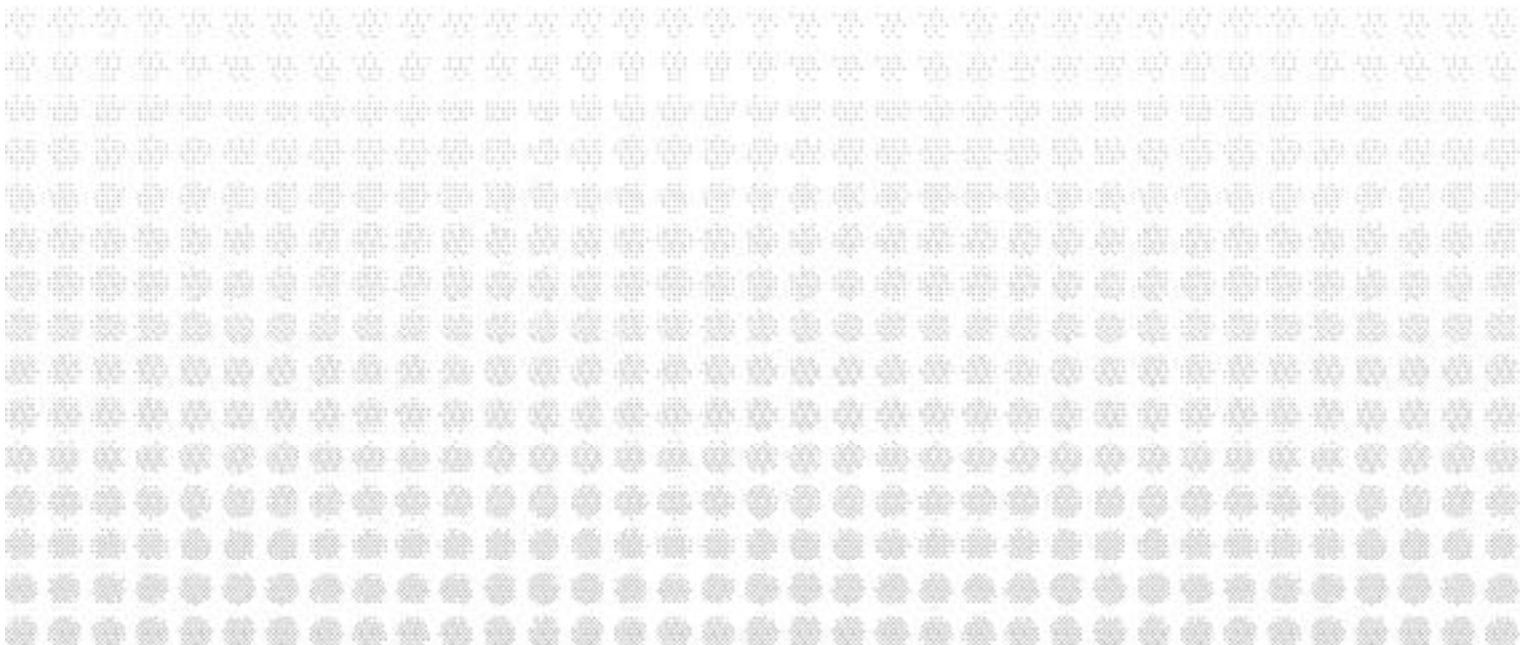
The stakeholders' interests will be met through the Agency's review and information processes

The stakeholders

- there is clear and reliable information on the nature of standards and quality in higher education and on institutions' management of their responsibilities for standards and quality
- that information is publicly available and is actively disseminated to stakeholders
- the stakeholders' interests – particularly those of students and employers - are identified through involvement with the Agency and are met through the Agency's review and information processes
- is seen by the sector and by governments as the natural focus for discussions on the assurance of standards and quality in higher education
- is seen as a source of expertise, advice and consultancy on the assurance of standards and the enhancement of quality in higher education
- is seen to have an effective voice, on behalf of UK higher education, on the European and international scene
- is seen as providing the sector with clear enhancement benefits, effectively disseminated and communicated

The Agency

- is seen as a body that works in the public interest
- is seen by students, employers, the sector and other stakeholders as a source of reliable and helpful information
- is seen as a body that meets the needs of its clients in a professional, fair and independent way, is responsive to the changing environment, and works effectively in the context of UK devolution
- is seen as a body that helps to develop institutional capacity to manage standards and quality
- is seen as a body that has established effective and productive relationships with the range of stakeholders in higher education
- has carried out its 2003-05 programmes of work effectively and efficiently, to budget and on time
- is seen to have a clear and agreed agenda and programme of work for the period from 2006
- is seen as a body that uses resources effectively and efficiently; that adds value; and that meets its stated purposes and operates according to its stated values and standards



Our mission

The Agency's mission

The Agency's mission is to safeguard the public interest in sound standards of higher education qualifications and to encourage continuous improvement in the management of the quality of higher education.

The Agency's purposes

To achieve its mission, the Agency works in partnership with the providers and funders of higher education, the staff and students in higher education, employers and other stakeholders, to:

- safeguard the student and wider public interest in the maintenance of standards of academic awards and the quality of higher education
- communicate information on academic standards and quality to inform student choice and employer understanding, and to underpin public policy making
- enhance the assurance and management of standards and quality in higher education and promote a wider understanding of the value of well-assured standards and quality
- promote a wider understanding of the nature of standards and quality in higher education, including maintenance of common reference points, drawing on UK, other European, and international practice

The Agency's values

The Agency's work is underpinned by the following core values:

The importance of higher education

The Agency values knowledge, intellectual challenge, imagination, discovery and achievement in higher education; respects the constitutional, intellectual and operational autonomy of higher education providers, and the diversity of institutional mission within the different legislative and educational contexts across the UK; acknowledges the academic calling and the importance of higher education in the personal, professional and economic lives of citizens individually and collectively; values the high international regard in which UK HE and its awards are held; and recognises the importance of UK engagement in European and other international developments.

The entitlements of learners

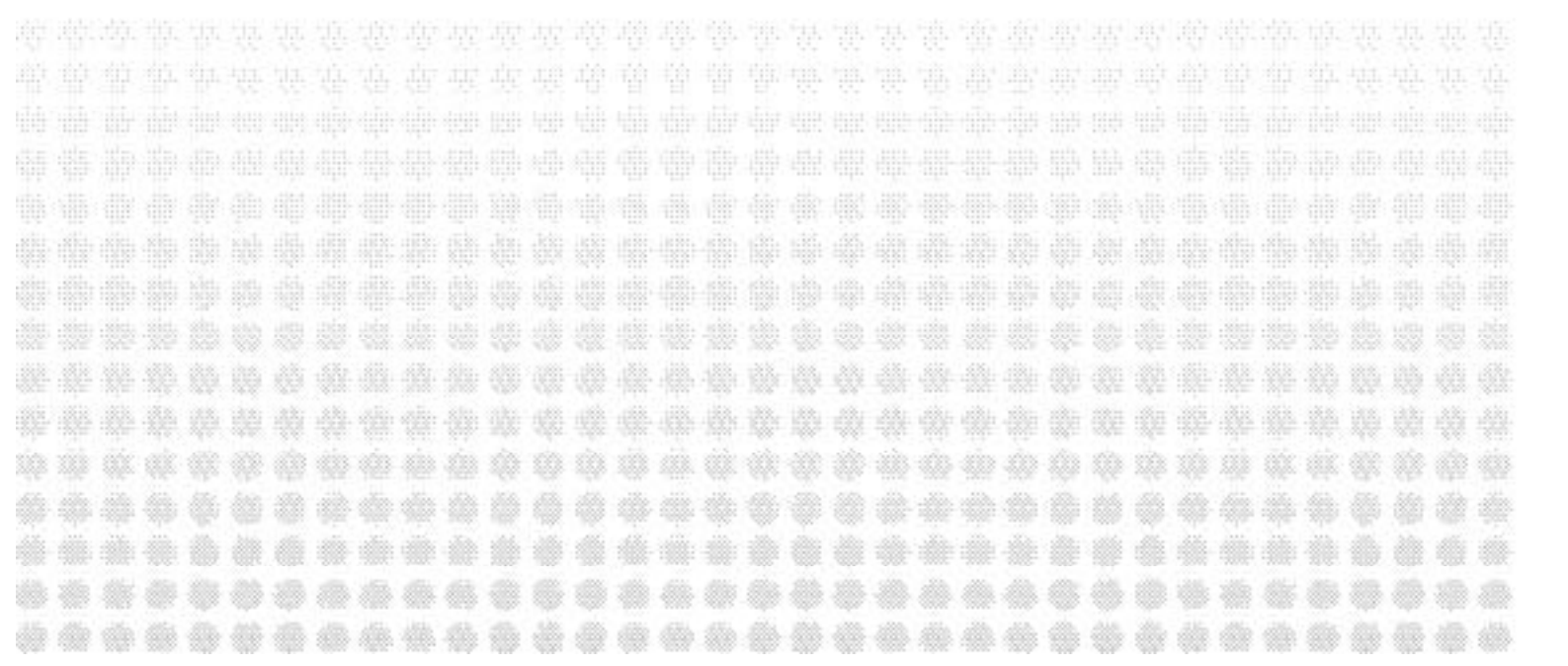
Students are entitled to a higher education with academic standards that reflect national expectations and awards that meet published specifications; and to fair and equitable treatment in all aspects of their studies. The Agency values the participation of students in the assurance of academic standards and quality.

The significance of the responsibilities of the providers of higher education

The providers of higher education have the primary responsibility for protecting academic standards and quality; the Agency aims to work with the providers in meeting that responsibility. Effective assurance of academic standards and quality is a key indicator of professionalism in higher education and a key guarantor



The Agency's work is underpinned by its core values





Our standards are integrity, professionalism, accountability and openness

of the student and wider public interest. It also provides the foundation for continuous improvement and the enhancement of quality. We take as the starting point for our reviews the belief that providers wish and intend to do a good and professional job in meeting their responsibilities as guardians of their academic standards and quality. The Agency is neither a regulator nor an inspectorate, and we value the insights and benefits that peer review brings to our audit and review processes. The Agency depends on the valuable contribution made by the many hundreds of colleagues from the HE sector and professional and subject bodies who work with it. We value their skills and diversity and their contribution to peer processes.

The validity of the public interest in higher education

Higher education in the UK is an important contributor to the well-being, interests and prosperity of the country. The public invests significant resources in higher education, and has a legitimate expectation that the standards of higher education qualifications will be maintained and that the quality of provision – notwithstanding diversity of institutional missions and modes of delivery – will allow learners to achieve the necessary standards.

The Agency's standards

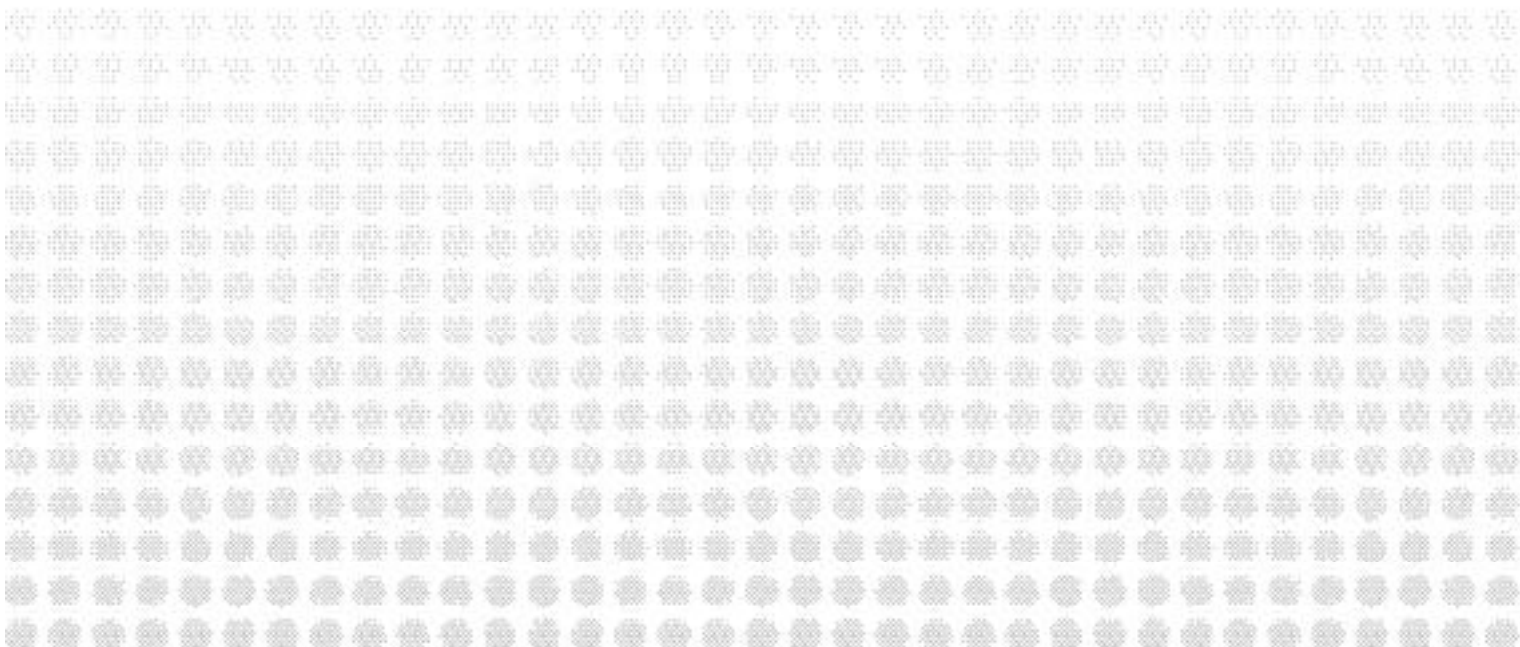
The Agency sets itself high standards in all its undertakings.

Integrity: We aim to show impartiality, fairness, independence and honesty in our work. Decisions and judgements – whether positive or critical, welcome or unwelcome – will be evidence-based and transparent, stated clearly, without fear or favour.

Professionalism: We aim to show high professional standards and provide a cost-effective service. We aim to get it right first time and be prompt, courteous and constructive in all our dealings. Where we get something wrong, we will acknowledge this, learn from it and improve our own work. The Agency carries out a range of functions in relation to the work of the providers of higher education. In some cases our role involves the making of public judgements; in some, it involves guiding and encouraging; in some, it involves advising and commenting. In all cases, the Agency will conduct itself in a way that is fitting and proportionate both to the function and to the role.

Accountability: The Agency is accountable to its subscribers – the higher education institutions – as well as to a wide range of other stakeholders, partners and users of our services and the information we provide. We aim to demonstrate that we use our resources to good effect and with probity and conduct our work with integrity and impartiality; and to ensure that stakeholders are able to depend on the information and advice we provide.

