

**Local and International Good Practices in
the Governance and Quality Assurance of the
Self-financing Post-secondary Education Sector**

Report

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I. Introduction

1. Objectives

- 1.1 In consideration of the development of the sector and the interest of the stakeholders, the main objectives of the study are as follows:
- a) To identify attributes of exemplary practices of good governance (including formal and informal policies, structures and arrangements that allow post-secondary education institutions to make decisions and take actions) practised within the post-secondary institutions in selected countries;
 - b) To identify local and internationally recognised common good practices (for example, good practices promoted by transnational organisations such as United Nations Educational, Scientific and Cultural Organization (UNESCO), World Bank and the Organization for Economic Co-operation and Development (OECD) for the governance and quality assurance (QA) (including internal and external arrangements) for post-secondary institutions;
 - c) To analyse the opportunities and challenges of the self-financing post-secondary education sector in the development of good governance in Hong Kong, including transparency in fee-setting mechanism and admission arrangement, balancing institutional autonomy with a corresponding need for accountability to the broader community; and
 - d) To recommend a voluntary code of good practices for governance and QA for the self-financing post-secondary education sector in Hong Kong in order to (i) ensure the post-secondary institutions have a shared understanding of their roles and concerted efforts for effective governance and quality education; and (ii) foster transparency and accountability to the stakeholders and the public.

2. Scope of the Study

- 2.1 With reference to the prevailing practices on research projects, the proposed study is expected to cover the following activities:
- a) Conducting research and analysis through relevant publications, database, literature and the internet to identify major development and models of best practices from the local, regional and international perspectives, and conducting informal discussions with relevant stakeholders and key informants¹;
 - b) Compiling a report on the findings based on the project objectives; and
 - c) Providing presentations on the findings to the Committee.

¹ In course of conducting the study, in-depth interviews were conducted with representatives of quality assurance bodies and self-financing post-secondary education institutions, local and overseas. They are collectively referred to as “stakeholders and key informants” in this report.

II. Self-financing post-secondary education

3. Overview

Scope of post-secondary education

- 3.1 The term “post-secondary education” is used in this report to refer to education beyond senior secondary education. Specifically in the context of Hong Kong, “post-secondary education” refers to education programmes at or above Level 4 in the Hong Kong Qualifications Framework (QF). For the purpose of the present study, the term “post-secondary education” is used to refer to education beyond senior secondary covering programmes at the sub-degree and degree levels, unless the contexts require otherwise. Other terminologies used in different jurisdictions are detailed in Box 3.1.

Challenges facing post-secondary education worldwide

Importance of post-secondary education

- 3.2 It is increasingly recognised that post-secondary education plays an important role in a knowledge economy. For instance, the United Kingdom National Committee of Inquiry into Higher Education (the Dearing Report) was of the view that “the aim of higher education should be to sustain a learning society. The four main purposes which make up this aim are:²
- a) To inspire and enable individuals to develop their capabilities to the highest potential levels throughout life, so that they grow intellectually, are well equipped for work, can contribute effectively to society and achieve personal fulfillment;
 - b) To increase knowledge and understanding for their own sake and to foster their application to the benefit of the economy and society;
 - c) To serve the needs of an adaptable, sustainable, knowledge-based economy at local, regional and national levels; and
 - d) To play a major role in shaping a democratic, civilised, inclusive society”

² United Kingdom National Committee of Inquiry into Higher Education (1997), *Higher education in the learning society* (The Dearing Report), para. 23.

Box 3.1 Terminologies used in different jurisdictions

OECD and UNESCO adopt a more detailed classification as follows: ^{Notes 1 & 2}

- a) Post-secondary non-tertiary education, which straddles the boundary between upper secondary and tertiary education, the duration of which is usually between 6 months and 2 years of full-time equivalent study. This corresponds to International Standard Classification of Education (ISCED) ^{Note 3} Level 4, comprising ISCED 4A which refers to courses preparing students for entry into tertiary education and ISCED 4B which refers to courses preparing students for employment;
- b) Tertiary Type A, which refers to largely theory-based programmes designed to provide sufficient qualifications for entry to advanced research programmes and professions with high skill requirements, such as medicine, dentistry or architecture, the duration of which is 3 years full-time equivalent. This corresponds to ISCED Level 5A;
- c) Tertiary Type B, which refers to programmes that are typically shorter than those of tertiary-type A and focus on practical, technical or occupational skills for direct entry into the labour market, the duration of which is at least two years full-time equivalent. This corresponds to ISCED Level 5B; and
- d) Advanced research programmes, which refer to those that lead directly to the award of an advanced research qualification. These programmes correspond to ISCED Level 6 programmes.

In international literature, the term “higher education”, “tertiary education” and “post-secondary education” are sometimes used inter-changeably with slightly different coverage. Overall speaking, the former two terms normally refer to degree and advanced research qualifications, while recognising that in some countries and cities like Hong Kong, universities and other higher education institutions also provide programmes that are classified at a sub-degree level. ^{Note 4} In the UK, higher education generally refers to a “level of education that is provided by universities, vocational universities, community colleges, liberal arts colleges, institutes of technology, and other collegiate level institutions (e.g. vocational schools, trade schools, and career colleges) that award academic degrees or professional certifications” ^{Note 5}

Notes:

1. OECD (2013), *Education at a glance 2013*, p. 23.
2. UNESCO, Institute of Statistics (2010), *Global education digest 2010*, p.272.
3. The current version of the International Standard Classification of Education (ISCED) was adopted in 1997 (ISCED 97). The new version of the International Standard Classification of Education (ISCED 2011) was adopted in November 2011 and will be implemented in data collection from May 2014.
4. OECD (2003), “Changing patterns of governance in higher education”, in *Education policy analysis*, p. 61.
5. Canadian Policy Research Network (2010), *Enhancing Access to Post-Secondary Education in Canada: An Exploration of Early Intervention Initiatives in Selected Countries*, p. iii.

Cross-border nature of post-secondary education

- 3.3 It was noted in a World Bank review that it is increasingly common for post-secondary education to be delivered across borders and that transnational is becoming widespread. Governments have to monitor not only their local post-secondary education providers but also those non-local providers.³ Such development renders the monitoring of quality difficult if not impossible.

Challenges of change

- 3.4 In view of the importance of post-secondary education and the increasing availability of cross-border education, there is a heightened need to ensure that the quality of post-secondary education should attain highly acceptable standard so that the interests of students and the community are protected. This in turn calls for higher standards of governance and accountability on the part of both post-secondary education institutions and agencies responsible for safe-guarding and enhancing the quality of post-secondary education.
- 3.5 On matters related to governance, researchers pointed out that the governance of higher education institutions in different places has to respond to a number of changes that have been taking place. In recent years, it is witnessed that there is sizeable expansion of the higher education sector worldwide. Partly as a result of the increased investment in education both by governments and individuals, there is an expectation that institutions should be held accountable for outcomes. As the control of higher education shifts from governments to institutions, market regulation is accorded growing significance in managing higher education systems that are becoming increasingly complex and diverse.⁴
- 3.6 There have also been changes in the funding arrangements worldwide as institutions have been under pressure to diversify their revenues and reduce their dependence on public funding. In addition, public funding is increasingly characterised by a greater targeting of resources, achieved through performance-based funding and competitive procedures.⁵
- 3.7 In short, in response to globalisation, internationalisation and privatisation, many higher education institutions have to implement changes in order to compete. In particular, Europe is experiencing the most substantial changes in higher education around the globe. While European nations have to integrate their economies, political systems and social structures into the broader European Union (EU), higher education is undergoing changes in an unprecedented scale to make European higher education systems more

³ Fielden, John (2008), *Global trends in university governance*, World Bank Education Working Paper, series 9, p. 6.

⁴ OECD (2003), *Education policy analysis*, p. 61 – 62.

⁵ Henard, Fabrice and Mitterle, Alexander (undated), *Governance and quality guidelines in higher education: a review of governance arrangements and quality assurance guidelines*, OECD publication, p. 18.

competitive and attractive (under the Bologna Declaration in 1999). The higher education system in Europe has moved from a fragmented system to a more common path towards transparency, quality, growth, efficiency and excellence (as part of the Lisbon Strategy 2000). Higher education institutions are also modernised.⁶

4. Financing post-secondary education: the global picture

4.1 Whilst the present study does not focus on the financing of the post-secondary education sector, it seems pertinent to present information on different funding models on the understanding that different models may have an impact on governance. Generally speaking, the financing methods observed globally may be grouped into five primary models, namely:

- a) Public Up-front Tuition
- b) Mix of Public and Private Institutions
- c) No Tuition
- d) Deferred Tuition; and
- e) Differentiated Government Subsidy.⁷

Details of the five models are illustrated in Box 4.1

4.2 Hong Kong resembles the “Mix of Public and Private Institutions” adopted by a number of countries. In addition to the self-financing sector which charges tuition fees on a cost-recovery basis, a number of publicly-funded post-secondary education institutions in Hong Kong are also offering government subvented courses charging fees at a fraction of the cost as well as self-financed courses charging fees higher than those which are subvented by the government.

4.3 As pointed out in a recent OECD report, the governance of higher education is changing in response to the powers the market and the governments. Governments adopting different funding mechanism would have different approaches and regulatory regimes in holding higher education institutions accountable. Other funding sources such as industry would also have similar expectation on higher education institutions in terms of governance in general and accountability in particular. Education institutions, public and private alike, would have to respond to criteria embedded in different funding and regulatory regimes or implicit in the market mechanism. This in turn has implications on the QA mechanism to tie in with different extents of institutional autonomy and different arrangements for institutional governance.⁸

⁶ European Centre for Strategic Management of Universities (2009), *Higher education governance reforms in Europe*.

⁷ Andrey, Sam, et al (2010), *Global examination of post-secondary education cost recovery models*.

⁸ OECD (2003), *Education policy analysis*, p. 61 – 75.

Box 4.1 *Five financing models observed in different jurisdictions*

The “Public Up-front Tuition” model is defined by the charging of fees to students who are enrolled in public post-secondary institutions. Tuition fees vary from a nominal charge to a significant portion of the cost of education and may also depend on the programme and the institution of study. This model is adopted in Canada, Germany, the Netherlands, Spain, and Switzerland. In the Netherlands, for example, tuition fees are regulated, with non-EU students paying considerably higher fees.

The “Mix of Public and Private Institutions” model features a significant proportion of both publicly-financed and privately-funded post-secondary education institutions. Higher tuition costs are charged at private institutions, whereas tuition is lower or non-existent at public institutions. The structures and roles of private institutions vary greatly amongst the countries. This model is adopted in Austria, Brazil, Czech Republic, Iceland, Japan, Korea, Mexico, Portugal, and the United States of America (US). Notable examples are as follows:

- **Austria** Tuition fees for private education institutions are significantly higher with the majority charging more than double that of the public institutions.
- **Japan** There is a large market-driven private post-secondary education sector and a much smaller public sector. Private institutions set their own tuition fees without regulation, while fees at public institutions cannot exceed 110% of the standard fee set by the Ministry of Education and the Ministry of Finance. While private institutions are self-financed in principle, they receive subsidies from the government to reduce the financial burden on students and improve quality. In addition, private institutions also receive direct grants for educational and research equipment and long-term low-interest loans from the government. Means-tested loans are available to assist students, including a zero-interest, academically-selective loan intended to cover part of tuition fees and another, larger-sum interest-bearing loan for those attending private institutions.
- **Korea** There is a mixture of public and private institutions with the majority of students enrolled in the private system. For private universities, tuition fees represented 61.8% of income in 1999, while government funding represented only about 3.5% of income. Other sources of funding include non-educational incomes, additional subsidiary educational revenue and endowments.
- **US** The unit costs are high in most private colleges and universities, and the share borne by parents and students is also high compared to other countries. Private sector plays a significant role in the funding of universities. In 2006, private donation and alumni support accounted for 14% of the operating costs at private post-secondary education institutions. At the same time, the federal government plays an important role in the distribution of financial aid as well as research grants. Once a student’s financial need is established based on federal methodology or through an accredited private needs analysis system, all educational costs beyond their expected family contribution are covered by federal financial aid.

The “No Tuition” model features a tuition-free post-secondary education system predominantly financed by the government (e.g. Denmark, Finland, Greece, Norway, Slovakia and Sweden).

“Deferred Tuition” model in which students still contribute financially to the cost of their education. However, the cost may be postponed until after graduation. Some countries under this model allow students to pay their tuition fees up-front at a discounted rate. This model is adopted in Australia and New Zealand. In Australia, for example, the funding of higher education is primarily the responsibility of the federal government, which determines the number and allocation of Commonwealth supported undergraduate spaces through the Commonwealth Grant Scheme (CGS). In some institutions, fee-paying places are also

available for domestic students to attend at the full cost of education. These fee-paying spaces may not amount to more than 35% of the total number of undergraduate students at a given institution, presumably to ensure that sufficient number of places not charging the full cost of education is available to students. Under the Higher Education Loan Programme, institutions are allowed to charge all students an annual fee to cover a portion of the cost of their education. The arrangement is premised on the grounds that funding the full cost of higher education (which amounts to the provision of tuition-free higher education) is regressive in terms of income distribution. In addition, the student contribution can be deferred to after graduation, with no payments required if the students' income falls below a certain threshold.

The “Differentiated Government Subsidy” model uses certain criteria to determine the amount of tuition each student is charged. These criteria can include grades, parental income and standardised testing results. The model is currently adopted in Italy only.

5. Self-financing post-secondary education in Hong Kong

- 5.1 Since the announcement in the 2000 Policy Address of the policy objective of enabling 60% of secondary school leavers to receive post-secondary education by 2010, there have been substantial changes in the landscape of Hong Kong's post-secondary education sector. These include not only a substantial increase in self-financing post-secondary opportunities but also a wider choice of progression pathways for secondary school leavers, resulting in a vibrant and dynamic post-secondary education sector.
- 5.2 The self-financing sector is an integral part of post-secondary education in Hong Kong. It plays an important role in broadening the opportunities and choices for students completing secondary schooling, thereby providing these students with quality, diversified and flexible pathways with multiple entry and multiple exit points. The sector also helps diversify the post-secondary education sector and is conducive to Hong Kong's further development as a regional education hub. The self-financed post-secondary education sector consists of three different components as follows:^{9 10}
- a) The first component includes the seven approved post-secondary colleges (including Caritas Institute of Higher Education, Centennial College, Chu Hai College of Higher Education, Hang Seng Management College, Hong Kong Nang Yan College of Higher Education, Hong Kong Shue Yan University and Tung Wah College) registered under the Post Secondary Colleges Ordinance (Cap. 320) and the Open University of Hong Kong, which is a statutory institution operating on a self-financing basis;
 - b) The second component includes operators of self-financing locally accredited post-secondary programmes (e.g. Hong Kong College of Technology, Hong Kong Institute of Technology and Savannah College of Art and Design) and some 1 200 non-local programmes registered or

⁹ Education Bureau (April 2012), “Self-financing Post-secondary Education Sector”, paper submitted to the Legislative Council Panel on Education (LC Paper No. CB(2)1694/11-12(08)).

¹⁰ Education Bureau (January 2013), “Self-financing Post-secondary Education Sector”, paper submitted to the Legislative Council Panel on Education (LC Paper No. CB(4)279/12-13(01)).

exempted under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493); and

- c) The third component refers to self-financing post-secondary programmes operated by the ten publicly-funded education institutions, including the eight University Grants Committee (UGC)-funded universities, the Hong Kong Academy for Performing Arts and Vocational Training Council, primarily through their self-financing continuing and professional education arms or member institutions under their aegis.

5.3 There has been a significant growth in the self-financing post-secondary education sector in the past decade in terms of the number of students, locally-accredited post-secondary programmes and local degree-awarding institutions. Moreover, the Government has been providing a basket of measures and initiatives to support the quality and sustainable development of the sector. For instance in July 2001, the Finance Committee (FC) approved a commitment of \$5,000 million for the Start-up Loan Scheme to provide interest-free loans to non-profit-making post-secondary education providers in meeting their start-up costs, including purchasing, renting or building campuses, as well as enhancing teaching and other ancillary facilities. This commitment has been increased by \$4,000 million to \$9,000 million with the approval of the FC in 2010 and 2012.¹¹

¹¹ Education Bureau (May 2013), “Start-up Loan for Post-secondary Education Provider”, paper submitted to the Legislative Council Panel on Education (LC Paper No. CB(4)685/12-13(04)).

III. Governance and quality assurance: Hong Kong experience

6. Overview

Governance

- 6.1 Governance refers to “the formal and informal exercise of authority under laws, policies and rules that articulate the rights and responsibilities of various actors including the rules by which they interact.” In other words, it is concerned with the interplay of actors, rules and regulations, and is related to the arrangements through which public and private stakeholders seek to solve societal problems or create societal opportunities.¹²
- 6.2 As regards governance of post-secondary education institutions, researchers noted that it “is concerned with the determination of values inside universities, their systems of decision-making and resource allocation, their mission and purposes, the patterns of authority and hierarchy, and the relationship of universities as institutions to the different academic worlds within and the worlds of government, business and community without”. While there is no generally accepted model of good governance, it is noted that most would agree that the key elements for a good governance framework include accountability, transparency and effectiveness.¹³
- 6.3 In addition, governance of post-secondary education institutions covers both the internal (institutional) and external (system) governance. Internal governance refers to the institutional arrangements within the institutions (e.g., lines of authority, decision-making processes, financing and staffing) whereas external governance refers to the institutional arrangements on the macro- or system-level (e.g. laws and decrees, funding arrangements and evaluations).¹⁴
- 6.4 In addition, for external governance, there are in general three layers of legal documents which provide the regulatory framework for the operation of a post-secondary institution:¹⁵
- a) National legislation, which spells out the legal framework for the status of the institution, the governance structure and powers of different management units such as the senate and board, and provisions for autonomy and academic freedom;

¹² Directorate General for Education and Culture of the European Commission (2008), *Progress in higher education reform across Europe: Governance Reform, Volume 1: Executive Summary main report*, p.15.

¹³ Edwards, Meredith (undated), “University governance: a mapping and some issues”, paper prepared for the Lifelong National Network National Conference.

¹⁴ European Centre for Strategic Management of Universities (2009), *Higher education governance reforms across Europe*, p. 10.

¹⁵ Fielden, John (2008), *Global trends in university governance*, World Bank Education Working Paper, series 9, p. 50 – 51.

- b) Charters and statutes, which spell out composition of management units and their roles and powers in details, as well as the rules for conducting business by these units; and
 - c) Regulations, which include details on terms of reference of committees, regulations for academic programmes and courses, regulations on student admission and examinations, financial matters including tuition fees, and other matters like student unions.
- 6.5 For public institutions, there are four models of control by the government. The first is complete state control, with the institution being an agency of the ministry of education or state-owned corporation. This is practised in countries like Malaysia. The second is semi-autonomous model, with the institution being an agency of the ministry of education, state-owned corporation or statutory body. This is practised in countries like New Zealand and France. The third is the semi-independent model, with the institution being a statutory body, a charity or non-profit corporation under the control of the ministry of education. This is practised in countries like Singapore. The fourth is the independent model, with the institution being a statutory body, charity or non-profit corporation with no government participation. Government control is exercised through public funding and regulated through the promulgation of national strategies. This is practised in countries like Australia and the United Kingdom (UK). There is a trend towards increasing the autonomy of public institutions by making them independent, self-governing organisations along the lines of third and fourth models described above.¹⁶ Hong Kong is probably following the independent model of governance.
- 6.6 For private institutions, there is the concern that their profit motive is at odds with the values of education and that they may not be able to deliver quality education. One approach adopted by governments is the use of demand-side financing such as student vouchers or other forms of financial aid to poorer students. It is up to students to choose the private institutions they consider most suitable. This will free the government from the role of supervising private institutions and limit the amount of government subsidy to per capita subsidy to students. It is recognised that the supervision of private institutions by the government requires a carefully balanced approach to regulation and encouragement, with some legislative backing. Examples of regulatory measures include requirements on teacher qualifications, facilities provision, safety standards, etc. for registration, stipulations on curriculum standards, admission policy, etc. for the purposes of articulation, and the supervision over the appointment of trustees.¹⁷
- 6.7 As governments, students and their families are increasingly aware of the importance of post-secondary education for economic, social and political development, and of the skills required for employment that post-secondary education provides, they are also increasingly concerned about the quality of

¹⁶ Fielden, John (2008), *Global trends in university governance*, World Bank Education Working Paper, series 9, p. 10 – 11.

¹⁷ Fielden, John (2008), *Global trends in university governance*, World Bank Education Working Paper, series 9, p. 11 – 12, p.52.

post-secondary education. With increased investment in post-secondary education from governments as well as individuals, there is also growing focus on post-secondary education governance.¹⁸

Quality assurance

- 6.8 “QA in higher education can be defined as systematic management and assessment procedures adopted by higher education institutions and systems in order to monitor performance against objectives, and to ensure achievement of quality outputs and quality improvements.” The purposes of QA include protecting interests of students and employers, facilitating international recognition of the standards of awards, serving as an element for public accountability purposes, helping to inform students’ choice of institutions and contributing to improved teaching and administrative processes which in turn leads overall system improvement.¹⁹
- 6.9 There are a number of measures adopted by relevant authorities worldwide in ensuring and monitoring the quality of education provided by post-secondary education institutions. These measures are implemented in different stages of development of an institution, examples of which include the following:²⁰
- a) *Authorisation*, a stage when a new public or private institution is given approval to go ahead and develop programmes and recruit staff;
 - b) *Accreditation*, which may be related to an institution or a particular programme, at which approval is given for the programme(s) developed to proceed;
 - c) *Continuing quality assurance system*, which is a process to confirm that standards are being maintained after authorisation or accreditation is given;
 - d) *Re-authorisation*, which may be required when an existing institution wishes to offer new programmes requiring authorization. These programmes are not those included in the initial batch of programmes introduced when the institution started operation and obtained authorization to introduce the initial batch of programmes;
 - e) *Periodic review* is a process of external quality audit sometimes required by the authority to ensure that the quality of education provided at an institution is maintained; and
 - f) In addition to external forms of QA and audit, institutions are expected to arrange *internal*, self-administered processes of *quality assurance* and *quality improvement*, as a good QA practice.

¹⁸ Reilly, John and Jongsma, Ard (2010), *Changing rules: A review of Tempus support to university governance*, publication of the European Commission, p. 12.

¹⁹ Harman, Grant (2000), “Introduction”, in *Quality assurance in higher education*, Proceedings of International Conference on Quality Assurance in Higher Education: Standards, Mechanisms and Mutual Recognition, Bangkok, 8 – 10 November 2000, p.1 – 2.

²⁰ Fielden, John (2008), *Global trends in university governance*, World Bank Education Working Paper, series 9, p.23 – 24.

- 6.10 Apart from the QA practices highlighted in a) to e) above, relevant authorities may also intervene in the following manner:²¹
- a) Requiring institutions to conform to codes of governance or “good practice”. This is the practice in countries like Australia, Denmark and the UK. In Australia, for example, a set of protocols on good governance is almost a mandatory requirement. In the UK, there is a Statement of Primary Responsibilities on the prime roles of the governing body, which institutions are expected to comply with and give their reasons if they have not done so; and/or
 - b) Providing regular advice and guidance on good management, backed sometimes by extra funds encouraging universities to comply with.

7. Standards and practices in Hong Kong

Overview

- 7.1 In view of the increasing complexity and size of the post-secondary education sector in Hong Kong, it may be useful to develop some common guidelines and good practices for post-secondary education institutions to enhance the quality of education and accountability to the public.
- 7.2 Since the completion of the Phase Two Review of the Self-financing Post-secondary Education Sector in 2008, there have been considerable new developments in the sector. More recently, the over-enrolment issues of some self-financing programmes under the aegis of the UGC-funded institutions in 2012 have raised serious concerns in the community.
- 7.3 In 2009, the UGC conducted a Higher Education Review (HER) and submitted a report entitled "*Aspirations for the Higher Education System in Hong Kong*" to the Government for consideration in December 2010. The Report identified three pressure points in the growth of the self-financing education sector, one of which is, as pointed out in the Information Note prepared by the Legislative Council Secretariat, the “increasing confusion in the sector as a result of an uncoordinated plurality of initiatives and inadequate quality of provision”. It recommended, among other things, the setting up of a single QA body for the entire post-secondary sector by integrating the methods and approaches of quality assessment and accreditation adopted by the Quality Assurance Council (QAC), the Joint Quality Review Committee (JQRC) and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ).²²
- 7.4 In its response to the HER report, EDB acknowledges that “the existing QA mechanisms of Hong Kong reflect the evolution of the post-secondary sector over time. Experiences in overseas jurisdictions demonstrate that QA

²¹ Fielden, John (2008), *Global trends in university governance*, World Bank Education Working Paper, series 9, p. 41.

²² Legislative Council Secretariat (2012), “Information note: Development of self-financing post-secondary sector”, reference IN21/11-12

mechanisms and processes are constantly reformed in light of changing landscape of the higher education sector locally and internationally. Hong Kong is no exception.”²³

Quality assurance

- 7.5 The former Tripartite Liaison Committee (comprising the Education Bureau, HKCAAVQ and JQRC) has promulgated a Handbook on Good Practices in Quality Assurance for the Sub-degree Sector. As sub-degree is only part of the operation of the self-financing post-secondary education sector and the sector may benefit from further updating of the handbook, there may be a need to explore and develop a set of good practices covering a wider scope for the sector.
- 7.6 Indeed, the Government attaches great importance to the quality of post-secondary programmes offered by both UGC-funded and self-financing education institutions. Currently, there are three QA bodies in Hong Kong to monitor the quality of the post-secondary education sector. HKCAAVQ is a statutory body responsible for the QA of all operators and programmes except the UGC-funded institutions which enjoy self-accrediting status.²⁴ QAC is a semi-autonomous non-statutory body under the aegis of the UGC to conduct quality audits of the UGC-funded institutions and programmes offered at undergraduate level and above, however funded. JQRC was established by the Heads of Universities Committees to provide peer review of the QA processes of self-financing sub-degree programmes offered by the UGC-funded institutions.²⁵ More specifically, a number of QA measures are in place, including:²⁶

For the UGC-funded sector

- a) For UGC-funded institutions, they must ensure that all programmes, however funded, must successfully complete their internal QA mechanism and meet all relevant criteria including entry requirements, exit standard, the quality and standards of teaching and learning;
- b) As an additional safeguard for UGC-funded institutions, the QAC established in 2007 would ensure that the quality of publicly-funded and self-financing educational provision at first degree and above levels leading to a Hong Kong award is up to expected standards;
- c) In the case of the Hong Kong Institute of Education (HKIEd) which enjoy self-accrediting power over teacher education programme area only, its programmes outside the teacher education programme area are subject to QA mechanism of HKCAAVQ; and

²³ Education Bureau (November 2011), “Legislative Council Brief on Higher Education Review” (EDB(HE)CR 4/21/2041/89), p. 8-11.

²⁴ HKIEd has self-accrediting status for its teacher education programme area.

²⁵ Education Bureau (January 2013), “Self-financing Post-secondary Education Sector”, paper submitted to the Legislative Council Panel on Education (LC Paper No. CB(4)279/12-13(01)).

²⁶ Education Bureau (April 2012), “Self-financing Post-secondary Education Sector”, paper submitted to the Legislative Council Panel on Education (LC Paper No. CB(2)1694/11-12(08)).

- d) Separately, the quality of self-financing sub-degree programmes offered by the executive arms of UGC-funded institutions is assured by the JQRC.

For the non-UGC-funded post-secondary sector

- a) All non-UGC-funded institutions including self-financing higher education institutions and publicly-funded non-UGC-funded institutions (e.g. Hong Kong Academy for Performing Arts (HKAPA) and the Vocational Training Council (VTC)) are subject to the QA mechanism of HKCAAVQ to ensure that its governance structure, academic standards and quality, teacher quality, QA mechanisms and financial condition, etc., meet the requirements;
- b) Except for those programmes with Programme Area Accreditation (please see details in para. 7.8 (c)), every sub-degree and degree programme offered by a non-UGC-funded institution is subject to a separate Programme Validation process. Approval of the Chief Executive in Council is necessary for post-secondary colleges to offer degree or be granted the university title; and
- c) All existing local post-secondary qualifications, including sub-degree and degree programmes offered by self-financing institutions, are quality assured under, and benchmarked against, the Hong Kong Qualifications Framework (QF) to enhance public recognition.

The distribution of responsibilities among the three QA bodies is illustrated in *Diagram 7.1*.

Diagram 7.1

	Degree and above	Sub-degree
UGC-funded institutions <small>(Note)</small>	<u>Self-financing and publicly-funded</u> QAC	<u>Self-financing:</u> JQRC <u>Publicly-funded:</u> No external QA
Non-UGC-funded public institutions (e.g. VTC, HKAPA)	HKCAAVQ	HKCAAVQ
Self-financing institutions	HKCAAVQ	HKCAAVQ

Note: At present, all UGC-funded institutions except the Hong Kong Institute of Education (HKIEd) enjoy unfettered self-accrediting status. HKIEd currently has self-accrediting power over teacher education programme, beyond which is subject to the QA mechanism of HKCAAVQ.

HKCAAVQ

7.7 As shown in *Diagram 7.1*, HKCAAVQ plays a pivotal role in the QA of the non-UGC-funded sector. First established in 1990 as an independent statutory body to perform academic accreditation for institutions without self-accrediting status, HKCAA was reconstituted as the HKCAAVQ in 2008 with expanded functions embracing a whole range of QA functions underpinning the QF. It may be noted that the HKCAAVQ adopts the Four-Stage QA Process to accredit operators and their learning programmes under the QF. The four stages are Initial Evaluation (IE), Programme Validation (PV), Programme Area Accreditation (PAA) and Periodic Review (PR) as illustrated in *Diagram 7.2*.

Diagram 7.2



7.8 The four processes are as follows:

- a) *Initial Evaluation (IE)* is an evaluation of whether a programme provider has the organisational *competency* to effectively manage and provide adequate resources to the development, delivery, assessment and QA of its learning programmes and educational/training services.
- b) *Programme Valuation (PV)* is an overall evaluation of the learning programme to determine whether its planning and management, syllabuses, delivery arrangements and assessment methods are able to achieve its claimed objectives and deliver its intended learning outcomes. Programme revalidation is the re-accreditation of programmes before the expiry date of their programme validation period.
- c) *Programme Area Accreditation (PAA)* is conferred on programme providers with sufficient QA *competency* and maturity at the organisational level and a good track record in their validated programme(s). Upon gaining PAA, a provider may develop and operate learning programmes within an approved scope of programme area(s) at specified QF Level(s) for an approved period of time (validity period), and have the qualifications of its learning programmes entered into the Qualifications Register (QR) for QF recognition without going through programme validation or revalidation by the HKCAAVQ.
- d) *Periodic Review (PR)* is the fourth stage of the Four-Stage QA Process. Programme providers granted a PAA status have to undertake PR in order to maintain their PAA status. PR is repeated at regular intervals according to the validity period of the PAA status. PR is used to ascertain whether

the internal QA processes of the provider continue to be effective and sound.

7.9 In conducting the Four-Stage QA Process, HKCAAVQ adopts the following four guiding principles:²⁷

- a) *Peer review*, the principle of which is to engage sector/industry experts who have the expertise and experience in the discipline/industry QA;
- b) *Fitness for purpose*, which means that operators and programmes are accredited against threshold standards and based on their stated objectives, the scope and level of the learning programmes they offer;
- c) *Evidence-based*, which means that an accreditation decision is to be made with reference to evidence provided by operators to support their claim that they meet the threshold accreditation standards and their own objectives; and
- d) *Threshold standard*, which means that assessment is based on the minimum requirements of the stipulated accreditation criteria for the Four-Stage QA Process.

7.10 In conducting programme validation, operators have to demonstrate that the learning programme and the capacity of operators to deliver the programme have attained the threshold standard of Programme Validation in the ten areas summarised below:²⁸

- a) *Programme objectives and learning outcomes*, such that the learning outcomes should reflect the stated programme objectives, which are tested through assessment. The evidence from assessments must show that the QF level of the learning outcomes correspond to the Generic Level Descriptors (GLD) and other relevant documents;
- b) *Programme content and structure* must be coherent, integrated and effective in enabling students to achieve the stated learning outcomes and the required standards. The learning outcomes, teaching and learning activities and assessments must be coherent, be balanced, enable progression and be pitched at the appropriate level in QF;
- c) *Teaching and learning* designed for the programmes must be effective in delivering the intended learning outcomes and programme content. A range of appropriate teaching methods must be employed to effectively engage students in the learning process;
- d) *Student assessment* must support effective learning and enable students to demonstrate achievement of the learning outcomes and the required standards. The assessment methods and techniques used for the programmes must be valid, reliable, fair and sufficient to reflect the learning outcomes at the claimed QF levels;

²⁷ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2011), *Guidelines on Four-Stage Quality Assurance Process under the Qualifications Framework, QF Levels 4 to 7*, version 1.1, p.5 – 6.

²⁸ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 10 – 12.

