Quality Assurance Agency for Higher Education

One hundred and seventh meeting of the Board of Directors

Confirmed minutes of the meeting on 14 March 2018, 11.00-13.00

Open business

Present

Members: Mr Christopher Banks (Chair)          Professor Joy Carter
          Mr Stephen Criddle                        Dr Vanessa Davies
          Ms Linda Duncan                           Ms Sara Drake
          Professor John Grattan                    Professor Maria Hinfelaar
          Mr Oliver Johnson                         Professor Craig Mahoney
          Professor Denise McAlister                Professor Tim McIntyre-Bhatty
          Professor Andrew Wathey                   Mr Craig Watkins
          Mr Philip Wilson

Apologies

Members: Mr Robert Cashman
          Mr Amatey Doku
          Professor Philip Winn

In attendance

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

Company members' representatives: Mr Alex Bols (GuildHE)
                                 Mr William Hammonds (UUK)

Observers: Mr Ben Elger (OIA)
            Mr Alex Proudfoot (IHE)
            Ms Arti Saraswat (AoC)
            Mr Gareth Lindop (NUS)
Welcome and apologies

1. The Chair welcomed members, officers and company member representatives to the meeting, and noted apologies.

2. A particular welcome was extended to new Board members Craig Watkins, Vanessa Davies and Sara Drake.

Quorum and interests

Quorum and interests (item 2)

3. The meeting was declared quorate. Professor Andrew Wathey declared that he had been appointed as a non-executive director for the Student Loans Company. This was noted in the register of interests. No other interests were declared.

Minutes from the meeting held on 13 December 2017 (item 3, BD-2018-01)

4. The minutes of the open business of the meeting held on 13 December 2017 were approved as a true and accurate record of the meeting.

5. There were no matters arising not covered elsewhere on the agenda.

Discussion items

Chief Executive’s report (item 5, BD-2018-02)

6. The Board noted the Chief Executive’s report on recent policy developments. The Chief Executive highlighted the following:

- On 8 February 2018, QAA was confirmed by the Secretary of State for Education as the Designated Quality Body (DQB) for England, under the provisions of the Higher Education and Research Act 2017 (HERA). The designation followed a consultation by the Department for Education, the response to which was overwhelmingly positive, with 98% of respondents stating that QAA met all conditions for designation. The effective date of designation was 1 April 2018.

- The Chief Executives of QAA and the Office for Students (OfS) had held their first meeting following designation. Discussions focused on defining relationships through a mutually acceptable Designation Agreement, transitional arrangements to the new regulatory framework, including transitional funding for the 2018-19 academic year before the full framework becomes operational on 1 August 2019.

- Following extensive consultation with the sector, the revised Quality Code was formally approved by the UK Standing Committee for Quality Assessment (UKSCQA) on 14 February 2018. The revised Expectations and Practices would be launched in the late March 2018. The next stage would be a series of consultation events on the revised advice and guidance underpinning the Quality Code, commencing in May 2018. It was intended that the complete Quality Code would be produced by November 2018. Professor Wathey thanked QAA for its contribution to this work in his capacity as Chair of the UKSCQA.

- Updates on forthcoming collaboration with the British Council and international activities were provided.

7. On behalf of the Board, the Chairman wished to formally record how delighted he was that QAA had been designated as the quality body for England under the provisions of
the HERA and expressed his thanks for all those that had contributed to achieving this important milestone for the Agency.

**QAA Annual conference 2018 (item 6, BD-2018-03)**

8. The Board received a paper outlining the details of QAA’s Annual Conference, including a list of keynote speakers and format of both days. The conference theme and working title was “The UK Quality Summit: Delivering Impact through Innovation”. The conference would be held on 24-25 April 2018 at the Royal Welsh College of Music and Drama, Cardiff, with the dinner taking place on Tuesday 24 April at the National Museum Cardiff. Thanks were extended to those Board members who had offered to chair sessions at the event. Further details regarding individual sessions would be sent out as soon as possible.