Openness: We aim to be open and approachable; to be transparent in our work and methods, to build confidence and trust among stakeholders, and to provide information about the Agency's work to the wider public. We aim to communicate in a clear, consistent and accessible way.



The planning context



The capacities, structure and organisation of the Agency itself must evolve in the light of this changing picture

A strategic plan is a way of facing the future. It is about identifying priorities, deciding where we would like to be at a future date, and assessing the best route or routes to get there. This *plan* sets out clear aims and objectives for the three years from 2003-05. Although this is a relatively short period, the recent history of quality assurance in higher education suggests that much can change in three years. It also suggests that the external environment in which the Agency operates is inherently volatile and likely to continue to be so.

Whether or not this turns out to be the case, our planning must begin by making an intelligent effort to understand the characteristics of the world in which we are now working, to observe its shifting patterns and note its underlying influences, to identify possibilities and probabilities, and to recognise both the importance and transience of individual players. The capacities, structure and organisation of the Agency itself must evolve in the light of this changing picture.

The environment

Chief among the environmental factors that will affect our work in the next three years are likely changes:

- among the providers of higher education
- in the student population
- in the influence of international higher education
- in the relationship between higher education, the state and society

Higher education providers

Higher education may be moving towards a less regulated, outcomes- and student-centred structure in which the principal objective, other than research, will be to provide tertiary educational services to students paying for their education. This is likely to be true irrespective of current differences of approach to student finance in the different parts of the UK. These services will principally involve making available the opportunity to obtain nationally or internationally recognised tertiary qualifications/credentials (and may or may not specifically offer 'education' in the broad sense of the word). In these circumstances, providers are likely to be influenced in their own strategies by:

- the widening/increasing participation agenda
- probable changes in the school examination system
- development of new forms of opportunity for 'experience' of HE
- greater differentiation of type and purpose of institution, leading to more niche and specialist provision
- the appearance of a greater range of providers of HE including virtual, private, for-profit and international organisations
- their wish to see a significant reduction in external scrutiny
- increasing divergence of UK higher education caused by the development of separate higher education strategies and priorities in England, Northern Ireland, Scotland and Wales (and possibly, in due course, regionalisation in England)



- continuing pressures on funding of HEIs
- an increase in transnational higher education provision and pressure from Europe for the achievement of the European Higher Education Area

All of these factors will have a considerable impact on the work of the Agency, not least because they will together create a new landscape that will be more difficult for the ordinary onlooker to understand. It will be one of the Agency's tasks to provide both a map and a commentary on the chief features in the landscape, so far as they relate to standards and quality. The Agency will also need to develop a clear view of the implications of the new landscape for higher education institutions' responsibilities as the awarders of the UK's national tertiary qualifications.

Students

How far the role and expectations of students in higher education have altered in recent years is a moot point, but it seems unlikely that any extension of fee-charging arrangements – whether through up-front fees, graduate tax, income-contingent loans or other means – and notwithstanding the differences of approach in the different parts of the UK, will not bring with it a change in the relationship between providers and learners. The expectations of paying students can scarcely fail to be raised and this is likely to create new demands on institutions. Among these may well be:

- increasing demands for public information and reassurance about standards and quality, both in general terms and in relation to individual institutions
- reliable programme specifications that explain clearly what students will receive
- more transparent admissions procedures
- clearer expectations about the criteria for, and methods of, assessment
- more student involvement in internal and external quality assurance processes

- readily accessible student complaints and appeals procedures

Again, the Agency can expect to be looked to as a provider of both advice and good practice on the management of standards and of quality assurance in these areas.

The international and intranational scene

The UK's higher education system has so far been largely untouched by the major changes that are being developed and introduced in Europe and elsewhere in the world. These include:

- development of elements of a European standards infrastructure
- development of a European evaluation process
- international demands for closer policing of transnational higher education
- possible changes in the European Credit Transfer System (ECTS) from a credit transfer to a credit accumulation system
- the forthcoming General Agreement on Trade in Services (GATS)/World Trade Organisation (WTO) negotiations to liberalise international access to higher education markets
- proposals for international accreditation processes

All these moves are likely to have a considerable impact on UK higher education and the Agency in the next three years.

Within the UK, the devolved national systems are moving in different directions and at different speeds, reflecting local strategies and needs. Although all are at present bound together by the same standards infrastructure, at some point this may come under strain and with it the very concept of a 'UK higher education system'. This would be hastened if the criteria for the granting of degree-awarding powers and university title were to vary within the UK. The Agency will need to be alive to the implications of any such developments for its work.



It is important for the well-being of higher education that the Agency is seen to act independently to meet the needs of all stakeholders

The relationship between higher education, the state and society

Many of the changes listed in the previous three sections may be seen to reflect more fundamental movements that are occurring in the relationship between higher education, the state and society. These have not yet been the subject of much public discussion or debate and do not appear to have been planned or foreseen, being the adventitious consequences of incremental developments. They are important, however, because they may well determine the structure and function of higher education in the UK for many years to come. It may also be that within the timescale of this *plan* a more formal national discussion will be needed, to clarify some of the following questions:

- What is the role of higher education in today’s society?
- What is the right balance between institutional autonomy and public accountability?
- Is there a distinction to be drawn between higher education institutions as, on the one hand, the providers of education, broadly defined, and, on the other, the awarders of accredited qualifications and vocational credentials?
- Is higher education a public service or a private good?
- Should higher education institutions be viewed primarily as private or as public bodies?

These are, of course, wider questions that are not confined to the UK. But if there is to be a debate, whether in this country or internationally, it will be important that the Agency plays its full part in informing the discussion.

All of these factors will have a bearing on how the Agency develops and implements its strategy in order to reach its intended goals. Clearly, adaptability in the face of new circumstances will be a key characteristic for our success, but adaptability that is consistent with the Agency’s declared purposes, values and standards.

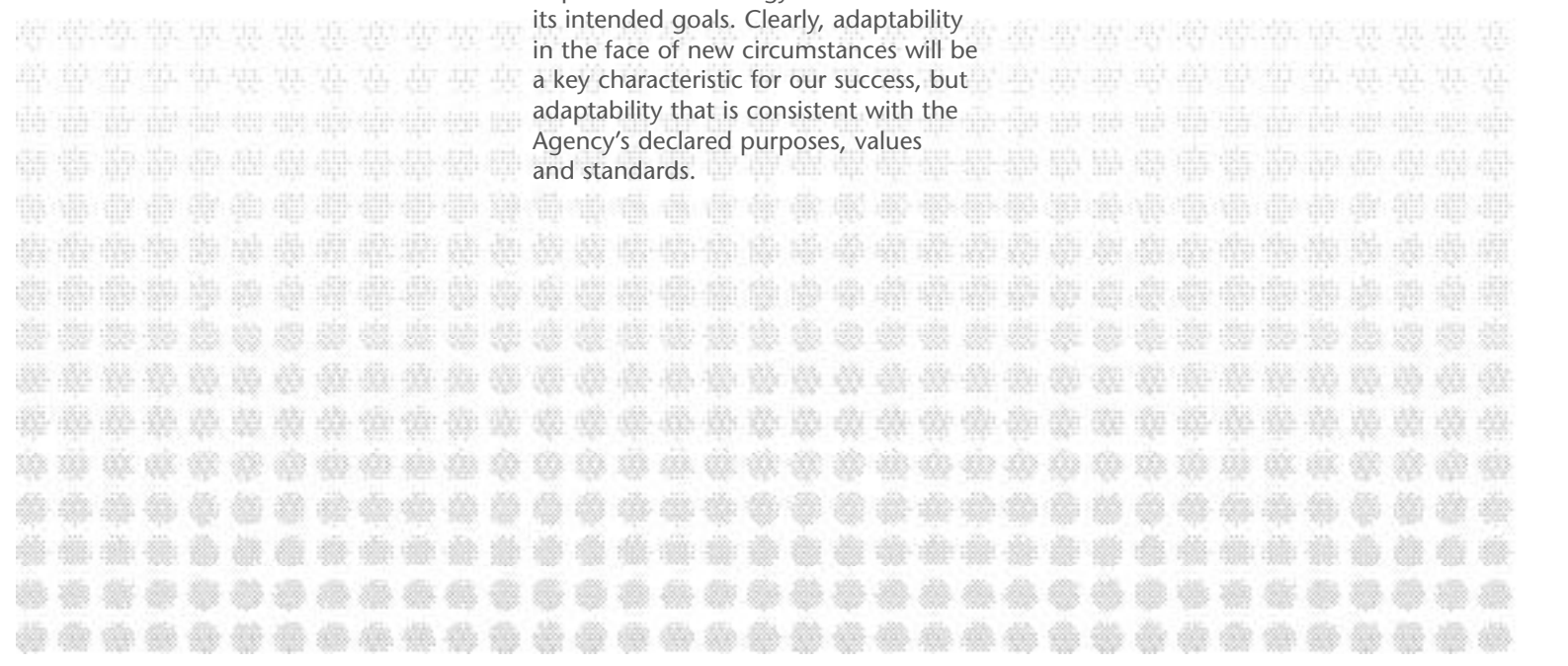
The Agency

There are a number of factors in the status and evolution of the Agency as an organisation that will need to be taken into account as the Agency adapts to, but also helps to shape, the environment it works in. Chief among these over the next three years and beyond will be:

- the Agency’s status
- its capacity to make wider use of its expertise
- its capacity to work with devolved government structures in the UK
- its role in relation to quality enhancement
- its relations with key stakeholders

The Agency’s status

Although constitutionally ‘owned’ by the representative bodies of higher education, it is important for the well-being of higher education that the Agency is seen to act independently, without fear or favour – whether as auditor, adviser, consultant, or provider of information – to meet the needs of all stakeholders. In this way it can help to demonstrate that a largely self-regulating *modus operandi* is both appropriate as the form of higher education governance, and effective in meeting external requirements. We will work to strengthen the higher education community’s understanding of the value of our independence and the importance of meeting the public interest in matters relating to standards and quality.





The Agency is one of the leading higher education quality assurance organisations in the world

Wider use of Agency expertise

The Agency is one of the leading higher education quality assurance organisations in the world and has a greater depth of experience and expertise in a wider range of activity than probably any other. We are frequently asked for help by other organisations in the development of review methods, the training of staff and reviewers, and the provision of consultancy services. At present the Agency's constitution prevents it from charging commercial rates for these activities. As a result it can only meet the requests that come to it on an *ad hoc*, expenses only, basis, and cannot commit any resources to this work. This has two consequences. First, the Agency's capacity to influence international developments in quality assurance (and thereby to promote the interests of the UK) is reduced and, secondly, it is missing an opportunity to establish a funding stream that would help to lighten the financial burden on institutions. The Agency will explore with its Members (the representative bodies) whether, and how, this restraint on its activity might be modified.

Devolution in the UK

Devolved government structures in the UK mean that the Agency has had to adapt its structures to best meet the varying requirements of its different partners and to work most effectively as a UK-wide body in a devolved context. The Agency has a separate office in Glasgow. In November 2002, the Board reconstituted its Advisory Committee for Scotland as QAA Scotland, with delegated responsibilities from the Board for the management of the Agency's work in Scotland. For Wales, the Agency has a designated officer for Wales and will implement during 2003 a QAA Welsh Language Scheme. Following consultation with the sector in Wales, the Committee for Wales has been reconstituted as the Advisory Committee for Wales, with revised terms of reference and membership, to advise the Board on the development and provision of its services in Wales.

Quality enhancement

Current developments in the area of quality enhancement have recognised a unique and separate role for the Agency, concentrating on the findings of reviews, the better understanding of quality and standards matters, and a strengthening of the informal interactions between institutions and the Agency. We will implement our agreed policy in the light of the wider developments and will work with the proposed new Academy for the Advancement of Learning and Teaching in Higher Education – building on the constructive relationships we have with the Higher Education Staff Development Agency (HESDA), the Institute for Learning and Teaching in Higher Education (ILTHe) and the Learning and Teaching Support Networks (LTSNs) – to ensure that there is additional value in having two distinctive, but related, approaches.

A distinctive approach to quality enhancement has been taken in Scotland, with the introduction of an integrated enhancement-led quality assurance model. This includes both an enhancement-led institutional review (ELIR) process which will be implemented and carried out by the Agency, and a sector-driven structure of quality enhancement engagements for which the Agency will provide the professional and administrative support.

Relations with key stakeholders

The Agency's increasing effectiveness will depend to a considerable extent on the strengthening of our relationships with our key stakeholders. It is vital that we know what their interests and concerns are, that we advise them impartially in the light of our experience and expertise, and that we act as an effective conduit for communication among them on matters relating to standards and quality. To this end we will look to identify our key stakeholders' needs more precisely than hitherto, actively manage our relations with them, and develop strategic partnerships where this appears to provide the best way of providing a more effective and efficient service.

It is also important that we should demonstrate that we are achieving our declared purposes and providing a service of value to those we serve. We will develop existing ways of obtaining feedback on our work, and extend the range of those from whom we seek it.

