



Quality Assurance Agency for Higher Education

One hundred and Tenth meeting of the Board of Directors

Confirmed minutes of the meeting on 12 December 2018, 11.00-12.15

Open business

Present

Members:	Mr Matt Adie	Mr Christopher Banks (Chair)
	Mr Stephen Criddle	Dr Vanessa Davies
	Ms Linda Duncan	Ms Sara Drake
	Professor Maria Hinfelaar	Mr Oliver Johnson
	Professor Helen Langton	Professor Denise McAlister
	Mr Craig Watkins	Professor Philip Winn
	Mr Philip Wilson	

Apologies

Members:	Professor Craig Mahoney	Professor Oliver Turnbull
	Mr Amatey Doku	Professor Andrew Wathey

In attendance

Officers: Mr Douglas Blackstock (CEO)
Miss Lavinia Blakett
Mrs Natalie Haines
Mr Ian Kimber
Mr Will Naylor
Ms Rowena Pelik
Mrs Liz Rosser

Company members' representatives:

Mr Will Hammonds (UUK)
Mr Alex Bols (GuildHE)

Observers: Ms Susan Lapworth (OfS)
Mr Ben Elger (OIA)
Mr Alex Proudfoot (IHE)
Ms Arti Saraswat (AOC)
Mr Scott Court (OfS)

Welcome and apologies

1. The Chair welcomed members, company member representatives and observers to the meeting. Apologies were noted.
2. Professor Helen Langton was welcomed to her first meeting of the Board. Professor Langton was jointly appointed to the Board by the company member representative bodies.

Quorum and interests

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3. The meeting was declared quorate.
4. No interests were declared.

Minutes and matters arising from previous meetings

Minutes from the meeting held on 10 October 2018 (item 3, BD-2018-68)

5. The minutes of the open business of the meeting held on 10 October 2018 were approved as a true and accurate record of the meeting.
6. Matters arising not covered elsewhere on the agenda included:
 - Min 8: Ms Linda Duncan and Mr Craig Watkins had, with QAA officers, attended a joint OfS/QAA workshop to discuss the development of Key Performance Measures (KPM) in November 2018. They reported that a broad consensus on the agreed measures that should be adopted had been reached. The workshop had been positive and Board members appreciated the opportunity to work with OfS officers and members of the Quality Assessment Committee. Post meeting note: Ms Lapworth confirmed that the notes of the workshop would be made available to QAA as soon as possible.

Discussion items

Chief Executive's report (item 5, BD-2018-69)

7. The Board **noted** the Chief Executive's report on recent policy developments. The Chief Executive highlighted the following:
 - A recent positive campaign working with the BBC on academic integrity had been launched on the BBC the previous week. The launch included coverage on the six o'clock evening news and news at ten with more than 4 million viewers of each (not counting iPlayer views), and a BBC trending online recording which had received 600,000 views. The campaign also targeted online platforms used by essay mill companies including YouTube and Facebook who had confirmed, in response to a letter from the Chief Executive, that they would remove such companies from their platforms. PayPal and Google were considering doing the same.
 - Good progress had been made in the delivery of the Agency's programme of Transformation, Capability and Change. All staff had now completed a skills audit and a programme of staff engagement in shaping the future culture of

the organisation was underway. Additional external resource had been mobilised with expertise in regulatory operations, commercial practice and people and organisational development. The Board would receive a full progress report in the closed session.

- Developing QAA's membership offer to the sector and value proposition continued with specific emphasis on providing appropriate services to smaller providers. This would be discussed further in the closed meeting of the Board.
 - Discussions regarding the planned 2019 TNE review in Malaysia were ongoing in consultation with UUKi. The Department for International Trade had emphasised the importance of the review in light of recent changes in the government in Malaysia.
 - The Chief Executive reported that he would be attending the Asia-Europe forum in Dublin the following week, which would focus on quality and recognition in transnational HE.
8. Clarification was sought by Mr Oliver Johnson concerning the challenge for the organisation of moving toward a different business model and relationship with the sector with increased focus on creating income. Mr Blackstock confirmed that this was being considered as part of the wider change programme but would require a cultural shift with a more disciplined approach to tracking value and return on investment.
9. Mr Banks reported that QAA's 21st Anniversary Lecture was held in London the previous week. The lecture attracted a broad range of organisations and the speaker Mrs Stefania Giannini, Assistant Director General for Education, UNESCO was excellent, and spoke about the relevance of quality in a global context of broadening access to higher education. Thanks were extended to all those involved in the event. Mr Banks would send a letter of thanks on behalf of the Board to Mrs Giannini.