- e) *Admission requirements and student selection*, such that the minimum admission requirements for the programmes must be clearly outlined for students and staff. These requirements and the student selection processes must ensure that students enrolling in the programmes have the knowledge and skills to be able to undertake the learning activities proposed in the programmes;
- f) *Workplace attachment and student support services*, which require that operators must provide students with clear and accurate information and dependable access to workplace attachment and support services that give students optimum opportunity for successful completion of the programme;
- g) *Staffing and Staff Development for Learning Programmes*, such that operators must have adequate teaching and supporting staff with the qualities, competence, qualifications and experience necessary for the effective programme management, planning, delivery and monitoring of their programmes. There must be adequate staff development scheme and activities to ensure that the teaching and supporting staff are kept updated for the quality delivery of the programmes;
- h) *QA*, which requires that operators must (i) develop learning programmes by addressing the needs of the community, employees and employers and aligning them with the GLD of the QF; and (ii) monitor and review the performance of all their programmes on an ongoing basis to ensure that the programmes remain current and valid and that the learning outcomes, teaching and learning activities and student assessments are effective;
- i) *Financial and Physical Resources for Learning Programmes*, which requires that operators must have adequate financial and physical resources for the delivery of their programmes; and
- j) *Student Records and Information Management*, which requires that operators must have effective administration and management systems and procedures in place to ensure integrity, security, accuracy and currency of their record.

JQRC

7.11 Separately, JQRC conducts Institutional Review for self-financing sub-degree programme units of UGC-funded institutions. The Institutional Review is evidence-based and the factors considered are not much different from the ten areas highlighted above in the HKCAAVQ programme validation. These factors are as follows:²⁹

- a) *Institutional Plans and Policies*, which cover aspects such as development of self-financing sub-degree programmes, processes and responsibilities for formulating such plans and QA of self-financed sub-degree programmes;

²⁹ Joint Quality Review Committee (2006), “Guidelines on Institutional Review and submission of information”.

- b) *Programme Approval Authority*, which covers relationship between approval authority and central academic authority;
- c) *Programme Approval, Delivery, and Monitoring*, which covers processes for the design and approval of programmes, standards and processes for admission, assessment, and determination of awards, processes for the benchmarking and continuous monitoring of standards, the involvement of different stakeholders in the various processes, including processes and responsibilities for the classification of programmes for the QF;
- d) *Institutional Support for Quality*, which includes staffing support, policies and procedures for staff appointment, appraisal and development, allocation of resources, policy and responsibilities for student support services and policies on publicity and information access; and
- e) *Indicators of Quality and Quality Assurance*, include input and output indicators such as profile of student intake and graduation figures as well as instances of good practice and innovative practice in QA.

QAC

7.12 The UGC has long performed an important role in assuring the quality and value for money of higher education provision in UGC-funded institutions through the conduct of various reviews, such as the Management Review (1998-1999), the Teaching and Learning Quality Process Reviews (1995-1997 and 2001-2003), and the Performance and Role-related Funding Scheme (2004). A more significant development in the UGC sector was the establishment of the QAC in 2007 as a semi-autonomous body under the UGC to oversee, amongst other things, the conduct of quality audits of all first degree and above programmes offered by UGC-funded institutions regardless of the source of funding. QAC has completed the first round of audits of the eight institutions. In discharging its functions, QAC has published its audit manual (<http://www.ugc.edu.hk/eng/doc/qac/manual/auditmanual.pdf>) to guide both institutions and audit panels, and all its quality audit reports on each institution to enhance the transparency of the audit process. It is important to note that UGC-funded institutions enjoy self-accrediting status to varying extent and thus the audit does not lead to formal external validation or accreditation. The objective is to help the institutions concerned to reflect on whether their internal QA mechanisms have been fit for purpose, and to identify areas for improvement.

Current state of QA

7.13 In a report of the JQRC in 2012, it was pointed out that while there was close supervision of the self-financing sub-degree programme units in general, there were some variations in terms of annual reporting from these units to the senior management. Nevertheless, there have been encouraging developments in recent years. For instance, more members of the senior management of the Institution Proper were appointed to the council/governing board of these units. Long-term strategic or development plans have also been formulated

and submitted to senior management for advice.³⁰

- 7.14 Separately, measures have been adopted by self-financing sub-degree programme units of UGC-funded institutions to enhance or streamline their QA systems. For instance, steps have been taken to allow greater participation of academic staff in programme planning, monitoring and review. A checking system has been installed to ensure compliance with the programme approval procedures at various levels. Other measures include introduction of an internal validation process, common standards and processes for different units of an institution, a system to collect and follow up feedback on quality from stakeholders such as students and staff, periodic reviews to ensure the continued currency and validity of programmes, the engagement of a broad range of external advisors, the provision of updated QA information to stakeholders, restructuring manpower allocation to enhance efficiency and reduce staff workload, the establishment of earmarked funds to support research and staff development, the provision of more spacious venues for teaching staff and students, improved provision of facilities like library to both full-time and part-time students, as well as the inclusion of outcome-based teaching and learning in staff development activities and programme proposals.³¹

Good practices on QA

Tripartite Liaison Committee

- 7.15 There have been on-going efforts to identify and promulgate good practices on QA in the post-secondary sector. The Steering Committee on the Review of Post-secondary Education Sector, having regard to similar codes of practices and guidelines promulgated by other countries, recommended in 2008 that a set of “*Good Practices for the Sub-Degree Sector*” (“Good Practices”) should be developed for reference by the post-secondary education sector. The “Good Practices” would set out general principles and desirable practices in relation to the QA and enhancement of sub-degree programmes.³²
- 7.16 In order to allay public concerns about the consistency of quality of sub-degree provision in such a diversified and rapidly developing sector, a *Handbook on Quality Assurance of the Sub-degree Sector* was developed. The objectives of the Handbook are, among others, to provide a reference document for the sub-degree sector on the essential QA principles and key elements of good practices, to promote and share good practices among institutions doing similar work, to enhance the consistency of QA across the sector and to encourage variation and innovation in the design and

³⁰ JQRC (2012), *Review of interim reports on self-financed sub-degree programme units: summary report*, p.5.

³¹ JQRC (2012), *Review of interim reports on self-financed sub-degree programme units: summary report*, p.6 - 15.

³² Steering Committee on the Review of Post-secondary Education Sector (April 2008), *Report of the Phase Two Review of the Post-secondary Education Sector*.

implementation of QA. In developing the Handbook, a number of principles have been proposed which can be grouped into the following categories:³³

- a) *Institutional structure and culture*, covering such aspects as support from senior management, QA being integral part of internal management and a cooperative process across all levels and clearly delineated role and responsibilities related to QA;
- b) *Institutional autonomy and public accountability*;
- c) *Mission and resources*, covering such aspects as QA being reflective of institutional mission;
- d) *Consultation and interaction* for continuous improvement;
- e) Quantitative and qualitative *indicators*;
- f) *Self-evaluation and peer review*;
- g) Involvement of *external parties*; and
- h) *Transparency* of QA processes.

7.17 Examples of good practices in QA were cited in the Tripartite Liaison Committee's Handbook, covering the following aspects:³⁴

- a) *Vision, mission and strategic planning*, for which good practices on vision and mission statements of selected post-secondary education institutions quoted in the report are considered to be aligned with government objectives for post-secondary education. The report also noted that "most institutions develop a collectively agreed Strategic Plan, aligned with their Mission Statement, and based on a detailed analysis of the institution's own strengths and weaknesses and of the opportunities and threats presented by the environment". It was also considered that regular monitoring and evaluation should form part of the planning process.
- b) *Governance and management*, for which a number good practices were quoted in the report, elaborating the division of academic and administrative authority to be taken up by different parts of the governance structure and the coordinating role played by a single committee or unit, achieving synergy and optimum deployment of resources. The structures were invariably different for institutions of different size and nature of operation as well as governance arrangement with their parent organisations, if any. It is noted that for an effective governing body, it should have an appropriate mix of stakeholders, including representatives of key employment sectors, institutional alumni, community leaders and representatives of sponsoring organisations, providing reassurance to stakeholders that the institution is run in a transparent and accountable way. There should also be close and appropriate working relationship between the governing body and the senior management of the institution. In addition, QA management

³³ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p.16 – 21.

³⁴ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 26 – 124.

structures should be in place, with procedures that are transparent to all stakeholders involved in the process. In addition, all procedures are documented, understood and complied with as well as regularly reviewed to ensure they continue to be effective and relevant;

- c) *Programme design, approval, monitoring and review*, for which practices of a number of institutions are explained, demonstrating the need to ensure that learners' goals in terms of employment and articulation to further study are taken into account in programme design, that the programme approval procedures are formalised and explained clearly to ensure transparency and consistency, and that there are regular monitoring and review to assess programme effectiveness, validity and relevance. Such processes should be objective and based on evidence and feedback from students, graduates and employers;
- d) *Teaching, learning and learner support*, about which practices of a number of institutions are presented, underpinned by the institutions' recognition of the principle of "lenient entry, stringent exit" while ensuring equitable treatment of applications from students. Learning outcomes such as the acquisition of academic knowledge and the development of generic skills, with opportunities for whole person development and life enhancement and appreciation, are included as part of programme objectives. Support is given to students through induction and orientation, the provision of diverse learning experience to meet different learning needs of students and counselling and mentorship. The quality of teaching is also monitored through such arrangements as peer observation, and is developmental and collegial in nature, as well as promoted through encouragement like "award of outstanding teacher";
- e) *Assessment of learning outcomes*, about which practices of a number of institutions are presented, including the incorporation of academic regulations on course requirements and assessment, grading system and graduation requirements and regulations governing college examinations in the prospectus, the alignment of assessment tasks with learning outcomes, the adoption of continuous assessment, standardisation of marking and student feedback, the use of internal moderation and external examiners as well as a panel or board to review cases requiring special attention and a system of appeals;
- f) *Collaborative arrangements, professional programmes and professional accreditation*, which are part of the practices of a number of institutions to widen student access, strengthen links with local, regional and international education providers and create a network of educational opportunities for learners through collaborative arrangements. Variations of collaborative arrangements include provision of top-up degree programmes, foundation programmes in collaboration with local and non-local institutions. These arrangements are made by local institutions, after careful selection of collaborative partners, with details of administrative, financial and resource arrangements clearly spelt out and understood by institutions concerned as well as adequate QA procedures. Sufficient monitoring, guidance and support are provided to local and non-local teachers, coupled with an effective review and feedback

mechanism. Accreditation by professional bodies is facilitated by having professional representation on programme advisory boards, clear communication and cooperation between institutions, professional bodies and QA agency; and

- g) Adequate *resources, staffing and infrastructure* to enable effective teaching and learning are ensured through good practices adopted by a number of institutions. Measures such as built-in review of annual budgets, models based on a robust workload formula to ensure transparent and equitable treatment of staff, and well-designed recruitment procedures, staff induction and development programmes, as well as appraisal systems are in place. In addition, enabling infrastructure including adequate facilities for students like access to library resources of parent universities, making use of interest-free start-up loans from the government and being monitored by dedicated teams to ensure smooth operation.

New Developments and Liaison Committee on Quality Assurance (LCQA)

7.18 As stated in the HER Report, UGC feels strongly the need for a unified body to oversee the QA of the programmes and institutions in the entire post-secondary education sector. The body should help rationalise the functions currently performed by different QA bodies, to achieve regulatory consistency in QA amidst anticipated growth in the private sector. At the macro level, a single regulatory body will provide a single locus for (a) the development and execution of QA policies; (b) underpinning and reinforcing the impact of QF; (c) participation in international activities; and (d) the development of a comprehensive strategy to turn the work of the body into useful and practical information for stakeholders' reference.

7.19 In considering the way forward, the Government has taken into account the following guiding principles:

- a) Consistency and coherence in QA standards and mechanisms are pivotal to maintaining the credibility of our education system and promoting interflow of students between different sectors;
- b) The QA system should accommodate and take into account diversity of institutions in terms of nature, size and maturity. As institutions mature and gain credibility and stature, they should be trusted to maintain their quality independently. This is the reason why self-accrediting responsibility has been given to certain institutions either on an institutional or programme area basis. This arrangement has been beneficial to reducing the regulatory burden on mature institutions and allowing the authorities to concentrate on the oversight in the accreditation of courses offered by younger institutions;
- c) Notwithstanding (b) above, to enhance quality and accountability, all post-secondary education institutions should be subject to some form of regular external scrutiny in the context of QA. As demonstrated by the QAC model, self-accrediting status per se should not be a hurdle to

external audits or reviews on an institutional or programme area basis;
and

- d) For accountability purpose, there should be greater transparency and public disclosure of the processes, findings and recommendations of QA exercises.

7.20 Balancing the views of the stakeholders, the Government has decided to explore the possibility of eventually setting up a single QA body whilst adopting the following incremental approach in enhancing our QA mechanisms:

- a) EDB has transformed the Tripartite Liaison Committee to a quadripartite forum with the participation of the QAC or its Secretariat. The new forum will enhance consistency and promote sharing of good practices among all the QA bodies. Among other things, transparency of QA-related reports to enhance accountability will be promoted;
- b) There is a need to step up external audits and reviews of all post-secondary institutions –
 - (i) Non-UGC-funded institutions will continue to be subject to QA by HKCAAVQ at the institutional, programme area or programme basis as the case may be;
 - (ii) Self-financing programmes at sub-degree level and below offered by UGC-funded institutions are currently assessed and reviewed by JQRC, in addition to their own internal accreditation processes. While JQRC is a step forward in enhancing the QA mechanism of these programmes, it is noted that JQRC is not, or is not perceived to be, entirely independent of its clients. In line with the Government's stance of treating the entire post-secondary sector as a single interlocking system, and to ensure consistency and coherence in standards, it is considered that in place of JQRC's assessment and review, external periodic quality audits should be conducted on community colleges or self-financing operation at sub-degree level and below under the aegis of UGC-funded institutions. With this recommendation implemented, Heads of Universities Committee (HUCOM) may need to reconsider the role of JQRC. It is considered that this arrangement should also cover publicly-funded sub-degree courses; and
- c) QAC has been conducting quality audits of all programmes at undergraduate or above levels offered by UGC-funded institutions regardless of the source of funding of these programmes. The Report's recommendation to transfer the functions of QAC to the proposed single QA body is noted. EDB supports this direction in principle and will discuss with UGC further how to take matters forward.

The above measures will lead to a more coherent QA system in Hong Kong and move towards a single QA body advocated by UGC, without affecting the self-accrediting responsibility already granted to certain institutions. EDB mentions the need to closely monitor development of a single QA body or

even single QA system in overseas jurisdictions (such as Australia and Ireland).

- 7.21 Against the above background, LCQA is formed by engaging the QAC in 2012 as a platform to promote sharing of good practices among all the QA bodies and enhance consistency and transparency so as to enhance accountability.³⁵ LCQA monitors the implementation of new initiatives to promote transparency, ensure relevance of the programmes to students/general public, explores benchmarking and standards of offerings, identifies options on sharing and development of professional expertise in QA as well as the dissemination of good practices on QA.

Governance

- 7.22 As noted by the Tripartite Liaison Committee in 2009, the governance structures of providers of post-secondary education in Hong Kong are dictated to a significant extent by the requirements of the ordinance under which they are registered. For continuing education units of the publicly-funded universities, they are subject to the requirements of the relevant individual university ordinance. For post-secondary education institutions registered under the Post Secondary Colleges Ordinance (Cap. 320), their governance structures are specified by the Ordinance. For institutions registered under the Education Ordinance (Cap. 279) receiving authorisation from the Permanent Secretary for Education to offer post-secondary education, they have generally adopted governance structures based on the established practice in the post-secondary education sector.³⁶
- 7.23 For the self-financing post-secondary education sector, as mentioned in paragraph 5.2, it consists of three different components with different governance structure under different regulatory framework. In regulatory terms, there are four different regulatory systems.
- a) There are 11 post-secondary institutions that are statutory bodies governed by their own legislation. They are the eight UGC-funded institutions, HKAPA, VTC and the Open University of Hong Kong (OUHK). The internal governing structure and powers are stipulated in their respective ordinances. Key office bearers and members of their governing councils are invariably appointed by the Government. The UGC also promulgates the Notes on Procedures that govern the relationship between UGC and the UGC-funded institutions. As for HKAPA, VTC and OUHK, government representative is appointed on the governing council to serve as a bridge.
 - b) There are currently seven approved post-secondary colleges (including Caritas Institute of Higher Education, Centennial College, Chu Hai College of Higher Education, Hang Seng Management College, Hong

³⁵ Education Bureau (January 2013), “Self-financing Post-secondary Education Sector”, paper submitted to the Legislative Council Panel on Education (LC Paper No. CB(4)279/12-13(01)).

³⁶ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p.38 – 39.

Kong Nang Yan College of Higher Education, Hong Kong Shue Yan University and Tung Wah College) registered under the Post Secondary Colleges Ordinance (Cap. 320). The legislation only sets out broad framework with some administrative requirements primarily to ensure a certain degree of protection for students. The sponsoring body of the college has ample room in determining the composition of the governing bodies and all internal administration.

- c) There are ten self-financing schools registered under the Education Ordinance (Cap. 279) that are authorised to offer post-secondary programmes. They are governed by the Education Ordinance, which is primarily targeting schools at the primary and secondary levels.
- d) There are at present about 1 200 non-local programmes being offered in Hong Kong with the awards granted by non-local institutions. They must be registered or exempted under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493). The regulation primarily focuses on the programme level in terms of quality, recognition and protection for students. There is very minimal requirement on the operators, which are primarily registered companies under the Companies Ordinance (Cap. 622).

7.24 Notwithstanding the above, non-UGC-funded institutions aspiring to offer locally accredited post-secondary programmes need to go through the Initial Evaluation of the Four-Stage QA Process of the HKCAAVQ, which examines the institutional aspect.

Good practices on governance

7.25 As mentioned in paragraph 7.18, there have been on-going efforts to identify and promulgate good practices on governance. Governance and management are regarded as important integral parts of the QA process. It is of pivotal importance to have clear delineation of academic and administrative authority among different parts of the governance structure, and the authority and mechanism for ensuring optimum deployment of resources and achieving synergy.

7.26 Apart from exploring further scope for updating and refining the Report on “*Good Practices for the Sub-Degree Sector*”, efforts were taken to identify lessons learned from some incidents such as the over-enrolment by the Lingnan University Community College and Lingnan Institute of Further Education (LIFE).

7.27 Similar recommendations were made by the Working Group on Tertiary Education Institutions Governance in 2011. The Working Group comprises representatives from the Independent Commission Against Corruption (ICAC) and eleven local tertiary education institutions including City University of Hong Kong, Hong Kong Baptist University, Lingnan University, The Chinese University of Hong Kong, The Hong Kong Institute of Education, The Hong Kong Polytechnic University, The Hong Kong University of Science and

Technology, The University of Hong Kong, Chu Hai College of Higher Education, Hong Kong Shue Yan University and The Open University of Hong Kong. The Working Group was set up to address public concerns on a number of issues pertaining to the governance of post-secondary education institutions, including administration of donations, technology transfer and commercialisation, procurement, outside practice and financial reporting. Good practices related to disclosures and corporate governance in the context of financial reporting recommended by the Working Group include disclosure of governance structure by post-secondary education institutions in their annual reports, covering the following:³⁷

- a) *Roles and responsibilities* of the governing body, the key functional committees (e.g. Finance Committee, Audit Committee);
- b) *Code of practice* for members of the governing body, if any;
- c) An acknowledgement from the governing body of its *responsibility* for preparing the financial statements;
- d) *Auditor's remuneration*; and
- e) A statement by the auditors about their *reporting responsibilities* in the auditors' report on the financial statements.

³⁷ Working Group on Tertiary Education Institutions Governance (2011), *Partner for excellence: financial reporting*, p.16 - 17

IV. Governance and quality assurance: practices abroad

8. Relevant issues in comparative study

The contextual factors

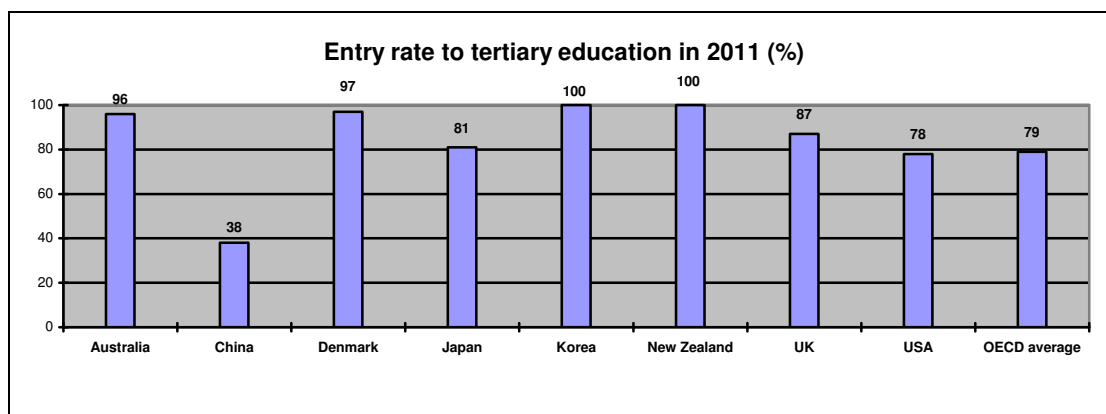
- 8.1 As discussed above, self-financing post-secondary education institutions are quite diverse in terms of the levels of education (e.g. degree and sub-degree), governance arrangements (e.g. approved post secondary institutions registered under the Post Secondary Colleges Ordinance (Cap.320) versus courses operated by UGC-funded institutions which are governed by their respective ordinances) and QA procedures (e.g. programmes of UGC-funded institutions which are validated by their respective internal QA mechanism versus programmes of approved post secondary institutions which are subject to the QA mechanism of HKCAAVQ).
- 8.2 Practices of governance and QA should be related to the context in which self-financing post-secondary education programmes are operated. For instance, for self-financing programmes offered by publicly-funded post-secondary institutions alongside government subsidized programmes, they are often conducted in the same premises and taught by the same complement of staff. Generally speaking, their QA arrangements should be comparable to those for other programmes offered by these institutions.
- 8.3 For post-secondary programmes offered by self-financing post-secondary institutions, they have gone through no less stringent QA mechanism than similar programmes offered by their public counterparts. Public expectations are such that approved post-secondary programmes in Hong Kong, regardless of whether they are offered by public or private institutions, should adhere to similar quality standards and afford students with the same level of protection against malpractices and sub-standard learning and teaching.
- 8.4 In short, in conducting literature research and the choice of countries and education institutions, it has been taken into account the context in which self-financing post-secondary education programmes are being operated, with due references to the self-financing post-secondary education programmes in Hong Kong.

Choice of countries and cities

- 8.5 Inevitably, contextual factors have an impact on the successful operation of post-secondary education institutions. However, it is not possible to find countries where the contextual factors facing self-financing post-secondary institutions are the same. Nevertheless, it is considered desirable to review practices in countries adopting different models of governance over public and private post-secondary education institutions, so that the experience of post-secondary education institutions from a diverse contextual backgrounds

may be studied.

- 8.6 For countries adopting different models, it would be of interest to find out similarities and differences in their approach to governance and QA for private post-secondary education institutions and in the codes of good practices, if any, adopted. Such findings would serve as useful references to Hong Kong in drawing up its own code of good practices for self-financing post-secondary education institutions.
- 8.7 In addition, how post-secondary education institutions are funded also affects the successful operation of post-secondary education institutions. As discussed above, there are five primary models in the financing of post-secondary education. It would be desirable to review as far as possible practices of private post-secondary education institutions in countries adopting different models.
- 8.8 For countries adopting different financing models, it would be of interest to find out similarities and differences in their approach to governance and QA for private post-secondary education institutions and in the codes of good practices, if any, adopted. Such findings would serve as useful references to Hong Kong in drawing up its own code of good practices for self-financing post-secondary education institutions.
- 8.9 In addition, it may also be of interest to note that, apart from the Mainland China, the participation rate in tertiary education expressed in terms of the proportion of young adults expected to enter into a tertiary programme or entry rate to tertiary education is very high for the countries shown below.³⁸ As depicted in the chart below, the entry rate in 2011 ranges from 78% for the UK to nearly 100% for Korea.³⁹ In other words, post-secondary education institutions in these countries are catering for a large proportion of school leavers whose learning needs are expected to be quite diverse. Undoubtedly, post-secondary education institutions in Hong Kong are also catering for an increasingly diverse student population.



³⁸ Information on Singapore, Taiwan and Canada is not available.

³⁹ OECD (2013), *Education at a glance, 2013*.

9. International guidelines and standards

Governance standards and guidelines

- 9.1 There are a number of international and national guidelines and standards on good governance and QA. For good governance, at the international level, the *Magna Charta Universitatum* (Magna Charta), published by the Rectors of European Universities in 1988 in Bologna, presented the fundamental principles which the participating universities saw as supporting the vocation of universities. It considered that the university was obliged to attain universal knowledge on the basis of different cultures and their interdependencies. In this tradition, research and teaching are inseparable due to a constant adaptation to advances in scientific knowledge and should be morally and intellectually independent from all political authority and economic power. The *Glion Declaration* issued in Switzerland by 20 university presidents from Europe and the U.S. in 1998 recommended that institutions should encourage flexibility, entrepreneurship, experiment and breadth within their organisational structure even if this meant a strain on existing hierarchies and structures. It supported a creative learning environment to cultivate a student-friendly atmosphere. Students should be educated, highly skilled, broadly educated, self-motivated with a thirst for life-long learning, aware of their heritage and ethically responsible. Institutional values should be based on integrity, excellence, rationality, civility, openness and responsibility.⁴⁰
- 9.2 The Council of Europe's Higher Education Forum on Governance has identified a number of principles related to governance, which is underpinned by the commitment that the governance of institutions of higher education is based on adequate inclusion of all relevant stakeholders. These principles are as follows:⁴¹
- a) Transparency in procedures and tasks;
 - b) Effective mechanisms of accountability of those involved in governance;
 - c) The ability to reach, win acceptance for and implement decisions; and
 - d) Participation and the rule of law.
- 9.3 In a recent study of governance trends in a number of European countries, it was noted that there has been a reduction of direct state control of higher education giving higher education institutions more autonomy. There has also been the introduction of new forms of management through accountability mechanisms, reflecting the need for a precarious balance between autonomy on one hand and accountability on the other. There has also been a trend towards a strengthening of the power of executive bodies within the higher education institutions, a concomitant loss of power and influence by existing collegial (representative) bodies and an increase in the participation of

⁴⁰ Henard, Fabrice and Mitterle, Alexander (undated), *Governance and quality guidelines in higher education: a review of governance arrangements and quality assurance guidelines*, OECD publication, p. 90 - 92.

⁴¹ Reilly, John and Jongsma, Ard (2010), *Changing rules: A review of Tempus support to university governance*, publication of the European Commission, p. 14.

external stakeholders in the internal governance of higher education institutions. Across different European countries, while there is still great diversity in higher education governance, there are signs of an increased emphasis on competition, new funding arrangements and increased attention paid to QA. Governance by means of objectives and performance is developing across Europe.⁴²

Quality assurance standards and guidelines

OECD/UNESCO

9.4 Since the 1980s, cross-border post-secondary education through the mobility of students, academic staff, programmes/institutions and professionals has grown considerably worldwide. In parallel, new delivery modes and cross-border providers, such as campuses abroad and electronic delivery of higher education, have emerged. While in some countries the national frameworks for QA and accreditation take into account cross-border post-secondary education, the national frameworks in many countries were still not geared to addressing the challenges of cross-border provision.⁴³

9.5 In response, UNESCO and OECD published in 2005 guidelines on the quality of cross-border higher education. The purposes of the guidelines are to protect students and other stakeholders (namely governments, higher education institutions and providers including academic staff, QA and accreditation bodies, academic recognition bodies and professional bodies) from low-quality provision and disreputable providers as well as to encourage the development of quality cross-border higher education. Some of the recommendations relevant to higher education institutions are summarised below:⁴⁴

- a) Develop, maintain or review current internal quality management systems so that they make full use of the competencies of stakeholders such as academic staff, administrators, students and graduates and take full responsibility for delivering higher education qualifications comparable to standards in their home country and across borders;
- b) Provide accurate, reliable and easily accessible information on the criteria and procedures of external and internal QA and the academic and professional recognition of qualifications they deliver, and provide complete descriptions of programmes and qualifications, preferably with descriptions of the knowledge, understanding and skills that a successful student should acquire. Higher education institutions and providers should collaborate especially with QA and accreditation bodies and with student bodies to facilitate the dissemination of this information; and

⁴² European Centre for Strategic Management of Universities (2009), *Higher education governance reforms across Europe*, p. 15.

⁴³ Vincent-Lancrin, S. and S. Pfotenhauer (2012), “*Guidelines for Quality Provision in Cross-Border Higher Education: Where Do We Stand?*”, OECD Education Working Papers, No. 70, p.8.

⁴⁴ UNESCO (2005), *Guidelines for quality provision in cross-border higher education*, p.15 – 17.

- c) Ensure the transparency of the financial status of the institution and/or educational programme offered.
- 9.6 A survey was conducted in 2010 to assess compliance of the guidelines among 23 OECD and nine non-OECD countries covered in the survey. The survey findings, based on a response rate of more than 60%, show that the responding OECD countries conformed to 72% of the main recommendations made to governments, tertiary education institutions, and QA and accreditation agencies. Tertiary education institutions are the group of stakeholders that follow the most of the recommendations of the guidelines (80%).⁴⁵

Europe

- 9.7 As for the QA policy domain in Western Europe, the UK, France and the Netherlands as the “pioneer countries”, introduced their first formal QA policies around 1985, with Denmark to follow in 1992. There are several common elements in practically all QA systems of Western Europe, as follows:⁴⁶
- a) Managing agents at the system level, operationally more or less independent from the government;
 - b) Self-evaluation, as the cornerstone of the evaluation methodology, in combination with external review;
 - c) Peer review (or external review), denoting that fellow academics rather than other stakeholders, or in some cases even governmental inspectors, take part in external evaluations;
 - d) Public reporting, for accountability reasons, of at least a summary of the evaluation results; and
 - e) Some relationship with governmental funding decisions, although most often in an indirect and non-formulaic manner.
- 9.8 According to a recent report by European Association for Quality Assurance in Higher Education (ENQA), developing quality assurance processes are still the core instruments for both enhancement and accountability purposed by strengthening the core values (such as independence) and by integrating all types of higher education provision into regular quality assurance scheme. ENQA tried to collect and analyse experiences on the implementation of *Standards and Guidelines for Quality Assurance in the European Higher Education Area* (ESG), thereby contributing to their development/revision, clarification, interpretation and catering for different needs. In the EU-funded project “Identifying barriers in promoting European Standards and Guidelines for Quality Assurance at Institutional Level” (IBAR), the

⁴⁵ Vincent-Lancrin, S. and S. Pfotenhauer (2012), “*Guidelines for Quality Provision in Cross-Border Higher Education: Where Do We Stand?*”, OECD Education Working Papers, No. 70, p.10 - 15.

⁴⁶ Kohoutek, Jan (2009), “Quality assurance in higher education: a contentious yet intriguing policy issue” in Kohoutek, Jan (edited), *Implementation of the Standards and Guidelines for Quality Assurance in Higher Education in the Central and East-European Countries – Agenda Ahead*, UNESCO-CEPES Studies on Higher Education, p.27 – 34.

government retained power over the expansion of the higher education institutions, composition of student enrolments, the costs of the system to invigorate the institutions and the systemic constraints on the autonomy in terms of developing distinct, access-oriented strategic decision and policy profiles⁴⁷.

9.9 As discussed above, the basic principles embodied in the UNESCO/OECD guidelines on cross-border higher education are transparency, communication and cooperation, and comparability. Produced by ENQA, ESG embraces similar basic principles such as responsibility, safeguarding the interest of society, effective organisational structures, transparency and visible accountability processes. The principles of transparency and accountability are also embedded in the QA systems in most countries in Western Europe.⁴⁸

9.10 More specifically, the European standards and guidelines for internal QA within higher education institutions cover a number of areas. The standards and guidelines recommended for each of these areas are summarised below:⁴⁹

- a) *Policy and procedures for QA.* The recommended standards are that institutions should have a policy and associated procedures for the assurance of the quality and standards of their programmes and awards. To achieve this, institutions should develop and implement a strategy for the continuous enhancement of quality. The strategy, policy and procedures should have a formal status and be publicly available, and should also include a role for students and other stakeholders. It is also recommended that the policy statement should include the following:
 - 1) the relationship between teaching and research in the institution;
 - 2) the institution's strategy for quality and standards;
 - 3) the organisation of the QA system;
 - 4) the responsibilities of departments, schools, faculties and other organisational units and individuals for the assurance of quality;
 - 5) the involvement of students in QA; and
 - 6) the ways in which the policy is implemented, monitored and revised;
- b) *Approval, monitoring and periodic review of programmes and awards.* The recommendation is that institutions should have formal mechanisms for the approval, periodic review and monitoring of their programmes and awards. More specifically, it is recommended that the QA of programmes and awards should include the following:
 - 1) development and publication of explicit intended learning outcomes;
 - 2) careful attention to curriculum and programme design and content;

⁴⁷ European Association for Quality Assurance in Higher Education (2010), *ENQA Strategic Plan 2011-15*, p.8-9.

