Executive Summary

These are turbulent times and universities have been promised more turmoil as the government moves towards a free market in higher education. The current situation follows a longer period of uncertainty which has featured significant changes in the configuration of the sector, accountability requirements, funding arrangements, and in the expectations of our external stakeholders. In these circumstances the language of risk has particular resonance.

Although the English Education Funding (HEFCE) requires each institution to establish 'an ongoing process of identifying, evaluating and managing risks', most have assumed that this applies only to the management of central corporate risks. This is the final report of a HEFCE-funded Good Management Practice project on 'quality risk management'. Its purpose is to explore the implications of the Funding Council's requirement for the management of risks to the quality and standards of institutions' academic provision.

Part 1 of this report is a substantially revised version of the project team's earlier publication, *Academic Risk*. It assesses the relevance both of the concept of risk, and of established risk management techniques for academic quality management, and argues that there is scope for building upon these techniques to develop quality assurance systems that are fit for purpose and cost-effective. This argument is based on the premise that our current systems may not be well-suited to the purpose of dealing with those external and internal factors which could place the quality and standards of our provision 'at risk'. Part I includes a new chapter on the risks presented by collaborative provision and flexible learning, and it concludes by outlining the essential features and implications of a 'quality risk management' approach.

Quality risk management is not a single 'product' and this report is not a recipe book. It is an approach that can be interpreted in a variety of ways and applied to all or part of an institution's quality management system. This point is illustrated by Part 2 which comprises case studies drawn from the four institutions that participated in the project. Each institution has applied the principles of quality risk management in a manner that is appropriate to its own needs and circumstances.

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Acknowledgements

The authors wish to acknowledge the contributions made by our respondents, and by delegates at the October 2002 and September 2004 conferences on Quality Risk Management. We are particularly grateful to Roy Boyne, Roger Brown, Norman Jackson, Caroline Lucas, Norman Sharp, Michael Shattock, Dianne Willcocks, Peter Williams and Simeon Underwood for their supportive but critical, and in all cases helpful, comments on the work of the project team. We owe a debt of gratitude to all for the generous gift of their time and for the valuable insights generated by their contributions. It is perhaps unnecessary to state that we accept full responsibility for the report's errors and omissions.

Further Information

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May 2005

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I Introduction

> The (new quality assurance framework) should be capable of helping the sector cope with the challenges of the future. Delivery of higher education programmes is becoming increasingly diverse and complex, not least through the rapid growth of collaborative arrangements…. Complexity adds risk, and risk must be managed.[1]

1. The Consultation Paper on Quality Assurance in Higher Education confirmed that the Quality Assurance Agency intended to adopt a risk-based approach in its future engagements with institutions. The paper stated that 'a major purpose of institution-wide review is to identify whether, and if so where, there may be areas of concern where quality or standards might be at risk'. [2] The subsequent *Operational Description* concluded by stating that the Agency's proposals represented 'a major evolutionary step in the external quality assurance of higher education … and brings much closer the possibility of a reliable process in which outside intervention in an institution's activities is truly in direct relation to the risk'.[3] The first Institutional Audit was undertaken in 2002/03 and, in Scotland, the related method for Enhancement-Led Institutional Review was implemented in 2003/04.[4]

2. Risk management has become a standard requirement for the corporate governance of organisations in the public sector. In 1997 the Better Regulation Task Force was established to advise Government on action to ensure that regulation and its enforcement accord with 'five principles of good regulation': transparency, accountability, proportionality, consistency and targeting. Proportionality implies (*inter alia*) that 'any enforcement action should be in proportion to the risk…'.[5] *Modernising Government* was published in 1999 and it drew upon the earlier Cadbury and Turnbull reports, and the Combined Code, to signal improvements in the management of risk by government departments and agencies, and to encourage them to adopt more innovative approaches to service delivery. And in November 2000, the Higher Education Funding Council for England (HEFCE) issued a circular which stated that institutions should ensure that 'there is an ongoing process for identifying, evaluating and managing … risks'. Institutions were required to disclose their compliance with the principles of corporate governance, including the application of the effective risk management techniques, by July 31st 2003.[6] In May 2001, HEFCE published a good practice guide on risk management.[7]

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1 *'The way ahead'*, Higher Quality No 4, October 1998

2 HEFCE 01/45.

3 *QAA External Review Process for Higher Education in England: Operational Description*, March 2002 (QAA 019 03/02), para 69.

4 The *Handbook for Enhancement-Led Institutional Review* (QAA, April 2003) states that 'the review process will recognise and support effective risk management and adopt a supportive and not punitive role in this context' (para 12).

5 Better Regulation Task Force, *Principles of Good Regulation*, Section 5 (2000).

6 Although the Funding Council was criticised by the Better Regulation Task Force on the grounds that its own (financial) audit requirements 'did not seem proportionate in the case of (a) high performing HEI', the report acknowledged that HEFCE had revised its audit code of practice and was moving to a 'more risk-based approach' in which 'those HEIs able to

3. This project was conceived at a time when it was commonly assumed that the Funding Council's directive did not apply directly to an institution's management of its academic provision. HEFCE's original guidance on Risk Management dealt mainly with financial and commercial risk, and risks to academic quality and standards were only addressed indirectly in its discussion of the non-financial issues of reputation, student experience and staffing. Unsurprisingly, perhaps, it has been observed that 'there is a perception that risk management deals only with the central corporate risks in an institution'.[8] However, the Funding Council's *Code of Practice* leaves little room for doubt:

> A potential key risk for any HEI is that academic operations will fail in some way and jeopardise the institution's viability. We would expect the risk management process of all institutions to consider whether there are academic risks and to take appropriate action.[9]

4. This is the final report of the HEFCE-funded Good Management Practice project on 'Quality Risk Management'. The project set out to explore the potential for institutions to develop their own risk-based approaches for the purpose of assuring the quality and standards of their provision. The team was drawn from institutions representing the diversity of the Sector – a College of Higher Education, a University College, a pre-1992 University and a large post-1992 University. The project team also included representatives from the Standing Conference of Principals and Universities UK, and an observer from the Quality Assurance Agency.

5. The objective of the project was to advise institutions on the development of quality assurance systems that generate valid and reliable data for risk assessment, and cost-effective risk control mechanisms that are consistent with the principle of 'variable intensity'. The work was undertaken in four stages:

> *Stage I: Survey of Higher Education Institutions.* The purpose of the survey was to establish the extent to which HEIs have introduced risk assessment and risk management techniques in handling their responsibilities for academic quality and standards.
>
> *Stage II: Quality risk assessment methodologies.* The project partners identified the various factors which could place the quality and standards of provision 'at risk' and the indicators which might suggest that risks are already being incurred. The primary outcome of this stage of the project was various methodologies for the initial identification of quality risks and procedures for the assessment of risk that utilise the deliberative structures of Higher Education Institutions.
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> *Stage III: The 're-engineering' of quality assurance systems.* The project team prepared recommendations for the reform of institutional quality management systems based partly on the experience gained by the participating HEIs, and partly on consultation with institutions across the sector.

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demonstrate that they have been following best practice will receive a lighter touch audit'. (*Higher Education: Easing the Burden*, July 2002, para 6.1).

7 *Risk Management: A guide to good practice for higher education institutions*. HEFCE 2001 (May 01/28).

8 PriceWaterhouse Coopers: Good Practice Guidance for the Higher Education Sector: Risk Management. Final draft: December 2004, p 5.

9 *Accountability and Audit: HEFCE Code of Practice*, June 2004/27

Stage IV: The implementation of 'quality risk management'. On the basis of the first three stages of the project, members of the team led the introduction and evaluation of changes to their own institutions' quality assurance systems. The final stage of the project included an identification of the issues that need to be considered by institutions in securing an improved integration of quality risk management systems with strategic planning and decision-making on the allocation of resources.

6. The first part of this report draws upon the findings of the Stage 1 survey. Information about the project was sent to the chief executives of all HEIs in the United Kingdom with a request that they nominate a senior member of staff to act as a survey respondent. Two-thirds (106) of the institutions approached by the project team agreed to participate in the Stage I survey, and only five declined. 43% of the responding institutions were pre-1992 universities, 26% were drawn from the post-1992 sub-sector, and 31% (of which approximately half were specialist institutions) were university colleges and colleges of higher education.[10] 32% of the respondents were employed in senior management positions, 39% were quality managers, 25% held positions in their institutions' academic registries, and 4% were finance or policy managers.

7. Each of the nominated respondents was sent a brief paper which offered an initial working definition of the characteristics of a risk-based approach to quality management, together with a list of the questions that would form the basis of the interviews.[11] The interviews were conducted by telephone between December 2001 and July 2002.

8. The method adopted in the survey was both investigative and consultative. Our intention was to provide colleagues with an opportunity to comment on the project team's emerging definition of 'quality risk management' and to gather information on their views on the current risk management agenda and the general characteristics of their institutions' approaches to academic quality assurance. The project team also wished to establish a network of contacts for use in the later stages of the project. The interview schedule was periodically revised to enable the team to explore emerging issues, and all respondents were invited to comment on an earlier version of Part I of this report before it was revised and circulated for discussion at the conference on Quality Risk Management that was held at Universities UK in October 2002.[12]

9. Part I of this report is deliberately discursive. Rather than provide detailed and practical guidance on the implementation of a risk-based approach to quality management, it offers a basis for continuing debate on the meaning and implications of risk management for academic quality assurance. In Chapter II we discuss the definition of risk, and various approaches to the management of risk. Chapter III considers the meaning of risk in a higher education context. Chapter IV deals with the question of whether the quality assurance systems that have been developed by institutions and external agencies enable the former to cope with current market and accountability imperatives. The key principles of 'quality risk management' are presented in Chapter V and these are explored further in Chapter VI which deals specifically with the

10 A list of the responding institutions is provided in Appendix I

11 These initial papers were attached as Appendix II of *Academic Risk* (C Raban and E Turner, January 2003)

12 op. cit.

management of collaborative provision and flexible learning. The concluding chapter identifies some of the issues that would need to be addressed if these principles were to be implemented across the sector.

10. Part II comprises cases studies prepared by each of the participating institutions. These case studies illustrate the important point that quality risk management is not a single 'product', and that its principles can and should be interpreted in a manner that is appropriate to the needs and circumstances of an institution. Chapters VIII and X provide two rather different examples of the development of risk management techniques for annual monitoring purposes. Chapter IX discusses the value of a risk-based approach in the use of Memoranda of Agreement for the monitoring and review of collaborative provision. And Chapter XI documents the application of the project team's findings to a large post-92 University's arrangements for strategic planning and approval, programme monitoring and the management of educational partnerships.