9. Mrs Rosser confirmed that there was a capacity of 350 at the conference venue and that there had been approximately 176 registrations to date which was ahead of numbers achieved at this stage compared to previous years. The Board noted the programme of events and those members who had not replied were invited to do so.

**Implications of designation (item 7, BD-2018-04)**

10. Mr Naylor presented a paper on the implications of designation of QAA under paragraph 3(3) of Schedule 4 of the Higher Education and Research Act 2017 (HERA).

11. The paper provided detailed information on the role of the designated quality body (DQB) in connection with four different functions:

- gateway reviews of new applicants to the OfS register
- frequent or intensive monitoring of providers deemed to be at risk of non-compliance
- detailed assessments of providers suspected of not meeting initial or ongoing conditions of registration
- providing advice on applications for degree awarding powers.

12. Mr Naylor confirmed that in initial discussions with the OfS, OfS officers had stressed the fundamental differences in the purposes of OfS compared to its predecessor HEFCE, and how these differences must be reflected in the approach taken both by the OfS and other bodies who would be working on its behalf, including the DQB. This requirement for a different philosophical approach had also been referenced in the letter from the OfS Board to the Secretary of State recommending QAA’s designation.

13. The Board noted that the precise role and approach of the DQB would be discussed imminently with the OfS and specified in a Designation Agreement. The Chief Executive confirmed that he was scheduled to meet the Director of Competition and the Register at OfS the following week to commence discussions.

14. The Board gave detailed consideration to the implications of designation for the Agency and, in line with the key priority set by the Board at its away day in October 2017, highlighted the importance of developing and clearly defining the relationship between the DQB and the OfS and the functions that the DQB would perform. The basis of that relationship should be the provisions of the HERA and the commitments given by Ministers to Parliaments in the passage of the Act, including the need for the
DQB to preserve co-regulation and maintain independence whilst balancing the interests of the OfS, government and sector to protect student interests. The Board stressed the key role that the Agency could play in supporting the OfS in developing its approach and methodology at this early stage and encouraged the development of a partnership approach with the OfS. The Board reiterated QAA’s charitable status and UK-wide remit for quality and requested that negotiation with OfS on the content of the designation agreement be taken forward on the basis of discussion held at the meeting.

15. It was agreed that the draft designation agreement would be shared with the Board in advance of agreement. The Board delegated authority to sign the designation agreement between the Chairman and Chief Executive. The Chairman reserved the right to convene an extraordinary meeting of the Board if required.

What lessons can we learn from recent reviews and investigations of alternative providers? (item 8, BD-2018-05)

16. Mr Naylor presented a paper regarding the recent allegations concerning admissions, academic fraud and the falsification of evidence among a number of alternative providers in London and the actions taken and lessons learned by the Agency from its recent activity in this area.

17. In total, concerns had been raised about 19 providers which had been brought to the attention of the Agency via a number of routes including the Student Loans Company, Department for Education and an episode of the BBC current affairs programme Panorama, entitled ‘Student Loan Scandal’. Mr Naylor reported that details of these providers, the allegations made and QAA’s response in each case were discussed with the Audit and Risk Committee at its February meeting. In most cases QAA’s response has been to conduct a discrete investigation under QAA’s Concerns Scheme, or to investigate through an existing or impending review or annual monitoring visit. In a small number of cases the Agency participated in investigations led by other bodies.

18. The Audit and Risk Committee had also considered the outcomes of a lessons learned review in which consideration was given to how current review processes had not identified the alleged misconduct. The Board received a summary of the key issues and actions agreed as a result of that review. These included process changes to the Concerns Scheme and increased collaboration with other organisations.

19. The Board agreed that the challenge of detecting and tackling academic fraud was likely to require more than incremental changes and that future approaches would need to be more targeted.

20. The Board considered the issue of academic integrity more broadly and the role of the Agency in this regard given its duty for assessing standards under the HERA. Initial consideration was given to a proposal to establish an ‘academic integrity unit’ dedicated to the detection and prevention of academic fraud, with activities encompassing advice and guidance as well as enforcement. In developing this work QAA would collaborate with other sector partners, drawing on the expertise of others where appropriate.