Delivery, monitoring and quality assurance



For the Agency to deliver the plan, its structure, organisation, size and cost must be appropriate for its function and reflect the demands and expectations placed upon it

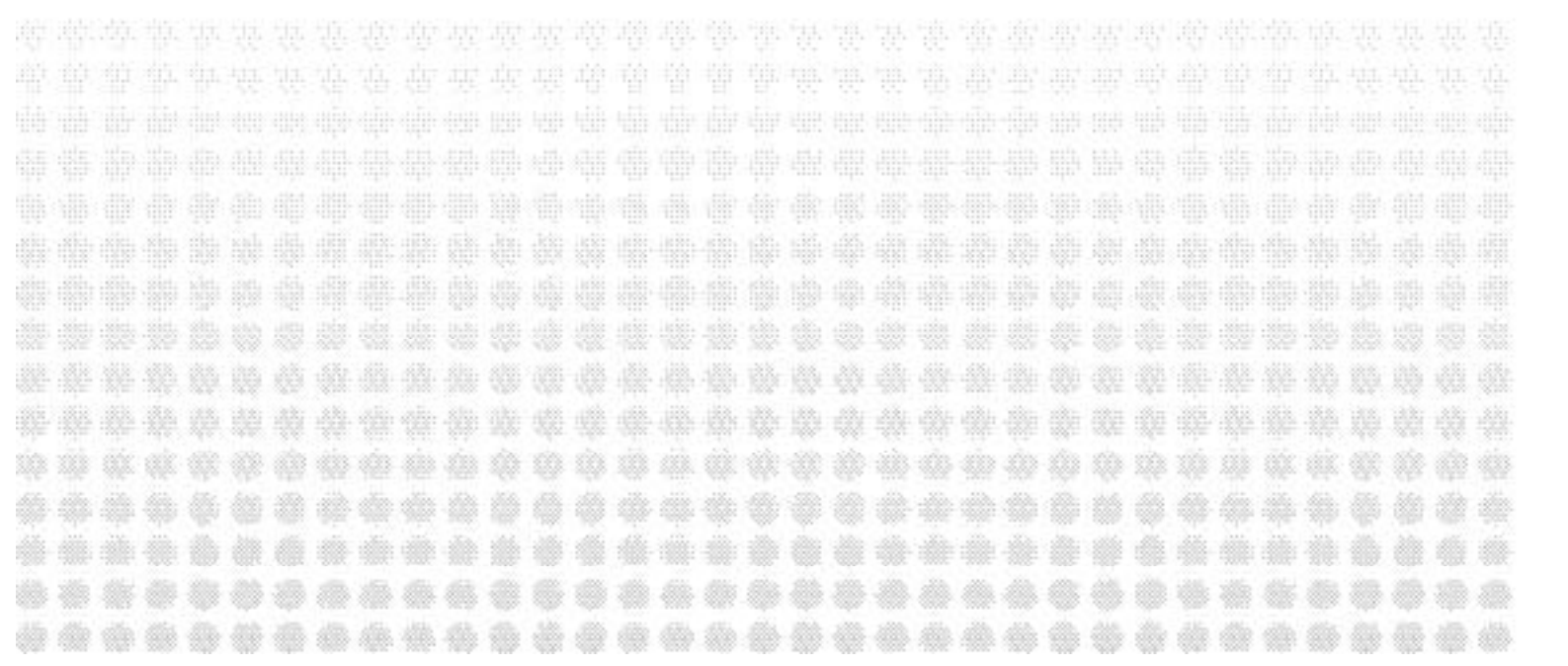
This *plan* proposes a number of activities and projects for the next three years. For the Agency to deliver the *plan*, its structure, organisation, size and cost must be appropriate for its function and reflect the demands and expectations placed upon it. Techniques must be in place to monitor achievement of the *plan* against the targets we set ourselves and to control the quality of our own work.

Organisational structure

At present the Agency is working through its inheritance of an organisational structure designed to meet high volumes of subject reviews and a relatively small number of institutional audits and developmental activities. Steps have already been taken to restructure the Agency to reflect the new balance of activities. By 2005, this will be focused principally on institutional audit and review, though with a significant amount of subject level review still remaining, and an enhancement and development agenda designed in part to help higher education institutions through a variety of means such as the dissemination of the findings of our various reviews and closer liaison with institutions. Underpinning our ability to meet the demands placed upon us will be an infrastructure that can respond flexibly to the changing environment in which we will operate.

People

In 2002-03 the Agency is undertaking the development and/or implementation of no fewer than 17 different review processes, mostly in response to the adoption of different approaches to external quality assurance in England, Northern Ireland, Scotland and Wales. Although the volume of review activity is likely to be considerably reduced by the end of the 2005, when the transitional period in England is completed, current forecasts suggest that the volume of commissioned review work in 2003-04 will actually rise from 2002-03 levels and will only begin to reduce in 2004-05. While the Agency must plan for a reduction (or at least a rebalancing) of its human resources after 2005, it must also retain the capacity both to undertake its work programme in a credible, effective and efficient manner, and to carry out different forms of review that may be requested by different bodies. This will require careful staff planning policies with an increasing reliance on secondments, limited term appointments and internal redeployments. It will also require a staffing structure that can provide adequate cover in the event of exceptional circumstances, including sudden staff unavailability. The Agency will apply for Investors in People status in July 2003, and will use this as part of its approach to staff development. The Agency values its staff and will continue to demonstrate its commitment as a good employer. We are committed to managing through enabling, to developing the skills and potential of all who work with us, to providing an appropriate working environment, to providing leadership, and to listening.





The Agency is a major provider of public information about standards and quality in higher education

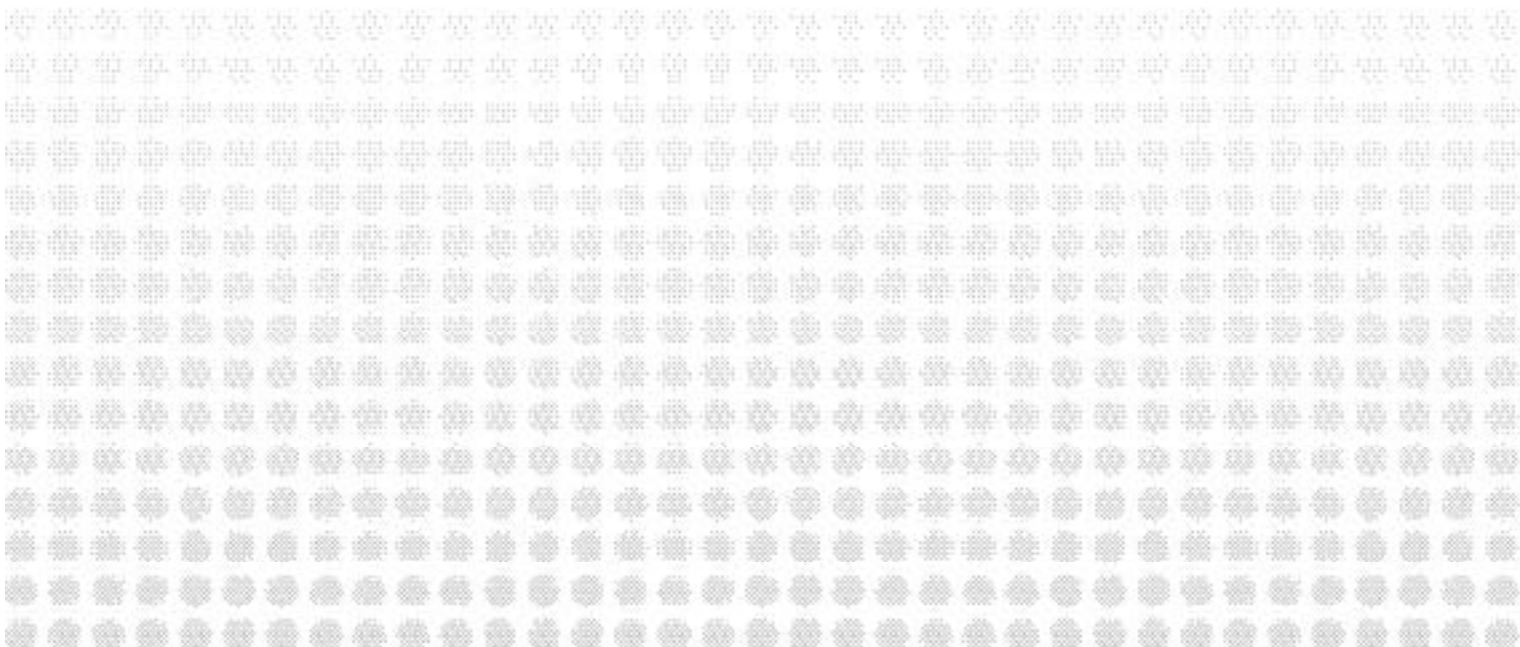
Finance

One of the recurrent features of the Agency in the past few years has been the fortuitous accumulation of financial reserves, mainly deriving from unspent institutional subscriptions. These have come about largely as a result of changes in the operating plan during the course of a year, and the over prudent forecasting of expenditure. A financial strategy has now been approved by the Board which assumes a reserves level in the range of four to six months of fixed costs. In order to achieve but not exceed this, and to ensure value for money, the Agency is reviewing its budgeting and forecasting procedures, which should provide more reliable budgets from 2003-04 onwards. It will seek to achieve a better match between its income and expenditure and to reflect this in regular reviews of institutional subscriptions and the contract prices it negotiates with its other funders.

Communication and information

The Agency recognises that its work is of very limited value if it is not communicated to good effect. We are developing a communications strategy which aims to be both active and responsive to the different needs of our different audiences, and which recognises the importance of providing information in forms and styles which do not inhibit understanding.

The Agency is a major provider of public information about standards and quality in higher education. It provides information both in print and on its web site. Our communications strategy will take a more active approach to the promotion, dissemination and understanding of information than we have taken so far. A range of techniques for dissemination will be used, and the utility of the information we provide will be tested with the users of that information.



Monitoring

The strategic position that the Agency intends to reach by the end of 2005 was set out in the Introduction. This was expressed in relation to the external impact of the Agency's work and in relation to perceptions of the Agency itself.

The Board will keep under review the best ways in which achievement of the desired position can be monitored and measured. Many of the targets have a largely qualitative character and will be addressed by:

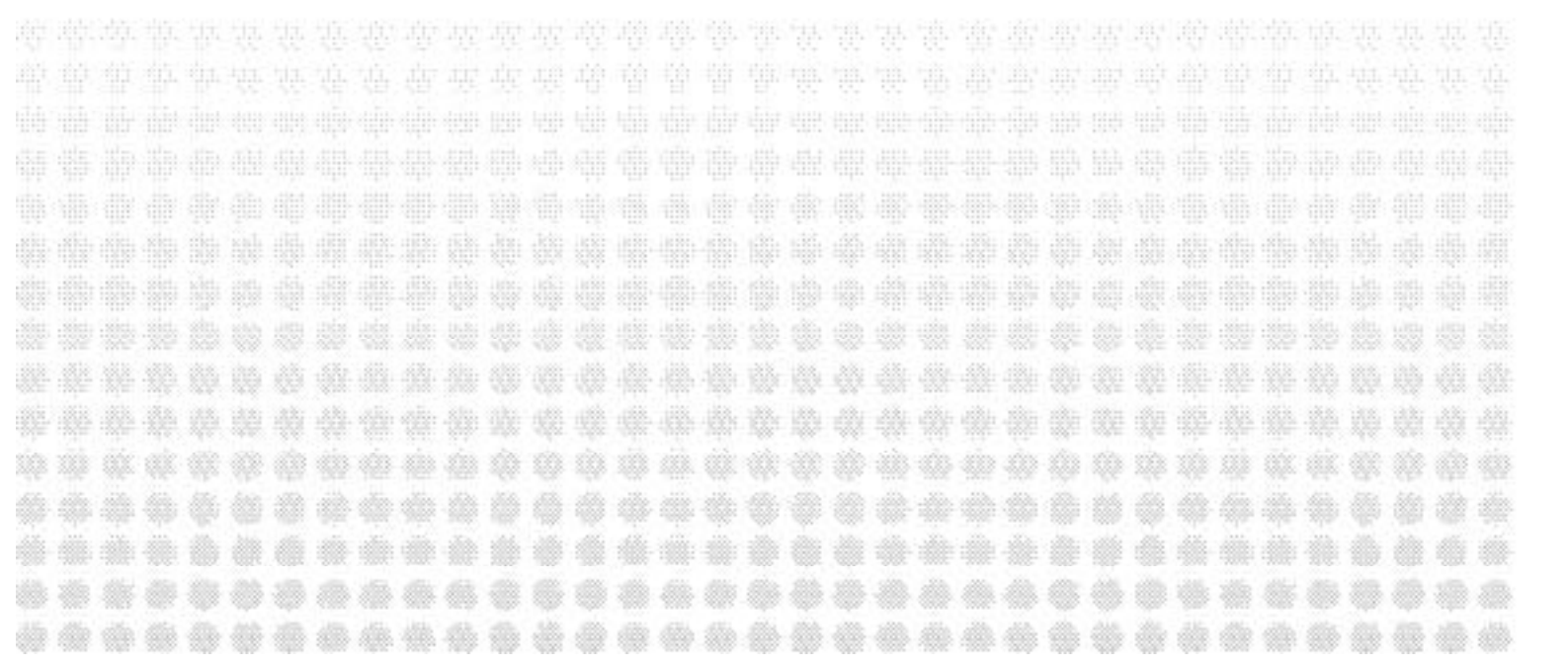
- strengthening the Agency's relationships with HEIs and stakeholders
- seeking formal and informal feedback from the sector and stakeholders
- implementing service standards, initially in relation to audit/review processes
- negotiating, securing and monitoring achievements against contracts and agreements with the representative bodies and funders; regular discussion and liaison with those bodies, for example through quality assessment committees and the representative bodies' Standards and Quality Group; and by reporting regularly to those bodies under the terms of the contracts and agreements
- the response of governments to advice provided by the Agency, for example in relation to the criteria for degree awarding powers and university title, and the development of the Access Recognition Scheme
- participation in academic, professional and subject networks

- engagement with overseas organisations, colleagues and agencies
- an active approach to liaison, communication and dissemination of information to the sector and stakeholders based on intelligence derived from review processes
- an annual subscribers' meeting, to which all subscribing institutions are invited, to discuss the progress of the Agency's work and the topics of the day; and an annual reception to mark publication of the Agency's *Annual Report*
- monitoring the amount, nature and tone of press coverage of the Agency's work
- seeking reader comment on the *Annual Report*, the *Strategic plan* and *higher quality*
- participation in joint activities with the sector, for example in relation to external examining

The Board may wish to carry out a form of customer/stakeholder satisfaction survey in 2004 or 2005 – probably involving both a self-evaluation and an external agent. The timing of this will need to be co-ordinated with any review of the effectiveness of the new institutional audit method in England that is due to be carried out by the Higher Education Funding Council for England (HEFCE), on the recommendation of the Better Regulation Task Force (2002). Similarly, the enhancement-led model in Scotland will be externally evaluated, with a report probably in the year 2005-06.