Part 1

ACADEMIC RISK

II Risk and Risk Management

> 'Risk' (in its original technical sense) is the probability of an event combined with the magnitude of the losses and gains that it will entail. However, our political discourse debases the word. From a complex attempt to reduce uncertainty it has become a decorative flourish on the word 'danger'.[13]

1. 'Risk', in our everyday conversation, conveys a sense of threat or danger. The term can refer to symptoms, probabilities or causes – indicating what might go wrong, the likelihood of it happening, or the potential causes of loss or danger. 'Risk' is also commonly used as a synonym for chance, and when coupled with 'capital' it acquires a more positive meaning signifying opportunities for gain. Whilst in everyday speech the value of the term is rooted in its ambiguity, a more precise definition was needed for the purposes of the project.

2. The Funding Council's initial draft guidance on risk management defined risk as 'the threat that an action or event will adversely affect an organisation's ability to achieve its objectives'.[14] Here the term retains the sense of danger but goes beyond it to relate the threat (in the sense of a probabilistic calculation of likelihood and impact) to both its potential causes and outcomes. A National Audit Office report shifted the focus of attention from outcomes to causes. The various examples it offered of the 'typical risks' faced by a government department include 'anything that poses a threat to the achievement of (its) objectives, programmes, or service delivery for citizens' and 'anything that could damage the reputation of a department and undermine the public's confidence in it'.[15] Both approaches suggest that the purpose of risk management is to identify, predict and control threats to an organisation's objectives.

Danger and control

3. Deborah Lupton has argued that all societies 'develop … strategies and beliefs in the attempt to deal with, contain and prevent danger. To lack such systems is to throw oneself upon the mercy of fact, to relinquish any sense of control'. In the Middle Ages 'insecurity was rife and permanent, and "fears, real and imagined, abounded".' At that time religions of one kind or another provided the means 'by which threats and dangers were dealt with conceptually and behaviourally, allowing people to feel as if they had some sense of control over their world'. Whilst today we 'harbour somewhat different fears, different targets and causes for our anxiety', it remains the case that 'the symbolic basis of our uncertainties is anxiety created by disorder … and the extent to which can exert autonomy in our everyday lives'. The difference is that 'we like to think that something can be done to deal with (these uncertainties)'.[16]

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13 Mary Douglas, *Risk and Blame*, Routledge, 1992, p. 40

14 HEFCE/Deloitte & Touche, *Risk Management 'Good Practice' Guide*, February 2000, para 1.2. The published version of the Guide adopts a rather different definition (see paragraph 16 below).

15 *Supporting Innovation: Managing Risk in Government Departments*, National Audit Office August 2000, p 1.

16 Deborah Lupton, *Risk*, Routledge 1999, pp 2-3.

4. We can distinguish between threats from natural disasters and threats from various human-caused hazards, and it would be consistent with modern and more technical usage to reserve the term 'risk' for those human-caused hazards that are not simply the unfortunate product of chance, fate or destiny. The modern concept of risk has its roots in Renaissance thought and the emergence of the scientific outlook:

> 'The deep source of many of these developments was the gradual shift from a view of the universe in which a divine order was distinct from a natural order to a view which largely did away with that distinction…. Concomitantly, mankind saw itself in a new light, no longer as the centre of the universe but also no longer as a cosmic reject, degraded and 'fallen'. Man's new conception of his kind was as a part of the natural universe. This was in sharp contrast with the old view of humanity as in some way different from the natural order, yet largely in the thrall of it or its gods. The attitude of submission to the decreed hazards of one's fate was gradually superceded by an approach that identified a risk as something to be measured, calculated and controlled'.

Collinson and Dowie argue that, in concert with these changes in the perceived place of mankind within the cosmos, the concept of risk has come to displace the older notion of 'chance'.

> 'The ancient sense of chance is best expressed by spelling it with a capital "C" – 'sometimes thought of as a cosmic power, blindly generating the concatenation of events that comprise the universe'…. (Nowadays) chance is written with a small "c" and, in general, a chance event is understood as one that is unintended, unplanned or unexpected.' [17]

To the modern mind, a chance event becomes a 'risk' when – even though it may have been unintended, unplanned or unexpected – it is *not* considered to be 'uncaused' and therefore 'unpredictable' or 'inexplicable'.

5. So our concept of 'misfortune' has changed (from chance to risk) alongside a shift in the balance between human-caused hazards and natural disasters. Whilst 'risk' remains broadly synonymous with 'threat' it has displaced the older notions of 'chance' and 'misfortune'. Unlike 'chance' and 'misfortune', it reflects a concern with human-caused hazards rather than natural disasters or 'acts of God': somewhere down the line human agency is at work, and for this reason risks are thought to be preventable.

> 'In contemporary western societies, where control over one's life has become increasingly viewed as important, the concept of "risk" is now widely used to explain deviations from the norm, misfortune and frightening events. This concept assumes human responsibility and that "something can be done" to prevent misfortune'.[18]

Whilst earlier concepts 'excluded the idea of human fault and responsibility', the emergence of modernity was associated with the 'scientisation of risk' and the assumption that 'unanticipated outcomes may be the consequence of human action'.[19]

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17 Di Collinson and Jack Dowie, 'Concepts and Classifications', in *Risk and Rationality*, The Open University 1980, pp 13-15.

18 Lupton, op. cit., p. 3

19 ibid, pp 6-7.

6. Lupton suggests that the technical concept of risk relied on 'conditions in which the probability estimates of an event are able to be known or knowable', and that uncertainty was used as 'an alternative term when these probabilities are inestimable or unknown'.[20] The modern disciplines of risk assessment and risk management could thus be interpreted as attempts to extend the realm of the known and knowable at the expense of that dangerous territory of the uncertain and accidental. However, some current and technical definitions of risk remain agnostic on this issue and thus appear to echo that earlier notion that 'humans could do little but attempt to estimate roughly the likelihood of such events happening and take steps to reduce their impact'. [21] A recent example is provided by a report issued by the Cabinet Office's Strategy Unit:

> Risk refers to uncertainty of outcome…of actions and events…. This definition acknowledges the uncertainty that underlies much of the work of government. We have deliberately avoided definitions of risk that are based on measurability…. In many cases the risks that will be most relevant to key government decisions will required a large element of judgement, as well as measurements, in their assessment….[22]

Risk and uncertainty

7. The modern and technical concept of risk describes a territory that lies somewhere between certainty and uncertainty. Roy Boyne, in a chapter headed 'the limits of calculation', distinguishes between 'measurable' and 'estimated' risk.[23] Measurable risk – the province of the classical economist – is dependent on either *a priori* or statistical calculations of the probability that an event will occur. The essential difference between the two is illustrated by the challenges presented by predicting the outcome of a game of Russian roulette and the actuarial prediction of a client's life expectancy. In the first case the variables are known and limited, in the second they may be imperfectly understood and multiple. The concept of 'estimated' risk takes us further along the continuum to areas in which 'one is often, if not always, dealing with shifting variables that are not easy to take full account of through actuarial approaches'.[24] When approaching the realm of the uncertain, the challenge confronting the assessor of risk comes close to the problem faced by Alice in her attempt to play croquet with balls that were hedgehogs and mallets that were flamingos.

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20 Lupton, op. cit., p 7

21 ibid., p 5.

22 *Risk: Improving government's capability to handle risk and uncertainty*, Cabinet Office November 2002. The Treasury's Orange Book also defines risk as 'the uncertainty of outcome, within a range of possible exposures, arising from a combination of the impact and probability of potential events' (*Management of Risk: a strategic overview*, February 2000. Quoted in *Supporting Innovation*, p 1, National Audit Office). In a document that with unintended irony is headed 'no surprises', the Institute of Chartered Accountants defines risk as 'uncertainty as to the amount of benefits' (Institute of Chartered Accountants in England and Wales, Briefing 06.02, para 1.1). And the Charity Commission defines risk as 'the uncertainty surrounding events and their outcomes that may have a significant effect, either enhancing or inhibiting operational performance, achievement of aims and objectives or meeting expectations of stakeholders' (*Charities and Risk Management*, www.charity-commission.gov.uk/supportingcharities/charrisk. asp).

23 R Boyne, *Risk,* Open University Press 2003, pp 3ff.

24 Boyne, op cit, p 8

Figure 1: Knowledge and Consent[25]

CONSENT	KNOWLEDGE: Certain	KNOWLEDGE: Uncertain
Complete	Problem = technical Solution = calculation	Problem = information Solution = research
Contested	Problem = (dis)agreement Solution = coercion or discussion	Problem = knowledge & consent Solution = ??

8. Douglas and Wildavsky define risk as the joint product of knowledge about the future (the degree of uncertainty) and consent about the most desired prospects:

> No person can know more than a fraction of the dangers that abound. To believe otherwise is to believe that we know (or can know) everything. Yet even if we did, it would still be necessary for us to agree on the ranking of risks. In the absence of complete knowledge, and in the presence of disagreement…, how can anyone choose to zero in on any particular set of dangers? How, faced with endless possibilities, can anyone calculate the probabilities of harm (the risks)?[26]

It is possible, then, that key actors within an organisation may disagree about the nature and desirability of the 'objectives' that could be 'adversely' affected by 'an action or event'. It is as if the uncertainties created by the hedgehogs and flamingos are compounded by disagreement about the purpose of the game. Douglas and Wildavsky's argument is set out in a schema that describes the problems and their solutions for each eventuality (Figure 1). We might reserve the term 'risk' for situations in which knowledge is uncertain and the desired outcomes are contested (and where the solutions are therefore problematic). As we shall see, there is a strong tendency even in these circumstances for technical approaches to risk management to focus on the possibly inappropriate solutions of calculation and research.

9. Some writers suggest that the concept of risk is rooted in 'modernism'. As such, those who describe the current era as 'post-modern' might question its continuing relevance. Barry Smart has defined post-modernity as 'a more modest modernity, a sign of modernity having come to terms with its own limits and limitations'.[27] It was important that this project recognised the 'limits and limitations' of modernist solutions to what may be a post-modern condition. On the one hand, and for reasons explained later in this report, the term risk might be used to describe a post-modern era of uncertainty and unpredictability. On the other hand the ideas of risk assessment and risk management imply a modernist solution to the threats inherent in the post-

25 M Douglas and A Wildavsky, *Risk and Culture*, University of California 1982, p.5

26 loc.cit.

27 B Smart, *Postmodernity*, Routledge 1993, p 12

modern condition – an attempt to bring dangers within the bounds of the explicable and predictable, reflecting the positivist maxim '*savoir pour prevoir pour pouvoir*'. This quest may be flawed if, in fact, it represents an attempt to anticipate and manage what has become unpredictable and unmanageable.