⁴⁸ Henard, Fabrice and Mitterle, Alexander (undated), *Governance and quality guidelines in higher education: a review of governance arrangements and quality assurance guidelines*, OECD publication, p. 93 - 95.

⁴⁹ European Association for Quality Assurance in Higher Education (2005), *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, p.15 – 19.

- 3) specific needs of different modes of delivery (e.g. full time, part-time, distance-learning, e-learning) and types of higher education (e.g. academic, vocational, professional);
 - 4) availability of appropriate learning resources;
 - 5) formal programme approval procedures by a body other than that teaching the programme;
 - 6) monitoring of the progress and achievements of students;
 - 7) regular periodic reviews of programmes (including external panel members);
 - 8) regular feedback from employers, labour market representatives and other relevant organisations; and
 - 9) participation of students in QA activities.
- c) *Assessment of students.* The recommendation is that students should be assessed using published criteria, regulations and procedures which are applied consistently. More specifically, it is also recommended that the student assessment procedures should:
- 1) be designed to measure the achievement of the intended learning outcomes and other programme objectives;
 - 2) be appropriate for their purpose, whether diagnostic, formative or summative;
 - 3) have clear and published criteria for marking;
 - 4) be undertaken by people who understand the role of assessment in the progression of students towards the achievement of the knowledge and skills associated with their intended qualification;
 - 5) where possible, not rely on the judgements of single examiners;
 - 6) take account of all the possible consequences of examination regulations;
 - 7) have clear regulations covering student absence, illness and other mitigating circumstances;
 - 8) ensure that assessments are conducted securely in accordance with the institution's stated procedures; and
 - 9) be subject to administrative verification checks to ensure the accuracy of the procedures;
- d) *QA of teaching staff.* The recommendation is that institutions should have ways of satisfying themselves that staff members involved with the teaching of students are qualified and competent to do so. They should be available to those undertaking external reviews, and commented upon in reports;
- e) *Learning resources and student support.* The recommendation is that institutions should ensure that the resources available for the support of student learning are adequate and appropriate for each programme offered;

- f) *Information systems.* The recommendation is that institutions should ensure that they collect, analyse and use relevant information for the effective management of their programmes of study and other activities. More specifically, it is also recommended that the information systems should, depending to some extent on local circumstances, at least cover the following:
- 1) student progression and success rates;
 - 2) employability of graduates;
 - 3) students' satisfaction with their programmes;
 - 4) effectiveness of teachers;
 - 5) profile of the student population;
 - 6) learning resources available and their costs; and
 - 7) the institution's own key performance indicators;
- g) *Public information.* The recommendation is that institutions should regularly publish up to date, impartial and objective information, both quantitative and qualitative, about the programmes and awards they are offering.

9.11 European standards and guidelines also cover external QA of higher education institutions. The standards and guidelines recommended are summarised below:⁵⁰

- a) *Use of internal QA procedures.* The recommendation is that external QA procedures should take into account the effectiveness of the internal QA processes;
- b) *Development of external QA processes.* The recommendation is that the aims and objectives of QA processes should be determined, before the processes themselves are developed, by all those responsible (including higher education institutions) and should be published with a description of the procedures to be used;
- c) *Criteria for decisions.* The recommendation is that any formal decisions made as a result of an external QA activity should be based on explicitly published criteria that are applied consistently;
- d) *Processes fit for purpose.* The recommendation is that all external QA processes should be designed specifically to ensure their fitness to achieve the aims and objectives set for them. In addition, the process of external QA should include the following elements:
 - 1) insistence that the experts undertaking the external QA activity have appropriate skills and are competent to perform their task;
 - 2) the exercise of care in the selection of experts;
 - 3) the provision of appropriate briefing or training for experts;

⁵⁰ European Association for Quality Assurance in Higher Education (2005), *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, p.19 – 22.

- 4) the use of international experts;
 - 5) participation of students;
 - 6) ensuring that the review procedures used are sufficient to provide adequate evidence to support the findings and conclusions reached;
 - 7) the use of the self-evaluation, site visit, draft report, published report and follow-up model of review; and
 - 8) recognition of the importance of institutional improvement and enhancement policies as a fundamental element in the assurance of quality.
- e) *Reporting*. The recommendation is that reports should be published and should be written in a style which is clear and readily accessible to its intended readership. Any decisions, commendations or recommendations contained in reports should be easy for a reader to find;
 - f) *Follow-up procedures*. The recommendation is that QA processes which contain recommendations for action or which require a subsequent action plan, should have a predetermined follow-up procedure which is implemented consistently;
 - g) *Periodic reviews*. The recommendation is that the external QA of institutions and/or programmes should be undertaken on a cyclical basis. The length of the cycle and the review procedures to be used should be clearly defined and published in advance; and
 - h) *System-wide analyses*. The recommendation is that QA agencies should produce from time to time summary reports describing and analysing the general findings of their reviews, evaluations, assessments etc.

Asia Pacific

9.12 For the Asia Pacific region, the need to address the diversity among countries and cities was recognised at a workshop organised under the Brisbane Communiqué in Chiba, Japan on 18 February 2008 in conjunction with the Asia-Pacific Quality Network Annual Conference. The workshop was attended by participants from 17 countries. An important outcome from the meeting was the development of the 'Chiba Principles' for QA in higher education in the Asia-Pacific. The purposes of the principles are to:

- a) safeguard and promote public confidence in the quality of higher education in the region;
- b) assist institutions in enhancing the quality of their provision;
- c) improve the quality of academic programmes for students and other beneficiaries of higher education across the region;
- d) ensure that there is clarity and transparency in QA processes and outcomes;
- e) encourage a culture of quality improvement;

- f) provide a measure of accountability, including accountability for the investment of public and private funding;
- g) generate reliable public information and reports about the higher education institution, its programmes and awards and QA processes that are helpful to potential students, employers, parents, governments, higher education institutions and professional bodies, both nationally and internationally;
- h) inform and assist the work of QA agencies; and
- i) support and enhance the cooperation of QA agencies and other key players across national borders.

9.13 The ‘*Chiba Principles*’ provide the region with a set of QA principles that guide processes to support institutional QA and QA agencies. Higher education institutions and QA agencies should as a principle of good practice review their missions and objectives and the efficiency and effectiveness of their approach to QA on a regular basis. Reports on the outcomes or results of QA processes should be transparent and related to the goals of the institution or the agency. The Principles comprise three components, namely internal QA, quality assessment and QA agencies. Appended below are principles related to internal and external QA which are relevant to the present study. For internal QA, the Principles require that:

- a) A QA culture is created, defined, supported, and promulgated.
- b) QA aligns with and is embedded within the institution’s unique goals and objectives.
- c) Internal quality management systems, policies and procedures are in place.
- d) Periodic approval, monitoring and review of programs and awards.
- e) A strategy for the continuous enhancement of quality is developed and implemented.
- f) QA of academic staff is maintained.
- g) Appropriate and current information about the institution, its programs, awards and achievements is made publicly available.

9.14 For quality assessment, the Principles require that:

- a) QA activities (at institutional and/or program level) are undertaken on a cyclical basis;
- b) Stakeholders participate in developing the standards and criteria for assessment;
- c) Standards and criteria are publicly available and applied consistently;
- d) Formal procedures are in place to ensure reviewers have no conflict of interest;
- e) Assessment would normally include: (1) institutional self-assessment; (2) external assessment by a group of experts and site visits as agreed; (3) publication of a report, including decisions and recommendations; (4) a

follow-up procedure to review actions taken in light of recommendations made; and

- f) An appeal mechanism is available.

10. Practices of selected countries and cities

Overview

- 10.1 For governance, there are a number of guidelines and codes of practice promulgated at the national level. For example, *The Guide for Members of Higher Education Governing Bodies in the United Kingdom* (UK Guidelines) published in 2004 consists of five parts: the Governance Code of Practice (explaining the role of the governing board); general principles of governance; specific aspects related to different higher education systems in England, Wales, Northern Ireland and Scotland; case studies of current governance practices at different universities; and an annex with sample guidelines and further background information.
- 10.2 In Ireland, the *Governance of Irish Universities* (Irish guidelines), issued by the Higher Education Authority and the Irish Universities Association jointly in 2007, seeks to provide clear, streamlined and effective governance codes for Irish universities. Unlike the UK Guidelines, the Irish document does not address the needs of a particular institution but the governance of Irish universities as a whole. It consists of three parts: the first outlines the relevant university legislation and the related legislative framework; the second sets out university codes specifying principles and best practices; and the third part contains more detailed governance arrangements.
- 10.3 In the US, the Association of Governing Boards of Universities and Colleges (AGB) has drafted an *AGB Statement on Institutional Governance* (AGB guidelines) which addresses the responsibilities of governing boards quite broadly but also takes the relationship with the chief executive and stakeholders into account. The AGB guidelines include an introduction, with facts and descriptions of governing boards, principles and standards of good governance, as well as the relationship to external stakeholders.⁵¹
- 10.4 For QA at the national level, the United Kingdom Quality Assurance Agency for Higher Education, for example, provides a collection of booklets (UK Quality Assurance Guidelines). While most of the content deals with programme provision and sound practice for QA processes, some governance issues are also addressed. In Australia, the Audit Manual Version 5.0 by the Australian Universities Quality Agency (AUQA) does not provide direct standards for institutional audit, but offers a clear list of examples of key topics and policies which institutions should consider while preparing for audit

⁵¹ Henard, Fabrice and Mitterle, Alexander (undated), *Governance and quality guidelines in higher education: a review of governance arrangements and quality assurance guidelines*, OECD publication, p. 77 - 90.

as well as evidence of the achieved institutional outcomes.⁵²⁵³ In the sections below, the practices of a number of countries are presented.

Australia

Overview

10.5 Australia's university system dates back to 1851 when the University of Sydney was founded. By 1951, eight other universities were established. Since policy changes initiated in 1965, the Australian post-secondary education has developed into a binary system, with the university sector co-existing with the colleges of advanced education sector. The college sector includes central institutes of technology, regional colleges, metropolitan multi-purpose colleges, teacher education colleges and a mixture of other smaller and specialised institutions. The binary system was later rationalised and changed from having 19 universities and 49 colleges of advanced education (including non-government institutions) to, in 1986, 38 members of the unified national system and eight funded institutions outside it.⁵⁴ There are currently 40 universities, one private university and two international universities⁵⁵ and a large number of specialised higher education institutions each offering a limited range of courses.⁵⁶

Governance

10.6 Universities in Australia are in receipt of Commonwealth government funding. They are bound by legislative provisions that place responsibility for their management and governance in a governing body. In a 1990 survey of 26 universities, it was revealed that the average size of the governing bodies surveyed was 27, the minimum was 17 (University of Canberra) and the maximum was 44 (Australian National University). In 2000, the average size of 34 governing bodies reviewed was 22. Of the 34 universities examined, the smallest governing body had 16 members (Australian Catholic University) and the largest body had 34 (University of Queensland). In both the 1990 and 2000 surveys, it was found that on average, the number of external members constituted a greater proportion of the total governing body membership than

⁵² Henard, Fabrice and Mitterle, Alexander (undated), *Governance and quality guidelines in higher education: a review of governance arrangements and quality assurance guidelines*, OECD publication, p. 95 - 107.

⁵³ The audit reports available on the Tertiary Education Quality and Standard Agency (TEQSA) website, dated between October 2002 and August 2011, were undertaken by the former Australian Universities Quality Agency (AUQA). The audit reports dated between December 2011 and July 2012 were initiated by AUQA and completed by TEQSA. These reports are not to be taken as assessments under the Higher Education Standards Framework as defined in the TEQSA legislation.

⁵⁴ Mikol, Myriam (undated), *Quality assurance in Australian higher education: a case study of the University of Western Sydney Nepean*, OECD/IMHE, p.2.

⁵⁵ The private university is Bond University and the two international universities are the Torrens University Australia and University of Notre Dame Australia. (<http://www.studyinaustralia.gov.au/global/australian-education/universities-and-higher-education>).

⁵⁶ Walters, Colin (undated), "University governance", paper presented to the Seminar on governing bodies of higher education institutions: roles and responsibilities, OECD/IMHE, p. 1

internal members. The Hoare Committee on Review of Higher Education Management in its report published in 1995 recommended a size of 10 – 15 members for a governing body and was of the view that more than 20 would be unmanageable.⁵⁷

- 10.7 The university acts are the primary source of the powers and the roles and responsibilities granted to governing bodies. The types of powers granted to the governing bodies include overseeing financial matters, staff appointment, offering courses and conferring degrees, management of property and making university statutes. Apart from those specified in the acts, researchers noted that in a study conducted in 2000, little information was available on the roles and responsibilities of governing bodies such as strategic planning, performance monitoring and external accountability. This also reflects a lack of transparency and clear communications between the governing bodies and stakeholders.⁵⁸
- 10.8 In 2002, the Australian Government reviewed the higher education system and released a review paper *Higher Education at the Crossroads*. In the review, concerns were raised on whether members of the governing bodies of universities had the skills needed to oversee their universities, especially the commercial operations of universities. Members might represent interest groups rather than serve the interests of the universities. Often, the size of governing bodies, up to 35 members, was unwieldy, which was not effective for decision making.⁵⁹
- 10.9 In 2003, the government introduced the National Governance Protocols (NGP), as part of the Higher Education Support Act. The Protocols require Australian universities to define institutional objectives and governing body purposes and duties, implement systematic professional development programmes and performance evaluations of governing bodies, introduce systematic procedures for composition of the governing body, including limits on size and specifications of expertise, and codify and report business practices.⁶⁰ The Protocols are appended in [Annex 1](#). The Protocols specify, among other things, the following requirements in respect of post-secondary institutions not eligible for general Commonwealth-funded places:⁶¹
- a) The governing body to state its objectives and functions and have an appropriate system of delegation, the duties of its members and sanctions for the breach of such duties;
 - b) The governing body to make available a programme of induction and professional development for its members, to ensure its members are

⁵⁷ Edwards, Meredith (undated), “University governance: a mapping and some issues”, paper prepared for the Lifelong National Network National Conference.

⁵⁸ Edwards, Meredith (undated), “University governance: a mapping and some issues”, paper prepared for the Lifelong National Network National Conference.

⁵⁹ Walters, Colin (undated), “University governance”, paper presented to the Seminar on governing bodies of higher education institutions: roles and responsibilities, OECD/IMHE, p. 6

⁶⁰ Swanson, James A et al (2005), “Good university governance in Australia”, in *Proceedings of 2005 Forum of the Australasian Association for Institutional Research*, p. 98 – 109.

⁶¹ Walters, Colin (undated), “University governance”, paper presented to the Seminar on governing bodies of higher education institutions: roles and responsibilities, OECD/IMHE, p. 13 – 15.

aware of their roles and responsibilities and at regular intervals to assess its performance;

- c) The size of the governing body should not exceed 22 and that there must be a majority of external independent members;
- d) There must be systematic procedures for nomination of prospective members;
- e) The governing body should codify and publish its internal grievance procedures, including procedures for submitting complaints; and
- f) The annual report must be used for reporting of high level outcomes and include a report on risk management.

10.10 For public universities, the governance framework places primary accountability for the performance of universities on their governing bodies. The general mission and strategic direction and the level of student load cannot be implemented or applied in any practical sense without the approval of the Commonwealth government to ensure that sufficient public funds are available for the university to achieve its mission and strategy. There are annual reporting requirements to state parliaments involving audit by state Auditors-General.⁶²

QA

10.11 The Tertiary Education Quality and Standards Agency (TEQSA) is Australia's independent national regulator of the higher education sector. The role of TEQSA is to safeguard the interests of all current and future students studying within Australia's higher education system through regulating and assuring the quality of Australia's higher education providers, including both public and private universities, Australian branches of overseas universities, and other providers with and without self-accrediting authority. TEQSA is responsible for the registration and re-registration of providers, and the accreditation and re-accreditation of courses. TEQSA's regulatory approach is standards and risk-based. It is guided by three regulatory principles – regulatory necessity, reflecting risk and proportionate regulation, when exercising its powers.⁶³

10.12 QA conducted by TEQSA under the Tertiary Education Quality and Standards Agency Act 2011 not only covers requirements for higher education providers in terms of registration, accreditation and higher education standards framework, but also clearly states the investigative powers of TEQSA and enforcement of the Act.

Codes of practice

⁶² Commonwealth of Australia (2008), *Review of Australian higher education: final report*, p.175.

⁶³ Office of Parliamentary Counsel, 2011, Tertiary Education Quality and Standards Agency Act 2011, No.73. 2011 as amended, Canberra.

10.13 The University Chancellors Council published in 2011 a “Voluntary code of best practice for the governance of Australian universities” (Annex 2). The Code spells out the primary responsibilities of the university governing body and its members, including in particular the following:⁶⁴

- a) Aspects related to the composition of the governing body like “the size of the governing body should not exceed 22 members” and “there should be a majority of external independent members who are neither enrolled as a student nor employed by the university”;
- b) Aspects related to strategic planning like “approving the mission and strategic direction of the university”;
- c) Aspects related to performance monitoring like “overseeing and reviewing the management of the university and its performance”, “on a regular basis, at least once each two years, the governing body should assess its performance, the performance of its members and the performance of its committees”;
- d) Aspects related accountability like “approving and monitoring systems of control and accountability”;
- e) Aspects related to professional development like requiring the governing body to “make available a programme of induction and professional development for members to build the expertise of the governing body and to ensure that all members are aware of the nature of their duties and responsibilities”; and
- f) Aspects related to transparency and communications like “a university should codify its internal grievance procedures and publish them”, “the annual report of a university should be used for reporting on high level outcomes”, “the annual report of a university should include a report on risk management” and “a university should disclose in its annual report its compliance with this Code of Best Practice and provide reasons for any areas of non-compliance”.

10.14 It may be worth noting that Bond University⁶⁵, which is Australia’s first private University, has published its mission and values statements, strategic plans, description of university governance, annual reports and other information related to learning and teaching and facilities and services in the Internet. The University complies fully with the Voluntary Code of Best Practice for Governance of Australian Universities published by the Australian Chancellors’ Council.⁶⁶ Indeed, researchers observed that the University’s corporate structure is largely modelled on the state-funded government universities, and so conform very closely to the public corporation model. It is characterised by outstanding track-records of student and graduate satisfaction,

⁶⁴ University Chancellors Council (2011), “Voluntary code of best practice for the governance of Australian universities”

⁶⁵ <http://www.bond.edu.au/about-bond/introducing-bond/mission-strategic-plan/index.htm>, retrieved on 8 September 2013.

⁶⁶ Bond University (2012), *Bond University 2012 Annual Report*, p.30.

based on evidenced data obtained through the Australian Course Experience Questionnaire.⁶⁷

Canada

Overview

- 10.15 Post-secondary education is provided by public and private institutions. They may be "recognised," "authorised," "registered," or "licensed" by government, or they may not be regulated in any way. All public and private "recognised" and "authorised" post-secondary institutions in Canada have the authority to grant academic credentials by their provincial or territorial governments through charters or legislation that ensures or enables mechanisms for institutional and programme quality.⁶⁸
- 10.16 Most public post-secondary institutions were established in the 1960s by provincial governments in response to demand for vocational and technical training, to complement the education offered at universities. Open access was a key objective for the new institutions. In the 1990s, there were significant changes in Canada's post-secondary education systems. Some public colleges and institutes were given degree-granting authority by their provincial governments, and mechanisms were established to expand college-university credit transfer. A small number of private post-secondary institutions also obtained permission to offer degree programs.⁶⁹
- 10.17 In most provinces and territories, use of the term "degree" is restricted to recognised degree-granting institutions, with some exceptions. Public and private degree-granting institutions may also offer certificate and diploma programmes. Most public and private non-degree-granting institutions use the terms "diploma" or "certificate." In Quebec, CÉGEPs (*Collège d'enseignement général et professionnel*, known officially in English as a "General and Vocational College) also grant "attestations" for some programmes.⁷⁰
- 10.18 There are thousands of non-degree-granting post-secondary institutions in Canada. Of these, over 150 are recognised public colleges and institutes. Many others are registered or licensed. Many more are not regulated in any way. Private non-degree-granting institutions may be called colleges, career training institutes, vocational schools, or academies, depending on whether the province or territory in which they are located has legislated title restrictions. Most operate as businesses to deliver highly focused, occupationally oriented courses and programmes.⁷¹

⁶⁷ Tomlinson, Michael (2011), "The rise of private higher education and new forms of corporate governance: emerging issues in the 'Anglosphere'", paper presented to the INQAAHE Conference, Madrid, 4 – 7 April, 2011.

⁶⁸ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁶⁹ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁷⁰ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁷¹ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

Governance

- 10.19 The Constitution Act, 1867, gives provinces exclusive jurisdiction over education within their boundaries. The provincial and territorial legislatures have developed their own educational structures and institutions, creating 13 education systems with many similarities and some differences. Responsibility for education is usually exercised through one or more departments or ministries responsible for education. At the pan-Canadian level, the Council of Ministers of Education, Canada (CMEC) provides a forum for education ministers to discuss matters of common concern, explore ways to cooperate, share information, and coordinate international education activities and representation.⁷²
- 10.20 "Registered" or "licensed" institutions are monitored by government primarily for consumer protection, rather than for institutional or programme quality. In some jurisdictions, there are processes for programme approval or for voluntary accreditation for private colleges. Non-registered and non-licensed institutions are private commercial enterprises whose programmes are not regulated.⁷³
- 10.21 Universities are highly autonomous; they set their own admission standards and degree requirements, and have considerable flexibility in the management of their financial affairs and programme offerings. Government intervention is generally limited to finances, fee structures, and the introduction of new programmes. Intermediary bodies, such as the Maritime Provinces Higher Education Commission for the provinces of New Brunswick, Nova Scotia, and Prince Edward Island, play an advisory role.⁷⁴
- 10.22 Most universities have a two-tiered system of governance that includes a board of governors and a senate. Boards are generally charged with overall financial and policy concerns. Academic senates are responsible for programmes, courses, admission requirements, degree qualifications and academic planning. Senate decisions are subject to board approval. Students, alumni, faculty, and representatives from the community serve as board members. Universities are normally organised into faculties, schools, and departments. Subject to senate approval, these subdivisions may also establish their own admission and degree requirements.⁷⁵
- 10.23 Public colleges, specialised institutes, community colleges, institutes of technology and advanced learning, colleges of applied arts and technology, and CÉGEPs may be more closely regulated than universities. Most have boards of governors appointed by provincial or territorial governments, with student, faculty, and community representation. Government intervention can extend to admission policies, programme approval, curricula, institutional planning, and working conditions. Programme planning tends to rely on input

⁷² <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁷³ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁷⁴ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁷⁵ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

from community, business, industry, and labour representatives serving on college advisory committees, with overall direction provided by college administrators. In most provinces, private non-degree-granting institutions must follow legislated registration or licensing procedures in order to operate.⁷⁶

QA

10.24 In Canada, the term "QA" relates to *the achievement of educational programme standards established by institutions, professional organisations, government, and/or standard-setting bodies established by government*. QA mechanisms are the processes by which the achievement of these standards is measured. The chief QA mechanisms used in Canada are as follows:⁷⁷

- a) *Legislation*. In each of Canada's ten provinces and three territories, legislation is used to some degree by governments to establish, govern, recognise, or ensure the quality of post-secondary educational programming. Under specific legislation, programmes and their standards may be established by government or require government approval. Government may be given the authority to investigate or take over any aspect of institutional operations. The legislation may require the establishment of committees or boards to assist in the setting of programme standards or accountability procedures;
- b) *Affiliation and Federation*. Affiliation agreements reflect formal arrangements between degree-granting institutions and non-degree-granting institutions, whereby the latter delivers degree programmes, but graduates are granted degrees by the former;
- c) *Credit Transfer and Articulation*. Credit transfer involves an equivalency comparison of courses that have been taken by a student at one institution to courses offered at another institution. In the cases of both individual course credit transfer and systematic articulation, reviews are designed to ensure student achievement meets the standards set by receiving institutions. In a few provinces where extensive credit transfer and articulation systems exist, comprehensive transfer guides are publicly available;
- d) *External and Internal Review*. External review procedures may involve accreditation visits conducted by external committees of quality assessors. Most institutions also use self-assessment methods to conduct internal reviews of quality of specific programmes and of their institutions as a whole;
- e) *Provincial/Territorial Registration/Licensing*. Private post-secondary education and training providers may be required to register or license their institutions, programs, or instructors with provincial or territorial government authorities. Most registration processes focus primarily on consumer protection, but, in some provinces, specific requirements must

⁷⁶ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁷⁷ <http://www.cicic.ca/510/fact-sheet-no-5.canada>, retrieved in October 2013.

be met in respect of program quality, curriculum, and instructor qualifications; and

- f) *Accreditation of Professional Programmes.* At the provincial/territorial and national levels, Canadian professional regulatory bodies (say in the fields of nursing, architecture, and engineering) participate in the establishment and review of post-secondary curriculum standards and consult on other professional issues governing students' preparations for entry into their professions. This type of review leads to professional accreditation of specific programmes. Canada does not have a national accreditation system. Accreditation is used mostly by professional bodies to evaluate specific university and college programmes.

10.25 Maintaining the quality of post-secondary programmes in Canada is primarily the responsibility of individual institutions, which must operate within legislative and policy frameworks established by their respective provincial or territorial governments. Although there is no national accreditation body in Canada that evaluates the quality of degree programmes, a number of agencies and professional bodies perform this function for professional programmes at both the undergraduate and graduate levels. In the absence of a national accreditation body, universities' membership in the Association of Universities and Colleges of Canada (AUCC), together with the universities' provincial-government charter, is generally taken as evidence that an institution is providing university-level programmes of acceptable standards. Degree programmes at university colleges, colleges, and institutes are subject to internal quality-assurance processes similar to those used for university programmes.⁷⁸

10.26 As noted above, there are a number of national organisations in Canada that promote quality and the use of high academic standards in postsecondary programmes. The AUCC, for instance, does not have an accreditation role but funds several quality-assurance-related activities. A university or degree-granting college will be admitted to AUCC only if it meets certain requirements. For example, member institutions must be degree-granting institutions through legislative authority; their primary mission is the provision of university degree programmes; they must satisfy AUCC, after receiving a report by an AUCC-appointed visiting committee, that it is providing education of a university standard.⁷⁹

10.27 The Association of Canadian Community Colleges (ACCC) is another important national organisation that supports maintenance of high-quality programming in colleges. ACCC requires that members deliver post-secondary programmes that meet the academic standards for diploma and certificate qualifications as set out by the appropriate jurisdictional authorities and operate as an integral part of a provincial or territorial government's educational activities and are funded primarily through the government. The Association of Accrediting Agencies of Canada (AAAC) is a national

⁷⁸ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁷⁹ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

organisation of professional associations involved in promoting good practices by its members in accreditation of educational programmes.⁸⁰

Code of practice

10.28 In 2004, the AUCC, the American Council on Education (ACE), the Council for Higher Education Accreditation (CHEA) and the International Association of Universities (IAU) issued a statement outlining a set of principles that should guide the provision of cross-border education. Based on the principles, a Checklist for Good Practice was drawn up. The checklist is phrased in the format of a series of questions urging institutions to consider in their self-assessment process what evidence they can identify to substantiate their answers. These questions include the following:⁸¹

- a) *Contribution to broader public good*, by asking questions like whether the institution's mission and goals include a commitment to social, culture and economic well-being of communities, and linguistic and cultural diversity;
- b) *Capacity building*, by asking questions like whether the institution has consulted local institutions regarding how its programmes might enhance the overall capacity of higher education;
- c) *Relevance*, by asking questions like whether the institution's mission, goals, or assessment measures for student learning include a commitment to the importance of critical thinking that underpins responsible citizenship at the local, national and global levels;
- d) *Accessibility*, by asking questions like whether the institution enhances access to its programmes and courses by offering support to qualified students with financial need from the host country or other countries;
- e) *Quality*, by asking questions like whether the institution has in place a process of ongoing quality review, feedback, and improvement that relies on faculty expertise and incorporates the views of students;
- f) *Accountability*, by asking questions like whether the institution engages and cooperates with its associations and governmental and non-governmental bodies to develop effective QA principles and practices for cross-border educational initiatives and to improve the international exchange of information and cooperation on QA and recognition issues;
- g) *Transparency*, by asking questions like whether the institution provides accurate and user-friendly information to the public, students, and governments in a proactive manner, particularly with respect to the institution's legal status, award-granting authority, course/program offerings, QA mechanisms, and other relevant facts as suggested by codes of good practice; and

⁸⁰ <http://www.cicic.ca/394/an-overview-of-postsecondary-education.canada>, retrieved in October 2013

⁸¹ Association of Universities and Colleges in Canada (2004), "Sharing quality higher education across orders: a checklist of good practice".

- h) *Commitment to high-quality higher education across borders*, by asking questions like whether the institution adheres to specifically identified codes of good practice in higher education and cross-border education provision.

10.29 Although the Code described above is meant for cross-border higher education, it is apparently quite relevant to post-secondary education in general. In fact, most of the questions raised are quite similar to codes of practices, guidelines and standards described above.

United States of America (US)

Overview

10.30 In the US, post-secondary education institutions like colleges and universities can be divided into three broad categories: public, private non-profit-making and private for-profit (or “proprietary”) institutions. Public institutions, which range from two-year community colleges to large graduate research institutions, are non-profit-making institutions that receive a portion of their funding directly from state and local governments. Private non-profit-making institutions include some of the nation’s more selective institutions, such as the Ivy League schools, as well as many small liberal arts colleges and religious institutions. Unlike non-profit-making institutions, private for-profit ones do not have tax-preferred “non-profit” status, allowing them to distribute profits to investors. In 2009, enrolment in 2-year and 4-year programmes in public institutions accounted for about 72% of total full-time and part-time enrolment in public and private institutions; the corresponding percentages for private non-profit-making and private for-profit institutions were 18% and 10% respectively.⁸²

QA

10.31 In the US, there are two types of accreditation, namely institutional and professional (programme) accreditation. The former focuses on the characteristics of the institution as a whole, while the latter is on accreditation of study programmes against standards of the profession (e.g. medicine, nursing, law, teacher education) with recognition practices in place between the corresponding accreditation agencies (e.g. in legal education). Accreditation is a voluntary, non-governmental system with programme accreditation applicable to certain professions like medicine, nursing, engineering, law and teaching. Accreditation is also a condition for eligibility for federal research support and student participation in federal financial aid programmes. As a result an originally voluntary arrangement becomes a mandatory one.⁸³

⁸² US Department of the Treasury and Department of Education (2012), *Economics of higher education*, p. 7 – 9.

⁸³ Kohoutek, Jan (2009), “Quality assurance in higher education: a contentious yet intriguing policy issue” in Kohoutek, Jan (edited), *Implementation of the Standards and Guidelines for Quality*

10.32 In 2011, there were 62 programmes accrediting organisations, with responsibility for the accreditation of more than 22,600 programmes. In addition, there were 18 institutional accrediting organisations which were responsible for accrediting and reviewing more than 7,800 accredited institutions. The core values of US accreditation are as follows:⁸⁴

- a) That higher education institutions have primary responsibility for academic quality;
- b) That institutional mission is central to all judgments of academic quality;
- c) That institutional autonomy is essential to sustaining and enhancing academic quality;
- d) That the higher education enterprise – and the society – thrives on decentralization and diversity of institutional purpose and mission; and
- e) That academic freedom flourishes only in environment of academic leadership of institutions.

10.33 Accreditation is a collegial process of self-review and peer review for improvement of academic quality and public accountability. The review process is conducted periodically, usually every 3 to 10 years. Typically, it involves three major activities, as follows:⁸⁵

- a) A self-study using the standards or criteria of an accrediting agency;
- b) A peer review to gather evidence of quality; and
- c) A decision or judgment by an accrediting agency to accredit, accredit with conditions or not accredit an institution or programme.

10.34 Given the variety of agencies' tasks and missions, there are at the federal level two umbrella bodies acting in the public interest, namely the US Department of Education and the Council for Higher Education Accreditation, to ensure that the agencies' accreditation practices fulfil the accepted standards.⁸⁶ In addition, the media has also stepped in, by creating institutional rankings (most notably the rankings of "America's Best Colleges" issued each fall since 1983 by US News & World Report).⁸⁷

Denmark

Overview

Assurance in Higher Education in the Central and East-European Countries – Agenda Ahead, UNESCO-CEPES Studies on Higher Education, p.22 – 27.

⁸⁴ US Council for Higher Education Accreditation (2012), *Accreditation and recognition in the United States*.

⁸⁵ Council for Higher Education Accreditation (2012), *CHEA at a glance*.

⁸⁶ Council for Higher Education Accreditation (2012), *An overview of US accreditation*.