The Agency is committed to assuring and improving the quality of its work



Quality assurance

Many of the monitoring techniques set out above also serve as effective ways for the Agency to control the quality of its work. The Agency assures the quality of its reviews and audits through a variety of means:

- close liaison with partners and stakeholders
- publication and wide distribution of detailed guidance on review methods
- selection of reviewers against a job description and specified person criteria
- appointment of reviewers only on successful completion of training
- training programme carried out by the Agency and an external partner (HESDA)
- appointment of HESDA as training partner after public tender and interview
- monitoring of each training programme by staff and by HESDA
- agreement with institutions on the scope and timing of reviews
- composition of review teams in the light of the nature, scope and range of the provider's provision
- opportunity for institutions to comment on team composition
- evaluation questionnaires completed by review teams and institutions
- follow-up of issues arising from evaluations
- institutional checks on factual accuracy of draft reports
- publication of reports in hard copy and on the web site
- formal, published complaints and appeals procedures in relation to review processes

- service standards: the Agency is in the process of articulating explicit, published service standards, initially in relation to the review processes it carries out

- external reporting requirements in terms of progress in completing the contracted programmes of work, and financial reporting

The Agency seeks to improve the quality of its work as an organisation through the following means:

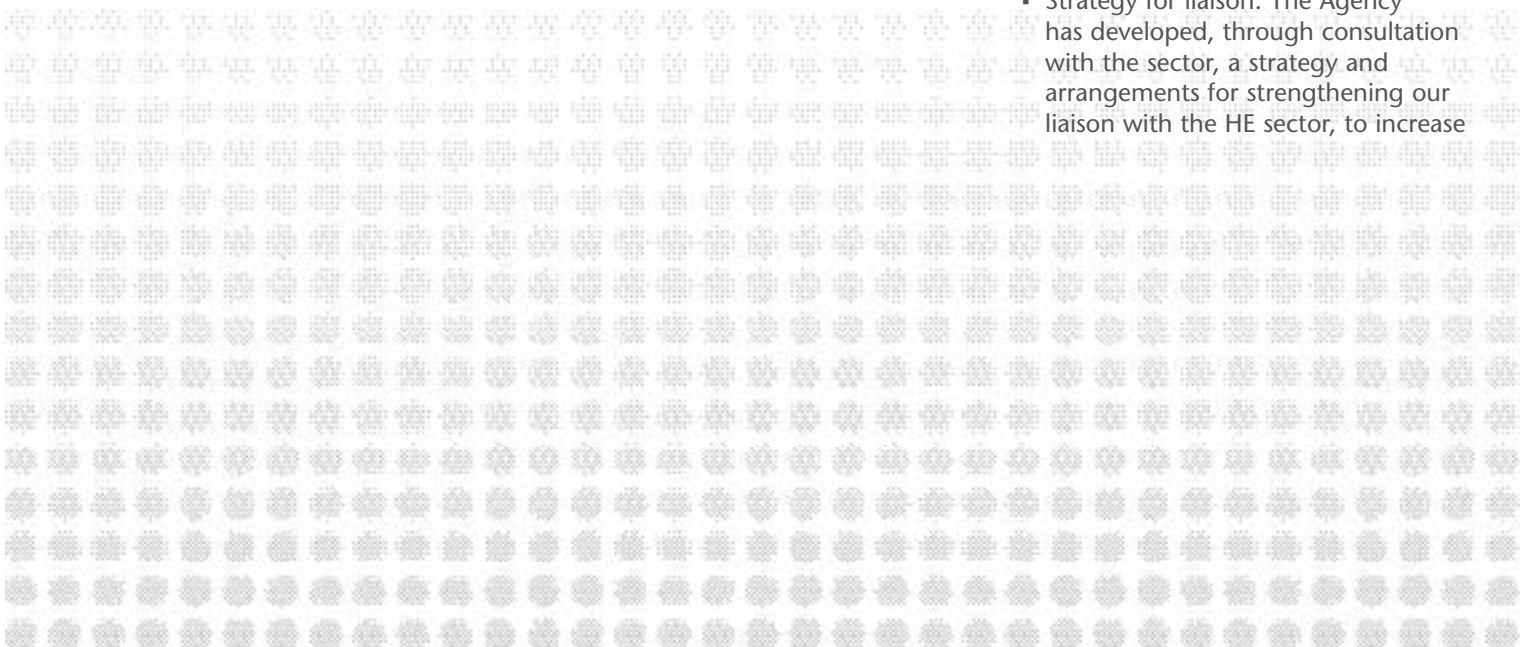
- A systematic business planning process involving the Board of Directors, the staff of the Agency, and the Agency's major partners – the funding and representative bodies. The annual operating plan (AOP) and budget are agreed with the partner bodies each year, setting out the programme of work for the coming year and the resources available to do that work; these in turn are translated into institutional subscription levels and contracts with the funding bodies.

Progress against the objectives in the AOP is monitored quarterly by the senior management, and reported to the Board. In turn, the monitoring also informs the development of the next year's plan.

- A Personal Performance and Development (PPD) review process for its staff that has been designed to provide a framework for the systematic review of the performance and development needs of staff, in the light of the organisational objectives in the *Strategic plan* and AOP.

- Investor in People. The PPD process has evolved in line with Investors in People practice. A training plan for the Agency is being developed. The Agency will apply for accreditation by July 2003.

- Strategy for liaison. The Agency has developed, through consultation with the sector, a strategy and arrangements for strengthening our liaison with the HE sector, to increase

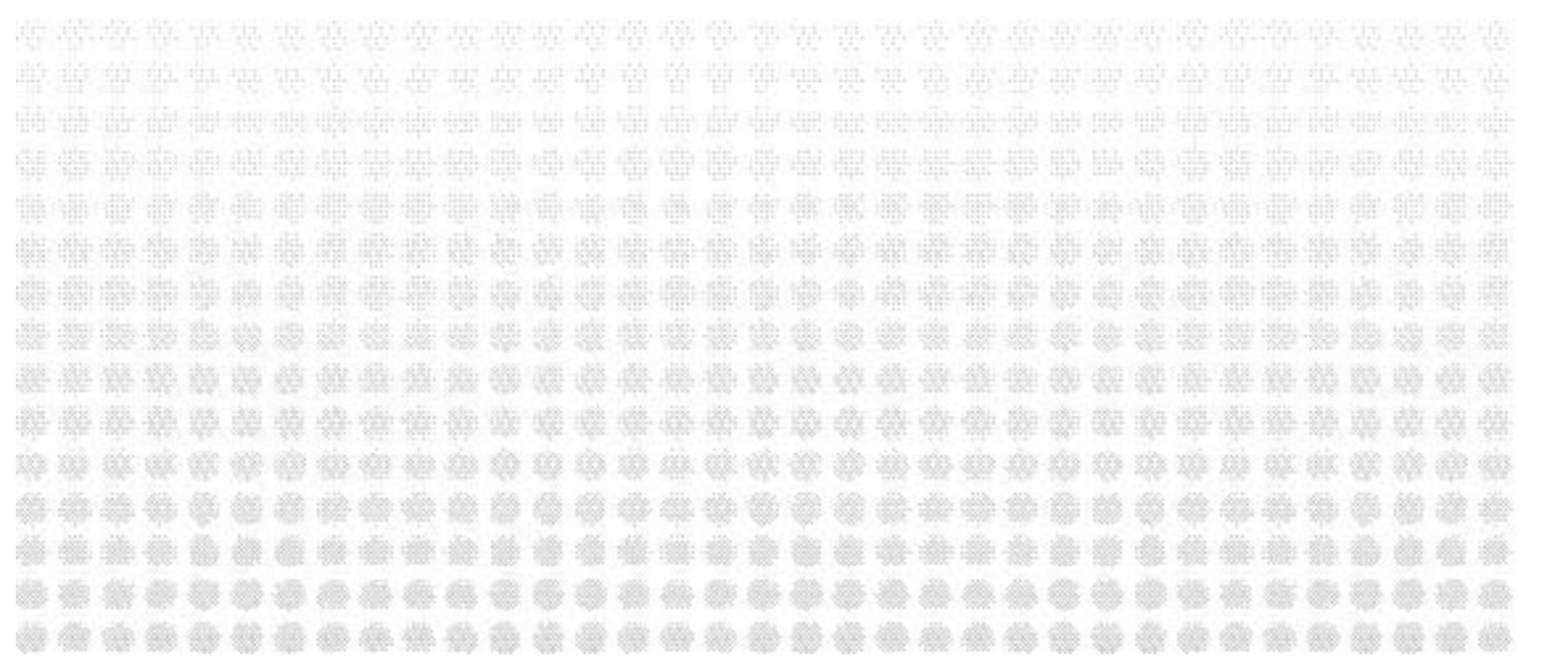


mutual understanding, to strengthen relationships, to improve two-way information flows, and as one technique for the Agency's dissemination of findings identified in reviews and audits.

- Risk management. The Agency has developed comprehensive systems for risk assessment and risk management as an integral part of planning and control processes.
- Value for money. The Agency has developed a value for money policy, and is implementing a series of value for money studies, to ensure that we make best use of the resources available to us.
- Excellence model. The Agency is exploring the application of the European Foundation for Quality Management (EFQM) excellence model to its work, initially on a pilot basis.
- Continuing improvement of systems. Neither the finance system inherited from the HEQC nor the subject review databases inherited from HEFCE were adequate to support the range of activities, planning and reporting requirements placed on the Agency.

The Agency has invested in a new finance system and new information systems and databases to support the multiplicity and differentiation of types of review in the different parts of the UK.

- An open approach to communications. The Agency continues to develop its web site. Access is available to all published reports, as well as to a range of other publications and some working papers, including the *Code of practice*, benchmark statements, programme specification materials and qualifications frameworks.
- A consultative approach to policy development. We have already carried out a range of consultations – the framework for the academic review method; the qualifications frameworks; subject benchmark statements; reporting styles for judgements on subject quality; institutional subscriptions; development of the new institutional audit methods. We are currently consulting on Enhancement-led Institutional Review (ELIR) in Scotland and the QAA Welsh Language Scheme.



- A systematic and positive approach to outside review of our work.

The internal audit function is carried out by an external firm of accountants (which has been re-tendered in Spring 2003). The scope of internal audit is Agency-wide. We review the internal audit plan annually to ensure that all the Agency's systems are reviewed regularly, and to ensure that the priorities identified for review, for example through risk assessments, remain appropriate.

As a company we are subject to external financial audit under the terms of the Companies Acts. This is currently carried out by Mazars.

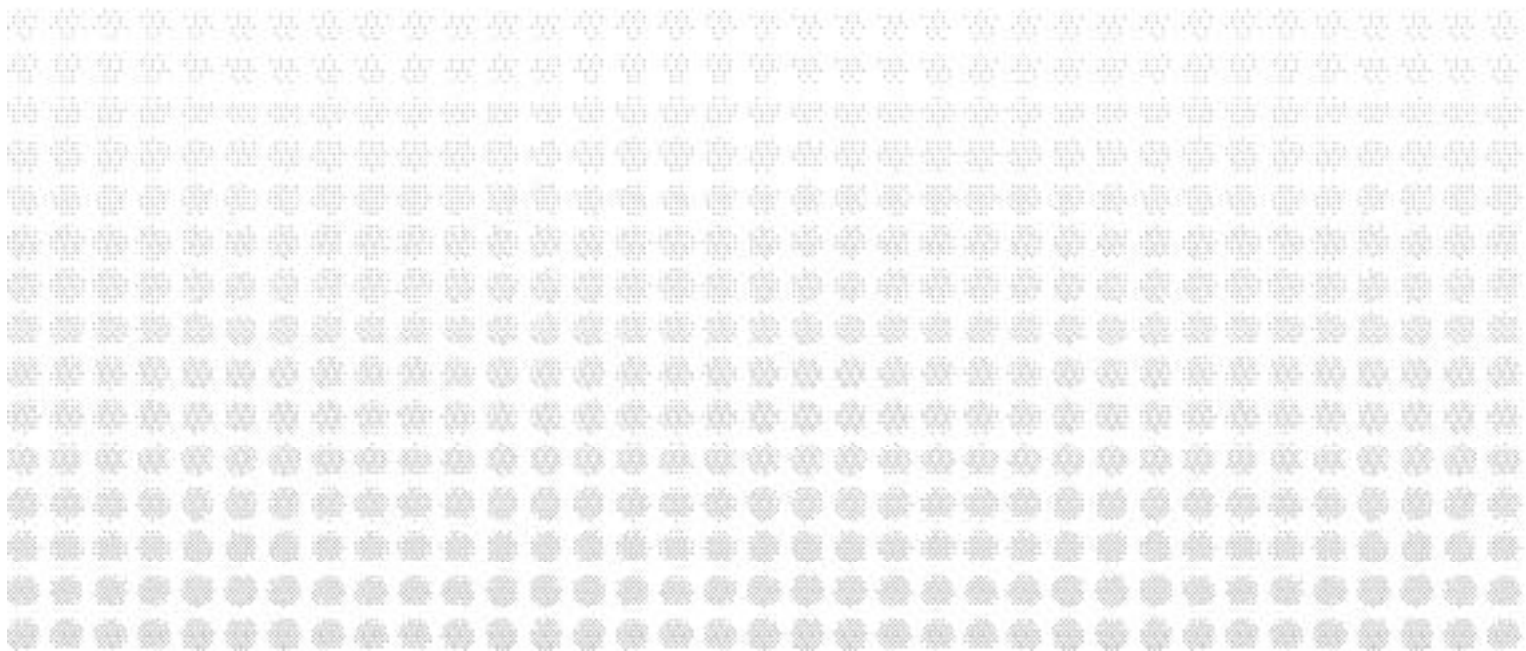
We are contractually obliged to receive HEFCE audit, on behalf of all the funding and representative bodies. We expect to be audited by HEFCE at roughly the same frequency as is applied to HEIs.

We have welcomed the interest of the Better Regulation Task Force and the Office of Public Sector Reform in our work.

- A knowledgeable and representative Board of Directors that meets regularly. Its membership includes members appointed by the providers of HE, members appointed by the funders of HE, as well as 'independent' members – representing the external users of higher education – appointed by the Board itself. It has members with experience of the professional, statutory and regulatory bodies. Its membership is representative of all parts of the UK. A student observer attends meetings.

The Board has a Register of Members' Interests that is updated annually, and whenever Board membership changes, and is available to the public on request. As well as the Board members themselves, the Register also covers the observers who attend Board meetings (representing government education departments and students) and the Chief Executive and his senior colleagues. The Board has developed a *Code of practice* for members which takes account of the wide range of expectations about corporate governance and public life set out in the Cadbury, Greenbury, Hampel and Turnbull Reports, and the Nolan Committee's reports on standards in public life and best practice in public bodies. The Board's *Code* is published on the Agency's web site and is reviewed annually by the Board.

The specific objectives, approaches and targets in relation to the Agency's four key purposes are set out in the next section.



Achieving our purposes

The Agency has set itself four strategic purposes:

To achieve its mission, the Agency works in partnership with the providers and funders of higher education, the staff and students in higher education, employers and other stakeholders, to:

- safeguard the student and wider public interest in the maintenance of standards of academic awards and the quality of higher education
- communicate information on academic standards and quality to inform student choice and employer understanding, and to underpin public policy making

- enhance the assurance and management of standards and quality in higher education and promote a wider understanding of the value of well-assured standards and quality

- promote a wider understanding of the nature of standards and quality in higher education, including maintenance of common reference points, drawing on UK, European and other international practice

Achieving these purposes is informed by our core values and the standards we set ourselves.