Risk management

> All organisations face increasing demands for better corporate governance. An essential element of any framework for corporate governance is an effective approach to risk management. Higher Education Institutions have for a long time managed risk successfully, pursuing greater entrepreneurship and exploiting new opportunities, while at the same time protecting their reputation and long-term financial viability.[28]

10. This passage is taken from the introduction to the Funding Council's guidance on risk management. The introduction goes on to state that 'although HEIs have a different purpose, and legal/governance position to that of commercial companies, there are genuine benefits to be gained from following good practice in the private sector…' (Para 7). It concludes by stating that 'a great deal of experience in aspects of risk management already exists within institutions (in areas such as health and safety, legal issues, public relations and insurance). It is important therefore to make as much use as possible of that expertise' (para 9).

11. The document places a strong emphasis on the risk management responsibilities of governors and senior managers, and it assumes a consensus on the objectives against which risks can be identified and assessed.[29] The *Guide* states that:

> It is important to clarify the objectives, process and responsibilities in a document that can be approved at a high level – preferably by the governing body. This will then provide authority and commitment from the top, and help to obtain support for the project sponsor and manager by sending a clear message to staff and (external) stakeholders. [30]

It is suggested that risk management can be integrated into existing business planning, budgeting, internal audit, and monthly reporting processes (para 26f). Each of these is normally placed outside an institution's deliberative structures, although it is recommended that the 'academic planning committee' should be 'kept informed' (para 26h). The *Guide* goes on to state that those who might be involved in the review of information should include

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28 *Risk Management: a Guide to Good Practice for Higher Education Institutions*, HEFCE, para 4.

29 For example, one of the 'potential problems' in managing the process that is identified by the *Guide* is the 'poor commitment of staff' and the 'lack of communication on objectives…' (table 2). The *Lambert Review* argues that the development, by many universities, of 'strong executive structures to replace management by committee' need not be at the expense of collegiality: ' a culture of consensus is not only achievable, but it is a priority for may vice-chancellors running executively-managed institutions' (para 7.6).

30 Paragraph 23. The Council's survey of institutions identified eleven categories of risk that had been covered in their most recent review. The most frequently mentioned were 'health and safety', 'financial', 'estates', 'strategic' and 'management and information systems'. The least frequently mentioned were 'students', 'reputation', 'staffing, 'teaching', 'overseas operations' and 'research' (para 35). The *Guide* states that, given the need to prioritise, 'there are unlikely to be more than 20 to 30 significant risks of interest to the governing body', and that a more manageable list of risks might be produced by 'looking first at those risks which potentially have a financial impact…', and 'selecting those that are most relevant to meeting the institution's objectives' (para 36).

senior management, heads of academic departments, the governing body, the audit committee, and internal and external auditors (para 74). And the examples offered of how to embed the process of risk management are all managerial: they are sponsorship by the vice-chancellor, business planning, appraisals, management meetings, monthly reports, and action on internal audit (para 87).[31]

12. The academic literature identifies various approaches to 'theorising risk', distinguishing (broadly) between those which place the task in the 'technico-scientific' domain of experts, and those which approach the subject from the more relativistic perspectives of anthropology or sociology. Accepting this distinction, the Funding Council's *Guide* would appear to reflect the 'technico-scientific' perspective and the view that risks might best be identified, assessed and managed by specialists working through universities' executive structures and on the basis of criteria derived from the agreed objectives of the organisation. This places the management of risk in either the upper right hand or the lower left-hand quadrants of Douglas and Wildavsky's matrix. The risk manager's task is to research the conditions that might place an institution 'at risk' and persuade staff to accept his or her expert assessment.[32] Whilst this is an approach that might be appropriate for the management of those 'corporate' risks that universities hold in common with business enterprises and the public services, it may pose difficulties for the management of academic risks.

13. This might account for the fact that most of the institutions that participated in the survey had interpreted the Council's directive as applying only to the corporate side of their operations. Without exception, the principles of risk management had been discussed within executive groups reporting to Boards of Governors and Councils in those institutions which are accountable to the English and Welsh Funding Councils. At the time of interview, some respondents were unaware of the HEFCE directive (and the equivalent advice from HEFCW) and very few institutions had considered its implications for the management of academic quality and standards. There was, however, broad recognition of the potential relevance of the principles of corporate risk management to academic quality and standards, and of the need for this to be considered by committees within institutions' deliberative structures. It would appear from the comments of our respondents, that progress on this front was related to the structure of institutions and, in particular, the strength of the linkage between their executive and deliberative functions, and the extent to which governing bodies maintained an active interest in academic quality and standards issues.

14. The project team has worked from the premise that we should not underestimate the differences between the nature, purposes and governance of Higher Education Institutions on the one hand, and commercial companies and government departments on the other.[33] There is a necessary tension between an institution's 'deliberative' and 'executive' structures and universities have a dual identity. Universities are both 'institutions' and

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31 In the context of a discussion on 'who should be involved', the *Guide* does acknowledge that risks can be prioritised 'democratically or autocratically'. However, the only conclusion it draws from this is that whilst the former might be more costly and time-consuming, it 'can deliver much greater acceptance of the final result and ownership of subsequent action' (paras 28-32, 37).

32 Douglas and Wildavsky op cit and Figure 1 and paragraph 8 above.

33 These are 'differences' that academia might share with the judiciary and the clinical function within the National Health Service.

'organisations'. As higher education corporations their accountability to their Funding Councils and governing bodies is not significantly different from the accountability of a business corporation to its customers, shareholders and board of directors. However, their staff – as members of an academic *institution* – have a broader and more complex accountability to their subject communities. The corporate purposes of universities (and their service departments) tend to be presented in singular and consensual terms, whilst their academic (or 'institutional') purposes are multiple and contestable. Whilst all organisations might best be conceptualised as 'coalitions of stakeholders' (each bringing their own objectives), in higher education, at least, consensus on our 'corporate' objectives cannot be taken for granted and, more fundamentally, we cannot assume that our institutions can be fully described as corporations.

15. The tension between executive and deliberative processes was acknowledged by Dearing. The Dearing report quoted the Nolan Committee's finding that 'the culture of debate and question, so fundamental to teaching and scholarship…, continued to be taken very seriously in the vast majority of institutions' whilst acknowledging the view that 'the scope of individual academic freedom has contracted in recent years 'as a result of growing pressures on the availability of public funds and the necessity to account more clearly for the use of these funds'. This part of the Dearing report appears to recognise the possibility that the drive to secure the public accountability of institutions might encourage the latter to adopt 'managerialist' practices which undermine the tradition of independent and collegial responsibility. The report concluded that:

> Successful institutions are characterised by a full and mutually respectful partnership between academic and non-academic members of the institution, in which the academic members of each institution individually and collectively take full responsibility for maintaining the standards of those awards.

The report also warned that 'the powers relating to an institution's academic work, clearly vested in senates or academic boards, should not be bypassed by senior managers or the governing body'.[34]

16. There is, of course, scope for considerable disagreement on the characteristics of a 'successful' university. In commenting on the business perception that universities are 'slow-moving, bureaucratic and risk-averse', the *Lambert Review* appears to endorse the 'general movement towards a more executive style of management'.[35] Michael Shattock, on the other hand, argues that the institutions that head the league tables are characterised by 'an open collegial approach to decision making which does not flinch from "constructive confrontation".'[36] Both, however, emphasise the importance of adaptability and decentralisation.

17. The implication of our premise (paragraph 14) is that academic quality assurance is primarily a deliberative function and that the models and methods of risk management developed to serve the needs of a commercial enterprise, government department, agency or an institution's service

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34 National Committee of Inquiry into Higher Education, *Higher Education in the Learning Society,* HMSO 1997 (paras 15.60-67).

35 *The Lambert Review of Business-University Collaboration*, Final Report (December 2003), paras 7.1-5.

36 Michael Shattock, *Managing Successful Universities*, SRHE/Open University Press, 2003, p.21.

departments may not be suitable for the management of a university's responsibilities for academic quality and standards. Current advice on the management of risk assumes either uncertainty with consent, or certainty with disagreement. The challenge for the project team was to translate these approaches to risk management into terms that are appropriate for the management of those academic risks where uncertainty is so often compounded by a lack of consent. The issue is whether effective risk management requires that academic staff should simply be persuaded to subscribe to corporate objectives, or whether the deliberative structure of an institution (and the values that underpin it) provide a forum in which *contestable* objectives and risks can be debated with safety. The implications of this are explored in a little more detail in those later sections of this report which deal with the 'principles' of 'quality risk management' (Chapter V) and which consider the conditions that might be conducive to the implementation of new approaches to academic quality assurance (Chapter VII).

Innovation, blame and risk aversion

> It would be expected that an institution's risk appetite should be linked to its strategic framework, yet it was not always clear that this was the case. … (Without) a proper understanding of an institution's risk appetite, managers may be exposing an institution to unacceptable risk, or not taking risks where they should.[37]

18. The Funding Council's current definition of risk is stated in both positive and negative terms: '(a risk is) the threat *or possibility* that an action or event will adversely *or beneficially* affect an organisation's ability to achieve its objectives'.[38] Paragraph 14 of the *Guide* stated that:

> Control comes with costs – both direct (supervisory staff, information systems, and so on) and opportunity costs (such as missed research opportunities and less entrepreneurship). Institutions will want to determine their overall level of risk exposure and then ensure that this fits their approach to risk, that it is delivered at a reasonable cost, and supports the overall mission of the institution.

Paragraph 16 insisted that risk management 'is not a process for avoiding risk. When used well, it can actively encourage an institution to take on activities that have a higher level of risk, because the risks have been identified and are being well managed, so the exposure to risk is both understood and acceptable'.

19. Paul Johnson once said that 'the greatest risk of all is not to take risks'. Risk (negatively defined) and opportunity represent two sides of the same coin. The manner in which an organisation seeks to manage external threats will incur opportunity costs and these could include the encouragement of risk aversion and a 'blame culture'. We have implied already that the treatment of threats, danger and misfortune as the preventable products of action taken by human agents invites the attribution of blame. The recent rise of personal injury litigation is a case in point. You trip over a broken pavement, sustain injury and hire a solicitor. What might previously have been regarded as an 'accident', becomes someone else's responsibility: find the culprit and sue!

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37 PriceWaterhouse Coopers, *Good Practice Guidance for the Higher Education Sector: Risk Management* (final draft). December 2004, p.11

38 HEFCE, *Risk Management: A Guide to Good Practice for Higher Education Institutions*, 2001, para 10. Our emphasis.

Litigation feeds, and feeds on, a blame culture. The consequences for professional practice are starkly apparent in the field of medicine. There is the very real danger that the threat of medical negligence claims will have a profound effect on the willingness of practitioners to undertake 'high risk' procedures and this, in turn, can skew health care provision to the point that certain areas of practice become uninsurable, and certain kinds of treatment for particular types of patient become unavailable. In short, if risk management were to lead to the development of a blame culture, innovative (high-risk) activity might be outlawed. In the context of a litigious or blame culture, someone can be held responsible. And, once an organisation has established its risk management procedures, an 'accident' can be attributed to (blamed on) an individual who fails to observe the rules.