⁸⁷ Kohoutek, Jan (2009), "Quality assurance in higher education: a contentious yet intriguing policy issue" in Kohoutek, Jan (edited), *Implementation of the Standards and Guidelines for Quality Assurance in Higher Education in the Central and East-European Countries – Agenda Ahead*, UNESCO-CEPES Studies on Higher Education, p.22 – 27.

- 10.35 In Denmark, the system of higher education is administered centrally by the Ministry of Education's Department of Higher Education. Only certain programmes within such fields as art, architecture, librarianship and marine engineering are placed under other ministries. The system is mainly financed by the state and the tuition is free for students. Higher education in Denmark is characterised by a binary structure, comprising the non-university vocationally oriented programmes and the university sector. The non-university sector consists of mono-professional institutions, whereas universities are poly-professional. The non-university sector comprises 70 short-cycle (mostly of 2 years' duration) higher education institutions and 112 medium-cycle (of 3 – 4 years) higher education institutions, and the university sector includes 12 long-cycle higher education institutions (comprising 5 multi-faculty universities and 7 specialized university level institutions). In addition, the Ministry of Culture administers 21 schools, which are either medium-cycle or long-cycle higher education institutions.⁸⁸
- 10.36 Apart from the Ministry of Education, two other ministries are responsible for higher education, namely the Ministry of Science, Technology and Innovation and the Ministry of Culture. The Ministry of Science, Technology and Innovation is responsible for, amongst others, policies, administration and coordination of research and university programmes. The Ministry of Culture has responsibility over the Royal Academy of Fine Arts, the Music Academies, and the Schools of Architecture and Librarianship.⁸⁹

The Accreditation Act

- 10.37 In 2007, through an Act of Parliament, a new model of accreditation of all higher education programmes was introduced.⁹⁰ The Accreditation Act enacted on 27 March 2007 introduced systematic accreditation of all higher education programmes in Denmark with mandatory external quality assurance.
- 10.38 The Danish Accreditation Institution was established by Danish law as an independent institution in 2007. The institution consists of two entities - the Accreditation Council, which serves as the decision-making authority; and Accreditation Institution, which serves as the accreditation operator. The Council makes decisions on the accreditation of all higher education study programmes in Denmark, both new and existing. As the decision-making authority, the Council is an independent unit in the Accreditation Institution. The chairman and members of the Council must between them possess knowledge and experience on quality assurance, higher education, research and labour market conditions for graduates. The decisions of the Accreditation Council fall under the auspices of the following ministries:

⁸⁸ Thune, Christian (2001), "Quality Assurance of Higher Education in Denmark", in Dunkerly, Davi and Wong, Wai Sum (edited), *Global Perspectives on Quality in Higher Education*".

⁸⁹ Directorate General for Education and Culture of the European Commission (2008), *Progress in higher education reform across Europe: Governance and Funding Reform, Volume 2: Methodology, performance data, literature survey, national system analyses and case studies*, p.197.

⁹⁰ Danish Evaluation Institute, 2011, *Review of the Danish Evaluation Institute*, p.3.

- Ministry of Science, Innovation, and Higher Education
- Ministry of Culture

The Council's decisions are based on recommendations from the two accreditation operators, the Accreditation Institution and The Danish Evaluation Institute (EVA).

Accreditation Institution and EVA

- 10.39 The Accreditation Institution is the accreditation operator for bachelor's, master's and professional master's programmes. The Accreditation Institution is an independent government institution made up of three secretariats and a management team. The Council Secretariat prepares the Council's meetings and facilitates its contact and dialogue with stakeholders in different areas.
- 10.40 Accreditation may result in three different decisions, namely (a) positive accreditation, which means that the study programme is approved for up to six years; (b) conditional positive accreditation, which means that the study programme is given one to two years to rectify shortcomings. New study programmes cannot receive conditional positive accreditation – only approval or refusal; and (c) refusal, which means that the study programme can no longer be offered.
- 10.41 Established in 1999 and succeeded the Danish Centre for Evaluation of Higher Education, EVA is the accreditation operator of professional bachelor's degree, academy profession and diploma programmes as well as the specialisation courses (adult education and continuing training). In addition, EVA undertakes evaluations, development activities and studies of early childhood education, primary and lower secondary education, upper secondary education, higher education and adult education.

Code of conduct for higher education institutions

- 10.42 To protect international students attending higher education institutions in Denmark, a Code of Conduct was compiled by Rectors' Conference, University College Denmark and Rectors' Conference, and Academies Professional Higher Education Denmark. While the Code is written with international students in mind, it is also applicable to local students. Taken as a whole, the Code contributes to the QA of higher education institutions' activities involving international students. Several provisions of the Code are highlighted below:⁹¹
- Institutions shall in all situations ensure that potential applicants receive updated and reliable information;
 - Institutions shall compile descriptions, guidelines and QA parameters for study programmes offered to international students;

⁹¹ Rectors' Conference, University College Denmark and Rectors' Conference, and Academies Professional Higher Education Denmark (2010), *Code of Conduct for Danish Institutions of Higher Education under the Ministry of Education*.

- c) Only students who meet the admission requirements for the study programme may be enrolled. This includes cases in which the institution judges that the student can be awarded credits for previously completed activities;
- d) Institutions shall post information on their websites concerning the language of instruction used in each study programme. Institutions shall supply information regarding language requirements for admission and the language skills required of students in relation to each curriculum;
- e) Institutions shall lay down principles for the composition of classes or groups, so that within each study programme the best possible relationships may be established between students of different nationalities, including Danish and international students, and individual consideration can be taken with regard to specific cultural elements; and
- f) Institutions shall organise activities and make suggestions as to how staff and students may be inspired to meet across national and cultural boundaries in their leisure time, and how Danish students can take their share of the responsibility for the highest possible degree of integration throughout the programme.

10.43 It may be worth noting that similar to the principles or codes of practices promulgated in other countries mentioned above, there is the requirement of providing updated and reliable information to students, including potential students in the Danish Code. In addition, there is also a requirement to facilitate inclusiveness and integration of international students within the institution.

Ireland

Overview

10.44 The Minister for Education and Science has overall responsibility for all education matters, ranging from pre-school to higher education. Higher education in Ireland, which follows the binary model, is provided by seven universities, 14 institutes of technology and over 30 other providers of various size and character. The Higher Education and Training Awards Council (HETAC) is the awarding body for providers of higher education and training other than the universities and the Dublin Institute of Technology. Other providers availing themselves of HETAC services are private providers of higher education, specialist public services providers and specialist providers centred on specific disciplines.⁹²

Governance

10.45 Irish higher education institutions are asked to develop strategic plans. These are increasingly a key component to compete successfully for bids from the

⁹² McKenna, Ian, et al (2008), *International benchmarking of external quality assurance agencies*, p.6.

research, infrastructural, access and strategic innovation fund. Over the year, the involvement of interest groups such as academic trade unions and external political stakeholders such as the Industrial Development Authority has increased. Currently, every institution has a governing body responsible for the strategic development of the institution. Student representatives have an important position in the decision making processes, especially in the governing body.⁹³

QA

10.46 The ownership of quality processes explicitly rests with each university and the approach adopted is based on a holistic view of quality in an institution, involving external reviewers, students and other stakeholders, while preserving institutional autonomy, ensuring public accountability and international benchmarking. In addition, the Institutional Review of Irish Universities (IRIU) provides robust *external* assurances of the effectiveness of the *internal* QA procedures established by each Irish university to sustain and enhance further the quality of their teaching, learning, research and support services.⁹⁴

Code of practice and guidelines

10.47 A *Governance Code of Legislation, Principles, Best Practices and Guidelines* has been drawn up for Irish universities. It is hoped that through the Code, universities could strive to achieve voluntarily a balance between the principles of autonomy and accountability as enshrined in The Irish Universities Act 1997 and to assure their stakeholders that the investment being made in them is being effectively used and that the fundamental role of the university as an institution of learning and scholarship is safeguarded. The Code promotes qualities of selflessness, honesty, integrity, leadership and objectivity. All Irish universities have accepted this Code, its principles and its reporting requirements, although there are likely to be some local variations of an operational nature as it is implemented. Implementation commenced in all of the universities in 2007. It is reckoned that it is not feasible to have a code of best practice which will specifically provide for all situations that may arise. It is thus recommended that all universities have written codes of conduct for members of the governing authority and employees, developed via a participative approach. The guiding principles for the codes of conduct, as they relate to integrity, information, work and external environment are summarised below:⁹⁵

- a) *Integrity*, which covers recommendations that members of the governing authority are required to disclose outside employment and business interests that may be in conflict or potential conflict with the business of

⁹³ European Centre for Strategic Management of Universities (2009), *Higher education governance reforms across Europe*, p. 26.

⁹⁴ Irish Universities Quality Board (2009), *Institutional review of Irish universities: handbook*.

⁹⁵ Higher Education Authority and Irish Universities Association (2005), *Governance of Irish universities: A Governance Code of Legislation, Principles, Best Practices and Guidelines*.

the university, that the management or employees of the university should not involve in outside employment or business interests in conflict or potential conflict with the business of the university, etc.;

- b) *Information*, which covers the recommendation, among others, that the university is committed to providing access to information relating to its activities in a way that is open and enhances its accountability to the public; and
- c) *Work and external environment*, which covers recommendations that the governing authority and employees of the institution place the highest priority on promoting and preserving the health and safety of the institution's employees and students, ensure the community concerns are fully considered in its activities and operations, and minimise any detrimental impact of its operations on the environment.

10.48 The Irish Higher Education Quality Network has reviewed the legislative requirements and procedures for QA for different higher education institutions and has identified a set of common principles of good practice, as follows:⁹⁶

- a) The goal of QA is quality improvement including the enhancement of the student experience, and QA procedures reflect this;
- b) The ownership and main responsibility of the QA process resides with the provider – this is an essential condition for promoting internal quality cultures within higher education and training institutions;
- c) All providers are responsible for the establishment of QA procedures that are clear and transparent to all their stakeholders, including staff, students, external stakeholders and the general public, and which provide for the continuing evaluation of all academic and service departments and their activities;
- d) QA procedures conform to international best practice and include self-evaluation, followed by review by persons who are competent to make national and international comparisons;
- e) Students, staff and other stakeholders must be involved in the QA process;
- f) QA procedures include appropriate measures to protect the integrity of the overall QA process;
- g) QA procedures ensure public accountability and transparency through the publication of the outcomes of the evaluations;
- h) The QA process facilitates continuous improvement through the implementation of findings of evaluations within the resources of higher education institutions; and
- i) QA procedures and their effectiveness are reviewed on a cyclical basis by independent experts and the outcomes of such reviews are published.

⁹⁶ Irish Higher Education Quality Network (2005), "Principles of Good Practice in Quality Assurance and Quality Improvement for Irish Higher Education and Training".

10.49 In line with the spirit of students' involvement contained in the Code described above, it is recommended that students should be involved in a coherent and systematic manner, including decision making and quality management arrangements for all modules, programmes and services. In addition to formal feedback, informal feedback should also be sought and captured through, say, focus group discussions. Outcomes of student feedback should be reported back to students along with an action plan to address any issues raised. It is also considered important to pre-define and make publicly available the processes, criteria and procedures for the involvement of students in institutions' reviews and reviews carried out by QA agencies.⁹⁷

United Kingdom (UK)

Overview

10.50 England, and the UK as a whole, has a unitary higher education, following the merger of the polytechnic system (vocationally-oriented institutions under local government control) with the "autonomous" university sector as a result of legislation in 1992. The number of universities has subsequently grown, as a number of colleges of higher education achieving university status increases.⁹⁸

10.51 There are private higher education institutions in the UK. They offer degree level courses and do not receive any money from public funds. Most of these private institutions are colleges that offer programmes of study which are validated by other public higher education institutions. There are currently five private higher education institutions with degree awarding powers in England, namely the University of Buckingham, BPP University College of Professional Studies, the College of Law, Ashridge Business School and IFS School of Finance. Of these institutions only the University of Buckingham offers courses similar to those in public universities. The other four institutions generally provide a more limited range of courses and tend to specialise in business, law, computing, management and hospitality courses. Unlike publicly-funded institutions, degree awarding powers are granted to private providers for a period of up to six years, after which they must be reviewed and can be revoked. Publicly funded providers are given their degree awarding powers in perpetuity.⁹⁹

Governance

⁹⁷ Irish Higher Education Quality Network (2009), "Common practices for student involvement in quality assurance/quality enhancement."

⁹⁸ Directorate General for Education and Culture of the European Commission (2008), *Progress in higher education reform across Europe: Governance and Funding Reform, Volume 2: Methodology, performance data, literature survey, national system analyses and case studies*, p.665.

⁹⁹ Hubble, Sue (2011), "Private higher education provision", House of Common Library, paper presented to Members of the Parliament.

- 10.52 In England (and the UK), governance changes have been minor during the last two decades, with the last important set of changes in 1992 in which the English polytechnics (and their equivalents in Scotland and Wales) gained university status with full degree awarding powers. This enlarged, unitary system led to increased competition within it.¹⁰⁰
- 10.53 Major reforms in the UK (e.g. the introduction of local funding councils) took place before 1995. Over the past few years, the devolution of responsibilities to the parts of the UK has increased. The pressure for accountability of higher education institutions has also increased. Throughout the UK, strong executive management structures have been introduced at higher education institutions, and consequently the quality of institutional decision-making is expected to have been improved. There is also a trend towards simplification of external QA systems, with responsibility for QA vested within higher education institutions.¹⁰¹
- 10.54 It will perhaps be useful to note that all UK universities are legally independent institutions, with governing boards (which have a majority of lay membership and chairs, with important exceptions, for historical reasons, of Oxford and Cambridge Universities) taking their own strategic decisions, awarding their own degrees, having responsibility for their own finances including the power to borrow money, employing their own staff, and owning or renting their own premises.¹⁰²

QA

- 10.55 There are systematic processes for comparing standards between universities at the discipline level, and external examiners are used to assure academic standards across higher education awards. Requirements for this are set out in the Quality Assurance Agency's Code of Practice and arrangements by higher education institutions are audited as part of the institutional audit. Subject benchmark statements have also been established, setting out expectations of standards of degrees in a range of subject areas. These statements are developed by members of the academic community, defining what can be expected of a graduate in terms of the abilities and skills required to develop understanding or competence in the subject at honours level. Some benchmark statements combine or make reference to professional standards set by external professional or regulatory bodies.¹⁰³

Codes of practices

¹⁰⁰ Directorate General for Education and Culture of the European Commission (2008), *Progress in higher education reform across Europe: Governance and Funding Reform, Volume 2: Methodology, performance data, literature survey, national system analyses and case studies*, p.669.

¹⁰¹ European Centre for Strategic Management of Universities (2009), *Higher education governance reforms across Europe*, p. 24.

¹⁰² Directorate General for Education and Culture of the European Commission (2008), *Progress in higher education reform across Europe: Governance and Funding Reform, Volume 2: Methodology, performance data, literature survey, national system analyses and case studies*, p.666.

¹⁰³ Commonwealth of Australia (2008), *Review of Australian higher education: final report*, p.131.

- 10.56 Higher education institutions in the UK are increasingly diverse and their student body is also increasingly varied, and there are many different ways in which students learn. In view of these developments, the Quality Assurance Agency has drawn up the UK Quality Code for Higher Education to provide consistent principles and practices and a common vocabulary for the management of academic standards and quality. The Code serves as a reference point for all higher education institutions, in terms of what they are required to do, what they can expect of each other, and what the general public can expect of them. Higher education institutions reviewed by the Quality Assurance Agency for Higher Education are required to meet all the expectations contained in the Code, even though the Code does not incorporate statutory or regulatory requirements.¹⁰⁴ In the paragraphs below, expectations in respect of Parts A and C of the Code are presented. For Part B which is related to assuring and enhancing academic quality, it is not discussed in the present report as it relates to the design, development and operations of programmes.
- 10.57 Part A of the Code explains how academic standards are set and maintained for higher education qualifications in the UK. It specifies what is expected of degree-awarding bodies in setting, delivering and maintaining the academic standards of the awards that they make, in terms of a number of expectations, as follows:¹⁰⁵
- a) Degree awarding institutions should ensure that the requirements of *the framework for higher education qualifications in England, Wales and Northern Ireland/the framework for qualifications of higher education institutions in Scotland* are met by;
 - b) Degree awarding institutions should establish transparent and comprehensive academic frameworks and regulations to govern how they award academic credit and qualifications;
 - c) Degree awarding institutions should maintain a definitive record of each programme and qualification that they approve (and of subsequent changes to it) which constitutes the reference point for delivery and assessment of the programme, its monitoring and review, and for the provision of records of study to students and alumni;
 - d) Degree awarding institutions should establish and consistently implement processes for the approval of taught programmes and research degrees that ensure that academic standards are set at a level which meets the UK threshold standard for the qualification and are in accordance with their own academic frameworks and regulations;
 - e) Degree awarding institutions should ensure that credit and qualifications are awarded only where the achievement of relevant learning outcomes (module learning outcomes in the case of credit and programme outcomes in the case of qualifications) has been demonstrated through assessment

¹⁰⁴ The Quality Assurance Agency for Higher Education (2011), “UK Quality Code for Higher Education: General introduction”.

¹⁰⁵ The Quality Assurance Agency for Higher Education (2013), *UK Quality Code for Higher Education, Part A: Setting and maintaining academic standards*.

and that both UK threshold standards and their own academic standards have been satisfied;

- f) Degree awarding institutions should ensure that processes for the monitoring and review of programmes are implemented which explicitly address whether the UK threshold academic standards are achieved and whether the academic standards required by the individual degree-awarding body are being maintained; and
- g) In order to be transparent and publicly accountable, degree awarding institutions should make use of external and independent expertise at key stages of setting and maintaining academic standards, who would advise on whether UK threshold academic standards are set, delivered and achieved and that the academic standards of the degree-awarding body are appropriately set and maintained.

10.58 Part C of the Code which is related to information about higher education provision, contains a number of indicators of sound practices. These indicators are drawn up having regard to four principles. These principles require that information on higher education institutions and information which is a fair and accurate reflection of the learning opportunities they offer should be clear, timely, current, transparent, and focused on the needs of the intended audiences, and are available and retrievable where intended audiences and information users can reasonably expect to find it. Higher education institutions should also be responsible and accountable for the information they produce about the higher education learning opportunities they offer. The indicators are summarised below:¹⁰⁶

- a) Higher education institutions publish information that describes their mission, values and overall strategy;
- b) Higher education institutions describe the process for application and admission to the programme of study;
- c) Higher education institutions make available to prospective students information to help them select their programme with an understanding of the academic environment in which they will be studying and the support that will be made available to them;
- d) Information on the programme of study is made available to current students at the start of their programme and throughout their studies;
- e) Higher education institutions set out what they expect of current students and what current students can expect of the higher education provider;
- f) When students leave their programme of study, higher education institutions issue to them a detailed record of their studies, which gives evidence to others of the students' achievement in their academic programme; and
- g) Higher education institutions set out their framework for managing academic standards and QA and enhancement and describe the data and

¹⁰⁶ The Quality Assurance Agency for Higher Education (2012), *UK Quality Code for Higher Education, Part C: Information about higher education provision*.

information used to support its implementation, and maintain records (by type and category) of all collaborative activity that is subject to a formal agreement.

10.59 In addition, the Committee of University Chairmen has adopted a voluntary Code of Practice which is intended to reflect good practice in a sector which comprises a large number of very diverse institutions. Institutions should state that whether they have complied with the Code, and where an institution's practices are not consistent with provisions of the Code an explanation shall be published in the corporate governance statement of the annual audited financial statements. The Code comprises a number of statements as follows:¹⁰⁷

- a) Every higher education institution shall be headed by an effective governing body;
- b) Individual members and governing bodies themselves should at all times behave in accordance with accepted standards of behaviour in public life which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- c) The governing body shall meet at sufficiently regular intervals, and normally not less than four times a year, in order to discharge its duties effectively. Members of the governing body shall attend regularly and participate actively;
- d) The institution's governing body shall adopt a Statement of Primary Responsibilities, relating to, amongst others, approval of the mission and strategic vision of the institution, long-term business plans, key performance indicators (KPIs) and annual budgets, and ensuring that these meet the interests of stakeholders;
- e) This Statement shall be published widely, including on the Internet and in the annual report, along with identification of key individuals (that is, chair, deputy chair, head of the institution, and chairs of key committees) and a broad summary of the responsibilities that the governing body delegates to management or those which are derived directly from the instruments of governance;
- f) All members should exercise their responsibilities in the interests of the institution as a whole rather than as a representative of any constituency. The institution shall maintain and publicly disclose a register of interests of members of the governing body;
- g) The chair shall be responsible for the leadership of the governing body, and be ultimately responsible for its effectiveness. The chair shall ensure that the institution is well connected with its stakeholders;
- h) The head of the institution shall be responsible for advice on strategic direction and for the management of the institution, and shall be the accounting officer in respect of the use of Funding Council funds;

¹⁰⁷ Committee of University Chairmen (2004), *Guide for Members of Higher Education Governing Bodies in the UK*

- i) There should be a balance of skills and experience among members sufficient to enable the governing body to meet its primary responsibilities and to ensure stakeholder confidence. A governing body of no more than 25 members represents a benchmark of good practice;
- j) The governing body shall have a majority of independent members, defined as both external and independent of the institution;
- k) Appointments shall be managed by a nominations committee, normally chaired by the chair of the governing body. To ensure rigorous and transparent procedures, the nominations committee shall prepare written descriptions of the role and the capabilities desirable in a new member, based on a full evaluation of the balance of skills and experience of the governing body. When vacancies arise they should be widely publicised both within and outside the institution. When selecting a new chair, a full job specification should be produced, including an assessment of the time commitment expected, recognising the need for availability at unexpected times;
- l) The chair shall ensure that new members receive a full induction on joining the governing body, that opportunities for further development for all members of the governing body are provided regularly in accordance with their individual needs, and that appropriate financial provision is made for support;
- m) The secretary to the governing body shall be responsible for ensuring compliance with all procedures and ensuring that papers are supplied in a timely manner with information in a form and of a quality appropriate to enable the governing body to discharge its duties. All members shall have access to the advice and services of the secretary to the governing body, and the appointment and removal of the secretary shall be a decision of the governing body as a whole;
- n) The proceedings of the governing body shall be conducted in a manner as open as possible. Information and papers should be restricted only when the wider interest of the institution or the public interest demands, including the observance of contractual obligations;
- o) The governing body shall keep its effectiveness under regular review. Not less than every five years it shall undertake a formal and rigorous evaluation of its own effectiveness, and that of its committees, and ensure that a parallel review is undertaken of the senate/academic board and its committees. Effectiveness shall be measured both against the Statement of Primary Responsibilities and compliance with the Code. The governing body shall revise its structure or processes accordingly;
- p) In reviewing its performance, the governing body shall reflect on the performance of the institution as a whole in meeting long-term strategic objectives and short-term KPIs. Where possible, the governing body shall benchmark institutional performance against the KPIs of other comparable institutions; and
- q) The results of effectiveness reviews, as well as of the institution's annual performance against KPIs, shall be published widely, including on the Internet and in its annual report.

10.60 In 2014, the Committee of University Chairs published a consultation document proposing a revised Code drawn up after wide consultation with all appropriate stakeholders in higher education. Institutions are asked to disclose the manner in which the Code is implemented. In proposing the revised Code, it was pointed that there are challenges specific to higher education governance. These challenges include the following:¹⁰⁸

- a) The move to funding through student fees, which poses new pressures on governing bodies, including that of ensuring institutional sustainability;
- b) The need for higher education institutions, as exempt charities, to demonstrate - rather than just assume - public benefit;
- c) The need to respond to government policy on 'putting the student first', which inevitably means greater student engagement at all levels of institutional governance and increased transparency; and
- d) The need to manage and govern an increasingly wide range of provision, with substantially greater risk, often mediated through more complex institutional structures.

10.61 The Code adopts and builds on the 'Nolan Principles of Public Life', which provide an ethical framework for the personal behaviour of governors. These values include selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The Code comprises ten key governance elements as follows:¹⁰⁹

- a) The governing body must be unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern. According to this governance element, institutions are required, among others, to adopt a statement of primary responsibilities which should be published widely and be known to all governors. The statement should be supported by an accompanying schedule of delegation which should set out how each responsibility is met and by whom, including those items which the governing body delegates to the head of institution. The institution's annual report and audited financial statements should be made widely available both inside and outside the institution (including being published on the web);
- b) The governing body must protect institutional reputation by ensuring clear ethical standards, policies and procedures are in place. According to this governance element, institutions are required, among others, to ensure the highest standards of ethical behaviour among its members who must avoid conflicts of interest and act solely in the interests of the institution at all times. A member who has a pecuniary, family or other personal interest in any matter under discussion must disclose the interest;
- c) The governing body must ensure institutional sustainability by setting and ensuring the successful delivery of institutional mission and strategy. According to this governance element, the governing body is required,

¹⁰⁸ Committee of University Chairs (2014), *The higher education code of governance*, p.21.

¹⁰⁹ Committee of University Chairs (2014), *The higher education code of governance*, p.5 - 19.

among others, to be clear how institutional performance is measured, and to identify what key performance indicators (KPIs) and other performance measures are to be adopted within a risk based framework. In addition, the governing body must ensure that the needs and interests of students and society are adequately reflected in the strategic plan, for example in relation to student satisfaction, student experience, supporting graduate employment and producing good citizens;

- d) The governing body must ensure the effective operation of academic governance - involving the senate/academic board or equivalent as specified in its governing instruments - in order to maintain quality and ensure that the interests of students are at the heart of governance. According to this governance element, the governing body is required, among others, to ensure the provision of honest, accurate and timely information to students and the public about all aspects of academic provision;
- e) The governing body must ensure institutional financial health including by adopting effective systems of control and risk management which promote value for money, meet mandatory audit requirements, and produce accurate and quality assured institutional data;
- f) The governing body must ensure that effective control and due diligence takes place in relation to external activities, including internationalisation, partnerships and collaborations, commercialisation, and fund raising;
- g) The governing body must promote equality and diversity throughout the institution, and it has a particular responsibility in relation to its own operation;
- h) The governing body must ensure that governance structures and processes are fit for purpose, meet recognised standards of good practice, and adopt clear definitions of the roles of the chair, the head of institution and the secretary;
- i) The governing body must ensure its size, membership and associated skills are fit for purpose with external members forming a majority, and must be such as to ensure institutional and stakeholder confidence. According to this governance element, the governing body is required, among others, to appoint new members on the advice of a nominations committee which should use rigorous and systematic processes agreed by the governing body for recruiting and retaining governors. In addition, the governing body must contain staff and student members and should encourage their full and active participation; and
- j) The governing body must review regularly its effectiveness and that of any committees in its sub-structure. According to this governance element, the governing body is required, among others, to ensure that the publication of outcomes and associated actions is reported widely including in the corporate governance statement.

Japan

Overview

10.62 In Japan, universities are divided into three categories, namely national universities originally established by the Japanese Government (currently established by national university corporations), public universities established by local public entities or public university corporations, and private universities established by educational corporations. In 2008, private universities accounted for about 80% of all universities and 80% of all university students. Each private university has promoted its own unique education and research activities based on the spiritual legacy of its foundation. They have played important roles both qualitatively and quantitatively, and have greatly contributed to the development of Japanese higher education.

QA

10.63 For QA purposes, approval by the Minister of Education, Culture, Sports, Science and Technology is required in order to establish a university. The Advisory Council for University Establishment provides guidance on criteria for establishing university. The *Standards for Establishing University* (SEU) as a ministerial ordinance stipulates the minimum standards for establishing a university. There is also an *Establishment Approval System*, introduced in 2003, which provides that all universities would be approved as long as they meet the conditions stipulated in the concerned law. Factors that would be considered in the assessment include the following:¹¹⁰

Purposes and objectives

- a) Whether the aim for university education is clear, and whether that aim is sufficiently planned taking into account the prospect of recruiting students and the expectation shared by stakeholders;
- b) Whether the subjects required to accomplish the purposes and objectives of the establishment have been provided and the curriculum has been systematically organised; and
- c) Whether teaching methods (lectures, seminars, experimentation etc.) are carefully designed to accomplish the purposes and objectives of establishment.

Faculty staff and facilities

- a) Whether professors required to accomplish the purposes and objectives of establishment have been sufficiently assigned;
- b) Whether full-time professors have been assigned to subjects deemed priority areas from an educational perspective; and
- c) Whether facilities and equipment, including school buildings, have met standards and verification that none of them are hampering education and research.

¹¹⁰ Ministry of Education, Culture, Sports, Science and Technology (2009), *Quality assurance framework of higher education in Japan*.

- 10.64 There are a number of agencies responsible for institutional QA and accreditation of universities. These agencies include the Japan University Accreditation Association, the National Institution for Academic Degrees and University Evaluation, and the Japan Institution for Higher Education Evaluation. For subject specific QA and accreditation of professional graduate schools, different agencies are responsible for different disciplines. For example, for graduate law school, the Japan Law Foundation, National Institution for Academic Degrees and University Evaluation and the Japan University Accreditation Association are responsible. The Japan University Accreditation Association is also responsible for the business discipline. For finance, the agency responsible is the Japanese Institute of International Accounting Education, and for midwifery it is the responsibility of the Japan Institute of Midwifery Evaluation.¹¹¹
- 10.65 The National Institution for Academic Degrees and University Evaluation (NIAD-UE), for instance, based on the Act of General Rules for Incorporated Administrative Agency and the NIAD-UE law, conducts accreditation processes on teaching conditions and research activities at universities. At the same time, NIAD-UE assesses the results of various learning provided at the higher education level and grants academic degrees to learners recognized as having fulfilled the required academic standards.¹¹²
- 10.66 The Japan Association for College Accreditation (JACA) is also another association which is officially recognized as a certified accrediting agency in January 2005. The purpose of JACA's accreditation is to sustain the overall quality of junior college education, and to do so by assisting and supporting member junior colleges in their efforts to improve and maintain the quality of their educational and research activities through continuous self-study and assessment. The accreditation standards adopted by JACA covers:¹¹³
- a) Mission and effectiveness, which are related to an institution's specification of diploma policy, curriculum policy and admission policy, demonstrating the relationship of these to the founding purpose and mission, the educational objectives, the learning outcomes, the curriculum and the educational programme;
 - b) Curriculum and student support services, which are related to an institution's demonstration that it maintains high-quality programmes and appropriate learning environment based on the desirable learning outcomes and its diploma policies;
 - c) Educational resources and financial resources, which are related to an institution's ability to make the best and full uses of its educational resources (i.e. human resources, physical resources, technology resources) to achieve its educational goals; and

¹¹¹ Ministry of Education, Culture, Sports, Science and Technology (2009), *Quality assurance framework of higher education in Japan*.

¹¹² Ministry of Education, Culture, Sports, Science and Technology (2009), *Quality assurance framework of higher education in Japan*.

¹¹³ Source: Japan Association for College Accreditation

- d) Leadership and governance, which are related to an institution's ability to demonstrate that:
 - 1) The roles and authorities of the chairman of trustees and the president are clearly defined, and that their leadership is highly effective for the achievement of the institutional mission;
 - 2) The auditors and the councillors perform their duties to provide oversight of the effectiveness of the institutional leadership mentioned above; and
 - 3) The institution fulfils its responsibility to explain its financial and related status to the public, and strives to gain understanding and support of its community.

Standards

10.67 In addition, universities are regularly monitored in accordance with the self-provided standards by certified agencies and the results of such process are made available to the public as encouragement to enhance quality of academic activities. In the SEU, there are provisions which are related to transparency. These provisions include the following:¹¹⁴

- a) A university shall proactively provide information on the details of its academic activities, etc. by way of having it published or by other methods of widely disseminating such information widely;
- b) The selection of entrants shall be made by a fair and adequate method under a properly developed system;
- c) A university shall present a clear outline of the methodology used to give classes, the contents of classes, and a class schedule for the year to its students; and
- d) A university shall, when assessing its students' academic achievement and approving their graduation, present them with a clear outline of the standards in advance so as to ensure objectivity and rigidity, and shall conduct an assessment and approval process appropriately in accordance with said standards.

Singapore

Overview

10.68 Singapore has a three-part higher education system with three public universities (the National University of Singapore, the Nanyang Technological University and the Singapore Management University), five polytechnics (Singapore Polytechnic, Ngee Ann Polytechnic, Temasek Polytechnic, Nanyang Polytechnic and Republic Polytechnic), and an Institute of Technical

¹¹⁴ Ministry of Education, Culture, Sports, Science and Technology (2009), *Quality assurance framework of higher education in Japan*.

Education (ITE) system composed of the ITE Headquarters and three regional campuses (which will not be dealt with in this country profile), all of which are public.

- 10.69 The Government of Singapore currently does not accredit programmes or higher education institutions. It confers powers to three public universities to grant their own degrees. These universities are audited under the Ministry of Education's Quality Assurance Framework for Universities. There are nine private higher education institutions in Singapore including the Singapore Institute of Management (SIM).
- 10.70 Private educational institutions come under the regulatory purview of the Council for Private Education through the implementation of the Private Education Act 2009. The Council for Private Education spells out the regulatory frameworks under which private institutions are allowed to operate but conducts neither programme accreditation nor institutional audits.