Safeguard the student and wider public interest in the maintenance of standards of academic awards and the quality of higher education

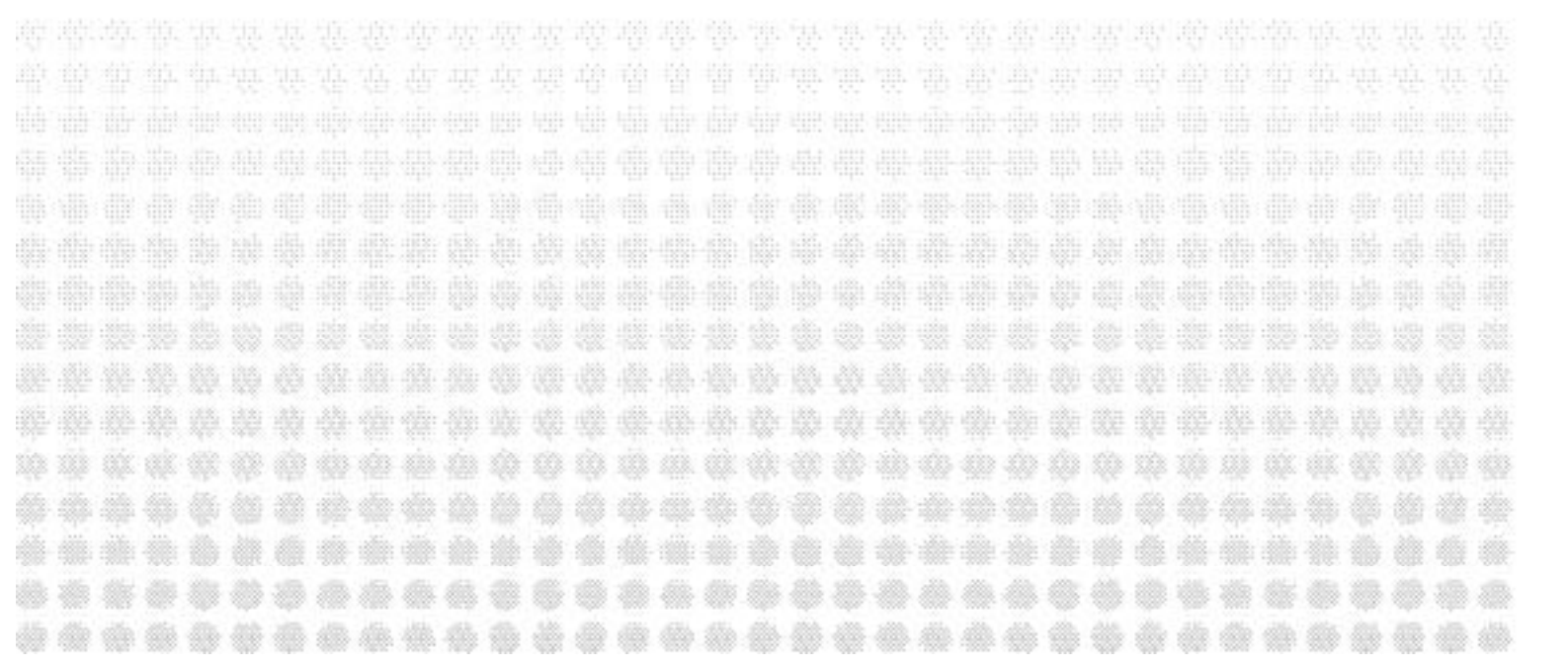
The need for confidence in the academic standards of qualifications and the quality of study programmes lies at the heart of the public interest in the UK's higher education system. It is important that all those who use the system, as students, employers, or in any other capacity, should be able to depend on the universities, colleges and other higher education providers to provide qualifications and programmes that meet national expectations of standards and quality.

Achievements to date

- over 3,000 reviews and audits (including UK collaborative and overseas) completed and reports published
- a revised Access Recognition Scheme for England, Wales and Northern Ireland introduced, and a programme of reviews of Authorised Validating Agencies (AVAs) implemented
- range of new review methods developed: academic review; institutional audit; foundation degree reviews; developmental engagements; prototype reviews of healthcare provision in England; enhancement-led institutional review (ELIR) in Scotland
- governments advised on applications for degree-awarding powers, university title, designation as an HEI, and in response to specially commissioned reviews

Key objectives for the period of the *plan*

- implementation of institutional audit in England and Northern Ireland
- implementation of ELIR in Scotland
- implementation of institutional review in Wales from 2003-04
- advice to governments on criteria and scrutiny processes applied in relation to the consideration of applications for degree-awarding powers, university title and HEI designation
- further development and modernisation of the Access Recognition Scheme
- conduct of agreed review programmes: new methods in England and Northern Ireland, Scotland, Wales; academic reviews of subjects in HEIs and FECs in England; foundation degree reviews in England and Northern Ireland; developmental engagements in England and Northern Ireland; overseas and UK collaborative audits; and reviews of NHS-funded healthcare provision in England, in partnership with the Department of Health (DH), the Health Professions Council (HPC), the Nursing and Midwifery Council (NMC) and the NHS Workforce Development Confederations (WDCs)
- resolution of causes for concern identified through review and audit processes
- participation in international review processes



Approaches

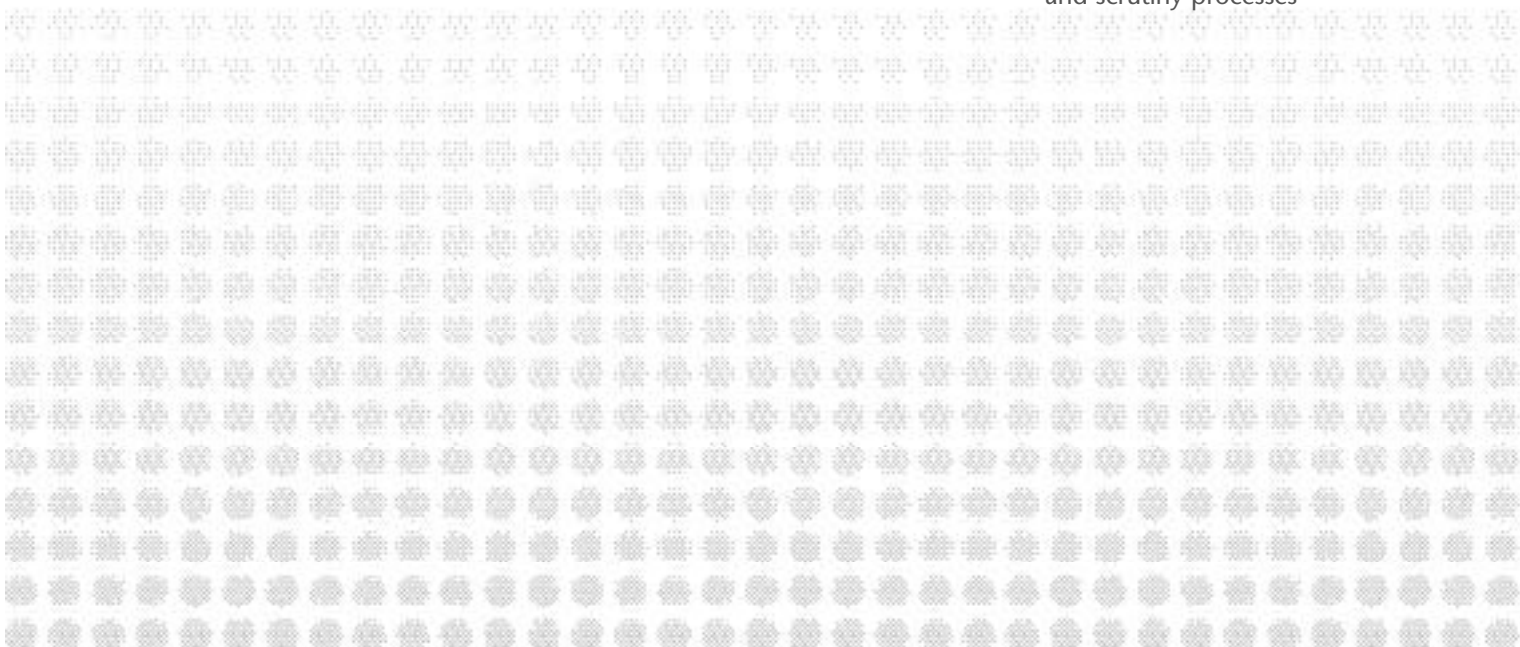
- maintenance of capacity and expertise in the conduct of audits and reviews, including management of the Access Recognition Scheme, and advice to governments on applications for degree awarding powers, university title and HEI designation
- recruitment and selection of reviewers/auditors against a person specification; formal training programme to prepare them for their work; and monitoring of their work
- partnership with governments; the HE sector; professional, statutory and regulatory bodies (PSRBs); and funders, on development and implementation of new methods
- development of review methods through consultation
- review of effectiveness of new audit methods
- active engagement with the FE college sector
- active engagement with the different requirements across the different parts of the UK – for example, through QAA Scotland, liaison arrangements with Wales, development and implementation of a QAA Welsh Language Scheme – to accommodate differences within robust and consistent frameworks
- development and implementation of service standards

Targets

- audit of all HEIs in England and Northern Ireland to be completed by the end of 2005
- first four-year ELIR programme in Scotland to be started in October 2003
- new institutional review method in Wales to be implemented in 2003-04
- agreed changes to the criteria and scrutiny processes governing the grant of degree awarding powers and university title to be implemented
- annual programmes of reviews and audits – institutional audits and reviews, academic reviews, foundation degree reviews, developmental engagements, overseas and collaborative – to be agreed with partners and funders and carried out
- programme of reviews of NHS-funded healthcare provision in England to be completed by 2006
- Transnational Education Evaluation Project (TEEP) programme of five reviews of history in five different European countries to be completed in 2003

Monitoring against targets

- new methods implemented according to published specifications
- review/audit programmes carried out according to contract and schedule
- formal and informal evaluations of the conduct of reviews and audits by the Agency, the reviewers and the institutions concerned; engagement with institutions on the 'impact' of reviews/ audits; follow-up where necessary
- evaluation of degree-awarding powers/university title criteria and scrutiny processes





Communicate information on academic standards and quality to inform student choice and employer understanding, and to underpin public policy making

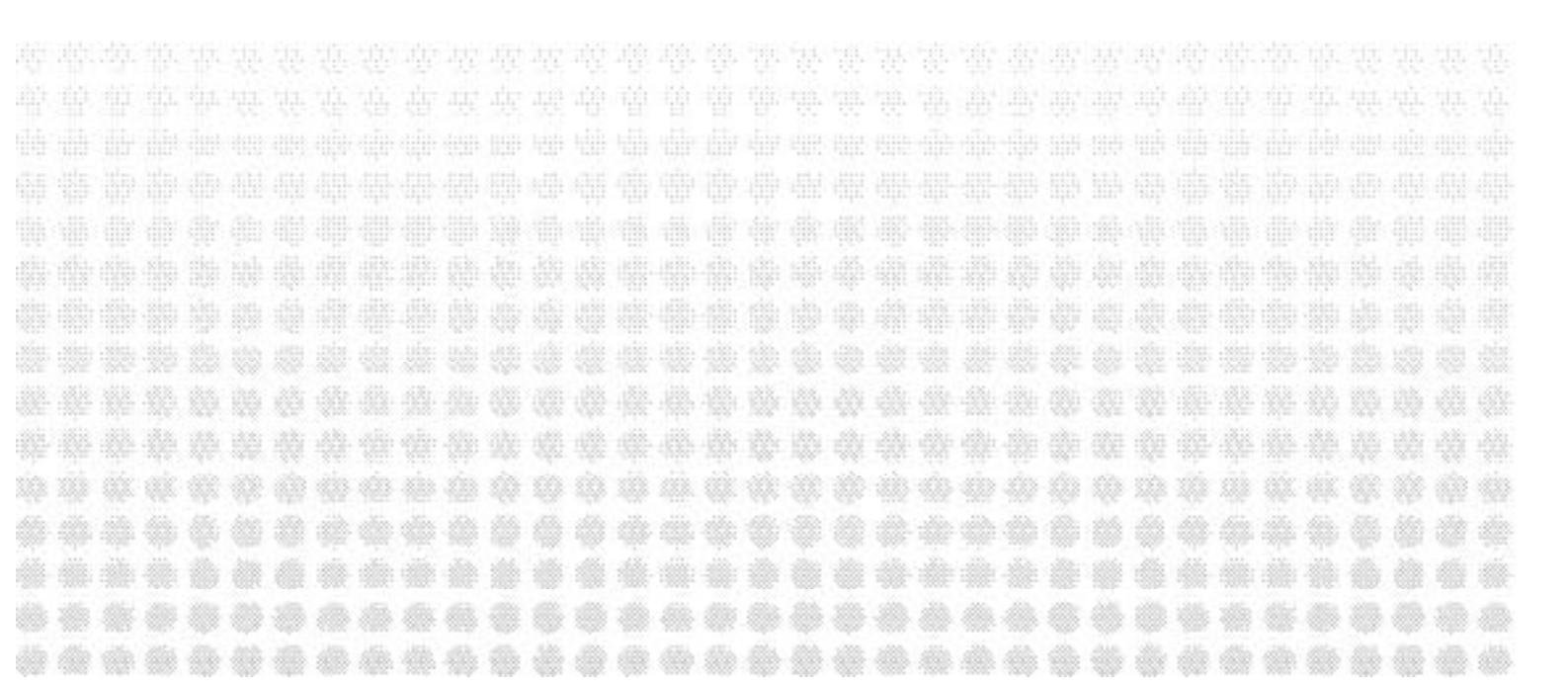
Our higher education system is large and complex. Students, employers and others who use it, including policy makers, need to have accurate, reliable, impartial, accessible and up-to-date information about the quality and standards of programmes and qualifications on offer. They need to be able to make choices that are rational because they are well informed.