> Control comes with costs – both direct (supervisory staff, information systems, and so on) and opportunity costs (such as missed research opportunities and less entrepreneurship). Institutions will want to determine their overall level of risk exposure and then ensure that this fits their approach to risk, that it is delivered at a reasonable cost, and supports the overall mission of the institution.[39]

20. Risk assessment is about attribution (to preventable threats), and risk management is about dealing with the causes and consequences of these threats. Every source of threat or danger is identifiable; misfortune is potentially attributable to a human agent. If institutions are to adopt a 'risk management' approach to academic quality assurance, it is essential that they do so in ways that do not foster a 'blame culture'. The creation or perpetuation of a blame culture would subvert the entire enterprise because it would encourage risk aversion and discourage the disclosure, by staff, of the risks inherent in their project or programme activities. The challenge for any higher education institution that is intent on implementing a risk management approach is to do so in ways that will encourage both the maximum participation of staff in the assessment of academic risks, and innovative activity in pursuing through innovation new opportunities to develop an institution's provision and its modes of delivery.

Conclusion

21. Technical approaches to the definition and management of risk are no less ambiguous than common-sense usages. This ambiguity confers a richness that may be of value in developing the idea of risk for the purposes of academic quality management. We touched upon the primary source of ambiguity in the earlier discussion of the association of 'risk' with danger, uncertainty and control, and this led to a caveat concerning the possible limitations to the prediction and management of risks. There are secondary and related ambiguities relating to the association of risk with blame, and of risk with opportunity. If risk management represents a modern attempt to reduce uncertainty or to control its effects, and if this in turn invites the assignment of blame, the 'scientific' language of risk sits uncomfortably with the moral language of blame. And, as we have suggested, any association of risk management with blame could stifle the entrepreneurism and risk-taking that is so essential to the survival of our institutions. The project team has taken it as axiomatic that Higher Education Institutions must innovate in order

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39 *Good Practice Guidance for the Higher Education Sector: Risk Management* (final draft). PriceWaterhouse Coopers, December 2004

to survive and that the risks that are necessarily incurred must be effectively managed.

22. 'Risk' conveys the sense of a project to reduce uncertainty by calculating the likelihood of certain conditions resulting in a negative outcome. Thus the Funding Council's original definition of risk was 'the threat that an action or event will adversely affect an organisation's ability to achieve its objectives'. Whilst everyday usage collapses the threat into the outcome, the word 'threat' merely expresses a sense of danger. The HEFCE definition provides us with a means of restoring what Mary Douglas has termed the 'forensic' (or diagnostic) value of the concept of 'risk'. Its essential components are a set of potentially 'dangerous' conditions that may jeopardise the objectives of an institution which, for the purposes of this project, relate to the maintenance and enhancement of quality and standards. The use of the future tense in the Funding Council's definition implies that the identification and assessment of risk is an exercise in predictive analysis. It is on the basis of this interpretation of the HEFCE definition that in the next chapter we set out a typology for analysing higher education risks, distinguishing between setting conditions, the intrinsic strengths or weaknesses of an institution's academic provision, 'risk behaviour', and the state of being 'at risk'. The threat to an institution's objectives arises from the interaction between these components, and the task for the 'risk manager' is to both assess and reduce that threat.

III Risk and Higher Education

1. Risk management is in vogue, and it is a corporate imperative that is associated with the current emphasis on 'joined-up' approaches to government and governance. There is an industry dedicated to the identification and assessment of risks, and the language of risk and risk management has itself been professionalised. This section considers whether the current preoccupation with risk and risk management is a mere artefact of a fashionable discourse, or whether this sense of 'living in new times' reflects some real change in the nature of the world in which we live and work.

2. Mintzberg has suggested that 'we glorify ourselves by describing our own age as turbulent'. The work of the project team is, nevertheless, based on the assumption that the discourse of 'risk' is more than a passing fashion and not simply a product of institutional conceit.[40] The risks are real. Higher education is a 'riskier' enterprise than it was, and one key to institutional success and survival is effective 'risk management' – innovating, adapting, taking risks and managing these risks. We might reconcile Mintzberg's point with the project team's premise by adopting O'Neill's suggestion that:

> '…if the developed world is the paradigm of a 'risk society', risk societies must be characterised simply by their perceptions of and attitudes to risk, and not by the seriousness of the hazards to which people are exposed, or the likelihood that those hazards will actually harm them'.[41]

A 'risk regime'

3. Deborah Lupton suggests that 'the contemporary obsession with the concept of risk has its roots in the changes inherent in the transformation of societies from pre-modern to modern and then to late modern (or post-modern).' She notes that many commentators describe the late or post-modern era as one that is 'characterised by uncertainty and ambivalence related to constant change and flux, cultural fragmentation and the breakdown of norms and traditions' and concludes that 'risk meanings and strategies are attempts to tame (this) uncertainty…'.[42] Ulrich Beck uses the term 'risk regime' to distinguish 'the securities, certainties and clearly defined boundaries' of earlier times, and 'the insecurities, uncertainties and loss of boundaries in the second modernity'.[43]

4. Paul Tosey has employed complexity theory for the purpose of analysing the management of change in higher education environments that are 'on the edge of chaos'.[44] Tosey's argument draws upon a matrix that resembles that produced by Douglas and Wildavsky.[45] The matrix classifies management decisions according to two criteria – the degree of uncertainty with which they have to cope, and the level of agreement to which they are subject (see

40 H Mintzberg, *The Rise and Fall of Strategic Planning*, Prentice Hall, 1994, p.208

41 Onora O'Neill, *Reith Lectures: Spreading Suspicion*, BBC 2002.

42 Lupton, op. cit., pp 10-11, 13

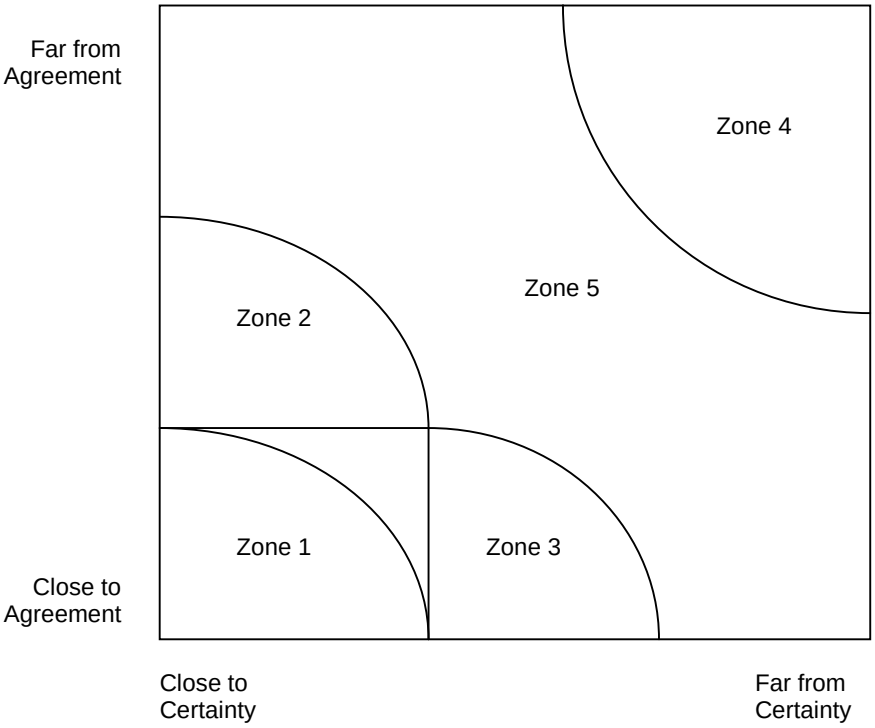
43 Ulrich Beck, *The Risk Society: Towards a New Modernity*, Prentice Hall, 1992, p. 70

44 Paul Tosey, *Teaching at the Edge of Chaos*, ltsn.ac.uk

45 Chapter II, above

Figure 2, below).[46] There are five zones within the matrix. The first describes 'technically rational decision making and control' – that province of conventional management theory and practice in which 'we use techniques which gather data from the past and use that data to predict the future'. Whilst Zone 1 refers to techniques for dealing with 'simple' management issues, the issues described by Zones 2 and 3 are more 'complicated'. Where in Zone 2 (the realm of 'political decision making and control') there is a great deal of certainty about how outcomes are created, the desirability of these outcomes is subject to disagreement. Zone 3 is described as the area of 'judgemental decision making and ideological control', in which agreement may be high although certainty is low. In Zone 4 – 'disintegration and anarchy' – 'the traditional methods of planning, visioning and negotiation are insufficient'. At the 'edge of chaos' or in 'the zone of complexity' (Zone 5) traditional management approaches 'are not very effective' although it is 'the zone of high creativity, innovation, and breaking with the past to create new modes of operating'.

Figure 2: Ralph Stacey's Agreement and Certainty Matrix



5. Applied to higher education, the argument would be that universities now work on the edge of chaos: decision-making has to deal with higher levels of uncertainty and these decisions may themselves be highly contested. We have entered a dangerous world. For example, Ronald Barnett has described universities as working in an 'age of supercomplexity' in which they have to deal with uncertainty and unpredictability.[47] The elite system of the early post-war period has been replaced by mass higher education and the global market for higher education has replaced the domestic command economy.