Governance

- 10.71 For private higher education institutions, they have to be registered with the Council for Private Education before they are allowed to commence operations. Since 21 December 2009, under the Private Education Act, registration status has a specified validity period determined by how well a private higher education institution measures up to the registration criteria, providing the institution with the incentive to improve their standards in order to attain a longer period of registration. The Private Education Act also prescribes a clear line of accountability for the conduct and practices of private higher education institutions. For example, to ensure that accountability for any misconduct is placed on the actual persons who exert management influence over the institutions, the Private Education Act defines the manager of an institution as any director (if the institution is a company) or member of its management committee (if the institution is a registered society). The Act also requires the manager of an institution to fulfil a prescribed set of duties and responsibilities. The institution is required to set up an Academic Board and an Examinations Board with at least three members each. The Boards are to set up proper academic and examination processes and frameworks respectively.

QA

- 10.72 The Ministry of Education currently audits universities in Singapore on a 4-year cycle. Basically, it involves the following:
- a) *Institution's self-assessment*: The audited university prepares a submission document stating its institutional goals in the 5 areas of evaluation (could be reduced for new institutions) and a list of self-selected performance indicators;

- b) *On-site evaluation visit*: This is followed by an external validation exercise conducted by an external review panel; and
- c) *Feedback and development*: The evaluation review panel provides recommendations to the institution. The Ministry of Education monitors the universities' follow up on the panel's recommendations.

10.73 In addition, the Ministry of Education's Quality Assurance Framework for Universities is based on five areas of evaluation as follows:

- a) *Governance & Leadership*: Refers to the role of the Council or Board of Directors for setting broad strategic directions and guiding the institution in reviewing its organisational performance.
- b) *Management & Strategic Planning*: Refers to the institution's management, accountable for the Council or Board of Directors for formulating and implementing strategic plans and monitoring their outcomes.
- c) *Teaching & Learning*: Assesses the quality of the institution's faculty, its curriculum, teaching processes and support systems. International benchmarking is encouraged.
- d) *Service*: Refers to both internal and external services including contributions to the community.
- e) *Research*: International and regional research standing.

10.74 Concern has been expressed over the rapid growth of the private education sector in Singapore, resulting in uneven quality of provision across the sector. In response to expectation for higher standards and stricter rules, the Private Education Act was gazetted in October 2009 to strengthen the existing registration framework and enforcement provisions. The Act also provides for the establishment of the Council for Private Education to oversee the new regulatory regime and promote best practices among private education institutions to raise standards in the private education sector over time.¹¹⁵

10.75 The Council for Private Education adopts a three-pronged strategy to strengthen and uplift the private education sector through:¹¹⁶

- a) Putting in place a robust regulatory framework, as provided for in the Private Education Act;
- b) Stepping up efforts in consumer education to promote greater public and consumer awareness; and
- c) Working with industry associations and private education institutions to develop the private education sector and raise its quality of education and student welfare services.

10.76 In addition, the Council for Private Education has implemented two schemes, namely a mandatory Enhanced Registration Framework and a voluntary QA scheme called EduTrust. Private education institutions which have a

¹¹⁵ Source: Singapore Council for Private Education.

¹¹⁶ Source: Singapore Council for Private Education.

significant impact on the Singapore education brand are required to be registered under the Enhanced Registration Framework. These institutions include private education institutions offering education leading to the award of a diploma or degree, or full-time post-secondary education leading to the award of a certificate; private education institutions offering full-time preparatory courses for entrance / placement tests for joining the Ministry of Education's mainstream schools, or for external examinations; and Foreign System Schools offering full-time primary or secondary education wholly or substantially, in accordance with an international curriculum. The four aims of the Enhanced Registration Framework are to:¹¹⁷

- a) Raise corporate and academic governance standards;
- b) Enhance student protection measures;
- c) Compel disclosure of key information by private education institutions; and
- d) Require private education institutions to seek renewal for their registration.

10.77 The EduTrust certification scheme provides a trust mark of quality. Private education institutions need to achieve higher and more comprehensive standards in their corporate governance and administration, academic processes, student protection and support services, and financial viability. The EduTrust certification scheme enables them to differentiate themselves as of a higher quality by achieving certification awards that correspond to their standards in these key areas of management and student services.¹¹⁸

¹¹⁷ Source: Singapore Council for Private Education.

¹¹⁸ Source: Singapore Council for Private Education.

V. Observations and Recommended Approach

11. Attributes of good governance practices abroad

- 11.1 In Chapter 9, different principles and codes of good governance practices of international and multilateral organisations are presented. It may be worth noting that the principles recommended by or underpinning codes of good governance practices suggested by different organisations are quite similar. For instance, the Council of Europe’s Higher Education Forum on Governance has identified a number of principles related to governance, which is underpinned by the commitment that the governance of institutions of higher education is based on *adequate inclusion* of all relevant stakeholders, evolving around the notions of *transparency*, *accountability* and *participation*. In Europe, there is also trend towards governance by means of *objectives* and *performance*.
- 11.2 In Chapter 10, the different principles and codes of good governance practices of different countries with different models of governance over public and private post-secondary education institutions and financing post-secondary education are reviewed. Despite the different contextual factors, in terms of governance and financing models, facing post-secondary education institutions, the principles and codes of good practices advocated are quite similar.
- 11.3 The National Governance Protocols introduced by the Australian government in 2003, for example, advocates the principles of *transparency*, *accountability*, *participation* and *performance* in recommending, amongst others, that the governing body post-secondary institutions should make available a programme of induction and professional development for its members; ensure its members are aware of their roles and responsibilities and assess their performance at regular intervals; have a majority of external independent members; codify and publish its internal grievance procedures, including procedures for submitting complaints; report high level outcomes in the annual report; and include a report on risk management in the annual report.
- 11.4 In addition, the “Voluntary code of best practice for the governance of Australian universities” published by the University Chancellors in 2011 also requires that there should be a majority of external independent members who are neither enrolled as a student nor employed by the university. The Code also requires the governing body to “make available a programme of induction and professional development for members to build the expertise of the governing body and to ensure that all members are aware of the nature of their duties and responsibilities”. Aspects related to transparency and communications like “a university should codify its internal grievance procedures and publish them”, “the annual report of a university should be used for reporting on high level outcomes”, “the annual report of a university should include a report on risk management” and “a university should disclose

in its annual report its compliance with this Code of Best Practice and provide reasons for any areas of non-compliance” are also included in the Code.

- 11.5 In Canada, the Checklist for Good Practice drawn up by the Association of Canadian Community Colleges, the American Council on Education, the Council for Higher Education Accreditation and the International Association of Universities is driven by, amongst others, the principles of *accountability* and *transparency*. In Denmark, the Code of Conduct compiled by Rectors’ Conference, University College Denmark and Rectors’ Conference, and Academies Professional Higher Education Denmark includes an element of *transparency* by requiring the provision of updated and reliable information to students, including potential students and *inclusiveness* through the requirement of facilitating inclusiveness and integration of international students within the institution.
- 11.6 In Ireland, the *Governance Code of Legislation, Principles, Best Practices and Guidelines* drawn up for Irish universities represents an effort to achieve voluntarily a balance between the principles of autonomy and accountability. In particular, the guiding principles of the Code include *integrity*, which covers, amongst others, recommendations that members of the governing authority are required to disclose outside employment and business interests that may be in conflict or potential conflict with the business of the university. Moreover, the management or employees of the university should not involve in outside employment or business interests in conflict or potential conflict with the business of the university. The guiding principles of the Code also include *information*, which covers the recommendation, among others, that the university is committed to providing access to information relating to its activities in a way that is open and enhancing its accountability to the public.
- 11.7 In the UK, the voluntary Code of Practice adopted by the Committee of University Chairmen contains recommendations that, amongst others, the governing body shall have a majority of independent members, defined as both external and independent of the institution; new members shall receive a full induction on joining the governing body; opportunities for further development for all members of the governing body shall be provided regularly in accordance with their individual needs; appropriate financial provision is made for support; and the results of effectiveness reviews, as well as of the institution’s annual performance against key performance indicators, should be published widely, including on the internet and in its annual report. Such requirements of *participation* of external members, *accountability* and *transparency* are quite similar to codes and guidelines of other countries reviewed above.

12. Common good practices of QA abroad

- 12.1 Similar to principles and codes related to good governance practices, standards and guidelines developed by international and multilateral organisations are also quite similar. For instance, the 2005 guidelines published by UNESCO and OECD on the quality of cross-border higher education, which aim at

protecting students and other stakeholders such as academic staff from low-quality provision and disreputable providers, embody the principles of *stakeholders participation*, *accountability* and *transparency*. On *stakeholders' participation*, it is stipulated in the guidelines that the development, maintenance and review of internal quality management systems should make full use of the competencies of stakeholders such as academic staff, administrators, students and graduates. On *accountability*, accurate, reliable and easily accessible information on the criteria and procedures of external and internal QA should be provided. On *transparency*, the financial status of the institution and/or educational programme offered should be published.

- 12.2 Similarly, common elements found in practically all QA systems of Western Europe also embrace the principle of transparency and accountability, stressing the need for public reporting of at least a summary of the evaluation results for accountability reasons. The *Standards and Guidelines for Quality Assurance* approved by the European Ministers for Education have incorporated similar basic principles like responsibility, safeguarding the interest of society, effective organisational structures, transparency and visible accountability processes. Furthermore, the purposes of the “Chiba Principles” for QA in higher education in the Asia-Pacific aim to, amongst others, ensure that there is *clarity* and *transparency* in QA processes and outcomes; provide a measure of *accountability*, including accountability for the investment of public and private funding; and generate *reliable public information* and reports about the higher education institutions, their programmes, awards and QA processes that are helpful to stakeholders such as potential students, employers and parents.
- 12.3 For countries where different models of governance over public and private post-secondary education institutions and financing post-secondary education are adopted, the principles underpinning guidelines and standards for QA are quite similar. For instance, the Irish Higher Education Quality Network has identified a set of common principles of good practice, which include the establishment of QA procedures that are *clear* and *transparent* to all their stakeholders, including staff, students, external stakeholders and the general public; students, staff and other stakeholders must be involved in the QA process; QA procedures should be put in place to ensure *public accountability*; and there should be transparency through the *publication* of the outcomes of the evaluations.
- 12.4 In the UK, the UK Quality Code for Higher Education drawn up by the Quality Assurance Agency requires that information on higher education institutions, which is a *fair* and *accurate* reflection of the learning opportunities they offer, should be clear, timely, current, *and transparent*. Also, the information should focus on the needs of the intended audiences, and is available and retrievable where intended audiences and users would reasonably expect to find.

13. Opportunities and challenges facing local self-financing post-secondary education sector

- 13.1 As discussed in Chapter 3 above, post-secondary education plays an important role in a knowledge economy, which serves to inspire and enable individuals to develop their capabilities to the highest potential, so that they grow intellectually, are well equipped for work, can contribute effectively to society and achieve personal fulfilment.
- 13.2 However, individuals have different capabilities, interests and aptitudes. The challenge facing post-secondary institutions Hong Kong or abroad, publicly or privately funded is to design and deliver courses of further education that could inspire and enable each unique individual to develop capabilities to the highest potential so that they would be productively engaged in work, contribute effectively to society and achieve personal achievement.
- 13.3 Furthermore, there has been tremendous expansion of the post-secondary sector worldwide in response to increasing social demand from students and their parents as well as economic demand arising from the advent of the knowledge-based economy. Both the governments, using tax-payers' money, and private individuals are financing this expansion of post-secondary education. Given the huge investment in post-secondary education and the important role played by the post-secondary education sector, there is high expectation from the public that institutions should be held accountable for outcomes.
- 13.4 To support the development of the post-secondary sector, governments worldwide have introduced different modes of financing, supporting not only public but also private post-secondary education institutions, with different level of subsidy. Partly as a result of the financing arrangements, the post-secondary education sector is becoming more diverse, with different institutions relying on different and diversified sources of funding, ranging from direct government subsidy to institutions to voucher-like funding through students, funding support to research or dedicated activities and funding from charities and industries. The nature of funding is also increasingly characterised by a greater targeting of resources, achieved through performance-based funding and competitive procedures. The situations facing public and self-financing post-secondary education institutions in Hong Kong are not much different from those in other countries and cities.
- 13.5 For the self-financing post-secondary sector in Hong Kong, it is an integral part of the post-secondary education. It plays an important role in broadening the opportunities and choices for students completing secondary schooling, thereby providing these students with quality, diversified and flexible pathways to further education with multiple entry and multiple exit points. There has been a significant growth in the self-financing post-secondary education sector in the past decade in terms of the number of students, locally-accredited post-secondary programmes and local degree-awarding institutions. Undoubtedly, public expectation in Hong Kong is high that the self-financing post-secondary institutions are held accountable for their

outcomes.

- 13.6 As pointed out in Chapter 3, post-secondary education to be delivered across borders and that transnational is becoming widespread. The number of students from places outside Hong Kong, notably the Mainland China, pursuing post-secondary education in Hong Kong is increasing rapidly. If the post-secondary education sector, publicly or privately funded, could seize the opportunity and offer quality education comparable if not better than those available in other countries, it will go a long way to helping Hong Kong's further development as a regional education hub. To do so requires post-secondary education institutions, including self-financing ones, to be able to offer education and training at a quality level higher than the threshold standards required of for the purposes of accreditation and articulation.
- 13.7 On the other hand, self-financing post-secondary education institutions have to compete for students, with publicly-funded institutions as well as with each other. As self-financing post-secondary education institutions are relying mainly on fee income to sustain their operations and that the level of fees charged is much lower than the per student subsidy publicly-funded institutions are receiving from the government, these self-financing institutions have to be operated in a highly efficient and cost-effective manner, with the bulk of fee income and other revenue such as donations devoted to learning and teaching and to maintain the quality of education provided. Too much regulatory or other reporting burden imposed on self-financing post-secondary institutions will inevitably increase the cost of operation of these institutions. It may also reduce the flexibility of self-financing post-secondary institutions in responding quickly to changes in the social demand for post-secondary education from students and the economic demand from employers for qualified manpower.
- 13.8 A cursory examination of the mode of operation and the nature programmes of offered by self-financing post-secondary institutions reveals a high level of diversity and vitality, as different institutions strive to design and offer courses of studies that could meet the different and diverse learning needs of students and the manpower requirements of employers in different economic sectors and professions. Many of these institutions are offering a wide range of degree, associate degree and higher diploma programmes that best suit the strengths and aptitude of secondary school leavers seeking an opportunity to continue their further education in the self-financing post-secondary sector. These programmes provide school leavers with not just specialised skills in different professions, but also generic and language ability for success in life. A number of institutions are, in close collaboration with post-secondary institutions outside Hong Kong, offering programmes in specific professions (e.g. healthcare) or economic sectors (e.g. creative industry), leveraging the institutions' strengths and market presence in these professions or economic sectors. Programmes offered by these institutions provide students with the articulation pathways to enrol in publicly-funded or self-financing programmes locally or programmes offered by institutions outside Hong Kong. It is desirable that such diversity and vitality are maintained.

13.9 As pointed out by the Steering Committee on the Review of Post-secondary Education Sector, “in the extremely competitive environment of self-financing post-secondary education in Hong Kong, institutions must find creative solutions to the problem of providing specialist programmes in niche markets at the right time and at an affordable cost.”¹¹⁹ Regardless of the types of programmes delivered and the kinds of students served, apart from finding creative solutions, quality is one of the main factors affecting the competitiveness and sustainability of self-financing post-secondary education institutions, and good governance in turn is one of the major enabling factors leading to good quality. Thus, having a code of good practices, over and above the accreditation and articulation requirements will definitely be helpful to self-financing post-secondary education institutions in confronting the challenges facing them and seizing the opportunities brought about by demand for their education services from both local students and those from places outside Hong Kong. Needless to say, the code should not increase unnecessarily the cost of operation, limit the flexibility of self-financing post-secondary education institutions to respond to changes in demand from students and employers, and reduce the diversity and vitality of the self-financing post-secondary education sector.

14. Proposed approach for the Code of practices on governance and QA

14.1 As discussed in Chapter 7, the Government attaches great importance to the quality of post-secondary education programmes offered by UGC-funded, other publicly-funded and self-financing post-secondary education institutions. Currently, there are three QA bodies in Hong Kong to monitor the quality of the post-secondary education sector. HKCAAVQ is a statutory body responsible for the QA of all operators and programmes except the UGC-funded institutions which enjoy self-accrediting status. Inevitably, questions will be raised as to the need to comply with any code of practices over and above the requirements of accreditation agencies in Hong Kong.

14.2 As noted by the Tripartite Liaison Committee in 2009, the governance structures of providers of post-secondary education in Hong Kong are dictated to a significant extent by the requirements of the ordinance under which they are registered. For continuing education units of the publicly-funded institutions, they are subject to the requirements of the relevant ordinances. For institutions registered under the Education Ordinance (Cap. 279) with authorisation from the Permanent Secretary for Education to offer post-secondary education or institutions registered under the Post Secondary Colleges Ordinance (Cap. 320), they have generally adopted governance structures based on the established practice in the post-secondary education sector. As long as the governance structures of self-financing post-secondary education institutions comply with statutory provisions or follow established practice in the post-secondary sector, there is apparently not a pressing need to follow a voluntary code of practices.

¹¹⁹ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p.96.

- 14.3 Nevertheless, it is noted that in conducting programme validation, for instance, post-secondary institutions have to demonstrate that they have attained the threshold standards for Institutional or Programme Validation, covering such areas as institutional plans and policies, institutional support for quality, programme objectives and learning outcomes, QA and indicators of quality. Obviously, it is desirable that self-financing post-secondary education institutions should aim for a quality standard higher than that of the threshold level. This probably explains the rationale why the Steering Committee on the Review of Post-secondary Education Sector has drawn up the “*Good Practices for the Sub-Degree Sector*” and that the Working Group on Tertiary Education Institutions Governance has recommended good practices related to disclosures and corporate governance in the context of financial reporting.
- 14.4 As stressed by the Steering Committee on the Review of Post-secondary Education Sector, the self-financing post-secondary education institutions and the programmes they operate vary. They have different origins and missions, and they differ in size and culture. It therefore leads to the fact that no single model of governance and QA can fit the needs of all institutions.¹²⁰ A code of practice that spells out in broad terms arrangements for good governance and QA will help set a common benchmark which different self-financing post-secondary institutions may choose to follow or work towards to, taking into account specific circumstances facing individual institutions. The code will help to reassure current and future students and employers that the governance and QA of self-financing post-secondary education institutions are based on principles that most publicly-funded or self-financing post-secondary education institutions, local and overseas, subscribe to.
- 14.5 As discussed above, the code will have to be formulated based on principles of good governance and QA that underpin practices in many publicly-funded and self-financing post-secondary education institutions as well as codes and protocols adopted by international, multilateral and national organisations reviewed above. These principles of good governance and QA are summarised below:
- a) *Participation and accountability*, covering requirements for external members to be appointed to the governing body of self-financing post-secondary education institutions, with a programme of training to ensure that members of the governing body are capable of performing their duties with integrity and objectively, and that they are held accountable for the performance of the governing body;
 - b) *Inclusiveness*, by requiring that all stakeholders including academic staff, students and employers are represented in the governing body and/or other relevant committees and working groups, and that stakeholders are involved in the QA processes;
 - c) *Performance*, by requiring that performance indicators are compiled, as one of the means to show accountability based on learning outcomes; and

¹²⁰ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p.126.

- d) *Transparency*, by requiring that key information relating to the quality of programmes, including learning outcomes, and the good governance of institutions, are made available to stakeholders and members of the public.

VI. Proposed Code on Governance and Quality Assurance

15. Introduction

Separate or a single code

- 15.1 In formulating the code, there are a number of issues that need to be considered. One is related to whether having separate codes for governance and QA or a single code covering both. As noted by the Tripartite Liaison Committee, QA is not only concerned with the outcomes, but also the context and interaction of various stakeholders involved, with input from and in consultation with both internal and external stakeholders in a continual process of self-improvement, in accordance with the mission and vision of the institution concerned. Quality forms part of the “institutional ethos underpinning all activities of teaching, learning and management”.¹²¹ Many of these elements involved in the QA process are thus closely related to the issues of governance.
- 15.2 In addition, QAC adopts the “Approach-Deployment-Results-Improvement” methodology in conducting its quality audits, which covers 11 common focus areas including, among other things, articulation of appropriate objectives, management, planning and accountability, programme development and approval processes, programme delivery including resources, teaching mode and student learning environment and student participation.¹²² These elements are part and parcel of the governance structure and processes of an institution.
- 15.3 It may also be noted that the HKCAAVQ adopts the Four-Stage QA Process to accredit operators and their learning programmes under the QF. The first stage of the four-stage process is the *Initial Evaluation (IE)* which is an evaluation of whether a programme provider has the organisational *competency* to effectively manage and provide adequate resources to the development, delivery, assessment and QA of its learning programmes and educational/training services.¹²³ In other words, the principles and processes of governance and QA are closely related. In the circumstance, it is proposed that there should be a single code covering both governance and QA.

¹²¹ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 16 – 20.

¹²² Quality Assurance Council (undated), *Audit Manual*, p.11 – 15.

¹²³ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2011), *Guidelines on Four-Stage Quality Assurance Process under the Qualifications Framework, QF Levels 4 to 7*, version 1.1.

Extent of disclosure

- 15.4 As discussed above, one of the principles on good governance and QA that underpin practices in many publicly-funded and self-financing post-secondary education institutions as well as codes and protocols adopted by international, multilateral and national organisations is *transparency*. Achieving transparency requires that key information relating to the quality of programmes, including learning outcomes and good governance of institution, are disclosed to stakeholders and members of the public.
- 15.5 Ideally, if information related to governance and QA of institutions is publicly available, stakeholders and members of the public can better understand the operation of the institutions and the quality of their programmes. This will undoubtedly help students and parents in their choice of institutions and programmes. All stakeholders including students, staff and members of the public can better monitor the performance of the institutions. Consequently, the management and staff of the institutions concerned will have to act properly and professionally, knowing that what they do will be scrutinized by other stakeholders and members of the public.
- 15.6 During discussions with stakeholders and key informants¹²⁴, several of them opined that the practice of public disclosure of information should be standardised across different institutions. Information that is considered of public interest, such as the composition and membership of the governing bodies and their terms of reference, should be published. Furthermore, information related to key committees such as academic boards and the senior management should also be published.
- 15.7 On the other hand, a number of them were of the view that institutions should have the flexibility in choosing what to publish. For example, for some institutions or programmes, the working experience of teaching staff is more important than academic qualifications. Thus, the institutions concerned might choose to publish the profile of their teaching staff in terms of experience but not academic qualifications. Furthermore, for information that is considered sensitive (e.g. student turnover rate) and may be subject to misinterpretation, institutions should be allowed to decide whether to publish or not. There is also other information, though not sensitive, which is proprietary and has a market value. Institutions may not wish to publish such information and allow other institutions copy practices or procedures developed by them.
- 15.8 Furthermore, doubts were also expressed by some of them on the merits of complete disclosure of information related to governance and QA to students, parents and members of the public. It was contended that information that is considered useful or of interest to students, parents and members of the public has already been published through the Information Portal for Accredited Post-secondary Programmes (iPASS) at www.ipass.gov.hk or the website

¹²⁴A list of stakeholders and key informants interviewed in the course of conducting the study is given in [Appendix 3](#). Views expressed by them are summarised in the report in a manner that does not reveal the identity of individual institutions and interviewees.

Concourse for Self-financing Post-secondary Education (Concourse) at www.cspe.gov.hk.

- 15.9 As the mode and scale of operation of self-financing post-secondary institutions are quite diverse, comparison between institutions that will inevitably be made when full information related to governance and QA is published may not be fair. As the standards and criteria adopted in compiling information on QA like performance indicators are different, any comparison across different institutions may even be misleading. Furthermore, some details on, for example, strategic plans may be deemed commercial secrets, the publication of which may undermine the commercial viability of some self-financing institutions which have to compete for students with publicly-funded institutions and other self-financing ones. Furthermore, the compilation on information in a form suitable for release to stakeholders and for public consumption takes up staff resources. Additional staff resources may also be required in answering queries from stakeholders, the press and members of the public on the published information and in fending off unfair criticisms if the information is misinterpreted. Smaller institutions including those offering niche programmes to smaller number of students which are operating on a smaller budget will be affected disproportionately compared with larger institutions. As plans and procedures are published, self-financing post-secondary education institutions may have less flexibility and require more lead time in adjusting their plans and procedures to cope with unforeseen changes in student demand and manpower requirements of employers. Finally, if compliance with the code is voluntary, those who volunteer to follow the code may be put in a less advantageous position vis-a-viz those institutions that choose not to follow the code, as the latter could plan and adjust their arrangements and marketing strategies to compete for students based on what the former does or plans to do.
- 15.10 In the circumstances, a delicate balance has to be struck between accountability on the one hand and transparency on the other, in formulating the code, on the level of details and the extent of disclosure of information related to governance and QA. After all, if certain institutions choose to be private independent, or if the government allows them to operate on self-financing basis, these institutions should enjoy more autonomy in their operations compared to publicly-funded ones. This would enable the self-financing post-secondary education institutions to flexibly adjust their programmes, subject to the requisite QA requirements for the purposes of accreditation, to meet the social demand for post-secondary education and to satisfy the manpower requirements of the economy in a cost-effective manner.
- 15.11 Nevertheless, it was stressed by a number of stakeholders and key informants interviewed in the course of conducting the study that running a post-secondary education institution is not the same as running a business as far as public expectations are concerned. There are certain values and behaviour standards, which include, among others, selflessness, integrity, objectivity, accountability, openness and honesty, which are cherished by academics and administrators of post-secondary education institutions. These values and behaviour standards are included in codes of conduct and practice

adopted by many post-secondary education institutions and related bodies, local and overseas.

Format of the code

- 15.12 As noted by the Tripartite Liaison Committee, the self-financing sub-degree “institutions and the programmes they operate are very varied. They have different origins and missions, and they differ in size and culture. It therefore stands to reason that no single model can fit the needs of all institutions. No one size fits all.”¹²⁵ This applies equally to other self-financing post-secondary education institutions operating degree programmes. During discussions with stakeholders and key informants, it was stressed by several of them that the code should only cover broad principles and should not stipulate specific practices and guidelines. This will enable different self-financing post-secondary education institutions to formulate and implement individual guidelines and procedures that are considered appropriate to their operations, in accordance with broad principles set out in the code.
- 15.13 It may be noted that in the QAC audit, the “quality of student learning is the centrepiece of audit” and auditing of research and managerial activities is conducted in so far as they affect the quality of teaching and learning. The audit methodology adopted by the QAC starts with answering the questions on the institution’s purpose and the manner in which the institution achieves its purpose.¹²⁶
- 15.14 The code will also focus primarily on the quality of student learning and will address matters on governance and QA in so far as they affect the quality of teaching and learning, starting from institutional governance, programme design and programme delivery to staffing, physical resources support to student learning outcomes. Accordingly, the code should comprise the following sections:
- a) Institutional management;
 - b) Programme design and delivery; and
 - c) Staffing, physical resources and student support

16. Institutional management

Mission and vision

- 16.1 In the Initial Evaluation by the HKCAAVQ, operators have to demonstrate that their legal status, mission, aims and objectives are appropriate to the delivery of their learning programmes and have educational, QA and resource allocation policies that are related to their mission, aims and objectives and

¹²⁵ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 126.

¹²⁶ Quality Assurance Council (undated), *Audit Manual*, p.11.

which are appropriate for their size and scope.¹²⁷

- 16.2 Practices and guidelines adopted by post-secondary education institutions overseas contain similar provisions on mission and vision. For instance, according to the *UK Quality Code for Higher Education*, higher education institutions are expected to publish information that describes their missions, values and overall strategy.¹²⁸ The Association of Universities and Colleges in Canada, the American Council on Education (ACE), the Council for Higher Education Accreditation (CHEA) and the International Association of Universities (IAU) have higher expectation on institutions' missions and visions, In their *Checklist for Good Practice* drawn up in 2004, institutions are urged in their self-assessment process by reviewing if their missions and goals include a commitment to social, cultural and economic well-being of communities, and linguistic and cultural diversity and a commitment to the importance of critical thinking that underpins responsible citizenship at the local, national, and global levels.¹²⁹

Recommendations

- 16.3 It is believed that information on the missions and visions of an institution helps both staff and students decide if the institution is offering the kind of post-secondary education experience they are seeking. Enabling staff and students to choose the right institution to work for or study in is directly related to the quality of teaching and learning, and hence the quality of student learning. Indeed, as pointed out by the QAC, “the institution is unlikely to achieve high quality student learning unless its objectives are clearly expressed and well understood by staff.”¹³⁰ It is thus proposed that the code should contain the following requirement:

Institutions should draw up and publish mission and vision statements which will underpin the institutions' design and delivery of learning programmes and QA and resource allocation policies.

- 16.4 During discussions with stakeholders and key informants interviewed in the course of the study, all institutions concerned have drawn up their mission and vision statements, and most, if not all, have published their mission and vision statements. All of them indicated no objection to publishing the mission and vision statements. For self-financing post-secondary education institutions that are accredited by the HKCAAVQ, they in fact have to draw up mission and vision statements for review for the purpose of accreditation. It is believed that institutions should have no problem in complying with this requirement of the code.

¹²⁷ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 16.

¹²⁸ The Quality Assurance Agency for Higher Education (2012), *UK Quality Code for Higher Education, Part C: Information about higher education provision*.

¹²⁹ Association of Universities and Colleges in Canada (2004), “Sharing quality higher education across orders: a checklist of good practice”.

¹³⁰ Quality Assurance Council (undated), *Audit Manual*, p.14.

Development plans and annual reports

- 16.5 The manner in which an institution plans to achieve its mission and vision are articulated through the development plans. Institutions may draw up development plans, strategic plans, vision plans or programme plans in various formats, review and report its performance in implementing these plans in annual reports or other types of reports in different formats. These are important reference documents for management and staff of the institutions in their planning, implementation and evaluation of teaching and learning activities.
- 16.6 The Tripartite Liaison Committee observed that for self-financing post-secondary education institutions offering sub-degree programmes, most of them “develop a collectively agreed Strategic Plan, aligned with their Mission Statement, and based on a detailed analysis of the institution’s own strengths and weaknesses and of the opportunities and threats presented by the environment”.¹³¹ The *UK Quality Code for Higher Education* goes one step further by stating that higher education institutions are expected to publish information that describes their mission, values and overall strategy.¹³²
- 16.7 In the UK, the voluntary Code of Practice adopted by the Committee of University Chairmen also specifies that the institution’s annual performance against key performance indicators should be published widely, including on the Internet and in its annual report.¹³³ The National Governance Protocols introduced by the Australian government, as part of the Higher Education Support Act, also require that the annual reports of post-secondary education institutions not eligible for general Commonwealth-funded places must be used for reporting of high level outcomes and include a report on risk management.¹³⁴
- 16.8 During discussions with stakeholders and key informants interviewed in the course of the study, all of them indicated that their institutions have drawn up development plans and annual reports for review by their senior management. The development plans are seldom published. Several institutions provide summaries of their development plans for publication in their Internet websites. It was explained that strategic or development plans often contain sensitive information related to details on programme design and resources that are considered commercial secrets the disclosure of which may affect the competitive edge of the institutions concerned. Besides, the publication of strategic or development plans may unnecessarily limit the flexibility of self-financing post-secondary education institutions in changing their plans

¹³¹ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*; p. 26 – 124.

¹³² The Quality Assurance Agency for Higher Education (2012), *UK Quality Code for Higher Education, Part C: Information about higher education provision*.

¹³³ Committee of University Chairmen (2004), *Guide for Members of Higher Education Governing Bodies in the UK*

¹³⁴ Walters, Colin (undated), “University governance”, paper presented to the Seminar on governing bodies of higher education institutions: roles and responsibilities, OECD/IMHE, p. 13 – 15.

and programmes with minimal delay in response to unforeseen changes in demand from students and requirements of employers. Moreover, during discussions with stakeholders and key informants interviewed in the course of the study, concern was expressed that information like performance outcomes might be misinterpreted by readers, leading to unfair comparison across different institutions.

- 16.9 In addition, it was cautioned by several that their institutions are rather small, and hence their plans would be simpler than those of larger institutions. While it may be possible to prepare a summary of the strategic plans such that commercial secrets are not disclosed, there would be extra staff resources involved that should be considered. Besides, as the government does not require publicly-funded institutions to publish their strategic plans, it would not be fair to ask self-financing ones to do so.
- 16.10 Nonetheless, as discussed above, the financing of post-secondary education in Hong Kong follows the model of “Mix of Public and Private Institutions”. For students attending courses in the self-financing post-secondary education sector which charges tuition fee on a cost-recovery basis, they may apply for government subsidy through the loan and grant schemes administered by the Student Financial Assistance Scheme. In addition, students and their parents have substantial investment, in terms of money and time, in their pursuit of post-secondary education. Given both public and private funding are involved, it is not unreasonable to expect the self-financing post-secondary education institutions to keep relevant stakeholders including parents, students, staff, donors and members of the public adequately informed of their performance and future plans.