21. The Board agreed however that the matter should be explored further with the OfS. The Chief Executive undertook to raise this in forthcoming discussions with the OfS. Mr Naylor undertook to report back on progress to a future meeting of the Board.
Appointments to the Board and Board committees (item 9, BD-2017-06)

22. The Board noted that both Mr Robert Cashman and Professor John Grattan would be retiring from the Board on 15 June 2018 and 20 June 2018 respectively. The Chair thanked Mr Cashman and Professor Grattan and extended the Board’s appreciation for their dedication, valued experience and contribution to the work of the Agency during their time on the Board.

23. The Board approved the following committee appointments on the recommendation of the Nomination and Remuneration Committee (NRC):

a) To the NRC:
   • Professor Joy Carter for a second term of three years from 14 March 2018 (or the end of her term of Office as a Board member, whichever is sooner).

b) To the Advisory Committee for Degree Awarding Powers (ACDAP):
   • Mr Philip Wilson in the category of “board member” for an initial three year term from 21 June 2018 (eligible for a further three years with a maximum term until 21 June 2024 or until the end of his term of office as a Board member, whichever is sooner).
   • Ms Jenny Taylor, Leader of the Graduate, Apprenticeship and Student Programme at IBM (UK), to join ACDAP Committee in the category of “employer of graduates”. For an initial term of three years from 14 March 2018 (eligible for a further three years with a maximum term until 14 March 2024).
   • Ms Anne Lambert, Board Member Competition and Markets Authority (CMA), and Chair CMA Panel, Governor at the University of Portsmouth, to join ACDAP Committee in the category of “promoting competition”. For an initial term of three years from 14 March 2018 (eligible for a further three years with a maximum term until 14 March 2024).

c) To the Access Recognition and Licensing Committee (ARLC):
   • Dr Mark Nason, Director of Higher Education and Access to HE, Director of Science and Natural Environment, Head of Cornwall College Newquay (FE sector vacancy). For an initial term of three years from 14 March 2018 (eligible for a further three years with a maximum term until 14 March 2024).
   • Mr Ben Rockliffe, Policy Lead, Further Education Teachers, Department for Education (Other sector vacancy). For an initial term of three years from 14 March 2018 (eligible for a further three years with a maximum term until 14 March 2024).
   • Ms Beth Massey, Student, University of Leicester (first time student appointment to this Committee) for an initial term of one year from 14 March 2018 (eligible for a further one year maximum term until 14 March 2020).

Charity Governance Code Review (item 10 BD-2017-07)

24. Mrs Haines presented a paper detailing the outcomes of a recent review of the Agency’s governance against the new Charity Governance Code. The review was officer-led and was supplemented by a self-evaluation exercise including a Board member skills audit and survey. The Nomination and Remuneration (NRC), and Audit and Risk Committees had overseen elements of the review and a detailed mapping...
exercise undertaken. The exercise demonstrated strong results in many areas with the majority of the Agency’s practices aligning with good governance principles.

25. The NRC had considered the principles relating to Board composition in further detail including how to actively demonstrate the Board’s commitment to diversity at Board level and define diversity in the context within which the Board operates. The NRC identified and recommended to the Board a series of actions to be taken which would complement and improve current practices. These were to:

- confirm suitable diversity objectives for the Board and report annually on the achievement of these
- carry out an audit of diversity of background to all current Board members and include diversity questions as part of the annual skills audit and recruitment process
- review and codify Board and committee recruitment practices including make-up of interview panels and introducing exploration of diversity with potential candidates as part of the interview process
- ensure all Board members have undertaken, or have access to, appropriate diversity training
- give detailed consideration to the introduction of a Board vice-chair
- introduce a bespoke training and development process to support Board members' needs
- include a statement in the annual report on how we meet the principles of the Governance Code.

26. It was noted that once the above actions had been completed the Agency would have met 73 of the 74 recommended practices from the Governance Code. The Board endorsed the actions proposed and requested that the NRC oversees progress on its behalf.

General Data Protection (GDPR) Readiness Update (item 11 BD-2018-08)

27. Miss Blackett presented a paper on the Agency’s preparations for GDPR, setting out the Board’s responsibilities arising from the Regulations and how these would be discharged and monitored.