Achievements to date

- publication of over 3,000 subject and institution reports
- publication of over 60 subject overview reports
- publication of qualifications frameworks, over 40 benchmark statements, *Code of practice*, and guidelines for programme specifications; support for implementation of HE progress files
- promotion of and participation in conferences, seminars and 'roundtable' discussion meetings – aspects of the *Code of practice*; development and implementation of programme specifications; evolution of the external examiner system
- publication of leaflets for students
- twenty-five AVA review and licensing reports
- publication of *Access Key Statistics*

Key objectives for the period of the *plan*

- review of communications (including media relations) strategy
- achieving a greater capacity to provide advice and consultancy services
- meeting the information needs of (potential) students and employers
- publication of reports that provide both useful public information and information that is helpful to the institution and its staff
- securing a greater understanding of students' needs as the focus of review methods and reports
- improvement in relationships with employer bodies
- publication of 'Learning from audit/assessment' reports



Approaches

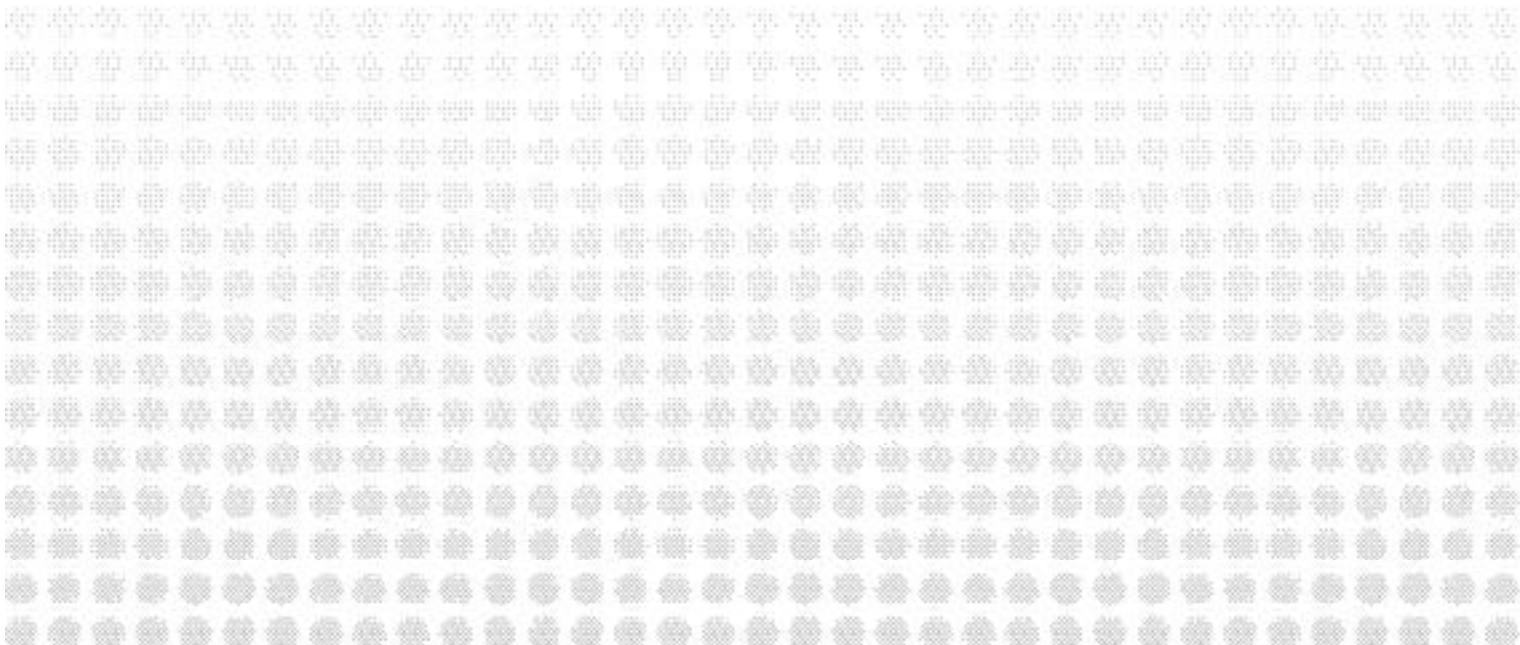
- partnership with students, sector and other stakeholders
- clarification of stakeholders' information needs
- implementation of clear liaison arrangements with sector and stakeholders
- publication and dissemination of clear and reliable information, appropriate to the intended audience
- publication of commentaries, in institutional audit reports, on the quality of the Cooke data sets provided by institutions
- improvements in networking with governments and near-government
- implementation of QAA Welsh Language Scheme
- continued development of web site
- participation in NUS sabbatical officer training

Monitoring against targets

- reports and other publications published on time and to budget
- evaluation of effectiveness of the communications strategy
- evaluation of effectiveness of liaison arrangements with sector and stakeholders
- implementation of agreed changes to basis on which the Agency provides advice and consultancy services
- evaluation of QAA Welsh Language Scheme

Targets

- communications strategy to be implemented in 2003
- arrangements for providing advice and consultancy to be reviewed in 2003; any subsequent changes to be implemented in 2004; the Agency's position as a source of knowledge and advice to be strengthened
- publication of stakeholder 'guides' to the standards and quality landscape
- publications derived from audit/ review findings
- implementation of QAA Welsh Language Scheme, 2003





Enhance the assurance and management of standards and quality in higher education and promote a wider understanding of the value of well-assured standards and quality

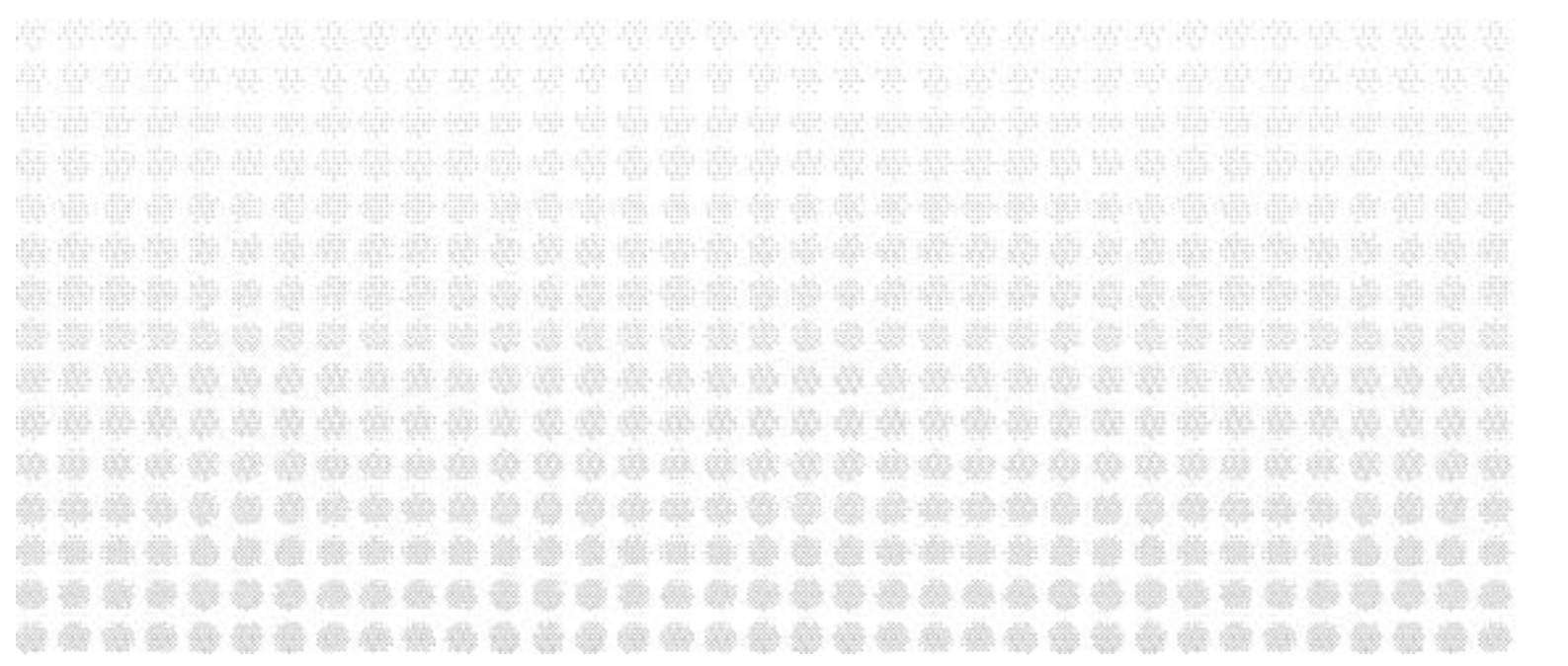
The improvement of academic quality and the maintenance of academic standards in the face of a constantly changing and challenging environment require higher education providers to adopt an active policy of continuous improvement. Only if the management of standards and quality is undertaken in a wholly professional manner will confidence in both be well placed.

Achievements to date

- publication of the various forms of report – individual, overview, ‘Learning from’ – with commentaries on areas for improvement
- development and publication of the academic standards infrastructure
- dissemination of good practice through training and peer review methods

Key objectives for the period of the *plan*

- improvements in institutions’ ability to manage standards and quality
- implementation of the Agency’s enhancement strategy
- publications derived from the findings in reviews and audits
- maintenance of the currency and necessary scope of the academic infrastructure
- implementation of the Agency’s communications strategy
- positioning of the Agency as a source of knowledge and expertise
- implementation of the ELIR model in Scotland
- active engagement with the proposed new Academy for the Advancement of Learning and Teaching in Higher Education



Approaches

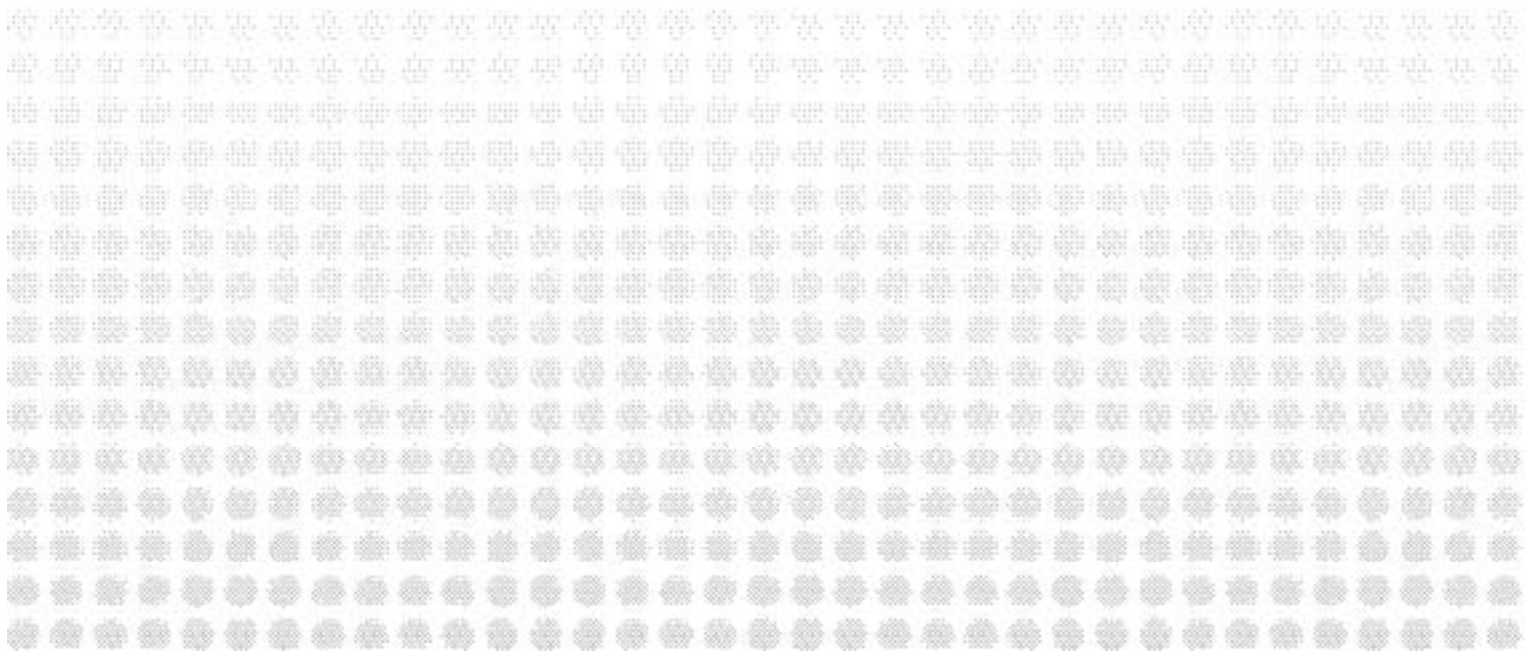
- publication of reports to support enhancement and improvement
- liaison with sector and stakeholders
- professional and administrative support for quality enhancement engagements in Scotland
- active dissemination of enhancement and evaluation products (reports; patterns; trends)
- clarity of Agency role in relation to the other agencies involved in development and enhancement activities
- build on relationships with HESDA, ILTHE and LTSN

Monitoring against targets

- reports published on time and to budget
- evaluation of effectiveness of liaison and enhancement strategy
- use and utility of academic infrastructure kept under review
- use and utility of enhancement products kept under review
- evaluation of annual liaison interactions with institutions

Targets

- a programme of publications based on audit/review findings
- enhancement strategy to be reviewed in 2005
- academic infrastructure to be maintained, and reviewed in 2005
- each institution to have an annual liaison interaction with the Agency (if desired)





Promote a wider understanding of the nature of standards and quality in higher education, including maintenance of common reference points, drawing on UK, European and other international practice

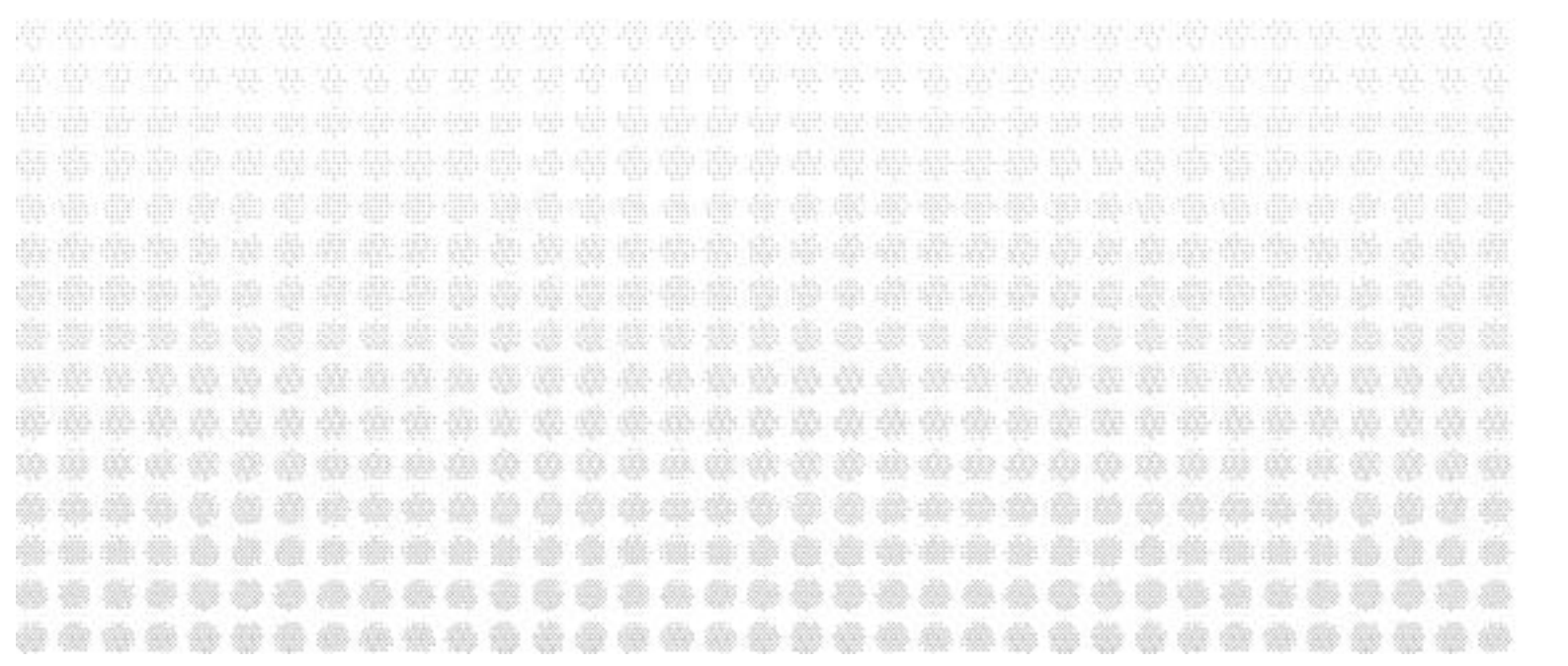
Academic standards and quality are words that are widely used but not often understood, although they are increasingly being recognised as the necessary pillars of a credible mass higher education system. The standards infrastructure, for which the Agency is responsible, offers an approach to the reconciliation of institutional autonomy with national expectations of standards and quality. A broader understanding of the infrastructure, developed in the light of cognate international activity, will provide greater security and assurance for the UK's higher education system.