46 The matrix has been developed by Ralph Stacey (in *Strategic Management and Organisational Dynamics: the Challenge of Complexity*, Routledge 2000). The following description of the matrix is drawn from Brenda Zimmerman, *'Ralph Stacey's Agreement and Certainty Matrix'*, www.plexusinstitute.com/edgeware

47 R Barnett, *Realising the University in an Age of Supercomplexity*, SRHE and the Open University Press, 1999.

Institutions have to compete in global, national and regional markets, and they are expected to respond to an accelerating succession of policy initiatives. Compared with the relative certainties of the early post-war period, our world is dynamic to the point of instability.[48]

6. Higher Education Institutions also have to deal, in Barnett's terms, with 'challengeability and contestability'. The purposes of universities are internally and externally contested, and their accountability to various stakeholders may pull them in different directions. For example, staff may experience difficulty in reconciling the demands of the Teacher Training Agency and Ofsted with those of the Quality Assurance Agency, and the requirements of 'customers' and purchasing bodies with those of their subject communities. Internally, staff are engaged in perennial debates about the balance to be struck between the research and teaching agendas and the tension between managerialism and the collegial ideal. Underlying all of this, perhaps, Higher Education Institutions are suffering a protracted identity crisis.[49]

7. In the broadest sense our world is fraught with risk. It is assumed that, whilst some measure of 'disagreement' may have been a long-standing and defining feature of university life and that universities generate the unexpected through their dedication to research, any reference to the 'higher education risk regime' describes a chronic state of 'uncertainty' with which institutions now have to cope and this includes the contemporary challenge to 'traditional' concepts of the nature and purposes of a university. The remainder of this report retains the association of 'risk' with 'uncertainty' and in the next section we provide a simple classification of higher education risks illustrated by the comments made by our respondents. It is important to remember, however, that risk is also associated with opportunity and that, in the terms of Stacey's agreement and certainty matrix, the 'edge of chaos' is also a 'zone of high creativity, innovation, and breaking with the past to create new modes of operating'. Effective risk management implies that rather than merely coping with the threat posed by uncertainty, institutions must find ways of both embracing opportunity whilst maintaining their viability and their accountability to external stakeholders.

The nature and types of higher education risk

8. In Chapter II we discussed the ambiguity of the concept of risk. This both enriches the term and limits its usefulness. It has also been suggested that threats to an institution's objectives arise from the interaction between various 'components', and that the task for the risk manager is to both calculate and reduce these threats. This sub-section proposes a framework to enable us to undertake a more systematic analysis of higher education risks. In essence, 'risk' is treated as an interaction between certain external and internal conditions and the manner in which institutions respond to these conditions.

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48 At the 2002 Universities UK Annual Conference the Minister for Higher Education warned vice-chancellors that their institutions 'were in for more "turmoil" as the government moved to a free market in education'. (*The Guardian*, 11.9.02). David Watson provides a thoughtful analysis of the 'strains' and 'challenges' currently faced by universities in *Is UK HE fit for purpose?* Perspectives, Vol 6, No 3, 2002.

49 Gordon Graham, *Universities: the Recovery of an Idea*, Imprint Academic 2002; Duke Marshall and Ian Robinson, *The New Idea of a University,* Imprint Academic 2002. See also the various works of Barnett and Delanty.

9. Threats from human-caused hazards might be sub-divided into 'societal' and 'individual' risks. Societal risks are involuntarily imposed whilst individual risks are more voluntarily chosen. The project team has used the principles of 'choice' and 'agency' to distinguish between four potential sources of risk to the quality and standards of our provision:

   (a) Global market forces, 'increased exposure and reliance on overseas markets, global competition and alliances'.[50] The *Observatory for Borderless Higher Education* is an invaluable source of information on the competitive risks presented by such organisations as the University of Phoenix.[51]

   (b) Domestic markets. The domestic market is very much more competitive than it was 10 years ago, placing a premium on innovation for the purpose of securing market advantages. The 'growing competitiveness of the HE market, with increasingly empowered customers' is being actively encouraged by Government policy.[52]

   (c) Because Higher Education Institutions work in a regulated and not a 'free' market, they are subject to national political and regulatory requirements that are themselves rapidly changing.[53] A rather different kind of risk is posed by the emergence of international quality assurance agencies, and by the accountability requirements of UK agencies. This latter issue is explored in greater detail in Chapter IV. The Funding Council's most recent guidance on risk managements gives the example of variable tuition fees.[54]

   (d) And action taken at the institutional, departmental, and individual levels. This will include risk-taking innovation and the manner in which institutions seek to reconcile the competing demands of external stakeholders.

10. We have found that a more accessible way of analysing the components of risk in higher education would distinguish between:

   (a) '**External Conditions**': defined as threats or hazards within an institution's operating environment.

   When invited to comment on the nature of the risks in higher education, few of our respondents referred specifically to the 'threat' of 'globalisation' and, unsurprisingly, those that did were employed in institutions which recruit a high proportion of overseas students. A larger number of respondents expressed concerns about the threats posed by the national

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50 PriceWaterhouse Coopers, *Good Practice Guidance for the Higher Education Sector: Risk Management* (Final Draft: December 2004), p 4.

51 It is conceivable that quality assurance and accreditation may come to be defined as 'other educational services' under the General Agreement on Trade in Services (GATS). Jane Knight, *Trade in Higher Education Services: the Implications of GATS*, Observatory for Borderless Higher Education, March 2002.

52 PA Consulting Group, *Survival of the Fittest: a survey on the leadership of strategic change in higher education*, February 2004.

53 A recent example, might be the risk to some institutions that is presented by Funding Council's 'core-plus' model. It is anticipated that the Government's forthcoming strategic review will contain proposals that will exacerbate the uncertainties for Higher Education Institutions by increasing the competitiveness of sections of the higher education market. Any measure that extends opportunities to overseas and private sector providers to compete in the UK market, will impair the ability of universities to act like Galbraith's mature business corporation to reduce uncertainty by reaching forward 'to control (their) markets and on beyond to manage the … behaviour and shape the social attitudes of those, ostensibly, that it serves' (J K Galbraith, *The New Industrial State*, Penguin 1969, p 217).

54 Op cit.

and regional markets for the recruitment and retention of staff and students. However, the majority of comments focused on the relationship between market forces and higher education policy and regulation, and some expressed the view that institutions are obliged to take risks in monopsonistic markets – that is, in markets governed by a small number of powerful 'purchasers'.[55] A consistent theme in the interviews was the threat posed by the government's plans for the future configuration of the sector, the widening participation agenda, the declining unit of resource, changing priorities of external funding bodies (including the TTA and the Department of Health), and uncertainty at that time with respect to the QAA's future mode of engagement with institutions.

(b) '**Risk Behaviour**': the action that is taken by institutions and by their staff which may increase or reduce their exposure to external risks. The issue here is how institutions and their departments are *managed* – both strategically and operationally. The design and operation of quality management systems should be regarded as a form of 'risk behaviour'.

Whilst some respondents reported a desire, on the part of their institutions, to reform their quality assurance systems, the majority of comments in this category focused on structural rather than procedural matters. A few cited the power of the executive, and rather more commented on the autonomous working of academic staff. These two concerns were combined by those respondents who remarked on the tensions inherent in the role of academic heads of department or deans of faculty. For some, the external quality assurance agenda was placing a potentially dangerous burden on central quality support services, and this is an issue that is explored further in Chapter IV. A further significant issue for institutions wishing to develop their approaches to risk management is the danger inherent in the development of an institutional culture – possibly a 'blame culture' – which would have the effect of discouraging the disclosure of risks by academic staff.

(c) '**Dispositional Risks**': the weaknesses or vulnerabilities that may be *inherent* in the provision offered by particular departments, or in the character of these departments.

Our respondents thought that certain kinds of provision were inherently 'risky': collaborative and especially overseas provision, courses delivered by means of distance and e-learning, and higher education provision delivered in partnership with further education institutions. It was recognised that the character of the provider unit (a partner institution, department or course team) may also present certain risks. These could include a lack of prior experience of the kind of provision that they are now offering, staffing levels that are insufficient for the purpose of ensuring the breadth and depth of the curriculum, high staff turnover and inadequate learning resources.[56]

(d) The phenomenon of being '**at risk**'. Whether or not the reputation, or perhaps the quality and standards of provision, is at risk depends upon an interaction between exposure to external conditions, an inherent state of vulnerability or weakness, and the manner in which an institution seeks to

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55 Commenting on the government's intention to move to a free market in higher education, Roderick Floud made the point that 'it is an odd free market in which one purchaser, the funding councils, controls the price we may charge, the numbers we can take and the quality of what we deliver and is, moreover, seeking increasingly to plan the system'. Keynote speech to Universities UK annual conference. September 12, 2002.

56 It is, of course, debatable whether these are best defined as 'dispositional risks' or forms of risk behaviour'.

manage this interaction. Provision that in one set of circumstances is not at risk, may become so in other circumstances. And, although the circumstances may remain the same, the state of the provision may change so as to place it at risk.

Respondents recognised that the potential vulnerability of certain kinds of provision has increased (it has a higher profile on the national agenda) and that this vulnerability might become actualised through the process of QAA scrutiny, particularly if an institution has 'taken the risk' of entering new markets, developing new 'products' and implementing new methods of delivery without having given sufficient thought to the management of this provision and its potential risks. It is, perhaps, significant that the small number of institutions that had considered the application of risk management principles to academic quality assurance had done so in relation to their collaborative and overseas provision, had recently been subject to QAA Quality Audit, were undergoing a period of significant change and/or had experienced problems that, with hindsight, could have been prevented.

11. The state of being 'at risk' is, then, the product of an interaction between the first three of these components. It should be noted, however, that our respondents' comments were distributed unevenly across the four categories in the preceding paragraph. The risks that were nominated fell mainly into the 'external' category. This raises an issue that might be considered by any institution wishing to develop its capacity for risk identification. The issue here is that approaches to risk identification that either 'externalise' risks by focusing exclusively on a university's operating environment or, equally, those that 'internalise' risk by focusing on the competence or 'risk behaviour' of individual members of staff and provider units might be construed as examples of institutional 'bad faith'. In either case they could amount to an abdication of institutional (and management) responsibility for compounding or mitigating external and local risks.[57]

57 Ian Langford suggests that 'responsibility avoidance' – inauthentically fleeing from freedom (Heidegger) or acting in bad faith (Sartre) – may entail several strategies, including 'subjugation' (to external forces), 'displacement' and 'denial'. '*An Existential Approach to Risk Perception*', Risk Analysis, Vol 22, No 1, 2002.

IV Quality Management in the Risk Regime

1. The earlier discussion of Stacey's agreement and certainty matrix implies a question that is central to this project. If universities are now working 'on the edge of chaos', do their quality management systems assist or impede them in meeting the challenges of the risk regime? Have our current methods for assuring quality and standards become separated from the nature of the tasks that they are required to accomplish? Have the methods remained in Zone 1 whilst institutions and the sector as a whole have moved into Zone 5? If so, could we infer that established approaches to quality management have themselves become a source of risk?

2. A comprehensive review of the history of quality assurance in British higher education is beyond the scope of this report.[58] It is apparent, however, that in the last ten years the drive to secure the accountability of institutions to their external stakeholders has been criticised on the grounds that it leads to the development of internal systems that are characterised by 'managerialism' and 'bureaucracy' – approaches to quality management that are, one might argue, counter-productive and unfit for the purpose of assuring quality and standards in the complex world of the new millennium and in the context of current market conditions for higher education. If these arguments were to be accepted, it remains to be seen whether the application of the principles of risk management to academic quality assurance would be of greater assistance to institutions working on 'the edge of chaos'.