Recommendations

- 16.11 It is thus proposed that the code should contain the following requirements:
- a) *Institutions should compile development plans which are aligned with their missions and visions and based on a detailed analysis of the institution’s own strengths and weaknesses and of the opportunities and challenges presented by the environment, and annual reports containing, among others, a review of activities undertaken during the year and the performance of the institutions; and*
 - b) *Abstracts of the development plans and annual reports which contain high level performance outcomes should be published.*
- 16.12 It is believed that compilation of development plans and annual reports should not pose much additional work, if any, on institutions concerned, as these plans and reports are compiled regularly for the purpose of planning, programme implementation and management control. Additional workload will nevertheless be involved in compiling a summary of the development plans and annual reports for public consumption, if institutions concerned choose not to publish the plans and reports in full.

Financial reports

- 16.13 One of the UNESCO/OECD guidelines on the quality of cross-border higher education is ensuring transparency of the financial status of the institution.¹³⁵ The publication of annual reports in the UK and Australia as mentioned under paragraph 16.7 also covers the financial statements.
- 16.14 During discussions with stakeholders and key informants, it was noted by several of them that some institutions might be willing to publish their financial reports, whilst others were more reluctant to do so. For some institutions, their financial reports have already been submitted to the government and there are established channels for members of the public to obtain copies of these reports. For a few institutions, publication of the financial report is required by law. In addition, some of them indicated that their institutions have already published summaries of their financial report. It is considered acceptable to publish only the summaries but not details of the financial reports. Detailed financial information published might be misinterpreted, as institutions are different in terms of scale, mode and nature of operation, rendering any comparison across institutions unfair. For instance, if information on endowment fund is published, some smaller institutions might be unfairly judged to be weak financially due to smallness of their endowment fund.
- 16.15 Doubt was expressed by a number of them on the relationship between programme quality, governance and the disclosure of financial report. There might be room for "window dressing" in the presentation of financial reports, thus revealing little useful information to the general readers. It was also pointed out by several of them that it would be quite resource consuming in compiling detailed financial report, say at the programme level. Besides, as self-financing post-secondary education institutions are privately-funded entities, they were not obliged to disclose such information as their financial statements to the public, apart from those, the legal status of which is a corporation, that are required to do so as part of the requirements of their company registration.
- 16.16 Nevertheless, the Law Reform Commission in its report on charities published in December 2013 recommended that, among others, "the Administration should ensure that tax-exempt charities make information about their operations available to the public by publishing certain documents, such as their financial statements and activities' reports, on their websites." The Commission observed that in overseas jurisdictions, such as Australia, Canada and New Zealand, certain information about registered charities is made available to the public and believed that this is an effective way of ensuring greater accountability and transparency among charities.¹³⁶
- 16.17 Furthermore, the reasonableness to expect the self-financing post-secondary education institutions to keep relevant stakeholders including parents, students,

¹³⁵ UNESCO (2005), *Guidelines for quality provision in cross-border higher education*, p.15 – 17.

¹³⁶ Law Reform Commission (2013), *Report: Charities*, p.132 – 133.

staff, donors and members of the public adequately informed of their performance as mentioned in paragraph 16.11 above should also apply to the disclosure of financial statements.

Recommendations

16.18 It is thus proposed that the code should contain the following requirement:

Institutions should publish at least a summary of a financial statement of the institution annually.

Management structure and processes

16.19 QA agencies accord a high priority on the management structure and processes of institutions. In the Initial Evaluation by the HKCAAVQ, one of the areas of evaluation is whether the operators' management including structure and processes and QA arrangements is sufficient to manage their operations and operators must demonstrate "having effective systems in place to monitor the implementation of their policies and the performance of their programmes".¹³⁷ In its audits, the QAC also stresses that the "achievement of high quality learning requires good planning, clear management structures, and accountability for achieving objectives."¹³⁸

16.20 Requirements for effective management structure are also elaborated by Tripartite Liaison Committee. Quoting a number of good practices related to *governance and management* in its Handbook, and recognizing that the management structures are invariably different for institutions of different size and nature of operation as well as governance arrangement with their parent organisations, if any, the Committee recommended that for an effective governing body, it should have an appropriate mix of stakeholders, including representatives of key employment sectors, institutional alumni, community leaders and representatives of sponsoring organisations, providing reassurance to stakeholders that the institution is run in a transparent and accountable way.¹³⁹

16.21 High priority for an effective management structure and processes is reflected in practices and guidelines adopted by post-secondary education institutions outside Hong Kong. For example, the Council of Europe's Higher Education Forum on Governance recommended that, among others, there should be transparency in procedures and tasks and effective mechanisms of accountability of those involved in governance.¹⁴⁰ The *Standards and Guidelines for Quality Assurance* (ENQA guidelines) embrace similar basic principles such as responsibility, safeguarding the interest of society, effective

¹³⁷ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 5 - 16.

¹³⁸ Quality Assurance Council (undated), *Audit Manual*, p.14.

¹³⁹ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*; p. 26 – 124.

¹⁴⁰ Reilly, John and Jongsma, Ard (2010), *Changing rules: A review of Tempus support to university governance*, publication of the European Commission, p. 14.

organisational structures, transparency and visible accountability processes. The principles of transparency and accountability are also embedded in the QA systems in most countries in Western Europe.¹⁴¹

- 16.22 In Australia, the National Governance Protocols, as part of the Higher Education Support Act, specify, among other things, that the governing body of post-secondary education institutions not eligible for general Commonwealth-funded places should state its objectives and functions and have an appropriate system of delegation, the duties of its members and sanctions for the breach of such duties; to make available a programme of induction and professional development for its members; to ensure its members are aware of their roles and responsibilities and at regular intervals to assess its performance and its conformance with these Protocols; and to have systematic procedures for nomination of prospective members.¹⁴² The *Voluntary code of best practice for the governance of Australian universities* published by the University Chancellors Council has similar provisions. In addition, the code specifies that “there should be a majority of external independent members who are neither enrolled as a student nor employed by the university”.¹⁴³
- 16.23 In the UK, the voluntary Code of Practice adopted by the Committee of University Chairmen has similar requirements. Furthermore, the Code requires that there should be a balance of skills and experience among members sufficient to enable the governing body to meet its primary responsibilities and to ensure stakeholder confidence. The governing body should meet at sufficiently regular intervals in order to discharge its duties effectively. The governing body should also adopt a Statement of Primary Responsibilities, relating to, amongst others, approval of the mission and strategic vision of the institution, long-term business plans, key performance indicators and annual budgets, and ensuring that they meet the interests of stakeholders. This Statement should be published widely, including on the internet and in the annual report, along with identification of key individuals (that is, chair, deputy chair, head of the institution, and chairs of key committees) and a broad summary of the responsibilities that the governing body delegates to the management or those which are derived directly from the instruments of governance. The institution shall maintain and publicly disclose a register of interests of members of the governing body.¹⁴⁴
- 16.24 The *Governance Code of Legislation, Principles, Best Practices and Guidelines* drawn up for Irish universities also has similar provisions. In addition, the Code requires that all universities should have written codes of conduct for members of the governing body and employees, developed via a

¹⁴¹ Henard, Fabrice and Mitterle, Alexander (undated), *Governance and quality guidelines in higher education: a review of governance arrangements and quality assurance guidelines*, OECD publication, p. 93 - 95.

¹⁴² Walters, Colin (undated), “University governance”, paper presented to the Seminar on governing bodies of higher education institutions: roles and responsibilities, OECD/IMHE, p. 13 – 15.

¹⁴³ University Chancellors Council (2011), “Voluntary code of best practice for the governance of Australian universities”

¹⁴⁴ Committee of University Chairmen (2004), *Guide for Members of Higher Education Governing Bodies in the UK*

participative approach, and that members of the governing body are required to disclose outside employment and business interests that may be in conflict or potential conflict with the business of the university, that the management or employees of the university should not involve in outside employment or business interests in conflict or potential conflict with the business of the university.¹⁴⁵

- 16.25 During discussions with stakeholders and key informants interviewed in the course of the study, it was stressed that members of the government bodies have important duties to perform. Thus, their ability, integrity and dedication to the work of the institutions are of utmost importance to the operation of institutions. It was noted that all self-financing post-secondary education institutions have clear management structure with a governing body being the highest authority responsible for administrative matters and very often an academic board responsible for academic affairs. The governing body is usually made up of lay members being the majority. There are terms of reference of the governing body, academic boards and various committees and subcommittees, with laid down procedures for appointment. Though not many institutions have drawn up code of conduct for members of the governing body, boards and committees, a procedure for declaration of interests for members is generally in place. For some institutions, they follow practices of their parent institutions and for several others they follow the requisite requirements stipulated in their governing ordinances. In some cases, abstracts from minutes of governing board meetings are also published.
- 16.26 In addition, for all institutions, various management procedures like the system of annual evaluation, internal complaints procedure and procedure for appeals, should be in place. There are also management audits, internal or external, to ensure that procedures and guidelines are followed by staff and senior management. It was suggested that there should be management audits by external, independent parties to supplement internal audits if any conducted by institutions.
- 16.27 However, not many institutions have procedures for regular reviews of the performance of members of the governing body and explicit guidelines on the duration of appointment. Besides, not many institutions publish their management structure, composition of the governing body, academic board and committees and their membership, procedures for appointing members of the governing body and reviewing their performance as well as guidelines on the duration of their appointment.
- 16.28 It was considered by several of them that it is not necessary to publish information related to the code of conduct for and responsibilities of members of the governing body. Concerns were also raised that if members of the governing body were asked to declare interests regularly, it would increase the operational costs and the workload of administrative staff and deter eligible persons from joining the governing bodies and other committees of institutions.

¹⁴⁵ Higher Education Authority and Irish Universities Association (2005), *Governance of Irish universities: A Governance Code of Legislation, Principles, Best Practices and Guidelines*.

Doubts were also expressed on the relationship between publishing these documents and programme quality. Furthermore, the publication of these documents might arouse attention from those not necessarily interested in the operation of the institutions. This might increase the workload of staff in dealing with enquiries and complaints arising from the publication of these documents.

16.29 While most stakeholders interviewed support the principle of transparency and do not have objection to publishing information related to the management structure, composition, membership and terms of reference of their governing bodies, boards and committees, they have serious reservations on asking members of the governing body, board and committees to declare their interests upon appointment and keeping a register of interests so declared, because doing so may discourage external members from participating in the work of the institutions. They are content with the present procedure which is an honour system of relying upon members to voluntarily declare their interests and abstain from discussions on matters that may give rise to a conflict of interest. Furthermore, compiling and publishing code of conduct for members of the governing body, boards and committees will create much additional workload on the part of the institutional staff in ensuring that the code will not invite unnecessary critics and result in unfair comparison across different institutions of different sizes and modes of operation.

16.30 It is believed that the issue at hand is two-fold. First is whether it is necessary to have a proper set-up, mechanism and procedure which are conducive to effective institutional management, and safeguards to ensure that the procedures are followed. Given that, as discussed above, effective management structure and processes are vital to quality of teaching and learning, the code should cover these aspects. The second is the extent of disclosure of information related to management structure and processes. It is believed that apart from information that is related to the outside interests of individual members of the governing bodies, boards and committees and is considered as personal information, other information on management structure and processes should be made known to stakeholders and members of the public. Indeed, the Working Group on Tertiary Education Institutions Governance has recommended, among others, the disclosure of governance structure by post-secondary education institutions in their annual reports, covering roles and responsibilities of the governing body and the key functional committees (e.g. Finance Committee and Audit Committee); the code of practice for members of the governing body, if any; and an acknowledgement from the governing body of its responsibility for preparing the financial statements.¹⁴⁶

Recommendations

16.31 During discussions with stakeholders and key informants, it was pointed out

¹⁴⁶ Working Group on Tertiary Education Institutions Governance (2011), *Partner for excellence: financial reporting*, p.16 - 17

by a number of them that transparency and accountability would mutually reinforce each other. The two were central to good governance. One of the purposes of disclosing information on governance and QA to stakeholders, and even the media and members of the public is to ensure that they are aware of the conduct and performance of members of the governing body and senior management, and hold these members accountable for the decisions they made and the subsequent implementation of the decisions. It would be more desirable if there was a system of checks and balance as well as management audits, preferably by independent parties, to ensure that procedures and guidelines are complied with and the prescribed standards of governance and QA upheld. Thus, it is proposed that the code should include the following requirements:

- a) *The governing body of an institution should have an appropriate mix of stakeholders which may vary in accordance with the different circumstances of institutions;*
- b) *The institution should formulate clear lines of responsibility, delegation of authority and terms of reference for its governing body and key committees like the academic board, finance committee and QA committee;*
- c) *The institution should have in place a system of appointment of members to its governing body and key committees and a procedure for periodical review of the performance of these members;*
- d) *The institution should ensure that members of its governing body and key committees are aware of their roles and responsibilities by providing, for example, programmes of induction and professional development;*
- e) *The institution should have in place a written code of conduct for members of its governing board and key committees and staff, spelling out their duties, a procedure for declaration of interests, requirements that its management or employees should not involve in outside employment or business interests in conflict or potential conflict with the business of the institution and sanctions for the breach of the code;*
- f) *The institution should have in place a system of periodical audits of its management processes to ensure that procedures and guidelines are complied with; and*
- g) *The institution should publish the composition, membership and terms of reference of its governing body and key committees.*

16.32 The above requirements proposed to be included in the code will undoubtedly increase the workload of institutions. However, it is noted that the current organisational chart showing the structure, names of staff, positions and lines of responsibility, terms of reference, membership composition and current members of the management group are among the evidence required to be submitted in the accreditation documents submitted to the HKCAAVQ for the purposes of Initial Evaluation.¹⁴⁷ Consequently, the additional workload

¹⁴⁷ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 5 - 16.

should not be unbearable. In any case, during discussions with stakeholders and key informants, most if not all institutions have already established practices in place, if not written procedures, governing the appointment of members of the governing bodies and key committees and the conduct for members as well as staff. As stressed by a key informant, what is involved is making implicit systems and procedures explicit, thereby keeping relevant stakeholders including staff, students, parents and members of the public informed what the institution has been doing all the time.

17. Programme design and delivery

QA structures and processes

Mechanisms and procedures

- 17.1 The Tripartite Liaison Committee, in its report, recommended that the QA management structures should be in place, with procedures that are transparent to all stakeholders involved in the process. All procedures should be documented, understood and complied with as well as regularly reviewed to ensure they continue to be effective and relevant. It was noted that most institutions had set up an internal committee structure with appropriate stakeholder representation and associated processes to ensure that their programmes were both market-oriented and academically rigorous, that quality standards were maintained and that learner support was maintained at the highest level.¹⁴⁸
- 17.2 During the Initial Evaluation by the HKCAAVQ, operators are required to demonstrate their QA processes by accurately identifying the market need for the programme and prospective student groups. Supporting documents required include terms of reference and membership of relevant external committees or advisory bodies involved in the development, monitoring and review of the learning programmes.¹⁴⁹
- 17.3 Furthermore, in the Institutional Review conducted by the HKCAAVQ, institutions are required to have “clear policies or procedures to monitor the quality of its activities and quality and standards of its programmes” and mechanisms “to ensure that these procedures are effective for maintaining quality of its activities and effective and appropriate for maintaining the programme at the outcome standards befitting the qualification. These policies and procedures should be approved through appropriate institutional processes, be published in documents accessible to those affected by the policies and procedures, and be implemented and enforced by the institution.”¹⁵⁰

¹⁴⁸ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*; p. 26 – 124.

¹⁴⁹ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 17 - 18.

¹⁵⁰ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2010), *Guidelines on Institutional Review for the purpose of seeking CAP 320 registration*, p. 15.

- 17.4 Similar practices are also adopted or recommended to be adopted in other countries. For example, in Ireland, the Irish Higher Education Quality Network has identified a set of common principles of good practices, which includes the requirement that all providers should be responsible for the establishment of QA procedures that are clear and transparent to all their stakeholders, including staff, students, external stakeholders and the general public.¹⁵¹ In the UK, Part C of the *UK Quality Code for Higher Education* requires that higher education institutions set out their framework for managing academic standards and QA and enhancement and describe the data and information used to support its implementation.¹⁵²
- 17.5 During discussions with stakeholders and key informants, most of them admitted that their institutions have in place a management structure for QA such as a dedicated QA committee, with the procedures for QA clearly set out. A few of them have published information related to their QA mechanism and procedures in their websites, to varying extents of details ranging from the publication of detailed QA management, terms of reference and membership of the QA committees to a high level summary of the QA framework. While a few institutions are prepared to publish and share with other institutions and the public detailed QA information like the entire QA manual, others have reservations doing so on the grounds that such details are of “commercial” value and should not be given away for free and that members of the public might not fully understand the significance of the procedures involved. Besides, the scale of operation and nature of the programmes are different for different institutions. Publishing detailed information on QA might lead to unfair comparison among the institutions. After all, it was contented by most stakeholders and key informants that staff members concerned are fully aware of the QA mechanism and procedures of the institutions.

Programme design and approval

- 17.6 As part and parcel of QA is the process of programme design and approval. Good practices of a number of institutions are presented in the Handbook published by the Tripartite Liaison Committee, demonstrating the need to ensure that learners’ goals in terms of employment and articulation to further study are taken into account in programme design, and that the programme approval procedures are formalised and explained clearly to ensure transparency and consistency.¹⁵³
- 17.7 During the Initial Evaluation by the HKCAAVQ, operators are required to demonstrate their QA processes by accurately identifying the market need for the programme and prospective student groups, undertaking consultation with

¹⁵¹ Irish Higher Education Quality Network (2005), “Principles of Good Practice in Quality Assurance and Quality Improvement for Irish Higher Education and Training”.

¹⁵² The Quality Assurance Agency for Higher Education (2012), *UK Quality Code for Higher Education, Part C: Information about higher education provision*.

¹⁵³ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 57 – 60.

and seeking feedback from relevant professional and industry bodies, community groups, student groups and academics and setting learning outcomes at appropriate QF levels and matching them to appropriate standards. Supporting documents required include written description or procedure for developing and approving learning programmes, copies of QA and continuous improvement policies and procedures, and details of relevant bodies and individuals consulted during the development of the programmes.¹⁵⁴

- 17.8 Similarly, in the Institutional Review conducted by HKCAAVQ, institutions are required to have “well defined policies and academic regulations governing the approval of new programmes and the continuous monitoring and review of existing programmes. The mechanisms should ensure that the programmes will meet the community need and the intended outcome standards at appropriate QF levels and are subject to continuous review of their effectiveness. All stakeholders should have the opportunities to contribute to and/or participate in the academic decision-making processes. These stakeholders include academic and non-academic staff of the institution, students, government administrators, associates from industry and professional bodies, external advisers and examiners, and the wider community.”¹⁵⁵
- 17.9 There are also similar recommendations for institutions in other countries. For instance, according to the *Standards and Guidelines for Quality Assurance* (ENQA guidelines) in Europe, it is recommended that the QA of programmes and awards should include amongst others the development and publication of explicit intended learning outcomes, regular feedback from employers, labour market representatives and other relevant organisations and participation of students in QA activities.¹⁵⁶
- 17.10 UNESCO and OECD, in their 2005 guidelines on the quality of cross-border higher education, also recommended that higher education institutions should develop, maintain or review current internal quality management systems so that they make full use of the competencies of stakeholders such as academic staff, administrators, students and graduates and provide accurate, reliable and easily accessible information on the criteria and procedures of external and internal QA.¹⁵⁷ In Ireland, the Irish Higher Education Quality Network has identified a set of common principles of good practices, which include requirements that students, staff and other stakeholders must be involved in the QA process and that QA procedures and their effectiveness should be reviewed on a cyclical basis by independent experts.¹⁵⁸

¹⁵⁴ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 17 - 18.

¹⁵⁵ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2010), *Guidelines on Institutional Review for the purpose of seeking CAP 320 registration*, p. 15.

¹⁵⁶ European Association for Quality Assurance in Higher Education (2005), *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, p.15 – 19.

¹⁵⁷ UNESCO (2005), *Guidelines for quality provision in cross-border higher education*, p.15 – 17.

¹⁵⁸ Irish Higher Education Quality Network (2005), “Principles of Good Practice in Quality Assurance and Quality Improvement for Irish Higher Education and Training”.

- 17.11 In Asia, the ‘Chiba Principles’ for QA in higher education in the Asia-Pacific require that for internal QA, appropriate and current information about the institution, its programmes, awards and achievements should be made publicly available. The quality assessment standards and criteria should be publicly available and applied consistently and that the assessment would normally include: (1) institutional self-assessment; (2) external assessment by a group of experts and site visits as agreed; (3) publication of a report, including decisions and recommendations; and (4) a follow-up procedure to review actions taken in light of recommendations made.
- 17.12 During discussions with stakeholders and key informants, it was given to understand that their institutions have clearly laid down procedures for programme design and approval. Most of them indicated that views of internal stakeholders like academic staff concerned and external stakeholders including employers and professional bodies are obtained in their programme design. However, the processes involved in programme design and approval are not often made known to existing and prospective students, let alone members of the public.
- 17.13 In addition, while all institutions have provided information related to their programmes to their existing and prospective students, the level of details on such matters like programme contents, admission criteria, intended learning outcomes, professional recognition and articulation pathways for further education varies considerably across different institutions. Undoubtedly, such information is essential to students in making their post-secondary education choices. It is obviously desirable that efforts be made to provide as much information as possible to students to facilitate them in making informed decisions on their choice of institutions and programmes. It is also difficult to defend publicly why certain institutions are able to provide fuller information about their programmes to students while other institutions cannot follow suit.

Recommendations

- 17.14 It is believed that institutions should all have in place a QA mechanism and QA procedure. Indeed, this is part of the requirements for accreditation. While staff is expected to be aware of this as they are inevitably involved in the QA processes, students as well as prospective students, and to some extent their parents should have the right to know, given that the quality of the programmes they are attending and intend to apply for is of vital importance to their post-secondary education. In addition, programme information relevant to students in facilitating them to make informed decisions on their choice of institutions and programmes should be disclosed and there is no excuse for withholding such information which should have been prepared by institutions concerned for accreditation purposes. Furthermore, local QA bodies like the Tripartite Liaison Committee and the HKCAAVQ, and overseas bodies have also advocated transparency. The following are thus recommended to be included in the proposed code:

a) Institutions should set out their framework for managing academic

standards and quality and develop QA mechanism and procedures that are clear and transparent to all their stakeholders including staff, existing and prospective students, employers and relevant professional bodies as well as members of the public.

- b) Institutions should have in place formalised procedures for programme design and approval, ensuring that learners' goals in terms of employment and articulation to further study are met and allowing stakeholders including staff, students, employers and the profession to contribute to [or participate in] the academic decision-making process.*
- c) To ensure transparency, the formalised procedures for programme design and approval should be explained clearly to staff, existing and prospective students.*
- d) To facilitate existing and prospective students in making informed decision on their choice of institutions and programmes, institutions should provide as much information as possible on details of their programmes including programme contents, admission criteria, intended learning outcomes and articulation pathways for further education.*

17.15 While the code is voluntary, it is believed that compliance with this particular requirement of this code should not pose much additional administration burden on institutions, given that documentation related to QA should have been compiled for the purposes of accreditation. Needless to say, when such information is published, there will bound to be pressure on institutions to regularly review and keep up-to-date and relevant their QA procedures. There will also be pressure on institutions to continuously enhance their QA arrangement in order to keep up with the rising aspirations of students, the profession and the community, and to catch up with higher standards, if any, adopted by other institutions, local and outside Hong Kong. This will be a win-win scenario for the entire post-secondary education sector and for Hong Kong.

Programme monitoring and reviews

The processes involved

17.16 The Tripartite Liaison Committee, in citing good practices of a number of institutions on programme delivery and review, stressed the need for institutions to have regular monitoring and review to assess programme effectiveness, validity and relevance. Such processes should be objective and based on evidence and feedback from students, graduates and employers.¹⁵⁹

17.17 In addition, the Tripartite Liaison Committee also recommended that sufficient monitoring, guidance and support be provided to local and non-local teachers,

¹⁵⁹ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 57 – 60.

coupled with an effective review and feedback mechanism. For accreditation by professional bodies, it has to be facilitated by having professional representation on programme advisory boards, clear communication and cooperation among institutions, professional bodies and QA agencies.¹⁶⁰

- 17.18 Similarly, during the Initial Evaluation by the HKCAAVQ, operators are required to have in place effective arrangements for regularly monitoring and reviewing the performance of all their programmes, ensuring that student assessment is valid, reliable, and effective, and for identifying areas for improvement.¹⁶¹ In addition, as noted above, in the Institutional Review conducted by the HKCAAVQ, institutions are required to have well defined policies and academic regulations governing the continuous monitoring and review of existing programmes.¹⁶²
- 17.19 There are similar requirements for post-secondary education institutions in other countries. For instance, the Checklist drawn up by the Association of Universities and Colleges in Canada, the American Council on Education, the Council for Higher Education Accreditation and the International Association of Universities contains questions related to *quality* which include whether the institution has in place a process of ongoing quality review, feedback, and improvement that relies on faculty expertise and incorporates the views of students.¹⁶³
- 17.20 During discussions with stakeholders and key informants, it transpires that all institutions have procedures, formal and/or informal, for programme monitoring and reviews. For example, employers, members of professional bodies and other stakeholders, through their participation in advisory committees and other forums, can provide feedback on the actual learning outcomes, training requirements to cope with changes in technology and work organisation, etc. to institutions. Regular or ad hoc surveys of employers, students and graduates also provide feedback to institutions on programme quality, relevance and effectiveness. However, despite the fact that much effort has apparently been devoted by institutions to programme monitoring and reviews, it is not a common practice of institutions to explain clearly to stakeholders especially existing and prospective students the manner in which existing programmes are continuously reviewed to ensure the relevance and effectiveness of these programmes, demonstrating that all stakeholders such as academic, students, employers and the profession have contributed to or participated in the review process. It will be to the advantage of the self-financing post-secondary education sector if there is more transparency regarding the processes involved in programme monitoring and reviews, such that institutions concerned are held accountable and users of institutions’

¹⁶⁰ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 96 – 107.

¹⁶¹ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 17 - 18.

¹⁶² Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2010), *Guidelines on Institutional Review for the purpose of seeking CAP 320 registration*, p. 15.

¹⁶³ Association of Universities and Colleges in Canada (2004), “Sharing quality higher education across orders: a checklist of good practice”.

education services like students and employers are more aware of the quality of the education services they “buy”.

Public reporting of review outcomes

17.21 In Western Europe, there are several common elements in practically all QA systems calling for self-evaluation, peer review (or external review) and public reporting, for accountability reasons, of at least a summary of the evaluation results.¹⁶⁴ The ENQA guidelines also contain recommendations that institutions should ensure that they collect, analyse and use relevant information for the effective management of their programmes of study and other activities. More specifically, it is also recommended that the information systems should, depending to some extent on local circumstances, at least cover the following:¹⁶⁵

- a) *student progression and success rates;*
- b) *employability of graduates;*
- c) *students’ satisfaction with their programmes;*
- d) *effectiveness of teachers; and*
- e) *the institution’s own key performance indicators.*

17.22 In addition, in the ENQA guidelines, it is recommended that institutions should regularly publish up-to-date, impartial and objective information, both quantitative and qualitative, about the programmes and awards they are offering. Reports on external QA should be published and should be written in a style which is clear and readily accessible to its intended readership. Any decisions, commendations or recommendations contained in reports should be easy for a reader to find.¹⁶⁶

17.23 In Asia, the ‘Chiba Principles’ also require that reports on the outcomes or results of QA processes should be transparent and related to the goals of the institution or the agency. In Ireland, the Irish Higher Education Quality Network has identified a set of common principles of good practices, which include requirements that QA procedures should ensure public accountability and transparency through the publication of the outcomes of the evaluations and that the outcomes of reviews of QA procedures and their effectiveness should also be published.¹⁶⁷

17.24 To facilitate the long-term and sustainable development of the post-secondary education sector, the Government has launched a dedicated website iPASS

¹⁶⁴ Kohoutek, Jan (2009), “Quality assurance in higher education: a contentious yet intriguing policy issue” in Kohoutek, Jan (edited), *Implementation of the Standards and Guidelines for Quality Assurance in Higher Education in the Central and East-European Countries – Agenda Ahead*, UNESCO-CEPES Studies on Higher Education, p.27 – 34.

¹⁶⁵ European Association for Quality Assurance in Higher Education (2005), *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, p.19 – 22.

¹⁶⁶ European Association for Quality Assurance in Higher Education (2005), *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, p.19 – 22.

¹⁶⁷ Irish Higher Education Quality Network (2005), “Principles of Good Practice in Quality Assurance and Quality Improvement for Irish Higher Education and Training”.

(www.ipass.gov.hk) since 2007 to enhance the sector's transparency and for easy access of information by members of the community. With the strong support rendered by various stakeholders, particularly in providing detailed information on relevant programmes and programme providers for inclusion in the website, iPASS serves as an important source of reference for students, parents and other interested parties to keep abreast of the development of the sector. Summary statistics on first destination of graduates of Associate Degree and Higher Diploma programmes, further studies after course completion and perceived impact of Associate Degree/Higher Diploma programmes are published. However, no information is available on individual programmes.¹⁶⁸

- 17.25 Apart from the iPASS, Concourse (www.cspe.gov.hk) was launched by the Committee on Self-financing Post-secondary Education on 23 December 2013. The website provides stakeholders and members of the public with comprehensive and latest information on the sector, including relevant policies, regulatory framework, support measures, QA, institutional and student information. The objective is to enhance transparency and promote the healthy and sustainable development of the sector. For individual institutions, information is published in the website on, among others, graduate statistics covering employment and articulation to further education, as well as the average annual salary. However, there are variations among institutions on the amount of information published in the website.¹⁶⁹
- 17.26 The QAC, through its audit process, conduct external QA to provide public accountability and to give confidence to students and their parents, employers and sponsors, that self-financing post-secondary education institutions under its purview is providing a quality and internationally recognised student learning experience. In conducting the audit, QAC examines the adequacy of the measures (e.g. benchmarks, students' achievements, performance indicators) used by the institution to demonstrate that it achieves its objectives in each of the focus areas. While no specific measure is mandated by the QAC, it will check if the measures chosen by institutions are appropriate to the objectives and are set at an appropriate level, and that institutions systematically collect and analyse evidence of their performance. The audit report, including the institutional response, is published in full, after removing confidential information collected on the institutions or individuals following the QAC's published guidelines, in order to meet public expectations that the institutions are accountable and the audit process is transparent.¹⁷⁰
- 17.27 During discussions with stakeholders and key informants, concerns were expressed by a number of them over the publication of the outcomes of programme reviews. They contended that if such findings were quoted out of context, this might lead to misinterpretation of the programme outcomes by students or members of the public. For instance, a low student progression rate for a particular self-financing sub-degree programme may be due to the fact that some of their students have transferred to other publicly-funded

¹⁶⁸ <http://www.ipass.gov.hk/edb/index.php/en/home>, retrieved on 19 January 2014.

¹⁶⁹ <http://www.cspe.edu.hk/content/Home>, retrieved on 23 March 2014.

¹⁷⁰ Quality Assurance Council (undated), *Audit Manual*, p.12 - 77.

programmes or degree programmes, characteristic of the “multiple progression pathways”¹⁷¹ of the post-secondary education system in Hong Kong. Thus, a sub-degree programme with low student progression rate may not be a good indicator of the quality of the programme. It was also feared by some that attention of the institution’s staff might be diverted to dealing with the mass media on the correct interpretation of the published findings on programme reviews.

- 17.28 Nevertheless, a number of them admitted that such indicators as employment rates of graduates and their articulation to further education are useful to students and parents. In fact, these indicators have already been published in the iPASS. For indicators like salaries of graduates, they have to be interpreted with care. For instance, graduate salaries depend on a host of industry-specific as well as economy-wide factors. For graduates working in say the design industry as freelancers, their salaries are not comparable to those working full-time in say the manufacturing or construction sector.
- 17.29 Furthermore, it was also pointed out that different methods are adopted by different institutions in compiling their outcome indicators, rendering comparison difficult if not impossible. For instance, if the coverage of the surveys and the survey response rates are different in survey questionnaires used in collecting employers’ views, findings on employers’ views may not be comparable. Any meaningful comparison across institutions could only be made after the compilation of these reports has been standardised. Furthermore, some reports like evaluation of teaching are developmental in nature. Publishing such reports would likely be counter-productive. In addition, the compilation of performance indicators requires extra resources on the part of institutions. The resource impact would likely to be bigger for smaller institutions offering a fewer number of programmes. There were views that government support should be provided to institutions to help them compile such information.
- 17.30 As discussed above, the Tripartite Liaison Committee, QA bodies like the HKCAAVQ, relevant international, multilateral and national bodies stress the needs for institutions to have regular monitoring and review to assess programme effectiveness, validity and relevance, conducted in an objective manner and based on evidence and feedback from students, graduates and employers. Such processes should be transparent and the outcomes published to ensure accountability. The QAC has also set an example of how audit outcomes could be published without revealing confidential information related to institutions or individuals. There should be means to ensure that information on say review outcomes such as performance indicators is interpreted correctly. According to the ENQA guidelines, institutions are required to compile reports on external QA in a style which is clear and readily accessible to its intended readership. Thus, concerns over misinterpretation by readers should not be an excuse for withholding information on findings of QA and programme reviews.