28. It was reported that a comprehensive readiness plan for GDPR was in place and being overseen by the Executive with ongoing compliance being monitored by the Audit and Risk Committee (ARC) on behalf of the Board. At its February meeting, the ARC received an update on progress against QAA’s readiness plan for GDPR compliance and endorsed progress being made to achieve compliance by the 25 May 2018 implementation deadline. This included the implementation of a revised, GDPR-compliant information retention policy; data mapping and auditing with a view to reducing the volume of personal data stored; and information asset training for the Senior Management Team.

29. The Board considered the proposed assurance framework and noted that the ARC would hold the Executive to account to ensure that the principles of accountability and transparency were consistently observed and become culturally embedded within the Agency. The Committee would report regularly to the Board on progress.
30. The Board:
   
a. noted its responsibilities under GDPR and approved the plans for their discharge

b. approved the Board assurance plan.

Amendments to the Financial Regulations (item 12 BD-2018-09)

31. Mrs Rosser presented a paper detailing proposed changes to the Financial Regulations. The main changes related to the authorisation limits for income and expenditure and for the authorisation of contracts. The changes were proposed to ensure that the most appropriate person was making the decisions and that the process was streamlined and efficient. Following approval by the Board the changes would be communicated internally and support provided through line management structures in order to embed the changes. Mrs Rosser confirmed that the regulations would be revisited annually by the ARC and referred to Board if there were major changes.

32. Clarification on point 117 of the regulations (Staff Appointments) was requested in relation to the authority of the Chief Executive to authorise posts at Director level and the involvement of the Board in these decisions. The Chair confirmed that the current position, as agreed by the NRC, and set out in its terms of reference was that the authority for appointment of new Directors resided with the Chief Executive. The Board referred this matter to the NRC for further consideration.

33. The Board:
   
a. approved the proposed changes to the Financial Regulations set out in Annex A on the recommendation of the ARC

b. approved the recommendation that the Board delegated authority for approving minor amendments to the Financial Regulations to the Honorary Treasurer on the recommendation of the Audit and Risk Committee.

Scheme of Delegated Authority (item 13 BD-2018-10)

34. The Board approved the authorities delegated from the Board up to and including the Chief Executive, as detailed in the revised Scheme, for immediate implementation noting the clarification on staff appointments as discussed in the previous item.

Reporting items

Annual Plan – Term 1 Monitoring and performance report (item 14 BD-2018-11)

35. The Board received and noted the Term 1 Monitoring and Performance report. The report covered RAG rating of priorities and strategic aims. Following a review by Executive, 11 out of the 14 priorities were recorded as on track and three amber (off-track) due to timing/phasing issues. A summary of corrective action and key achievements was provided.

Term 1 Finance Report (item 14 BD-2018-12)

36. Mrs Rosser introduced Term 1 Finance Report. The report set out the financial position to 31 December 2017 and a revised forecast to the end of the financial year, 31 July 2018.
37. The Board noted that the term 1 monitoring had identified additional income but the full year budgeted operating surplus had reduced by £94k, as a result of unforeseen one-off costs. To bring the operating forecast surplus back in line with the budget, Executive had implemented a recruitment freeze (apart from business critical replacement posts), was reviewing all non-pay costs and was seeking additional funding for new activities including development work in connection with the new regulatory framework in England.

38. A reforecast would take place at the end of March 2018 with the aim to achieve the budgeted forecast by the end of the financial year. Mr Kimber confirmed that since the paper was written the forecast income from Innovation and Enterprise activities had improved and was on track to achieve target.

39. The Board:
   a. noted the report on QAA’s current financial position and the key reasons behind any significant variances
   b. noted the forecast position to 31 July 2018
   c. agreed the variation to use the £180K approved Innovation and Development Fund spend for wider work to secure QAA’s role in the regulatory framework.

Summary report from Board committee meetings (item 15, BD-2018-13)

40. The Board received and noted the summary report of Board Committee meetings held since October 2017.

Any other business

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