Accountability and the burden of bureaucracy

> 'As the demand for higher education continues to grow so does the scrutiny of universities. We are the most scrutinised education system in the world – and it should be emphasised that we are very, very rarely found wanting…. But I also know every institution represented in this room will have felt beleaguered by the bureaucracy of the endless rounds of assessment we now undergo'.[59]

3. Geoffrey Alderman has argued that successive governments have been 'intent on overturning the collegial ethos of British higher education, and determined to replace the notion of a self-justifying and self-regulating academic community with a system in which universities operate primarily as part of the national wealth-creating process'[60]. This, according to Alderman is the meaning of the current preoccupation with public accountability, quality assurance and the monitoring of academic standards. Alderman's 'British higher education' is, however, an abstraction that encompasses a diversity of institutions, structures and heritages. As Ian McNay has pointed out, Higher Education Institutions present themselves in a variety of different forms – the

58 Such a review is provided by Roger Brown's, *Quality Assurance in Higher Education: The UK experience since 1992,* Routledge 2004

59 H Newby, '*New investment in higher education is vital for the knowledge economy*', keynote address at CVCP Annual Residential Meeting, 1999.

60 Geoffrey Alderman, *'Audit, Assessment and Academic Autonomy'* in Higher Education Quarterly, Vol 50 No 3, July 1996.

'collegium', 'bureaucracy', 'corporation' and 'enterprise' – differentiated by their fixity of purpose and the 'tightness' of their procedural systems.[61]

4. Heritage and, in particular, institutions' previous exposure to external accountability requirements are important. The polytechnics and many of the colleges of higher education were subject to scrutiny by the Council for National Academic Awards (CNAA). Their early and formative experience as institutions that were accountable to external bodies will have tempered their reactions to more recent policy and procedural requirements. The 'established' universities, however, were latecomers to the disciplines imposed on all by the funding arrangements introduced in the late 1980s, CVCP Academic Audit, the 1992 Further and Higher Education Act, Teaching Quality Assessment and the various new methodologies introduced by the Quality Assurance Agency since its establishment in 1997. The great majority of institutions have also had to cope with closer scrutiny by professional and statutory bodies, the Teacher Training Agency and Ofsted (which in 1997 extended the scope of its inspections to include teacher training courses) and by the NHS through its Strategic Health Authorities. It is arguable that the events of the past fifteen years have prompted a convergence in the systems imposed upon and then developed by institutions in the old 'public sector' and by the 'pre-1992' universities.[62]

5. David Watson has referred to 'the vehement criticism and resentments levelled at the external quality regimes which have emerged in the 1990s'.[63] It is likely that the 'pre-92' institutions will have encountered the greatest difficulty in accommodating the new accountability arrangements. For example, in 1998 the University of Cambridge responded to a QAA consultation exercise by stating that 'the emerging quality assurance regime was becoming too prescriptive and interventionist' and that the Agency's proposals carried a 'real threat' to 'the autonomy of institutions'. It then observed that 'the proposals of the QAA are alien to the character of the University and do carry pressures which could seriously damage the flexibility and diversity which is a particular strength of Cambridge; they would certainly be unprofitable for a University such as this'.

6. The demand that universities be accountable to their 'stakeholders' has dominated debates on quality assurance for at least a decade. In March 2001 the debate was carried into the House of Lords, the members of which expressed their concerns about the 'burden of bureaucracy' borne by institutions:

> By the burden on universities I refer to the administration now necessary to monitor, enforce and evaluate a raft of requirements imposed on universities.[64]

In that debate, Earl Russell compared the 'semi-autonomy' of the University Grants Committee (which was abolished in 1988) with the current relationship of universities with Whitehall. That relationship enabled Whitehall:

> …to demand changes in practically everything from what Railtrack does with its rails to what sort of books we use for teaching. In

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61 I McNay, '*From the Collegial Academy to Corporate Enterprise: the Changing Cultures of Universities*' in T Schuller (ed), The Changing University? Open University Press, 1995..

62 Higher Education Quality Council, *Learning from Audit,* 1994.

63 D Watson '*Quality Assessment and "Self-Regulation": the English Experience, 1992-4'*, Higher Education Quarterly. 49 (4), 1995.

64 Lord Norton of Louth, House of Lords, 21 March 2001 (Hansard).

neither case is Whitehall competent to take those decisions. So what we have is detailed control without responsibility. We know what sort of a prerogative power without responsibility is: and it is what this system provides us with. It is not doing us any good.

Unpacking the burden

7. In his speech, Lord Norton of Louth quoted PA Consulting's report to HEFCE on '*Better Accountability for Higher Education*'.[65] This report attempted to assess the various costs of accountability. These included the costs of staff time, systems development and what it termed 'behavioural costs'. Lord Norton homed in on the behavioural costs:

> (The) behavioural cost of the accountability arrangements…is probably the biggest cost of all. I refer to stress and, most importantly morale.
>
> The cost in staff morale is horrendous. That cost has to be put in a wider context. The growing burden of bureaucracy is but one of the many pressures to which academics are now subject. Academics are now under tremendous pressure. They work hard, yet they are under-resourced, under-valued and under-paid….

Lord Norton went on to describe the consequences of the current accountability arrangements as 'pernicious and long term' and he claimed that if they were to continue they would 'undermine rather than enhance the quality of teaching'.

8. The argument, if it were to be accepted, might comprise three simple propositions:

- As universities have become more accountable to external stakeholders they have responded by strengthening their internal arrangements to secure the management accountability of academic departments for the quality and standards of their provision. The Better Regulation Task Force has suggested that some HEIs may have over-reacted to external requirements:

  > 'We conclude that some of the burden felt by lecturers is the result of HEIs' over-prescriptive application of the QAA's code. The apparent lack of trust between Government and HEIs…seems to permeate some HEIs' internal systems, resulting in a lack of trust between HEIs' own quality assurance teams and their academic staff'.[66]

- Managerial approaches to quality assurance undermine the professional commitment and motivation of academic staff. A comparative study of the impact on academics of higher education reforms found that a dominant theme was the bureaucratisation of quality and that, for some staff, this meant that the 'professional values of responsibility and individualisation were being replaced by administrative systems that might provide formal rather than real accountability and quality' and that, for all, 'it meant an invasion of time in the context of multiplying demands'. [67] Bureaucratic concepts of quality are said to convey 'a conception of education from

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65 PA Consulting, HEFCE, 2000.

66 Better Regulation Task Force, *Higher Education: Easing the* Burden, July 2002. Reference, para 7.8.

67 *Quality Assurance Policies and Academic Identities*, Higher Education Digest, Issue 39 Spring 2001 (Centre for Higher Education Research and Information).

which individuality, curiosity and risk had been excluded', and some academics adopt strategies of resistance that included 'distortion, over compliance and game playing' and the re-definition of quality as 'essentially an administrative exercise'.[68] If academic staff are as alienated as this study would suggest, they might be inclined to comply with quality assurance procedures in a 'satisficing' manner and this could impair the validity of the reports that they supply to an institution's senior quality committee.[69]

- Such approaches would not be cost-effective - they are inherently costly, require a large central administration, divert resources from the prime activities of teaching and research, undermine the 'real' quality of our provision and they generate data that is of limited value for quality control purposes. In addition, they may inhibit the entrepreneurial and innovative activity at departmental level that is necessary to secure the market position and economic viability of HEIs.

9. The essence of the argument is that *dirigiste* approaches to quality control militate against quality enhancement, local ownership and 'self-assurance'. The 'burden' is not simply the increasing demands placed on universities and their staff and the implied 'lack of trust between the government and its agencies and higher education'; its other components are the 'multiple accountability requirements that have been imposed as a result of numerous and uncoordinated initiatives' and the 'internal management systems and procedures' that have been developed by institutions in response to these external imperatives.[70] The argument would be that the 'burden of bureaucracy' puts at risk both the effectiveness of an institution's attempts to maintain academic quality and standards (it is counter-productive), and the ability of that institution to exploit the opportunities afforded by the dynamic and competitive markets within which it is placed. Fundamentally, it has 'hampered' and 'distracted' institutions from 'carrying out their core activities'.[71]

Fitness for purpose

10. The July 2002 report of the Cabinet Office's Better Regulation Task Force concluded that the Quality Assurance Agency's 'new "light touch" regime…should reduce significantly the burden on HEIs, while being rigorous enough to provide assurance on the quality of teaching …'.[72] The new mode of engagement between the Agency and institutions has shifted the balance from universal subject review towards institutional audit with selectively applied 'discipline level' activities. This is based on a kind of 'presumption of innocence': the primary responsibility for assuring quality and standards lies with institutions themselves and it is only if, in the course of a routine institutional audit, a team 'has grounds for serious concern' that the Agency would prosecute by employing specialist advisors and, perhaps, by embarking on further detailed scrutiny. Institutions that win the confidence of the

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68 Ibid.

69 See Martin Trow, *'Quality Assurance: Why is it Needed?'*, paper given at the THES quality conference, September 1993; and *'Managerialism and the Academic Profession: Quality and Control'*, Higher Education Report, No 2 (1994), Quality Support Centre.

70 Matti Alderson, *Reel in Red Tape to Free Sector*,THES 26.7.02; Higher Education: Easing the Burden, Better Regulation Task Force, July 2002, para 2.7; and *Better Accountability for Higher Education* (PA Consulting/HEFCE).

71 Matti Alderson, loc cit.

72 *Easing the Burden*, para 7.2.

Agency and its audit teams are rewarded with a lighter touch; and it is by demonstrating the effectiveness of their 'internal quality assurance structures and mechanisms' that institutions can obtain a statement of 'broad confidence'.

11. The QAA's *Handbook for Institutional Audit* places a premium on the 'robustness and reliability' of an institution's internal arrangements. However, quality assurance procedures that are robust and reliable in one environment might become a liability in another. The onus is on institutions to develop systems that are '*fit for purpose*' – that is, fit for the purpose of enhancing quality and maintaining standards in a continuously changing world, and in a world in which the pace of change is accelerating. In short, a world that differs significantly from that in which our current approaches to quality assurance were conceived. This point is explored further in Chapter VI where we discuss the management of an institution's collaborative provision.

12. Any external or internal quality management system that is fit for purpose would enable institutions and the sector to 'cope with the challenges of the future'. The QAA's mode of engagement is one of these challenges. The others include the manner in which institutions develop their internal procedures in response to external engagements, and to enable them to manage the threats and exploit the opportunities of 'the risk regime'. Earlier in this chapter we discussed the argument that current systems are unfit for purpose in the sense that they are counter-productive and because the 'burden of bureaucracy' significantly reduces the 'agility' of institutions in a dynamic market. One might conclude that current systems are not fit for purpose in that they are 'out of synch' with the new higher education operating environment.