¹⁷¹ See for example EDB (2005), *The new academic structure of senior secondary education and higher education: action plan for investing in the future of Hong Kong*.

17.31 Indeed, the Committee on Self-financing Post-secondary Education and EDB have taken the initiative of publishing information on individual institutions that is considered of interest to stakeholders like students and their parents, employers and members of the public, to ensure transparency and promote the healthy and sustainable development of the sector. To meet public expectations that institutions are accountable, the QAC also publishes its audit reports. Needless to say, as lamented by several stakeholders and key informants, publication may exert pressure on institution staff in dealing with enquiries and comments on the published information, and thus divert their attention from their core business. This calls for the exercise of care and judgement in the presentation and explanation of the published information.

Recommendations

17.32 Indeed, self-financing post-secondary education institutions are not and will not be alone in publishing information that is considered sensitive but of significant public interests. As remarked by a few stakeholders and key informants, the media is likely to be occupied by many other probably more interesting issues in the community. Unless there is a “failure” or scandal in the self-financing post-secondary sector, media attention won’t be drawn to the sector. And this is precisely one of the purposes of transparency which hopefully will help minimise the occurrences of “failures” or scandals. EDB may have a role to play in advising institutions say on the use of appropriate framework and methodology in compiling performance indicators and providing a platform for sharing best practices among institutions. To sum up from the above, the following are recommended to be included in the proposed code:

- a) *Institutions should put in place a formalised system of conducting regular monitoring and reviews in an objective manner to assess programme effectiveness, validity and relevance. Stakeholders including staff, students and employers should be kept informed suitably, and the formalised system should have incorporated feedback from stakeholders like academic staff, students, graduates and employers; and*
- b) *Institutions should publish outcomes of their QA and programme reviews in a manner that is clear and readily accessible to stakeholders like staff, students and employers.*

17.33 As discussed above, procedures for QA and programme reviews are in place and the QA and programme review outcomes are regularly compiled in most, if not all, institutions. The task in hand is to document these procedures and outcomes in a format which is clear to and easily accessible by stakeholders like staff, students, employers and members of the public. It is not proposed, at least at this stage, to include in the code recommendations on specific outcome measures. Much work remains to be done by institutions concerned to review the compilation of these outcome measures to achieve comparability across different institutions by harmonizing if not standardising the definitions of terms, coverage, sampling methods, questionnaire design, response rate and estimation methods adopted in compiling outcome measures.

18. Staff, other resources and student support

Staffing and staff development

- 18.1 The quality of teaching and support staff is vital to the effective delivery of programmes and conducive to achieving the intended learning outcomes. The Tripartite Liaison Committee, in its report, has identified a number of good practices of institutions to ensure that the quality of teaching is monitored through such arrangements as peer observation, and is developmental and collegial in nature, as well as promoted through encouragement like “award of outstanding teacher”.¹⁷²
- 18.2 During the Initial Evaluation by the HKCAAVQ, operators are required to have “adequate teaching and support staff with the qualities, competence, qualifications and experience necessary for the effective delivery of their programmes.” Operators could demonstrate this by say having a fair and transparent human resources system which includes policies such as appointment, appraisal, promotion and termination” as reflected in staff manual, anticipated staff-to-student ratios, and policies and plans for staff development.¹⁷³
- 18.3 In the Institutional Review conducted by HKCAAVQ, institutions are required to have “a clear staff employment and development policy readily accessible by existing and potential employees. It should also have a medium- to long-term staffing plan that fits its current and planned purposes. There should be sufficient number of academic staff with appropriate qualifications and experience to provide effective teaching and educational services. Administrative, counseling and academic support staff should be adequate with appropriate background and qualifications teaching courses at degree level and to support the development of the institution and to ensure effective delivery of its educational services.” In addition, engagement in scholarly and professional activities by academic staff should be encouraged and facilitated. There should be institutional policies requiring continued professional development by academic staff.¹⁷⁴

Recommendations

- 18.4 Undoubtedly, institution’s management is fully aware that recruiting and retaining teaching and supporting staff with the qualities, competence, qualifications and experience necessary for the effective delivery of their programmes is essential to the success of the institutions in delivering good quality programmes. Having a fair and transparent human resources

¹⁷² Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*; p. 77 – 80.

¹⁷³ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 16 - 17.

¹⁷⁴ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2010), *Guidelines on Institutional Review for the purpose of seeking CAP 320 registration*, p. 10 - 12.

management system is vital to recruiting and retaining staff of the right qualities. During discussions with stakeholders and key informants, all of them indicated their institutions have in place a human resources management system appropriate to their institutions. There are laid down procedures for appointment and appraisal, deployment and promotion as well as a mechanism for handling internal complaints. In a number of institutions, there are measures including funding support to facilitate continued professional development (CPD) of staff, though not many of them have specific CPD requirements. It is suggested to include the following recommendation in the proposed code:

Institutions should have a fair and transparent human resources system which includes policies such as appointment, appraisal, promotion and termination, as well as policies and measures to facilitate staff development and to encourage and recognise good performance.

Learning and teaching resources

- 18.5 During the Initial Evaluation by the HKCAAVQ, operators are required to have “adequate financial and physical resources for the delivery of their programmes”, as reflected by their financial policies and practices which are supported by sufficient financial resources and having suitable teaching facilities.¹⁷⁵
- 18.6 Furthermore, in the Institutional Review conducted by the HKCAAVQ, institutions are required to have “an adequate financial and physical resource base to support its programmes of study at an acceptable level of quality on a continuing basis. The institution should provide financial resource plans which can demonstrate adequate resource support for the planned programmes of study and planned student numbers. Such resource plan should include consideration of adequate and appropriate campus space, equipment, laboratories, library and general facilities for effective teaching and learning.”¹⁷⁶
- 18.7 Similarly, in Europe, the *Standards and Guidelines for Quality Assurance* also include recommendations that institutions should ensure that the resources available for the support of student learning are adequate and appropriate for each programme offered.¹⁷⁷ The ENQA guidelines also contain recommendations that institutions should ensure that they collect, analyse and use relevant information for the effective management of their programmes of study and other activities. More specifically, it is recommended that the information systems should, depending to some extent on local circumstances,

¹⁷⁵ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2012), *Guidelines on Initial Evaluation and Programme Validation - QF Levels 4 to 7*, version 1.3, p. 17.

¹⁷⁶ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2010), *Guidelines on Institutional Review for the purpose of seeking CAP 320 registration*, p. 17.

¹⁷⁷ European Association for Quality Assurance in Higher Education (2005), *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, p.15 – 19.

cover learning resources available and their costs.¹⁷⁸

- 18.8 The website Concourse launched by the Committee on Self-financing Post-secondary Education contains information related to individual institutions on the facilities available and the student target admission. However, there are variations among institutions on the amount of information published in the website.¹⁷⁹ The iPASS also contains information related to individual institutions on the number of teaching staff, student enrolment and the staff-staff ratio. However, there are also variations among institutions on the amount of information published in the website.¹⁸⁰ Such information is useful to prospective students giving them an idea of staff and teaching facilities available to support the level of student enrolment.
- 18.9 During discussions with stakeholders and key informants, it was contended that efforts have always been made by self-financing post-secondary education institutions, during programme design and approval stage, to ensure that there will be adequate staff and other teaching facilities for the planned level of student admission. The HKCAAVQ also has stringent requirements on staffing and other teaching facilities that are required to support effective programme delivery. Information on staffing and other teaching facilities as well as the planned student enrolment will have to be submitted to the HKCAAVQ for accreditation purposes, and any subsequent changes to the planned student enrolment will require prior approval by the HKCAAVQ. It is believed that for institutions and programmes not under the purview of the HKCAAVQ, there should be similar arrangements especially by parties external to the institutions concerned as noted by a few stakeholders and key informants, though the extent of control and oversight might not be as stringent as that of the HKCAAVQ.
- 18.10 In addition, all of them indicated that their institutions have student admission targets drawn up based on staffing and other teaching resources available. However, few, if any, institutions published student target intakes for individual programmes or groups of programmes. Several of them said that such information would be available to secondary school teachers to help the teachers provide career guidance to students or even to students on request. Nevertheless, concerns were expressed that information on student admission targets, if published, might be subject to misinterpretation, as different institutions have different scale of operation. Besides, it was believed that students and parents were mainly concerned with ratio of admission to the number of applicants, rather than admission per se.
- 18.11 It was also pointed out that as students could submit applications for admission to more than one institution, it would be difficult for institutions to predict accurately the actual number of students turning up for admission. Consequently, there is a tendency for institutions to offer admission acceptance to a greater number of students than their target admission level,

¹⁷⁸ European Association for Quality Assurance in Higher Education (2005), *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, p.19 – 22.

¹⁷⁹ <http://www.cspe.edu.hk/content/Home>, retrieved on 23 March 2014.

¹⁸⁰ <http://www.ipass.gov.hk/edb/index.php/en/home>, retrieved on 19 January 2014.

on the understanding that not all applicants would turn up.

18.12 In general, views of stakeholders and key informants interviewed in the course of the study are mixed on the amount of information related to staffing, learning and teaching facilities and student admission targets that should be disclosed. Most agreed that it is feasible and useful to publish information on staff-student ratio, learning and teaching facilities and the overall student admission targets, to help prospective students in their choice of institutions and programmes. Concerns were expressed nevertheless on the publication of detailed information like the number of full-time and part-time staff and student admission targets at the programme level. A certain amount of flexibility is required on the part of institutions to adjust staff resources at the programme level to cope with unforeseen changes in the number of applicants. A few on the other hand believed that it is possible for their institutions to publish student admission targets at the programme level. They believed that it would be in the interest of students to know the admission level of the programmes they are applying for. In any case, as indicated by several stakeholders and key informants, in promoting their programmes to secondary schools, institutions have to give both Secondary 6 students and their career masters an indication of the number of students they will be admitting for different programmes.

18.13 Ensuring that there are adequate financial and physical resources for the effective delivery of their programmes is a main part of the core business of institutions. This is also the requirement for accreditation. The planning of staffing and provision of learning and teaching facilities should be part and parcel of the programme design and approval process and a critical input to the process of accreditation. To ensure accountability, it is also necessary to keep prospective students and their parents, as well as members of the public informed of staff and learning and facilities available to support effective programme delivery.

Recommendations

18.14 Since students often apply for admission at several institutions, it is indeed not easy to forecast the number of applicants and the actual of applicants taking up places for a specific programme. There should be room for institutions to adjust admission levels at the level of individual programmes to cater for unforeseen changes in student demand. However, institutions cannot possibly change their planned targets considerably without affecting quality. Different programmes have different requirements in terms specialisation and experience staff and supporting facilities. Thus, within a short span of time, it may not be possible for institutions to significantly increase their staff complement with the necessary knowledge and experience to cope with a large increase in student enrolment without having to accept a deterioration in quality standards or resorting to “poaching” expertise from other institutions resulting in unhealthy competition for students initially and staff subsequently among institutions. Furthermore, there is little justification for not keeping students informed of the staffing and learning and teaching facilities available

for the programmes they are applying for, and the likely size of student admission. Besides, since institutions will always have control over the number of students admitted, the chance of over-enrolment should not arise unexpectedly. In the circumstances, the following recommendations are suggested to be included in the proposed code:

- a) *Institutions should ensure that there are adequate staff and learning and teaching facilities to support their programmes of study at an acceptable level of quality on a continuing basis; and*
- b) *Institutions should publish information on staffing and learning and teaching facilities available to support programme delivery and student admission targets.*

18.15 It is expected that institutions should have planned for the adequate provision of staffing and learning and teaching facilities for each of their programmes and relevant plans should have been submitted to QA bodies, internal or external. It is believed that institutions would continue to ensure that there are adequate staffing and learning and teaching facilities to support ongoing programme delivery. In the circumstances, it is believed the institutions should have little problem complying with the recommendations.

Student support

18.16 Support to students is essential to helping students make the best of their time spent pursuing post-secondary education programmes. The Tripartite Liaison Committee, in its recent report, has identified a number of good practices of institutions in ensuring that adequate support is given to students through induction and orientation, the provision of diverse learning experience to meet different learning needs of students and counselling and mentorship, to facilitate the development of generic skills and whole-person development, underpinned by the commitment to outcome-based learning.¹⁸¹

18.17 In addition, the Tripartite Liaison Committee also pointed out that a number of institutions have incorporated their academic regulations on course requirements and assessment, grading system and graduation requirements and regulations governing college examinations into their prospectus for students, aligned assessment tasks with learning outcomes, adopted continuous assessment, standardisation of marking and student feedback, and the use of internal moderation and external examiners as well as a panel or board to review cases requiring special attention and a system of appeals.¹⁸²

18.18 As noted above, during the Institutional Review conducted by the HKCAAVQ, institutions are required to have adequate counseling and academic support staff to ensure effective delivery of its educational services. The student admission policies should be in line with the prevailing local admission

¹⁸¹ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 70 – 77.

¹⁸² Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 84 – 94.

requirements, compatible with the institution's stated purpose having regard to the maintenance of standard, facilities available and community needs, and should be published. The institutions should also have "policies and regulations governing students' rights and responsibilities, and should have provision for student facilities/services, pastoral care and counselling services, as well as learning support."¹⁸³

- 18.19 Furthermore, the Tripartite Liaison Committee, in quoting a number of good practices of institutions in laying down criteria and setting up a mechanism for student admission, stressed that "institutions should be mindful that they need to tread a fine line between making self-financing sub-degree programmes accessible to as wide a range of students as possible and admitting only those students who have a fair chance of successful completion." It was noted that EDB has guidelines on the admission of students falling short of the minimum entrance requirements such that these students should not account for more than 5% of the total intake on a programme basis, and not more than 3% on an institutional basis.¹⁸⁴
- 18.20 There are similar recommendations for institutions in other countries. In Denmark for instance, the Code of Conduct compiled by the Rectors' Conference, University College Denmark and Rectors' Conference, and Academies Professional Higher Education Denmark specifies that all institutions should ensure that potential applicants receive updated and reliable information, including the language of instruction used in each study programme.¹⁸⁵ There are also similar provisions in the *UK Quality Code for Higher Education* in which it is recommended that higher education institutions should describe the process for application and admission to the programme of study, make available to prospective students information to help them select their programme with an understanding of the academic environment in which they will be studying and the support that will be made available to them, set out what they expect of current students and what current students can expect of the higher education provider.¹⁸⁶
- 18.21 For institutions with non-local students, the Danish Code of Conduct specifies that institutions should lay down principles for the composition of classes or groups, so that within each study programme the best possible relationships may be established between students of different nationalities, including Danish and international students, and individual consideration can be taken with regard to specific cultural elements. In addition, institutions should also organise activities and make suggestions as to how staff and students may be inspired to meet across national and cultural boundaries in their leisure time,

¹⁸³ Hong Kong Council for Accreditation of Academic and Vocational Qualifications (2010), *Guidelines on Institutional Review for the purpose of seeking CAP 320 registration*, p. 13 - 14.

¹⁸⁴ Tripartite Liaison Committee (2010), *Good practices in quality assurance: a handbook for sub-degree sector*, p. 68 – 69.

¹⁸⁵ Rectors' Conference, University College Denmark and Rectors' Conference, and Academies Professional Higher Education Denmark (2010), *Code of Conduct for Danish Institutions of Higher Education under the Ministry of Education*.

¹⁸⁶ The Quality Assurance Agency for Higher Education (2012), *UK Quality Code for Higher Education, Part C: Information about higher education provision*.

and how Danish students can take their share of the responsibility for the highest possible degree of integration throughout the programme.¹⁸⁷

- 18.22 During discussions with stakeholders and key informants, it was noted that all institutions are aware of the importance of providing adequate staff and learning and teaching facilities as well as student support. They have also provided their existing and prospective students, through their websites, programme prospects or student handbooks, information on their courses of study, including admission requirements, course contents, the language of instruction used, facilities and other support available, intended learning outcomes, course assessment and appeal mechanism.
- 18.23 For institutions admitting non-local students, they have in place various measures to assist these students in adapting to living in Hong Kong and learning and teaching at the institutions. Though it is not a common practice among institutions to organise specific programmes aiming at integrating local and non-local students, all institutions are aware of the need to ensure that support and assistance if required are available to help non-local students with their academic work at the institutions as well as adaptation to daily living in Hong Kong. In some cases, the institutions have drawn up position statements on diversity, which are widely publicised, or have special arrangement in the grouping of students to facilitate integration. These institutions have taken active steps to promote inclusiveness, seeing diversity among students and staff as strengths. Measures that are aimed at integration adopted in some institutions include, for example, mixed class of local and non-local students.

Recommendations

- 18.24 It is suggested that the following recommendations be included in the proposed code:
- a) *Institutions should ensure that adequate support is given to students through induction and orientation, the provision of diverse learning experience to meet different learning needs of students, pastoral care and counselling, to facilitate the development of generic skills and whole-person development, underpinned by the institutions' commitment to outcome-based learning;*
 - b) *For institutions admitting non-local students, measures should be in place to help non-local students adapt to learning and teaching at the institutions and daily living in Hong Kong, and to facilitate the integration of local and non-local students in programme and other student activities;*
 - c) *Institutions should provide clear information to prospective students on the process for application and admission to their programmes, tuition fees, admission requirements, programme contents, intended learning*

¹⁸⁷ Rectors' Conference, University College Denmark and Rectors' Conference, and Academies Professional Higher Education Denmark (2010), *Code of Conduct for Danish Institutions of Higher Education under the Ministry of Education*.

outcomes, professional recognition if applicable, articulation pathways and employment prospects to help them in selecting institutions and programmes; and

- d) *Institutions should keep existing students fully informed of the policies and regulations governing students' rights and responsibilities, course assessment and appeal mechanism.*

Framework of the proposed code

18.25 With the above, the framework of the proposed code is tabulated below.

Components of the Code	Examples/ Reference
1 <u>Institutional governance and management</u>	
1.1 <u>Mission and vision</u>	
1.1.1 Institutions should draw up and publish mission and vision statements which will underpin the institutions' design and delivery of learning programmes and QA and resource allocation policies.	<p>HKCAAVQ requires operators to demonstrate that their legal status, mission, aims and objectives are appropriate to the delivery of their learning programmes and have educational, QA and resource allocation policies that are related to their mission, aims and objectives and which are appropriate for their size and scope during the Initial Evaluation.</p> <p>The UK Quality Code for Higher Education states that higher education institutions are expected to publish information that describes their missions, values and overall strategy.</p> <p>In the Checklist for Good Practices drawn up by the Association of Universities and Colleges of Canada, the American Council on Education, the Council for Higher Education Accreditation and the International Association of Universities in 2004, institutions are urged in their self-assessment process by reviewing if their missions and goals include a commitment to social, cultural and economic well-being of communities, and linguistic and cultural diversity and a commitment to the importance of critical thinking that underpins responsible citizenship at the local, national and global levels.</p>
1.2 <u>Development plan and annual reports</u>	
1.2.1 Institutions should compile development plans which are aligned with their missions and visions and based on a detailed analysis of the institution's own strengths and weaknesses and of the opportunities	As stated in the handbook "Good practices in quality assurance" published in 2010, the Tripartite Liaison Committee observed that for self-financing post-secondary education institutions offering sub-degree programmes, most of them "develop a collectively agreed Strategic Plan, aligned with their Mission Statement, and based on a

Components of the Code	Examples/ Reference
<p>and challenges presented by the environment, and annual reports containing, among others, a review of activities undertaken during the year and the performance of the institutions.</p>	<p>detailed analysis of the institution’s own strengths and weaknesses and of the opportunities and threats presented by the environment”.</p> <p>The UK Quality Code for Higher Education states that higher education institutions are expected to publish information that describes their mission, values and overall strategy.</p>
<p>1.2.2 Abstracts of the development plans and annual reports which contain high level performance outcomes should be published.</p>	<p>In the UK, the voluntary Code of Practice adopted by the Committee of University Chairmen also specifies that the institution’s annual performance against key performance indicators should be published widely, including on the Internet and in its annual report.</p> <p>The National Governance Protocols introduced by the Australian government, as part of the Higher Education Support Act, require that the annual reports of post-secondary education institutions not eligible for general Commonwealth-funded places must be used for reporting of high level outcomes and include a report on risk management.</p>
<p>1.3 <i>Financial reports</i></p>	
<p>1.3.1 Institutions should publish at least a summary of a financial statement of the institution annually.</p>	<p>UNESCO and OECD guidelines on the quality of cross-border higher education ensure transparency of the financial status of the institution.</p> <p>The voluntary Code of Practice adopted by the Committee of University Chairman in the UK and the annual reports of post-secondary education institutions not eligible for general Commonwealth-funded places in Australia also cover the financial statements.</p> <p>The Law Reform Commission in Hong Kong in its report on charities published in December 2013 recommended that, among others, “the Administration should ensure that tax-exempt charities make information about their operations available to the public by publishing certain documents, such as their financial statements and activities' reports, on their websites.” The Commission observed that in overseas jurisdictions, such as Australia, Canada and New Zealand, certain information about registered charities is made available to the public and believed that this is an effective way of ensuring greater accountability and transparency among charities.</p>

Components of the Code	Examples/ Reference
1.4 <i>Management structure and processes</i>	
1.4.1 The governing body of an institution should have an appropriate mix of stakeholders which may vary in accordance with the different circumstances of institutions;	<p>The Voluntary code of best practice for the governance of Australian universities published by the University Chancellors Council specifies that “there should be a majority of external independent members who are neither enrolled as a student nor employed by the university”.</p> <p>In the UK, the voluntary Code of Practice adopted by the Committee of University Chairmen requires that there should be a balance of skills and experience among members sufficient to enable the governing body to meet its primary responsibilities and to ensure stakeholder confidence.</p>
1.4.2 The institution should formulate clear lines of responsibility, delegation of authority <i>and</i> terms of reference for its governing body and key committees like the academic board, finance committee and QA committee;	<p>The Council of Europe’s Higher Education Forum on Governance recommended that, among others, there should be transparency in procedures and tasks and effective mechanisms of accountability of those involved in governance.</p> <p>The Standards and Guidelines for Quality Assurance embrace similar basic principles such as responsibility, safeguarding the interest of society, effective organisational structures, transparency and visible accountability processes.</p> <p>The UK voluntary Code of Practice adopted by the Committee of University Chairmen requires that the governing body should adopt a Statement of Primary Responsibilities, relating to, amongst others, approval of the mission and strategic vision of the institution, long-term business plans, key performance indicators and annual budgets, and ensuring that they meet the interests of stakeholders.</p>
1.4.3 The institution should have in place a system of appointment of members to its governing body and key committees and a procedure for periodical review of the performance of these members;	In Australia, the National Governance Protocols, as part of the Higher Education Support Act, states that the governing body of post-secondary education institutions not eligible for general Commonwealth-funded places should have systematic procedures for nomination of prospective members.
1.4.4 The institution should ensure that members of its governing body and key committees are aware of their roles and responsibilities by providing, for example, programmes of induction	In Australia, the National Governance Protocols, as part of the Higher Education Support Act, specify, among other things, that the governing body of post-secondary education institutions not eligible for general Commonwealth-funded places should state its objectives

Components of the Code	Examples/ Reference
and professional development;	and functions and have an appropriate system of delegation, the duties of its members and sanctions for the breach of such duties; to make available a programme of induction and professional development for its members; to ensure its members are aware of their roles and responsibilities and at regular intervals to assess its performance and its conformance with these Protocols.
1.4.5 The institution should have in place a written code of conduct for members of its governing board and key committees and staff, spelling out their duties, a procedure for declaration of interests, requirements that its management or employees should not involve in outside employment or business interests in conflict or potential conflict with the business of the institution and sanctions for the breach of the code;	The Governance Code of Legislation, Principles, Best Practices and Guidelines drawn up for Irish universities requires that all universities should have written codes of conduct for members of the governing body and employees, developed via a participative approach, and that members of the governing body are required to disclose outside employment and business interests that may be in conflict or potential conflict with the business of the university, that the management or employees of the university should not involve in outside employment or business interests in conflict or potential conflict with the business of the university.
1.4.6 The institution should have in place a system of periodical audits of its management processes to ensure that procedures and guidelines are complied with; and	The UK voluntary Code of Practice adopted by the Committee of University Chairmen requires that the governing body should meet at sufficiently regular intervals in order to discharge its duties effectively.
1.4.7 The institution should publish the composition, membership and terms of reference of its governing body and key committees.	The UK voluntary Code of Practice adopted by the Committee of University Chairmen requires that the institution shall maintain and publicly disclose a register of interests of members of the governing body.
2 <u>Programme design and delivery</u>	
2.1 <i>Quality assurance structures and processes</i>	
2.1.1 Institutions should set out their framework for managing academic standards and quality and develop QA mechanism and procedures that are clear and transparent to all their stakeholders including staff, existing and prospective students, employers and relevant professional bodies as well as members of the public;	The Tripartite Liaison Committee recommended in its handbook <i>Good practices in quality assurance</i> that the quality assurance management structures should be in place, with procedures that are transparent to all stakeholders involved in the process. The UK Quality Code for Higher Education requires that higher education institutions set out their framework for managing academic standards and QA and enhancement and describe the data and information used to support its implementation.

Components of the Code	Examples/ Reference
2.1.2 Institutions should have in place formalised procedures for programme design and approval, ensuring that learners’ goals in terms of employment and articulation to further study are met and allowing stakeholders including staff, students, employers and the profession to contribute to or participate in the academic decision-making process	Good practices of a number of institutions are presented in the handbook <i>Good practices in quality assurance</i> published by the Tripartite Liaison Committee, demonstrating the need to ensure that learners’ goals in terms of employment and articulation to further study are taken into account in programme design.
2.1.3 To ensure transparency, the formalised procedures for programme design and approval should be explained clearly to staff, existing and prospective students; and	The Irish Higher Education Quality Network has identified a set of common principles of good practices, which includes the requirement that all providers should be responsible for the establishment of QA procedures that are clear and transparent to all their stakeholders, including staff, students, external stakeholders and the general public.
2.1.4 To facilitate existing and prospective students in making informed decision on their choice of institutions and programmes, institutions should provide as much information as possible on details of their programmes including programme contents, admission criteria, intended learning outcomes and articulation pathways for further education.	
2.2 <i>Programme monitoring and reviews</i>	
2.2.1 Institutions should put in place a formalised system of conducting <i>regular</i> monitoring and reviews in an objective manner to assess programme effectiveness, validity and relevance. Stakeholders including staff, students and employers should be kept informed suitably, and the formalised system should have incorporated feedback from stakeholders like academic staff, students, graduates and employers; and	UNESCO and OECD, in their 2005 guidelines on the quality of cross-border higher education, recommended that higher education institutions should develop, maintain or review current internal quality management systems so that they make full use of the competencies of stakeholders such as academic staff, administrators, students and graduates and provide accurate, reliable and easily accessible information on the criteria and procedures of external and internal QA.
2.2.2 Institutions should publish outcomes of their QA and programme reviews in a manner that is clear and readily accessible to stakeholders like staff,	In Asia, the “Chiba Principles” for QA in higher education in the Asia-Pacific require that for internal QA, appropriate and current information about the institution, its programmes, awards and achievements should be made

Components of the Code	Examples/ Reference
students and employers.	publicly available. The quality assessment standards and criteria should be publicly available and applied consistently and that the assessment would normally include: (1) institutional self-assessment; (2) external assessment by a group of experts and site visits as agreed; (3) publication of a report, including decisions and recommendations; and (4) a follow-up procedure to review actions taken in light of recommendations made.
3 <u>Staff, other resources and student support</u>	
3.1 <u>Staffing and staff development</u>	
3.1.1 Institutions should have a fair and transparent human resources system which includes policies such as appointment, appraisal, promotion and termination, as well as policies and measures to facilitate staff development and to encourage and recognise good performance.	In the Institutional Review conducted by HKCAAVQ, institutions are required to have “a clear staff employment and development policy readily accessible by existing and potential employees. It should also have a medium- to long-term staffing plan that fits its current and planned purposes.”
3.2 <u>Learning and teaching resources</u>	
3.2.1 Institutions should ensure that there are adequate staff and learning and teaching facilities to support their programmes of study at an acceptable level of quality on a continuing basis; and	In Europe, the ENQA guidelines include recommendations that institutions should ensure that the resources available for the support of student learning are adequate and appropriate for each programme offered. The guidelines also contain recommendations that institutions should ensure that they collect, analyse and use relevant information for the effective management of their programmes of study and other activities. More specifically, it is recommended that the information systems should, depending to some extent on local circumstances, cover learning resources available and their costs.
3.2.2 Institutions should publish information on staffing and learning and teaching facilities available to support programme delivery and student admission targets.	The website “Concourse for Self-financing Post-secondary Education” launched by the Committee on Self-financing Post-secondary Education contains information related to individual institutions on the facilities available and the student target admission. iPASS also contains information related to individual institutions on the number of teaching staff, student enrolment and the staff-student ratio. Such information is useful to prospective students giving them an idea of staff and teaching facilities available to support the level of student enrolment.

Components of the Code	Examples/ Reference
3.3 <u>Student support</u>	
3.3.1 Institutions should ensure that adequate support is given to students through induction and orientation, the provision of diverse learning experience to meet different learning needs of students, pastoral care and counselling, to facilitate the development of generic skills and whole-person development, underpinned by the institutions' commitment to outcome-based learning;	The Tripartite Liaison Committee, in its handbook <i>Good practices in quality assurance</i> , has identified a number of good practices of institutions in ensuring that adequate support is given to students through induction and orientation, the provision of diverse learning experience to meet different learning needs of students and counselling and mentorship, to facilitate the development of generic skills and whole-person development, underpinned by the commitment to outcome-based learning.
3.3.2 For institutions admitting non-local students, measures should be in place to help non-local students adapt to learning and teaching at the institutions and daily living in Hong Kong, and to facilitate the integration of local and non-local students in programme and other student activities;	The Danish Code of Conduct specifies that institutions should lay down principles for the composition of classes or groups, so that within each study programme the best possible relationships may be established between students of different nationalities, including Danish and international students, and individual consideration can be taken with regard to specific cultural elements. In addition, institutions should also organise activities and make suggestions as to how staff and students may be inspired to meet across national and cultural boundaries in their leisure time, and how Danish students can take their share of the responsibility for the highest possible degree of integration throughout the programme.
3.3.3 Institutions should provide clear information to prospective students on the process for application and admission to their programmes, tuition fees, admission requirements, programme contents, intended learning outcomes, professional recognition if applicable, articulation pathways and employment prospects to help them in selecting institutions and programmes; and	The Danish Code of Conduct specifies that all institutions should ensure that potential applicants receive updated and reliable information, including the language of instruction used in each study programme. The UK Quality Code for Higher Education recommended that higher education institutions should describe the process for application and admission to the programme of study, make available to prospective students information to help them select their programme with an understanding of the academic environment in which they will be studying and the support that will be made available to them, set out what they expect of current students and what current students can expect of the higher education provider.
3.3.4 Institutions should keep existing students fully informed of the policies and regulations governing students'	The Tripartite Liaison Committee pointed out in its handbook <i>Good practices in quality assurance</i> that a number of institutions have incorporated their academic

Components of the Code	Examples/ Reference
rights and responsibilities, course assessment and appeal mechanism.	regulations on course requirements and assessment, grading system and graduation requirements and regulations governing college examinations into their prospectus for students, aligned assessment tasks with learning outcomes, adopted continuous assessment, standardisation of marking and student feedback, and the use of internal moderation and external examiners as well as a panel or board to review cases requiring special attention and a system of appeals.

19. Promulgation of the Code: implementation strategy

A common code for a diverse and vibrant sector

- 19.1 As discussed above, there is diversity in the self-financing post-secondary education sector. For instance, seven approved post-secondary colleges are registered under the Post Secondary Colleges Ordinance (Cap.320). These seven institutions have to be registered as a corporation, and thus have to comply with requirements under the Company Ordinance. The Open University of Hong Kong, on the other hand, is a statutory institution operating on a self-financing basis. The Open University of Hong Kong Ordinance has stipulated requirements on the governance structure including the functions and membership of the University's Council, the terms of appointment of members of the Council, and meetings and procedures of the Council.
- 19.2 The Vocational Training Council is another statutory institution. Provisions stipulated in the Vocational Training Council Ordinance on say the composition of the Council are different from those of the Open University of Hong Kong. Self-financing programmes operated by the Vocational Council Training obviously have to follow the practices adopted by the Council proper. Similarly for self-financing post-secondary programmes operated by the eight UGC-funded universities, they invariably have to follow the practices of their parent institutions. While ordinances governing individual UGC-funded universities have provisions stipulating, say, the functions and composition of the governing bodies of universities, these provisions do not necessarily apply to the governing bodies of self-financing units with these universities.
- 19.3 For other operators of self-financing locally-accredited post-secondary programmes, they may be registered as schools under the Education Ordinance, or some 1 200 non-local programmes are registered or exempted under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493). As a matter of fact, practices inevitably vary among institutions.
- 19.4 Furthermore, as discussed above, there are three QA bodies in Hong Kong to

monitor the quality of the post-secondary education sector. The HKCAAVQ is a statutory body responsible for the QA of all operators and programmes except the UGC-funded institutions which enjoy self-accrediting status. The QAC is a semi-autonomous non-statutory body under the aegis of the UGC to conduct quality audits of the UGC-funded institutions and programmes offered at undergraduate level and above, however funded. The JQRC was established by the Heads of Universities Committees to provide peer review of the QA processes of self-financing sub-degree programmes offered by the UGC-funded institutions.