Further reforms to the Advisory Committee on Degree Awarding Powers (ACDAP) (item 6, BD-2018-70)

10. Mr Naylor presented a paper outlining how current and future ACDAP business would be managed, including the measures designed to provide the Board with the assurances requested in respect of the delegation of additional authority to the Committee. The proposals had been shared with colleagues at the Office for Students who had provided feedback and some suggested amendments to the terms of reference for the Committee which Mr Naylor shared with the Board.
11. The proposed changes were designed to enable the Committee to conduct business in a timely, effective manner, setting out a clear delineation between current business and that which would be undertaken under the new regulatory framework in England. Careful consideration had been given to how best to maintain the UK-wide remit of ACDAP, acknowledging that the majority of ACDAP business related to applications from English providers.
12. It was proposed that from its meeting in May 2019, the business of ACDAP would be divided into two distinct parts:
- a. Applications for DAPs from Wales, Scotland, Northern Ireland and under the outgoing system in England (the 2004 and 2015 criteria), chaired by the existing, independent Chair of ACDAP, with advice provided to the QAA Board; and

- b. Applications for DAPs under the new regulatory system in England, chaired by an independent QAA Board member, appointed to the position of Chair of ACDAP, with advice provided directly to the OfS
13. Mr Naylor continued that a risk assessment on the work of the Committee had been undertaken and an assurance framework put in place. This would be reviewed on a regular basis. In response to a question from Mr Alex Proudfoot, it was confirmed that the Committee was committed to flexibility and would meet as frequently as required to conduct its business. Mr Naylor confirmed that the membership of the Committee would continue to include UK wide representation.
14. Clarification was sought on the likely complexity of applications from providers operating across the UK nations under franchising arrangements. Ms Lapworth confirmed that if the provider was registered with the OfS they would be deemed as registered in England and, therefore, considered under the OfS's regulatory framework.
15. The Board:
- a. **confirmed** that it was satisfied that the proposed assurances enabled it to delegate the authority requested
 - b. **approved** the revised terms of reference for ACDAP subject to suggested amends proposed by OfS
 - c. **approved** the proposal that a Board member chairs all business relating to applications under the new system in England
 - d. **confirmed** the delegation of authority to ACDAP to provide advice in relation to new applications directly to the OfS, without reference to the Board.

Audit and Risk Committee's (ARC) annual report to the Board, including approval of the Annual report and consolidated financial statements (item 7, BD-2018-71)

16. The Board received the ARC's annual report to the Board and an overview from Mr Watkins. Thanks were extended to past and present members and Chairs of the committee. Mr Watkins confirmed that during the course of the year the ARC had paid particular attention to risk management and internal control given the very dynamic environment in which QAA was operating.
17. Mrs Rosser reported that the main item of discussion at the ARC in November 2018 had been the Annual Report and Consolidated Financial Statements for the year ended 31 July 2018, which needed to be approved by the Board prior to the AGM. The consolidated financial statements included the results for QAA Enterprises Limited (QAAE). The financial statements for QAAE had been approved at its Directors' meeting on 6 December 2018. Mrs Rosser confirmed that the report and accounts had been prepared in line with the requirements of the Charities Statement of Recommended Practice (SORP) 2015 and Financial Reporting Standard (FRS) 102. The report and accounts had also been circulated to the Board in draft form for comment, prior to the ARC, and reviewed by the Honorary Treasurer and the ARC.
18. Mrs Rosser highlighted that the finance report provided to the Board at its October meeting had not reflected a subsequent payment received from OfS for interim funding, therefore the accounts included part of this payment at £328,000, providing an overall surplus to the accounts of £183,000. Reserves remained within the required range. An additional section had been added to the annual report demonstrating QAA's commitment to being a learning organisation. In addition, the Chair reported that individual Board member attendance would be published from 2018-19 onwards.