13. The argument would be that the old verities of quality assurance are threatened by a decline in consensus and growing uncertainty. The tradition of peer review, based on the external examiner system, is severely challenged by the expansion, diversification and stratification of the sector. And the more formal and bureaucratic models that were pioneered by the CNAA might now impede the survival of institutions that are subject to competition in a dynamic market and which are having to consider the opportunity costs incurred by their approaches to quality management. It might also be argued that the systems and procedures expected by CNAA, an agency that supervised a large number of relatively inexperienced polytechnics and colleges, might now be unfit for the purpose of assuring the quality and standards of the provision offered by autonomous and mature institutions.

14. Whatever their provenance, our established systems may fail to detect and manage the risks that now beset the Sector; and they can themselves be a source of risk. In these circumstances, the immediate issue for institutions might be how they can ensure that their 'structures and mechanisms' are sufficiently effective to pass muster at their forthcoming institutional audits. Should we continue to elaborate, complicate, rationalise or refine the procedures that at least some of our institutions have inherited from the CNAA? Should we reinforce the external examiner system? Or do we declare 'year zero' and invent some new system for managing quality and standards?

V Quality Risk Management

> To secure optimum use of resources, any regulatory system should be driven, in part, by risk; such that intervention is in inverse proportion to success.... In steady state, the new method will generate published reports on overall institutional systems, and the confidence that can be placed in them. These will be supported by the constantly updated 'running records' of results from subject reviews. Together these will inform judgements about the intensity of scrutiny that is appropriate in future reviews.[73]

1. In Chapter 3 it was suggested that we might adopt a classification that orders higher education 'risks' according to the principle of 'choice' or 'agency'.[74] One purpose of this classification is to focus our attention on those risks that lie within an institution's span of control and responsibility. We might thus interpret the *Handbook for Institutional Audit* as emphasising the primary responsibility of a university or its quality managers for dealing in a remedial fashion with those areas of provision that are already at risk, and addressing any 'dispositional risks' or 'risk behaviours' that might, at some future date, result in its provision entering the 'at risk' category. Beyond this, however, what might be entailed in a 'risk management' approach to quality assurance?

2. In this section we set out our current thinking on the key features of 'quality risk management'. These features (or principles) were formulated in the course of the Stage 1 survey and were developed in the remaining stages of the project. We have concluded that quality risk management would entail:

   - Predictive and context-focused approaches to annual monitoring and periodic review
   - The integration of quality assurance procedures with an institution's arrangements for academic planning and resource allocation, and
   - The selective and enhancement-focused application of quality assurance procedures for the purpose of managing identified risks.

   We would also argue that the appropriate and effective application of risk management principles presupposes a particular approach to academic governance. This might be defined as an approach that recognises that responsibility for 'at risk' provision is shared between teaching staff and their managers; that establishes a climate in which staff are encouraged to disclose evidence that provision is 'at risk' and the identification of external factors that may jeopardise the maintenance of quality and standards in the future; and which provides for the support, as well as the closer scrutiny, of 'high risk' provision and activities.

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73 QAA, *Assuring Quality and Standards*, August 1999, paras 39 and 43.

74 Paragraph 9.

Risk

3. An institution's quality assurance procedures yield a wealth of evidence which could be employed for the purpose of identifying and assessing academic risks. These procedures might be classified according to two criteria: whether they produce evidence that is 'direct' or 'indirect'; and whether that evidence relates to symptoms or causes - the surface manifestations of the quality and standards of provision (for example, student progression and achievement) or the setting conditions (the learning environment, institutional and market contexts) within which that provision is placed.[75]

4. All institutions have established procedures for the monitoring of their provision. These will include annual reports from departments and course teams, external examiners' reports, statistical reports (which typically deal with recruitment, progression, final awards and first destinations) and periodic reviews. Statistical reports and periodic reviews will normally be commissioned by an institution's senior quality committee and in this sense they can be regarded as sources of direct evidence. Providing that an institution has taken care to ensure that its external examiners are genuinely independent (and in this sense 'external'), their reports also fall into this category. The annual monitoring reports that are produced by course teams and departments are the primary sources of the indirect evidence that is available to an institution and its senior quality committee.

5. Locally generated indirect evidence is important. It is important because it provides the mechanism by which we can develop a more participative approach to the identification and assessment of risk, recognising the multiplicity and contestability of our institutions' objectives and drawing upon the expertise and experience of our staff. And, whilst the evidence produced by departments and course teams provides only indirect evidence to satisfy an institution's concerns about the *actual* quality and standards of its provision, the quality of an annual monitoring report can provide *direct* evidence of the ability of a course team or department to manage that provision (and its attendant risks). This is a point to which we shall return.[76]

6. We would suggest that if routine monitoring were to qualify as a form of risk assessment it would need to be:

   - Predictive rather than retrospective, identifying factors or circumstances which *might* place provision 'at risk' at some point in the future rather than merely providing institutions with an assurance of the current academic health of their courses. Routine monitoring must enable an institution to anticipate potential quality and standards problems rather than merely register them once they have happened. In the great majority of institutions routine monitoring focuses on the old subject review 'front end' aspects (curriculum, teaching and assessment, and student progression and achievement). This means that monitoring tends to be backward looking, focusing on past and current performance. This was acknowledged by those of our respondents who felt that, at best, their institutions' monitoring systems were capable of discerning trends that might assist in the identification of incipient risks.

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75 The distinction between 'direct' and 'indirect' is borrowed from *Higher Quality 6* and refers to reliance upon the reports generated by providers (indirect) as opposed to a more investigative approach, audit or periodic review, in which information is collected by the QAA (or preferably by the institution itself).

76 It is also discussed in several of the case studies presented in Part II of this report.

- Annual monitoring reports would therefore need to be context focused – monitoring the market, policy, regulatory and institutional environment in which a course or department operates, and not merely focusing on the provision itself. In the terms of the classification described in paragraph 3, if an annual report is to provide an adequate identification and assessment of risk it would need to complement the traditional focus on surface manifestations with an attention to the setting conditions. This would include (but would extend beyond) a consideration of the subject review 'back end' aspects (student support and guidance, learning resources and quality management and enhancement).

7. The predictive quality of risk assessment is crucial, particularly in the dynamic if not volatile institutional, regulatory and market environments in which institutions operate. Now more than ever 'past performance is *not* an indicator of future success'. This point was echoed by several respondents who commented that the rate of internal and external change meant that the confidence inspired by a positive monitoring report might be short lived. For this reason, and also for the purpose of encouraging all staff to engage with the process of risk assessment, monitoring may need to be conducted on a more frequent basis.

8. A number of our respondents made the point that predictive risk assessment is an established feature of their institutions' programme approval (validation) procedures. The interviewers were supplied with examples of two-stage procedures in which, prior to the academic scrutiny of a new course, consideration was given to the market and resource requirements of the proposal, and the competence and experience of the proposing team. These examples notwithstanding, very few institutions have made an explicit attempt to apply the discipline of risk assessment to the routine monitoring of their academic provision. Some, however, have sought to extend the 'risk registers' that they have developed in response to Funding Council requirements to include a range of academic risks, prioritised according to the probability that they will occur and the impact that they would have if they were to occur. Departments are then required to monitor and manage these risks. A typical example of the items that appear on these risk registers is:

> Subjects being deemed unsatisfactory by the QAA
> Complaints by external examiners about conduct of award boards
> Student complaints about teaching in a given department
> Loss of professional accreditation
> Poor recruitment
> Low retention

9. There are three problems with this example of the risk register approach. First, and bearing in mind the Funding Council's definition of risk,[77] the items listed in the previous paragraph are not risks as we would define them so much as evidence that provision is already or potentially at risk. They signal that the institution's objectives (recruitment, retention, reputation, etc.) are actually or imminently under threat. Screening might alert us to an immediate threat, and in this sense it might count as short range risk assessment. In general, however, risk registers of this kind have limited predictive value. They either focus on the proximate causes of problems or they are

77 Risk is defined as 'the threat that an action or event will adversely affect an organisation's ability to achieve its objectives'.

tautological (in the sense that they restate the institution's objectives in terms of negative outcomes).[78]

10. Earlier in this report we have suggested that risk should be viewed as the product of an interaction between certain external and internal conditions, and the way in which an institution manages these conditions. From this perspective, the second problem is that the listing of discrete items in risk registers might blind us to what we might term 'networks of risk' – the *combined* impact of a number of factors on the viability or quality and standards of our provision. Having identified these factors, we need to understand the ways in which they might *interact* with one another to adversely affect the ability of our institutions to achieve their objectives.[79]

11. And, finally, the production of risk registers, the identification of risks, is often approached as a top-down exercise – as the work of a central committee or senior managers – reflecting the assumption that risk identification and assessment are matters for specialist or expert judgement, and that there is a broad consensus on the objectives of our institutions. If it were accepted that the realities of institutional life are differentially experienced and that this experience is the basis for local action, it would follow that such an approach would fail to capture and exploit the considerable and relevant expertise that lies at subject level.[80] Academic staff know their markets, they should have an intimate knowledge of their subject communities, and their knowledge and expertise should therefore be captured by any risk assessment exercise.

12. In general, then, risk registers have limited predictive value if they are provision rather than context-focused. Risk assessment must enable us to 'see over the horizon' if we are to assure the *future* quality and standards of our provision in such a rapidly changing world. And the approach to academic risk assessment needs to be participative. Discussions with colleagues in other institutions have led the project team to the conclusion that our annual monitoring and periodic review procedures would be significantly enhanced if they were to be more context-focused, and if staff could be encouraged to be 'risk aware'. The task is to enable staff – as the authors of annual monitoring reports or self-assessment documents – to become more intelligent readers of the higher education risk regime. And more intelligent readers should also become more effective actors and managers within that regime.

13. One implication of the preceding discussion and, in particular, of our reservations about the value of centrally-produced risk registers, is that the initial identification and assessment of academic risk should be conducted through an institution's course, subject and faculty-level deliberative processes. This, however, should not be read as an attempt to diminish the role of an institution's senior academic committees, its central departments (dedicated to registry, quality assurance and planning functions), or of the actors within its executive structure. We would suggest that the key roles necessarily performed by 'the centre' are to:

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78 The HEFCE *Guide* offers examples of risks linked to objectives (para 12, table 1). In each case, however, the risk is 'tautological' in the sense that the objective is merely re-stated in negative terms. Later in the document, examples of 'early warning indicators' are provided (paras 53, 76). See also the 'strategic risks' listed in Annex A of HEFCE's *Assurance Framework*, April 2003.