Achievements to date

- development and implementation of the standards infrastructure – qualifications frameworks (Scotland and EWN), *Code of practice*, subject benchmarks, programme specifications
- development of audit processes that are underpinned by the standards infrastructure
- effective engagement in international and European networks
- advice to overseas governments, institutions and quality assurance agencies

Key objectives for the period of the *plan*

- maintenance of the currency of the qualifications frameworks and *Code of practice*
- implementation of a benchmarking 'recognition' scheme
- formulation of a UK-wide generic framework for academic and practitioner standards in healthcare and the publication of further benchmarks in these disciplines
- implementation of a revised policy on international work
- maintenance of an active engagement with the European Network of Quality Agencies (ENQA), other European developments, and the International Network of Quality Assurance Agencies in Higher Education (INQAAHE)
- improved capacity to provide consultancy and advice services, in the UK and overseas



Approaches

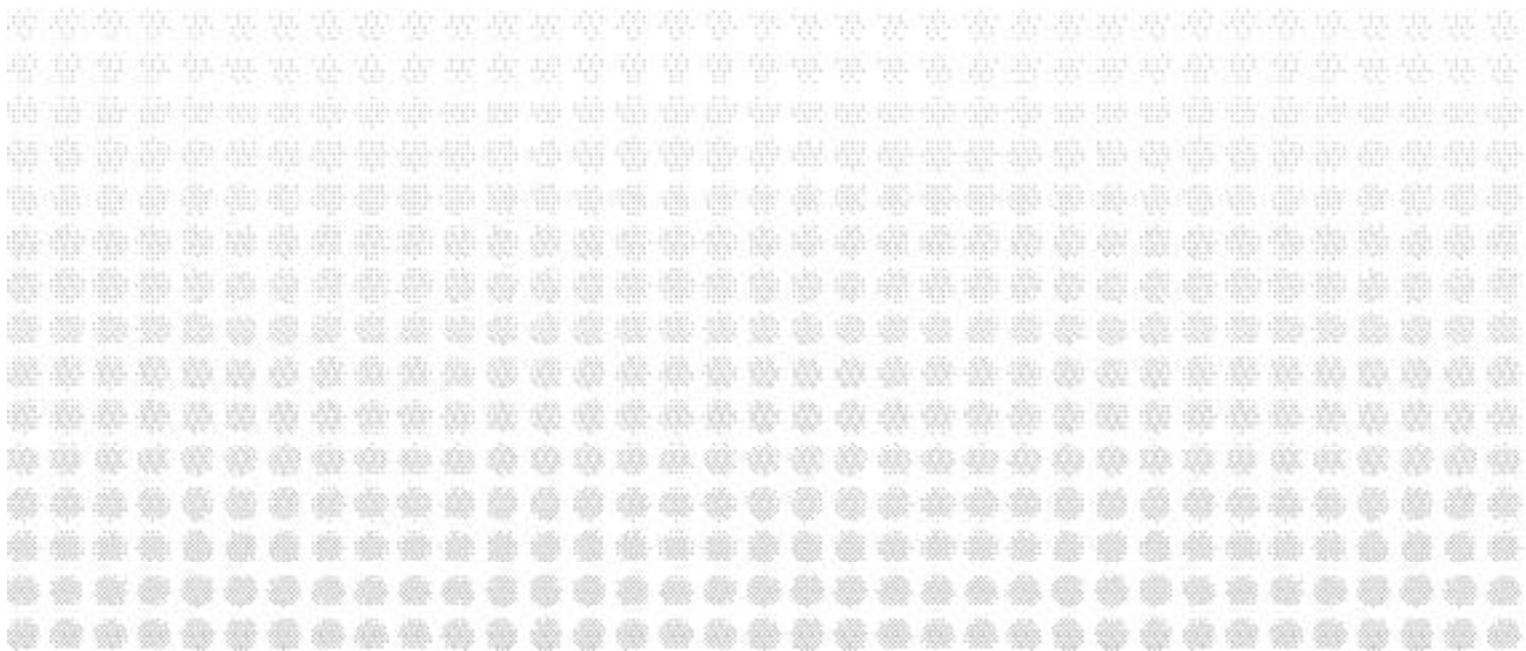
- partnership with sector and governments
- the Agency as one of the Development Partners in the Scottish Credit and Qualifications Framework (SCQF)
- an audit process that is underpinned by the standards infrastructure
- publication of maps, guides, and explanatory material about quality assurance for the general public
- communication and dissemination of good practice, both in reports and as part of enhancement and evaluation work
- active engagement with European and international developments and networks
- participation in NUS sabbatical officer training

Targets

- maintenance and embedding of qualifications frameworks and programme specifications to be reviewed by 2005
- all sections of the *Code of practice* to be reviewed by 2006
- benchmarking recognition scheme to be implemented in 2003 and publication of benchmark statements completed according to the criteria for the scheme
- development of a UK-wide generic framework for academic and practitioner standards in healthcare and the publication of further benchmarks in these disciplines, by end 2004
- arrangements for providing advice and consultancy to be reviewed in 2003; any subsequent changes to be implemented in 2004
- publications of reports/briefings on European and international developments

Monitoring against targets

- evaluation of effectiveness of benchmarking recognition scheme
- implementation of agreed changes to basis on which the Agency provides advice and consultancy services
- active engagement with European and international developments
- review of academic infrastructure



Annex A Establishment of the Agency

The Agency was established in 1997. It is a private company limited by guarantee and a registered charity. The company's members are the representative bodies of the heads of higher education institutions: Universities Scotland (US), Universities UK (UUK), Higher Education Wales (HEW) and the Standing Conference of Principals (SCOP).

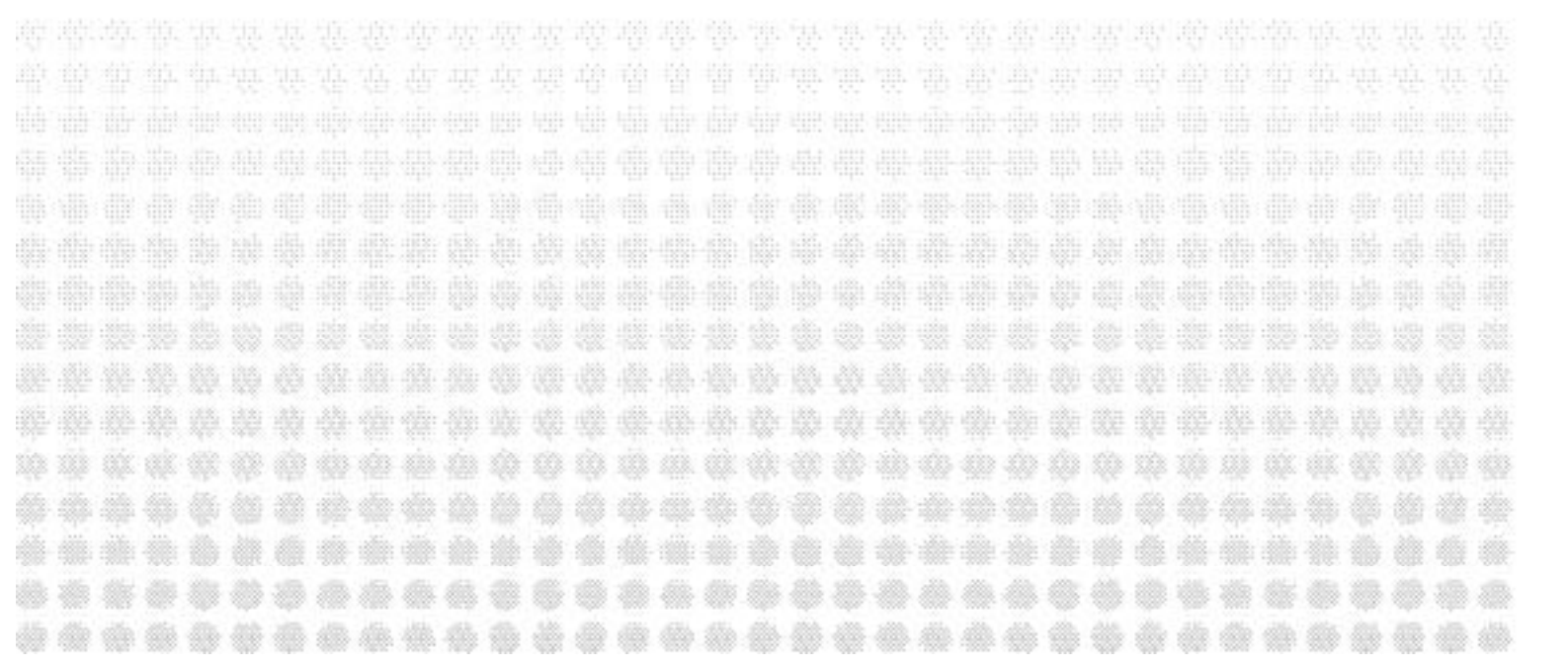
The Board of Directors has 14 members. Four are appointed by the representative bodies; four by the higher education funding councils for England, Scotland and Wales and the Northern Ireland Department for Employment and Learning (HEFCE, SHEFC, HEFCW and DEL); and six independent members – chosen to be broadly representative of the range of stakeholders in HE, including employers, industry, commerce and the professions – are appointed by the Board itself. The Chairman of the Board is drawn from the independent members. All directors are non-executive; they receive no remuneration from the Agency. The only payments they receive are reimbursements of travel expenses incurred on Agency business.

The Agency was created through the transfer of functions and staff from the former Higher Education Quality Council (HEQC) and the quality assessment divisions of the higher education funding councils for England and Wales (HEFCE and HEFCW). On its establishment, Agency staff were working from offices in Birmingham, Bristol, Cardiff, Glasgow and London. In April 1998 a head office was established in Gloucester (to which the functions previously based in Birmingham, Bristol, Cardiff and London relocated). Glasgow-based staff moved into new offices in 1999.

The purpose of setting up a single quality assurance agency for higher education was set out in the report of the Joint Planning Group on Quality Assurance in Higher Education (JPG) in 1996. A single agency would be best placed to integrate the separate but complementary quality assessment and quality audit processes previously carried out by the predecessor bodies; to carry out those functions in a cost-effective way; and to promote the development and evolution of those processes to reflect the growing maturity and effectiveness of institutional quality assurance processes and reduce the weight of external scrutiny on institutions, while at the same time continuing to meet the needs of all the stakeholders in higher education. The *Dearing* and *Garrick reports* in 1997 – with their emphasis on the assurance of academic standards as well as quality; and the development of subject benchmark information, programme specifications, sections of the *Code of practice* and qualifications frameworks – were the other main influence in setting the Agency's initial agenda.

Business

The Agency's core business is to review and report on the performance of providers of higher education in regard to standards of awards and quality of provision. It does this at institutional level by auditing institutions' management of quality and standards, and at subject level by reviewing the quality and standards of education in specific subjects. In addition, the Agency advises governments on applications for the grant of degree-awarding powers and university title. It also manages the QAA Recognition Scheme for Access to HE in England, Wales and Northern Ireland, and it audits academic

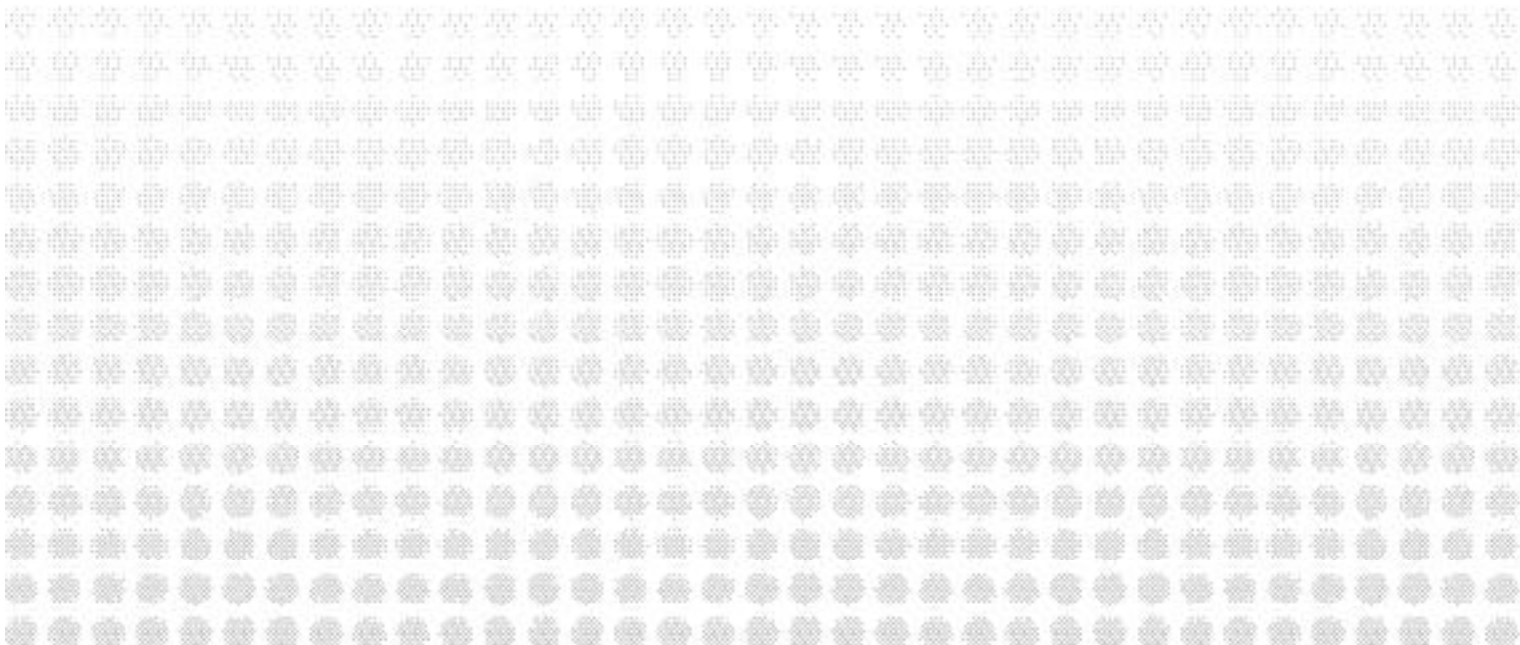


partnerships with colleges, at home and overseas, that offer teaching leading to the award of degrees of UK institutions. The balance of the Agency's work between institutional level and subject level will change over the period of this *plan*, with attention being focused increasingly at the institutional level only.