- 19.5 In other words, while some self-financing post-secondary education institutions are subject to QA processes of the HKCAAVQ being an external, independent body, other self-financing institutions are subject to QA processes of their own parent institutions, with quality audits and peer reviews conducted respectively by the QAC and JQRC. The practices of the QAC and JQRC with respect to say the publication of audit or review reports are different.
- 19.6 Despite such diversity, the self-financing post-secondary education sector is a vibrant and an integral part of post-secondary education in Hong Kong. The number of students admitted to full-time degree programmes offered by the self-financing post-secondary education sector increased by more than ten times from 285 in the 2001/02 academic year to 2 798 in the 2009/10 academic year; and that for full-time sub-degree programmes from 5 546 in the 2001/02 academic year to 24 441 in the 2009/10 academic year, or by more than 330%.¹⁸⁸ The self-financing sector plays an important role in broadening the opportunities and choices for students completing secondary schooling, thereby providing these students with quality, diversified and flexible pathways with multiple entry and multiple exit points. The sector also helps diversify the post-secondary education sector and is conducive to Hong Kong's further development as a regional education hub.
- 19.7 The impact of a common code of good practices on different self-financing post-secondary education institutions is likely to be different. Some may find the publication of financial reports acceptable for reasons like they have been publishing these reports already. Some may find provisions of the code on say the governing bodies easy to comply with, as similar provisions are stated in their governing ordinances. A common code will no doubt help to reduce differences among institutions, as far as practices, including disclosure practices, on governance and QA are concerned.

Striking the right balance

- 19.8 The various codes and guidelines on governance and QA adopted by other countries, as reviewed in Chapter V above, have several common principles. These include a) *participation* and *accountability*, which cover requirements for external members to be appointed to the governing body of self-financing

¹⁸⁸ UGC (2010), *Aspirations for the higher education education system in Hong Kong*, p.157.

post-secondary education institutions, with a programme of training to ensure that members of the governing body are capable of performing their duties with integrity and objectively, and that they are held accountable for the performance of the governing body; b) *inclusiveness*, which requires that all stakeholders including academic staff, students and employers are represented in the governing body and other relevant committees and working groups, and that stakeholders are involved in the QA processes; c) *performance*, which requires that indicators are compiled, as one of the means to show accountability based on learning outcomes; and d) *transparency*, which requires that key information relating to the quality of programmes, including learning outcomes, and the good governance of institution, are made available to stakeholders and members of the public. The code proposed in above also follows similar principles.

- 19.9 As remarked by several stakeholders and key informants interviewed in the course of the study, the mode of financing and operation should not affect transparency practices. Self-financing institutions receive considerable sums of money from students and donors, and therefore should be accountable to them. Besides, both publicly-funded and self-financing institutions, regardless of their modes of operations, have similar obligations in terms of governance, QA, accountability and transparency, which are very important to the post-secondary education sector.
- 19.10 Nevertheless, it may be desirable that the code should not adversely affect the operation of self-financing institutions, reduce their competitiveness and limit their flexibility to respond to the diverse and changing needs of students and employers. Thus, it is necessary to strike a delicate balance between autonomy and accountability, taking due consideration of the expectations of students, parents, employers and members of the public. As may be seen above, in drawing up recommendations to be included in the code, the pros and cons for and the rationale underpinning the recommendations have been carefully weighed and discussed.

Winning support

- 19.11 During discussions with stakeholders and key informants, most of them were supportive of having a code on governance and QA that helps promote transparency and accountability, while taking due consideration of institutions' autonomy. Several of them opined that good or sound practices should be shared. Based on the code, institutions could develop their own practices taking into account their strengths and weaknesses, as well as their strategic positions and directions. Hopefully, this would help raise the overall programme quality of institutions while maintaining diversity. The code should also be regularly reviewed and updated. It was considered important that institutions should continue to improve their quality and build up a good image, in order to compete with other places for students, if Hong Kong aspires to become an education hub in Asia.
- 19.12 It should be noted that stakeholders and key informants were participating in

the discussions with the consultant team in their personal capacity. They were speaking from their experience working in the post-secondary education sector, with all of them having a vision of a strong and vibrant sector serving students from and outside Hong Kong, contributing to academic research and providing valued services to the community. All of them stressed that they are not representing the views of their institutions. Indeed, the code has not yet been drafted for their comments.

- 19.13 Given the favourable reception to the ideas of the code, it is essential that after the code has been drafted, institutions and clients of institutions such as students, parents, employers and members of the public should be formally consulted and their views sought before the code is finalised. Such a consultation process will not only help refine the code but also help win the support from those who have a stake in the self-financing post-secondary education sector.

Addressing concerns

- 19.14 During discussions with stakeholders and key informants, concern was expressed that public expectation of the code might be high. After the government has taken the initiative to draw up a code of good practices, students, parents and members of the public might expect that through the code the government could exercise more control, monitor and improve further the programme quality of self-financing post-secondary education institutions. However, if the code is too demanding and specific, institutions might not be willing to follow and comply with the code. Objection might be raised by institutions on grounds that the code amounts to another QA requirement enforced by the government, over and above those required of by the QA bodies. There might also be allegations that the code would risk infringing the autonomy of self-financing post-secondary education institutions that are not receiving any direct subsidy from the government.
- 19.15 On the other hand, if the code is not demanding such that institutions can easily follow, or if the code is drafted in a very loose terms allowing ample room for institutions to do whatever they like, students, parents and members of the public might be disappointed. Furthermore, as reviewed above, there are codes on governance and QA adopted by post-secondary education institutions in a number of countries outside Hong Kong that are popular among students. If the code to be promulgated in Hong Kong for self-financing post-secondary education institutions is pitched at a level lower in terms of governance and QA standards or much less demanding than those for countries outside Hong Kong, students and parents from and outside Hong Kong might have the suspicion that the standards of governance and QA of the self-financing post-secondary education sector are much inferior to those of other countries.
- 19.16 Furthermore, as opined by most stakeholders and key informants, institutions would have to devote extra resources to dealing with requirements of the code. If information that is sensitive and prone to misinterpretation is released, institutions would have to devote additional manpower to deal with enquires

or complaints, and to respond to any adverse comments or misreporting in the media. Given that self-financing post-secondary institutions have to compete for students with publicly-funded institutions, any diversion of existing resources or deployment of extra resources to dealing with matters arising from the code may increase the costs of operations of self-financing post-secondary education institutions, and affect their programme quality and hence their competitiveness vis-a-viz publicly-funded institutions in Hong Kong and other post-secondary education institutions outside Hong Kong.

- 19.17 In drafting and promulgating the code, these concerns have to be addressed and public expectation managed. As explained above, the code is merely making something which is implicit as explicit, as remarked by a key informant interviewed in the course of the study. What are stipulated in the code are in fact standards and practices that are currently in place or expected to be in place for self-financing post-secondary education institutions. Needless to say, the promulgation of the code should be accompanied by a public education programme, explaining to students, parents, members of the public and the media the purposes and scope of the code. In addition, measures have to be taken to facilitate self-financing post-secondary institutions in complying with the code, or parts of it, on a voluntary basis. These measures are discussed in the paragraphs to follow.

Facilitating the market for the self-financing sector

- 19.18 During discussions with stakeholders and key informants, it was pointed out by several of them that if the code is voluntary, different institutions with different modes of operation and financing might choose to adopt selected parts of the code, if at all. This would render comparison across institutions not so meaningful. It was suggested by several of them that compliance with the code by institutions should be regularly monitored.
- 19.19 On the other hand, it was stressed by a number of stakeholders and key informants that the code should be promulgated but not made compulsory. There should be room for institutions to decide which parts of the code to follow. Making compliance compulsory might put institutions at risk of complaints or even legal claims if institutions fail to comply with certain parts of the code. Care should also be taken to avoid creating workload and pressure on administrative staff of institutions and limiting the flexibility of institutions, especially smaller institutions, in responding to market demand.
- 19.20 Furthermore, several of them cautioned that implementing the code without facilitating institutions in complying with the code would render the code less effective. It was suggested that the government should consider adopting a "carrot and stick" approach, leaving monitoring and reviews to QA bodies. The government should also provide clear guidelines and take steps to ensure consistency in complying with the code. In view of the different QA arrangements for different self-financing post-secondary education institutions, doubts were expressed as to whether the government could monitor compliance of the code by institutions.

- 19.21 It was also noted that after launching the code, even though compliance of which is voluntary, there is a danger that it would become another set of requirements over and above QA requirements, creating another layer of bureaucracy overseeing the operations of self-financing post-secondary education institutions. It was suggested by several of them that there should be consultation with relevant stakeholders before introducing the code. Duplication with the work of the QA bodies should be avoided.
- 19.22 Apparently, views of stakeholders and key informants are not quite consistent, reflecting both expectation and caution. On the other hand, as discussed above, expectation from students, parents and members of the public is likely to be high. In short, to meet expectations of institutions on the one hand and students, parents and members of the public on the other, the code has to be implemented in such a manner that compliance is voluntary leaving sufficient room and flexibility to institutions, but yet there should be consistency across different institutions. The code should be implemented with support and monitoring by government, yet it should not create another layer of bureaucracy and another set of QA requirements over and above those of the QA bodies. As government support invariably involves the use of public money, to establish a support system which does not create bureaucracy may call for a radical departure from the usual government funding approach.
- 19.23 To meet the above expectations, a *government-facilitated market-driven* approach, such as provision of funding support to encourage compliance with the code by institutions, may be explored. As discussed above, some self-financing post-secondary education institutions may require government support, including funding support, in order to help them comply with the code. Given the diverse nature of institutions, not all them will be able to comply fully with all recommendations of the code within a short span of time. Different institutions may choose different time scales and strategies in aligning their operations with the recommendations of the code. The role of the government is to provide a platform for institutions to share their experience and to facilitate compliance.
- 19.24 Apart from support from the government, there should be an incentive system to encourage institutions to comply with the code. The very nature of the self-financing post-secondary education sector is that institutions have to compete in the market for students. Indeed, over the years, the management and staff of self-financing institutions have all worked hard to improve their programme quality and build up their reputation, so that they can fill their classes, charge fees that are comparable to the quality of education services they are providing and attract donations. Students and parents rely on market signals in the choice of institutions and programmes. Donors may also use similar signals in choosing which institutions to donate to, in addition to other considerations.
- 19.25 As discussed above, in Australia, universities have to disclose in their annual reports the compliance with the Voluntary Code of Best Practice for the Governance of Australian Universities and provide reasons for any areas of

non-compliance. In Singapore, there is an EduTrust certification scheme which provides a trust mark of quality, enabling institutions to differentiate themselves as of a higher quality by achieving certification awards that correspond to their standards in these key areas of management and student services. In England, the Higher Education Statistics Agency collects, analyses and disseminates accurate and comprehensive statistical information on higher education institutions. The Agency allows the general public, prospective students, students, universities and colleges, government organisations, funding agencies, politicians and policy-makers easy access to a comprehensive body of reliable statistical information and analysis about higher education institutions.¹⁸⁹ As remarked by a key informant, publicly-funded and privately-funded universities have to compile performance indicators and other related information for submission to the Agency so that students and parents can refer to data in helping them choose universities and programmes. For privately-funded universities, this is a market-driven decision to publish performance indicators and other related information. Obviously, based on experience in other countries, there are ways and means of encouraging self-financing post-secondary education institutions to comply with the code based on market mechanism.

¹⁸⁹ <http://www.hesa.ac.uk/>

NATIONAL GOVERNANCE PROTOCOLS FOR HIGHER EDUCATION PROVIDERS LISTED IN TABLE A¹ OF THE ACT

Protocol 1: the higher education provider must have its objectives and/or functions specified in its enabling legislation.

Protocol 2: the higher education provider's governing body must adopt a statement of its primary responsibilities, which must include:

- (a) appointing the vice-chancellor as the chief executive officer of the higher education provider, and monitoring his/her performance;
- (b) approving the mission and strategic direction of the higher education provider, as well as the annual budget and business plan;
- (c) overseeing and reviewing the management of the higher education provider and its performance;
- (d) establishing policy and procedural principles, consistent with legal requirements and community expectations;
- (e) approving and monitoring systems of control and accountability, including general overview of any controlled entities. A controlled entity is one that satisfies the test of control in s.50AA of the Corporations Act;
- (f) overseeing and monitoring the assessment and management of risk across the higher education provider, including commercial undertakings;
- (g) overseeing and monitoring the academic activities of the higher education provider; and
- (h) approving significant commercial activities of the higher education provider.

The higher education provider's governing body, while retaining its ultimate governance responsibilities, may have an appropriate system of delegations to ensure the effective discharge of these responsibilities.

Protocol 3: the higher education provider must have the duties of the members of the governing body and sanctions for the breach of these duties specified in its enabling legislation. Other than the Chancellor, the Vice-Chancellor and the Presiding Member of the Academic Board (s) each member must be appointed or elected ad personam. All members of the governing body must be responsible and accountable to the governing body. When exercising the functions of a member of the governing body, a member of the governing body must always act in the best interests of the higher education provider.

¹ Self-accrediting bodies, eligible for all funding under the Act.

Duties of members must include the requirements to:

- (a) act always in the best interests of the higher education provider as a whole, with this obligation to be observed in priority to any duty a member may owe to those electing or appointing him or her;
- (b) act in good faith, honestly and for a proper purpose;
- (c) exercise appropriate care and diligence;
- (d) not improperly use their position to gain an advantage for themselves or someone else; and
- (e) disclose and avoid conflicts of interest (with appropriate procedures for that purpose similar to those for public companies).

There should be safeguards, exemptions and protections for members of a higher education provider's governing body for matters or things done or omitted in good faith in pursuance of the relevant legislation. Without limitation, this should include such safeguards, exemptions and protections as are the equivalent of those that would be available were the member a director under the Corporations Act. The higher education provider (with the exception of those subject to the Corporations Act) must have a requirement that the governing body has the power (by a two-thirds majority) to remove any member of the governing body from office if the member breaches the duties specified above included in its enabling legislation. A member must automatically vacate the office if he or she is, or becomes, disqualified from acting as a Director of a company or managing corporations under Part 2D.6 of the Corporations Act.

Protocol 4: each governing body must make available a programme of induction and professional development for members to build the expertise of the governing body and to ensure that all members are aware of the nature of their duties and responsibilities. At regular intervals the governing body must assess both its performance and its conformance with these Protocols and identify needed skills and expertise for the future.

Protocol 5: the size of the governing body must not exceed 22 members. There must be at least two members having financial expertise (as demonstrated by relevant qualifications and financial management experience at a senior level in the public or private sector) and at least one member with commercial expertise (as demonstrated by relevant experience at a senior level in the public or private sector). Where the size of the governing body is limited to less than 10 members, one member with financial expertise and one with commercial expertise would be considered as meeting the requirements. There must be a majority of external independent members who are neither enrolled as a student nor employed by the higher education provider. There must not be current members of any State or Commonwealth parliament or legislative assembly other than where specifically selected by the governing body itself.

Protocol 6: the higher education provider must adopt systematic procedures for the nomination of prospective members of the governing body for those categories of members that are not elected. The responsibility for proposing such nominations for the governing body may be delegated to a nominations committee of the governing body that the Chancellor would ordinarily chair.

Members so appointed must be selected on the basis of their ability to contribute to the effective working of the governing body by having needed skills, knowledge and experience, an appreciation of the values of a higher education provider and its core activities of teaching and research, its independence and academic freedom and the capacity to appreciate what the higher education provider's external community needs from that higher education provider.

To provide for the introduction of new members consistent with maintaining continuity and experience, members' terms must generally overlap and governing bodies must establish the maximum period to be served. This should not generally exceed 12 years unless otherwise specifically agreed by the majority of the governing body.

Protocol 7: the higher education provider is to codify its internal grievance procedures and publish them with information about the procedure for submitting complaints to the relevant ombudsman or the equivalent relevant agency.

Protocol 8: the annual report of the higher education provider must be used for reporting on high level outcomes.

Protocol 9: the annual report of the higher education provider must include a report on risk management within the organisation.

Protocol 10: the governing body is required to oversee controlled entities by taking reasonable steps to bring about the following:

- (a) ensuring that the entity's board possesses the skills, knowledge and experience necessary to provide proper stewardship and control of the entity;
- (b) appointing some directors to the board of the entity who are not members of the governing body or officers or students of the higher education provider, where possible;
- (c) ensuring that the board adopts and regularly evaluates a written statement of its own governance principles;
- (d) ensuring that the board documents a clear corporate and business strategy which reports on and updates annually the entity's long-term objectives and includes an annual business plan containing achievable and measurable performance targets and milestones; and

- (e) establishing and documenting clear expectations of reporting to the governing body, such as a draft business plan for consideration and approval before the commencement of each financial year and at least quarterly reports against the business plan.

Protocol 11: A higher education provider must assess the risk arising from its part ownership of any entity (including an associated company as defined in the Accounting Standards issued by the Australian Accounting Standards Board), partnership and joint venture. The governing body of the provider must, where appropriate in light of the risk assessment, use its best endeavours to obtain an auditor's report (including audit certification and management letter) of the entity by a State, Territory or Commonwealth Auditor-General or by an external auditor.

***NATIONAL GOVERNANCE PROTOCOLS FOR HIGHER EDUCATION PROVIDERS
NOT LISTED IN TABLE A² OF THE ACT***

Protocol 1: the higher education provider must have its objectives specified in a constitution or such other document that establishes the higher education provider as a legal entity.

Protocol 2: the governing body of the higher education provider must adopt a statement of its primary responsibilities, which must include:

- (a) appointing the chief executive officer of the higher education provider and monitoring his/her performance;
- (b) appointing, where necessary, the secretary or public officer of the higher education provider;
- (c) ensuring that the processes of the governing body are carried out in accordance with the constitution of the governing body;
- (d) approving the mission and strategic direction of the higher education provider, as well as the annual budget and business plan;
- (e) appointing an external auditor;

² Including self-accrediting bodies (i.e. Bond University, The University of Notre Dame Australia and Melbourne College of Divinity) not eligible for general Commonwealth funded places but eligible for Commonwealth research funding and can be allocated national priority student places in fields such as nursing and education (under Table B of the Act) and providers approved by the Minister which can be a university, an institution established with the powers to approve its own courses, or a provider whose courses have been accredited by the relevant State or Territory authority. They can be allocated national priority student places in fields such as nursing and education. There are two universities under Table C of the Act, including Carnegie Mellon University (a non-profit organisation established under Pennsylvania law) and University College London (a non-profit organisation established under UK law)

- (f) appointing, where necessary, an audit committee that consists of at least three independent members (excluding the chair) of the governing body;
- (g) establishing policy and procedural principles consistent with legal requirements and community expectations;
- (h) approving and monitoring systems of control and accountability, including general overview of any controlled entities. A controlled entity is one that satisfies the test of control in s.50AA of the Corporations Act;
- (i) overseeing and reviewing the management of the higher education provider and its performance as a higher education provider;
- (j) overseeing and monitoring the assessment and management of risk across the higher education provider, including commercial undertakings;
- (k) overseeing and monitoring academic activities of the higher education provider; and
- (l) approving significant commercial activities of the higher education provider.

The higher education provider's governing body, while retaining its ultimate governance responsibilities, may have an appropriate system of delegations to ensure the effective discharge of these responsibilities.

Protocol 3: the higher education provider must have the duties of the members of the governing body and sanctions for the breach of these duties specified in its constitution or other such document of the higher education provider. Other than the Chair of the Governing Body, Chief Executive Officer and the Presiding Member of the Academic Board (or the equivalent officer) each member must be appointed or elected ad personam. All members of the governing body must be responsible and accountable to the governing body. When exercising the functions of a member of the governing body, a member of the governing body must always act in the best interests of the higher education provider.

Duties of members must include the requirements to:

- (a) act always in the best interests of the higher education provider as a whole, with this obligation to be observed in priority to any duty a member may owe to those electing or appointing him or her;
- (b) act in good faith, honestly and for a proper purpose;
- (c) exercise appropriate care and diligence;
- (d) not improperly use their position to gain an advantage for themselves or someone else; and
- (e) disclose and avoid conflicts of interest (with appropriate procedures for that purpose similar to those for public companies).

There should be safeguards, exemptions and protections for members of a higher education provider's governing body for matters or things done or omitted in good faith. Without limitation, this should include such safeguards, exemptions and protections as are the equivalent of those that would be available were the member a director under the Corporations Act. The higher education provider (with the

exception of those subject to the Corporations Act) must have a requirement that the governing body has the power to remove any member of the governing body from office if the member breaches the duties specified above included in its constitution or other such document of the higher education provider. A member must automatically vacate the office if he or she is, or becomes, disqualified from acting as a Director of a company or managing corporations under Part 2D.6 of the Corporations Act.

- Protocol 4:** each governing body must make available a programme of induction and professional development for members to build the expertise of the governing body and to ensure that all members are aware of the nature of their duties and responsibilities. At regular intervals the governing body must assess both its performance and its conformance with these Protocols and identify needed skills and expertise for the future.
- Protocol 5:** the size of governing body must not exceed 22 members. There must be at least two members having financial expertise (as demonstrated by relevant qualifications and financial management experience at a senior level in the public or private sector) and at least one member with commercial expertise (as demonstrated by relevant experience at a senior level in the public or private sector). Where the size of the governing body is limited to less than 10 members, one member with financial expertise and one with commercial expertise would be considered as meeting the requirements. A majority of the members must be external independent members who are neither enrolled as a student nor employed by the higher education provider. There must not be current members of any State or Commonwealth parliament or legislative assembly other than where specifically selected by the governing body itself.
- Protocol 6:** the higher education provider must adopt systematic procedures for the nomination of prospective members of the governing body for those categories of members that are not elected.
- Protocol 7:** the higher education provider is to codify its internal grievance procedures and publish them with information about the procedure for submitting complaints to the relevant ombudsman or the equivalent relevant agency.
- Protocol 8:** the annual report of the higher education provider must be used for reporting on high level outcomes required by the Commonwealth.
- Protocol 9:** the annual report of the higher education provider must include a report on risk management within the organisation.

Protocol 10: the governing body is required to oversee controlled entities by taking reasonable steps to bring about the following:

- (a) ensuring that the entity's board possesses the skills, knowledge and experience necessary to provide proper stewardship and control of the entity;
- (b) appointing some directors to the board of the entity who are not members of the governing body or officers or students of the higher education provider, where possible;
- (c) ensuring that the board regularly adopts and evaluates a written statement of its own governance principles;
- (d) ensuring that the board documents a clear corporate and business strategy which reports and updates annually the entity's long-term objectives and includes an annual business plan containing achievable and measurable performance targets and milestones; and
- (e) establishing and documenting clear expectations of reporting to the governing body, such as a draft business plan for consideration and approval before the commencement of each financial year and at least quarterly reports against the business plan.

Protocol 11: the higher education provider and its associated entities shall be audited by an external auditor and the auditor's report (including audit certification and management letter) provided to the higher education provider's governing body or the higher education provider's audit committee.

Voluntary Code of Best Practice for the Governance of Australian Universities

1. A university should have its objectives and/or functions specified in its enabling legislation.
2. A university's governing body should adopt a statement of its primary responsibilities, to include:
 - (a) appointing the Vice-Chancellor as the Chief Executive Officer of the university, and monitoring his/her performance;
 - (b) appointing other senior officers of the university as considered appropriate;
 - (c) appointing the mission and strategic direction of the university, as well as the annual budget and business plan;
 - (d) overseeing and reviewing the management of the university and its performance;
 - (e) establishing policy and procedural principles, consistent with legal requirements and community expectations;
 - (f) approving and monitoring systems of control and accountability, including general overview of any controlled entities. A controlled entity is one that satisfies the test of control in s.50AA of the Corporations Act;
 - (g) overseeing and monitoring the assessment and management of risk across the university, including commercial undertakings;
 - (h) overseeing and monitoring the assessment and management of risk across the university, including commercial undertakings; and
 - (i) approving significant commercial activities of the university.

A university's governing body, while retaining its ultimate governance responsibilities, may have an appropriate system of delegations to ensure the effective discharge of these responsibilities.

3. A university should have the duties of the members of its governing body and sanctions for the breach of these duties specified in its enabling legislation. Other than the Chancellor, the Vice-Chancellor and the Presiding Member of the Academic Board, each member should be appointed or elected *ad personam*. All members of the governing body should be responsible and accountable to the governing body. When exercising the functions of a member of the governing body, a member of the governing body should always act in the best interests of the university.

Duties of members should include the requirements to"

- (a) act always in the best interests of the university as a whole, with this obligation to be observed in priority to any duty a member may own to those electing or appointing him or her;
- (b) act in good faith, honestly and for a proper purpose;
- (c) exercise appropriate care and diligence;

- (d) not improperly use their position to gain an advantage for themselves or someone else; and
- (e) disclose and avoid conflicts of interest (with appropriate procedures for that purpose similar to those for public companies).

There should be safeguards, exemptions and protections for members of a university's governing body for matters or things done or omitted in good faith in pursuance of the relevant legislation. Without limitation, this should include such safeguards, exemptions and protections as are the equivalent of those that would be available were the member a director under the *Corporations Act*. A university (with the exception of those subject to the *Corporations ACT*) should have a requirement included in its enabling legislation that its governing body has the power (by a two-thirds majority) to remove any member of the governing body from office if the member breaches the duties specified above. A member should be required, automatically, to vacate the office if he or she is, or becomes, disqualified from acting as a Director of a company or managing corporations under Part 2D. 6 of the *Corporations Act*.

4. If permitted by its enabling legislation, a university should develop procedures;
 - (a) to provide that the Chancellor and Deputy Chancellor hold office subject to retaining the confidence of the governing body; and
 - (b) to deal with removal from office if the governing body determines that such confidence is no longer held.
5. Each governing body should make available a programme of induction and professional development for members to build the expertise of the governing body and to ensure that all members are aware of the nature of their duties and responsibilities.
6. On a regular basis, at least once each two years, the governing body should assess its performance, the performance of its members and the performance of its committees. The Chancellor should have responsibility for organizing the assessment process, drawing on external resources if required. On an annual basis, the governing body should also review its conformance with this Code of Best Practice and identify needed skills and expertise for the future.
7. The size of the governing body should not exceed 22 members. There should be at least two members having financial expertise (as demonstrated by relevant qualifications and financial management experience at a senior level in the public or private sector) and at least one member with commercial expertise (as demonstrated by relevant experience at a senior level in the public or private sector). Where the size of the governing body is limited to less than 10 members, one member with financial expertise and one with commercial expertise would be considered as meeting the requirements. There should be a majority of external independent members who are neither enrolled as a student nor employed by the university. There should not be current members of any State or Commonwealth parliament or legislative assembly other than where specifically selected by the governing body itself.

8. A university should adopt systematic procedures for the nomination of prospective members of the governing body for those categories of members that are not elected. The responsibility for proposing such nominations for the governing body may be delegated to a nominations committee of the governing body that the Chancellor would ordinarily chair.

Members so appointed should be selected on the basis of their ability to contribute to the effective working of the governing body by having needed skills, knowledge and experience, an appreciation of the values of a university and its core activities of teaching and research, its independence and academic freedom and the capacity to appreciate what a university's external community needs from it.

To provide for the introduction of new members consistent with maintaining continuity and experience, members' terms should generally overlap and governing bodies should establish a maximum continuous period to be served. This should not generally exceed 12 years unless otherwise specifically agreed by the majority of the governing body.

9. A university should codify its internal grievance procedures and publish them with information about the procedure for submitting complaints to the relevant ombudsman or the equivalent relevant agency.
10. The annual report of a university should be used for reporting on high level outcomes.
11. The annual report of a university should include a report on risk management with the organisation.
12. The governing body should oversee controlled entities by:
 - (a) ensuring that the entity's board possesses the skills, knowledge and experience necessary to provide proper stewardship and control of the entity;
 - (b) appointing some directors to the board of the entity who are not members of the governing body or officers or students of the university;
 - (c) ensuring that the board of the entity adopts and regularly evaluates a written statement of its own governance principles;
 - (d) ensuring that the board documents a clear corporate and business strategy which reports on and updates annually the entity's long-term objectives and includes an annual business plan containing achievable and measureable performance targets and milestones; and
 - (e) establishing and documenting clear expectations of reporting to the governing body, such as a draft business plan for consideration and approval before the commencement of each financial year and at least quarterly reports against the business plan.
13. A university should assess the risk arising from its involvement in the ownership of any entity (including an associated company as defined in the Accounting Standards issued by the Australian Accounting Standards Board), partnership and joint venture. The governing body of a university should, where appropriate in light of the risk assessment, use its best

endeavours to obtain an auditor's report (including audit certification and management letter) of the entity by a State, Territory or Commonwealth Auditor-General or by an external auditor.

14. A university should disclose in its Annual Report its compliance with this Code of Best Practice and provide reasons for any areas of non-compliance.

This Code was approved out-of-session by the Ministerial Council for Tertiary Education and Employment on 27 July 2011.

No.	Name of Institution	Interviewee
1	The Hong Kong Council for Accreditation of Academic and Vocational Qualifications	Executive Director - Prof. William K. M. Lee
2	Joint Quality Review Committee	Executive Director - Ms Wong Wai Sum
3	Quality Assurance Council	Deputy Secretary (General) - Ms Yam Ya Ling, Eva
4	Centennial College	President - Prof. John Malpas & Acting Vice President (Academic) - Prof. K. F. Cheng
5	Chu Hai College of Higher Education	President - Prof. Chang Chung Nan & Vice-President - Prof. Kong Yao Pak
6	Community College of City University	Vice-Principal (Planning) - Dr Choi Yiu Kuen
7	Hang Seng Management College	Registrar - Mr Man Chi Kwong
8	Hong Kong Baptist University	Academic Registrar - Dr So Kwok Sang
9	Hong Kong Buddhist College	President - Prof. Edwin Wong King Por
10	Hong Kong College of Technology	President & Principal - Dr Chan Cheuk Hay
11	Hong Kong Institute of Technology	President - Ms Joy Shi & Acting Vice President - Dr Kevin Wang
12	Hong Kong Shue Yan University	Associate Administrative Vice President & Senior Registrar - Mr Cheung Kwok Ping
13	The Community College at Lingnan University and Lingnan Institute of Further Education	Dean of Community College and Further Education - Dr Brandon Ng
14	Pui Ching Academy	Principal - Dr Shum Kam Hong & Administrative Officer - Ms Tam Mei Ling Mary
15	The Chinese University of Hong Kong - School of Continuing and Professional Studies	Associate Director (QA & Academic) - Dr Raymond C.W. Ng
16	The Hong Kong Polytechnic University - Hong Kong Community College	Deputy Director - Dr Leung Wing Nin
17	The Hong Kong Polytechnic University - School of Professional Education and Executive Development	Director - Dr Jack M. K. Lo
18	The Open University of Hong Kong	Registrar - Ms Hui Wan Ling Sylvia
19	The University of Hong Kong - School of Professional and Continuing Education	Deputy Director(Academic Services) - Mr John Cribbin
20	Tung Wah College	Academic Secretary - Dr Vivian Cheng

21	Vocational Training Council	Senior Assistant Executive Director - Ms Gladys Yam Ying Sim
22	Yew Chung Community College	Vice-President - Prof. Sultana Tupurkovska-Poposka
23	YMCA College of Careers	Principal - Dr Simon Law Wai On
24	HKU SPACE Po Leung Kuk Community College	College Academic Secretary - Ms Tam P Y Annie
25	SCAD Foundation (Hong Kong) Limited/ Savannah College of Art and Design, Inc.	Vice President - Mr Bob Dickensheets & Director of Institutional Effectiveness – Ms Anna Piotrowska
26	HKU SPACE Community College	College Vice Principal (Administration) - Ms Tsang Currie & College Associate Vice Principal (Academic Affairs) - Mr Lee Eliot C.C. & Assistant Registrar - Ms Chow Shirley S.L.
27.	The Quality Assurance Agency for Higher Education, UK	Assistant Director, Research, Development & Partnerships Group – Ms Janet Bohrer
28.	University of Law, UK	Vice President (Academic Governance, Quality & Standards) – Ms Jane Chapman