19. Mrs Rosser highlighted to the Board that the external auditors would be returning an unqualified opinion on the accounts and that there were no systems or controls issues identified in the Audit Findings Report. The overall control environment remained strong.
20. It was further reported that management of the ARC continued to be content with both the work, and the expertise of, the external auditors and would recommend retaining their services subject to Company Members' approval.
21. On behalf of the Board, the Chair extended thanks to the ARC for their work.
22. Having considered the reports submitted, the Board:
 - a) **noted** the Annual Report from the Audit and Risk Committee to the Board (BD-2018-72)
 - b) **approved**, subject to minor amendments, the Annual Report and consolidated financial statements for the year ended 31 July 2018 for presentation to the AGM (BD-2018-73)
 - c) **authorised** the Chair to sign the Annual Report and financial statements and the letter of representation on its behalf (BD-2018-74)
 - d) **noted** the financial statements of QAA Enterprises Limited (BD-2018-75)
 - e) **noted** the external auditor's Audit Findings Report (BD-2018-76)
 - f) **noted** the internal audits conducted during the year (BD-2018-77)
 - g) **noted** the evaluation of the auditors and **recommended** to the AGM the re-appointment of the external auditors.

Appointments and retirements to the Board and Board Committees (item 8, BD-2018-78)

23. Following an introduction from Mr Banks detailing his intention to retire from the position of Chair of the Board at the end of the Board meeting on 13 March 2019, Professor Philip Winn provided an update on the timeline for the recruitment and subsequent appointment of a new Chair:

Advert live	Now until 7 January 2019
Longlisting	15 January 2019
Preliminary interviews with Agent	Week commencing 21 January 2019
Shortlisting	29 January 2019
Final Interviews	5 February 2019
Board Appointment	13 March 2019
Effective date of appointment	TBC

24. Professor Winn confirmed that he was encouraged by the range and level of interest in the role received to date.
25. The Board agreed the following appointments:
 - a. Ms Linda Duncan, Vice Chair of the Board, to be an ex-officio member of the Nomination and Remuneration Committee from 12 December 2018 for the duration of her period of office as Vice Chair.

- b. Dr Dee Bird (representative from the Scottish Funding Council) to the QAA Scotland Strategic Advisory Committee from 12 December 2018 for three years.

Amendments to Terms of Reference for QAA Scotland Strategic Advisory Committee (QAASSA) (item 9, BD-2018-79)

26. A paper detailing the review of the terms of reference for the QAASSA Committee was provided and considered. The terms of reference and amendments proposed ensured that the Committee had a membership that was able to respond to developments in the sector quickly and to allow the Committee to co-opt members in order to gain new expertise should it feel appropriate.
27. The Board **approved** the revised terms of reference for implementation with immediate effect.

Reporting items

Quarter 1 Monitoring and Performance Report on Annual Plan and Finances (item 10, BD-2018-80)

28. The Board **noted** the progress against the 2018-19 Annual Plan priorities. Mrs Rosser confirmed that the report was the first under the transitional arrangements in England, with a change from a secure to a more volatile funding environment.
29. The combined effect of the significant change to the way regulation would be delivered in England and the impending move to voluntary membership, had led to the decision to move, in 2018-19, from termly to quarterly monitoring of the Annual Plan and finances. This, combined with the monthly reports reviewed by Executive, allowed QAA's Executive and Board to assess current progress towards strategic aims and delivery of the budget in a more timely manner.
30. The current reserves level, reviewed and approved by the Board in October 2018, was set to reflect this volatile environment and use of those reserves was now being considered as part of the approach to funding in the transitional year.
31. The Annual Plan set out seven priorities (six business and one organisational) for QAA in 2018-19. Following review by the Executive, five out of seven priorities were recorded as on track and two priorities reported as off track. Of the five priorities considered on track, two were highlighted as 'ones to closely watch' over the next quarter, given the scale and complexity of the work to be undertaken.
32. The Board **noted** the report on Monitoring and Performance and Finances.

Summary report of Board committee meetings (item 19, BD-2018-59)

33. The Board received and **noted** the summary report of committee meetings held since October 2018. Mr Banks provided a verbal update of the QAAE Board meeting that had taken place on 6 December 2018, at which the accounts had been approved, and discussion had taken place on the developing role of QAAE which would be shared with the wider Board in due course.

Any other business

There being no other business, the Chair closed the meeting.

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