The Agency works to ensure that standards of awards and quality of provision are being safeguarded and enhanced. To this end, the Agency's reports on institutions and their subject provision are published, both in print and on the web site. The provision of reliable and helpful public information also requires that the reference points that the Agency uses should be clear and transparent. The Agency has been, and remains, engaged in a number of major developmental initiatives, working with the HE sector, students and the other main stakeholders in HE, that have led to the publication of subject benchmark statements, qualifications frameworks and a *Code of practice* for the assurance academic quality and standards in higher education, programme specifications and student progress files. These initiatives – sometimes known collectively as the 'standards infrastructure' – together with other joint work with the HE sector on, for example, understanding and strengthening the operation of the external examiner system, all have the over-riding purpose of helping institutions to articulate their approach to managing standards and quality, and providing useful public information on standards and quality, as well as providing reference points against which peer judgements can be made through the Agency's review and audit processes.

Financing

The Agency's work is financed through two main sources of income: subscriptions paid by individual universities and colleges (a banded system based on the size of an institution's student population), and contracts with the HE funding bodies and government departments. Both sources of funding support the Agency's activities and its organisational (infrastructure) costs. Annual turnover is usually around £10 million, depending on the volume of activity in a given year.



Annex B Review of the *business plan* *2000-03*

The Agency's previous strategic plan was published in October 2000. The *business plan 2000-03* set out the Agency's then mission statement and the medium-term corporate objectives for the period of that *plan*.

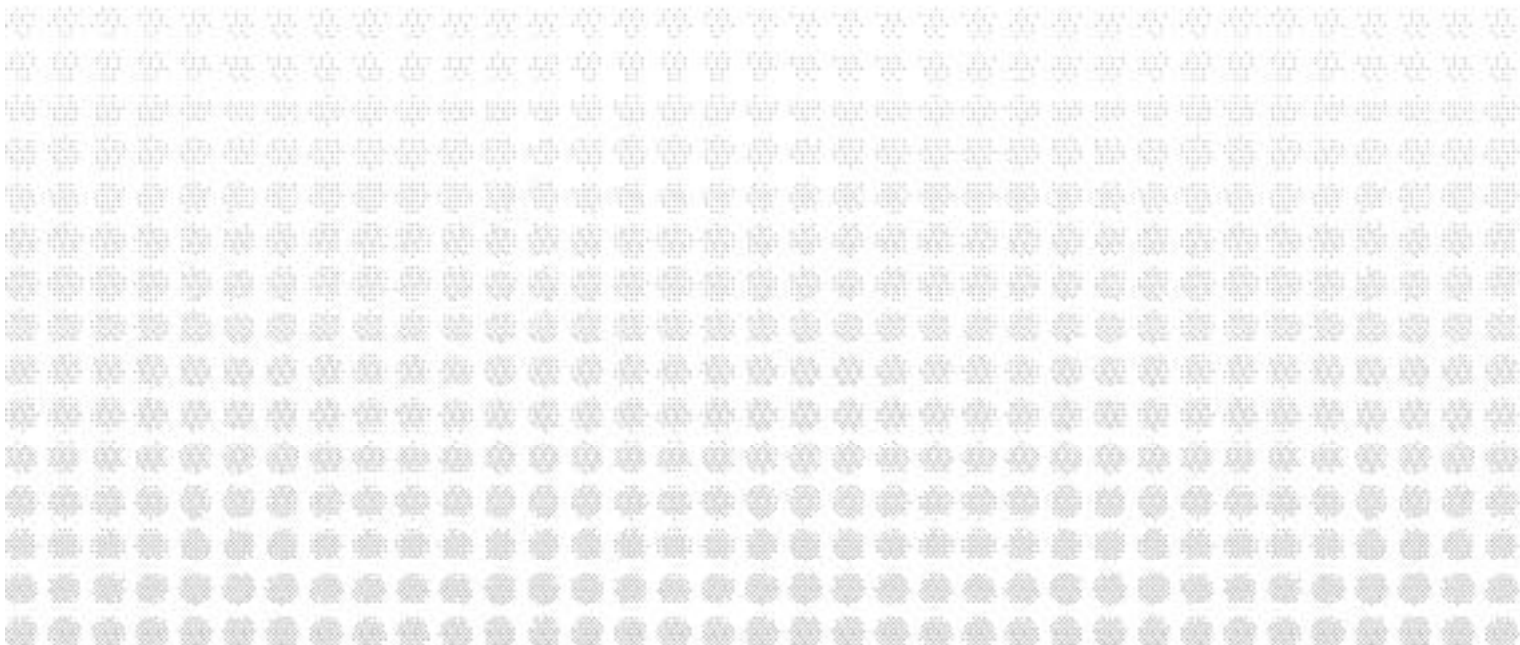
Most of those corporate objectives – some 37 in total – were achieved as planned, including: the conduct of audits and reviews; the publication of reports arising from those audits and reviews; the consideration of applications for degree-awarding powers and university title; the management of the Access Recognition Scheme and the conduct of reviews of the Authorised Validating Agencies that validate Access to HE programmes and award certificates to students; better public information on Access to HE; the selection, recruitment and training of peer auditors and reviewers for all the Agency's review and audit programmes; development and publication of the qualifications frameworks; engagement in European and international networks; subject benchmarking; completion of the *Code of practice*; web site development; active engagement with the sector and stakeholders; improvement in the Agency's planning processes; implementation of information, human resources, risk management and value for money strategies; development of an organisational training plan and movement towards recognition as an Investor in People (on target for 2003). Most of these also continue as objectives and strategies, suitably updated, for the period up to 2005.

In one or two areas achievement against the 2000-03 objectives was limited, largely as a result of uncertainties after March 2001 (discussed below). One of the objectives was to publish reports on good practice drawn from the findings in quality audit and assessment. Two 'Learning from...' reports will be published later in 2003. More generally, however, the Agency's approach to identifying and disseminating good practice will be taken forward over the period of this new *plan* under the umbrella of the Agency's enhancement strategy which takes as its key foundation the intelligence that is gained through review and audit processes, intelligence that can then be systematically analysed, summarised and disseminated back to the sector. Similarly, work on developing performance measures was put on hold until the Agency achieved the new focus and stability that it now has. This is a continuing process that the Board will take forward.

Another of the objectives – development of a scheme for 'kitemarking' overseas collaborative provision – was considered by the Board in 2001. The Board decided not to take the scheme forward at that time.

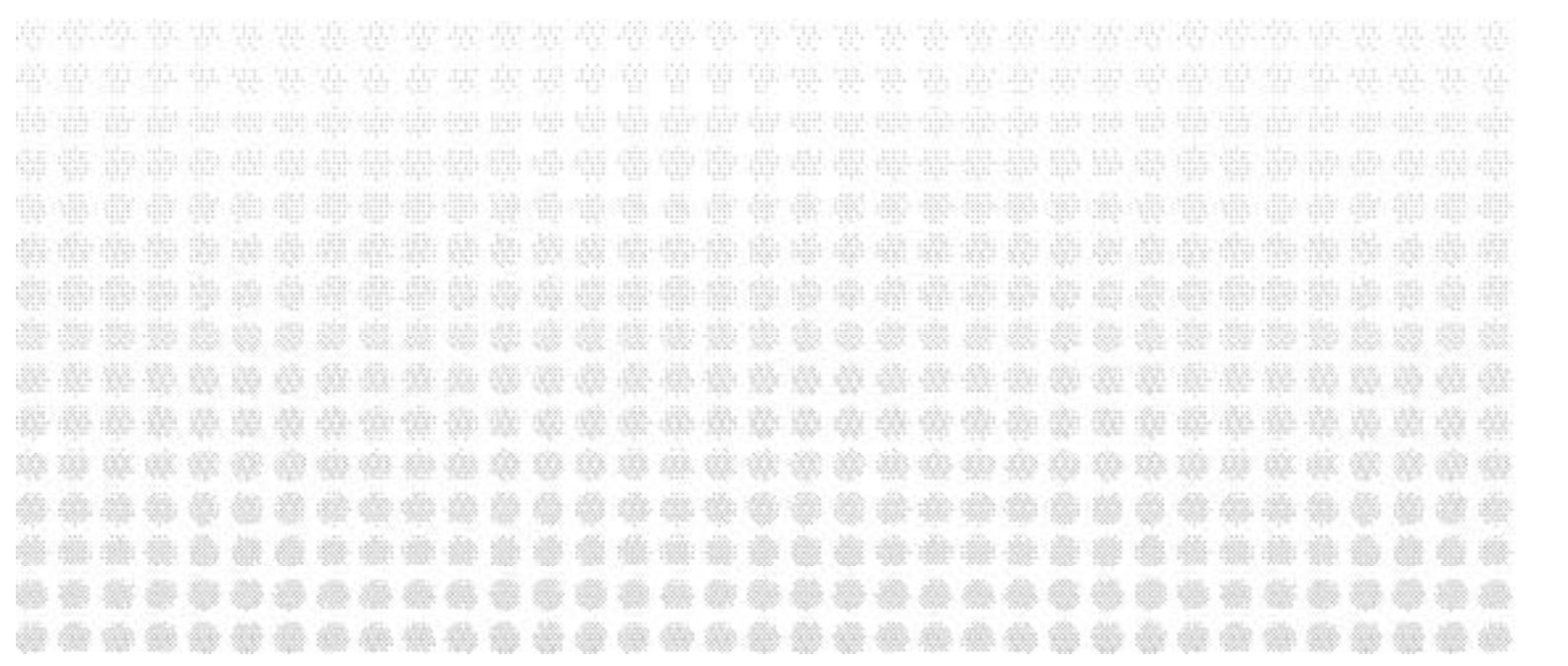
The most significant area of variance against the objectives in the 2000-03 *plan* relates to the implementation of the academic review method that was planned to take place across the UK from 2001-02. In April 2000 agreement had been reached with the higher education funding councils and the sector representative bodies on the introduction of a new method of academic review which would replace the inherited audit and subject review processes. Implementation was to begin in Scotland in 2000-01 and elsewhere in the United Kingdom in 2001-02. Academic reviews of subjects started as planned in Scotland and discussions were held with all other institutions early in 2001, to agree schedules for academic reviews of subjects and institutions in 2001-02. However, the planned introduction of academic review UK-wide was overtaken by events.

- In March 2001 the Secretary of State for Education and Employment announced that there would be significantly less subject review activity – a reduction of some 40 per cent – in the forthcoming academic review programme in English HEIs than previously planned. The Secretary of State’s decision provided the opportunity for a more fundamental rethink of the previously agreed system of academic review. A group representing the principal players in England – HEFCE, SCOP, Universities UK and the Agency – set about redesigning the process. The intensive discussions that followed concluded that, given the Agency’s evidence of the high quality of higher education provision, there was no need for a further comprehensive and universal external review of subjects in England, provided that institutions’ own internal quality assurance mechanisms could be shown to be working effectively and rigorously. The public interest could be adequately served by a robust system of institutional audits and the publication of an agreed set of reliable and verified information which would be easily accessible by stakeholders. If there were any evidence of a serious cause for concern, then full subject reviews would be carried out. Between March and July 2001 the group developed a blueprint for a new institutional audit process incorporating ‘subject audit trails’ through which teams of subject specialist reviewers would ‘drill down’ to see what was happening at the subject level. At the same time an Information Task Group (the Cooke Group) was established, to make recommendations on the information that institutions should have available for their own internal purposes and also that which they should routinely publish.
- In July 2001 the group published a consultation document (*HEFCE 01/45*) outlining its new proposals. The subsequent response from institutions indicated broad agreement with the proposals, only two issues causing major concern to them. The first of these was reluctance to accept the proposals about information for publication until the outcome of the Cooke Group’s deliberations were known; and the second was a concern that the so-called ‘drill-downs’ would turn out to be subject review by another name.
- In response to requests from the sector, the Agency produced in November 2001 a *preliminary operational description* that gave a more detailed account of what the proposed system outlined in *HEFCE 01/45* would look like in practice. Further discussions then took place with project partners and agreement was reached on additional modifications. In March 2002 the Agency was able to publish a draft *Handbook for institutional audit in England*, and in July 2002 the final version of that *Handbook*. The first institutional audits took place in February 2003.
- In Scotland the Scottish Higher Education Funding Council (SHEFC) responded to the ending of the UK agreement on academic review by



convening a Quality Working Group (QWG) involving the main stakeholders – Universities Scotland, SHEFC, students and the Agency – to propose the way forward. The recommendations of the QWG, following a period of consultation, were accepted by SHEFC and will be implemented from session 2003-04. The new approach to the management of quality and standards is an integrated enhancement-led model involving: institutional ownership of review at the subject level; increased student involvement in internal and external quality processes; a sector-driven structure of quality enhancement engagements; public information flows; and an external enhancement-led institutional review process. In August 2002, the Agency was commissioned to design the new enhancement-led institutional review (ELIR) process. The draft *ELIR Handbook* was issued for consultation in January 2003 and the final version will be published at Easter 2003. The new model will operate initially on a four year cycle starting in 2003-04.

- The Higher Education Funding Council for Wales (HEFCW) took the opportunity created by the hiatus in reviews during 2002 to ask the Agency to undertake a series of limited subject engagements in its institutions, primarily for developmental purposes. At the same time, a Quality Working Group was convened to advise HEFCW on the establishment of new quality assurance arrangements for Wales. Following consultation, HEFCW has approved the core principles and requirements of a new Quality Assurance and Standards Framework for Wales based upon institutional review. An operational description for the new framework, will be published by the Agency for consultation in March 2003. The new framework is scheduled for implementation, on a six-year cycle, from the 2003-04 academic year.



The Agency's mission is to safeguard the public interest in sound standards of higher education qualifications and to encourage continuous improvement in the management of the quality of higher education



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