79 This is discussed further in Chapter X, Appendix IV.

80 The Funding Council's revised guidance recognises that 'perceptions of risk vary between managers, senior management, academics, students and the governing body'. PriceWaterhouse Coopers, *Good Practice Guidance for the Higher Education Sector: Risk Management*. Final draft: December 2004, p.8

- establish, manage and co-ordinate an institution's arrangements for quality risk management;
- promote risk awareness and skills in risk reporting through staff development;
- reconcile competing risk priorities;
- verify on the basis of the direct evidence generated by an institution's quality assurance procedures the indirect evidence produced at a local level.[81]

14. Senior managers, and 'central' departments and committees, may also have a responsibility for the *a priori* identification of the risks associated with particular forms of academic provision. This might result in the differential treatment at the point of initial approval of new programmes or educational partnerships.[82] We would argue, however, that academic departments are best placed to undertake the subsequent *empirical* identification of risks.

Confidence

> 'The concluding section of (a report) sets out the audit team's judgement on … the confidence that can reasonably be placed in the soundness of the institution's present and likely future management of the quality of its programmes and the academic standards of its awards'.[83]

15. An institution's monitoring, validation, periodic review and internal audit procedures yield a wealth of both direct and indirect evidence which could – if they were more predictive and context-focused – enable them to anticipate potential quality and standards problems rather than merely register them once they have happened. It is important therefore that our quality assurance procedures are sufficiently integrated with one another to ensure the effective collation of the 'intelligence' they generate. Many of our respondents felt that the procedures of their institutions lack this systemic quality – they are not conducive to the production of coherent and comprehensive assessments of the extent to which provision is actually or potentially 'at risk'. It would appear, however, that the more informal arrangements adopted by some of the pre-92 universities – arrangements which are dependent upon the co-ordinating work of key staff who accumulate and digest information from a variety of sources – are more effective in the collating of intelligence. Deans, registries and networks of academic-related staff perform a kind of 'synaptic' function, acting as the 'conscience and memory' of their institutions.

16. What, though, should we do with this evidence? A risk assessment could inform an institution's *confidence* in the ability of a department or course team to manage both its provision and the external risks to which it is exposed. If an institution were to adopt the practice of framing formal (QAA-style) confidence judgements, a statement of broad confidence might justify a 'lighter touch' or a greater delegation of responsibilities. We have suggested already that an important area of development for many institutions is the

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81 This point is explored further in the following paragraphs.

82 The project team was furnished with examples of validation procedures in which responsibility is normally delegated to faculties except in the case of proposals presented by inexperienced teams, or where market conditions are uncertain. This point is discussed further in Chapter 6 and the Part II case studies provide examples of *a priori* risk identification.

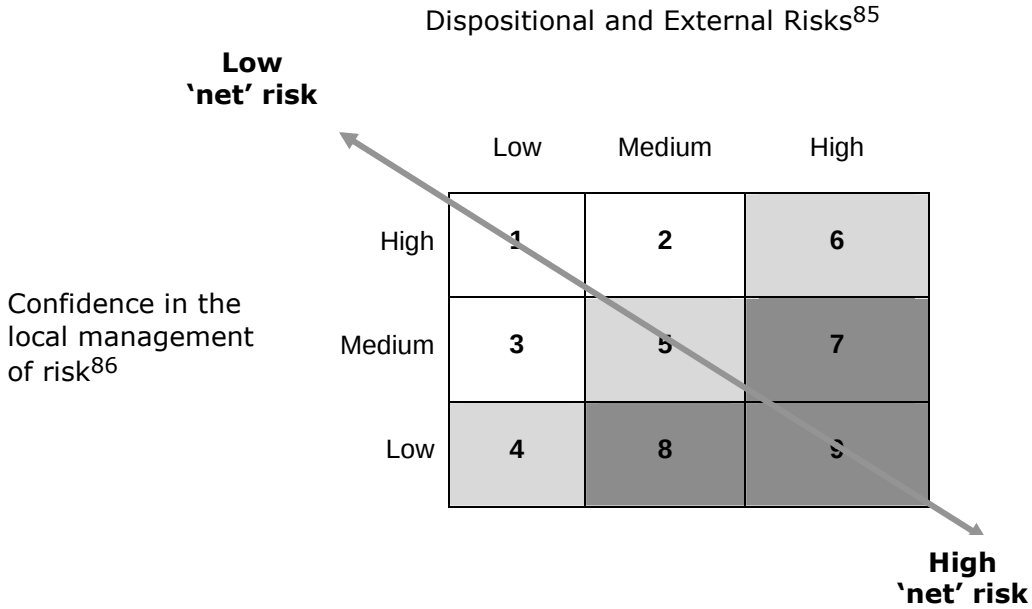
83 *Handbook for Institutional Audit*, Quality Assurance Agency, 2002. Paragraph 56.

quality of the annual reports that it receives from subject departments. A report that is critical *and* self-critical, context- *and* action-focused is more likely to inspire confidence in a department's capacity to manage risk than one that merely describes that department's provision and quality management arrangements.

17. We could relate this rather obvious principle to the way in which QAA audit teams have engaged with institutions. A self evaluation document that is genuinely analytical might encourage the conclusion that the institution is competent in the management of its responsibilities for the quality and standards of its provision. A document that is analytical in the sense that it is both self-critical and evaluated the institution's operating environment, and which demonstrates that the university has a strategy for managing the internal and external risks that it has identified, should place the institution some way down the road of winning a statement of broad confidence and the ultimate prize of a 'lighter touch'.

18. Similarly, a confidence judgement could inform the decisions of a senior quality committee on the intensity with which it should scrutinise (and support[84]) the work of a department or course team. In determining its priorities for intervention, that committee would need to consider both the level of risk associated with the character and work of the department or course team (drawing, for this purpose on the full range of evidence generated by its quality assurance procedures) and the proven ability of that department or course team to manage these risks.

Figure 1: Levels of Risk and Priorities for Intervention



The risk to an institution is, then, a function of *both* the objective challenges faced by a department or course team and the apparent ability of that department or course team – as indicated by annual monitoring reports and other intelligence – to manage these risks. The implication of Figure 1 is that

84 See paragraphs 25-8, below.

85 See Chapter III, paragraph 10 [a + c], above.

86 An aspect of an institution's 'risk behaviour' (see Chapter III paragraph 10 [b], above)

the scrutiny and support of provision or departments that fall into categories 7-9 should receive a higher priority (because they present a higher level of net risk) than those which fall into categories 1-3.[87]

Intervention

19. This chapter opened with a quotation that featured the phrase 'intervention in proportion to success' and went on to make it clear that such intervention was a matter of 'intensity of scrutiny'. We have suggested that intervention on the basis of a judgement of confidence (and an assessment of 'net risk') should entail support as well as scrutiny. This represents a modest departure from current thinking. The Lambert Review equates 'risk-based regulation' with 'earned autonomy' and 'lightness of touch', arguing that if universities can demonstrate that they are conducting their affairs efficiently 'they will be given a greater degree of freedom and flexibility than they currently enjoy'.[88] This is the premise upon which the Funding Council's 'new deal' is based.[89]

20. In the survey the project team tried to establish whether institutions were adopting their own version of QAA's principle of 'variable intensity'. Given the emphasis that we have placed on prediction, the phrase 'intervention in inverse proportion to success' is problematic. The issue here hinges on the word 'success'. A decision to 'intervene' that is based on assessment (through external or internal audit) of the robustness and reliability of an institution's quality management system, and thus its ability to manage future risks, would be consistent with our emerging definition of a risk-based approach. A decision that is simply based on an institution's past performance in a subject review exercise would not be consistent with our definition of quality risk management.

21. The mode of intervention (the principle of variable intensity) requires further examination. 'Variable intensity' is, in part, a matter of frequency – the frequency with which provision or quality management systems are reviewed (by institutions or by external agencies). For example, an institution might decide to shorten the period of approval for a new programme, bring forward the scheduled 'audit' of a department or faculty, or commission an earlier review of a course. However, on the basis of a predictive assessment of the risks that apply to particular areas of provision, an institution's monitoring, review or validation requirements (or, indeed, the Agency's audit methodology) might be varied or more selectively applied in two additional ways. Scrutiny could draw to varying degrees on direct or indirect evidence; or it might penetrate beneath the 'surface' manifestations of quality and standards (for example, student progression and achievement) to examine the setting conditions (the learning environment, institutional and market contexts) within which provision is placed. 'Close' or 'intense' scrutiny would imply the use of direct evidence to examine, *inter alia*, the arrangements that underpin an institution's academic provision; conversely, 'light touch' would imply a greater reliance on the 'surface' data generated by an institution or department.

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87 It might be argued that categories 7-9 represent a higher level of exposure or 'net risk' than categories 1-3. The Funding Council's guidance defines exposure as the net risk after all controls have been taken into account. (HEFCE, 2001, para 13). In this context, 'control' refers to the local rather than the institutional management of risk.

88 *Lambert Review of Business-University Collaboration*, December 2003. Paras 7.35-42.

89 Paul Greaves, *Higher Education Audit Forum*, 18 September 2002.

22. Apart from the fact that validation panels routinely recommend earlier reviews and more stringent conditions for provision that is judged to be 'risky',[90] our survey suggested that few institutions had adopted the variable intensity principle. For example, in the majority of institutions, periodic review and revalidation schedules tend to be applied inflexibly and without regard to routine monitoring outcomes. Some respondents felt that their institutions would need to continue to apply their quality assurance procedures in a universal and standardised manner if they were to win or maintain the 'confidence' of the Quality Assurance Agency, on the assumption that 'light touch' would only be granted to institutions that applied their own systems uniformly. And a number of respondents felt that any move towards the selective application of quality assurance requirements would be politically insensitive and potentially divisive, particularly in the smaller institutions.

23. The commitment to 'universalism' seemed to be more pronounced in the pre-92 universities. These were institutions that had only recently developed and implemented formal and standardised quality assurance systems and, by their own account, it was too early to move towards a more selective approach. They were still struggling with the task of securing the accountability of academic departments that jealously guarded their autonomy. A few colleges of higher education that do not possess their own degree awarding powers also reported that the terms of their accreditation agreement afforded them little scope to vary the application of their quality assurance procedures or to devolve greater responsibility to faculties. A number of post-92 universities are, however, moving in this direction.

Responsibility

24. Almost without exception, our respondents acknowledged the desirability of effecting a closer integration of an institution's quality management system with its arrangements for academic planning and resource allocation. This would enable an institution to take timely and appropriate action on the basis of the 'intelligence' gathered by its quality assurance procedures. However, the majority of our respondents regarded 'integration' as a difficult if not intractable problem. The difficulty stems, we think, from the fact that what is required is the integration of two parallel but different structures within institutions – the 'executive' and 'deliberative' structures – which work to different time-scales and in accordance with different values.[91] Judging from the comments made by our respondents, it would appear that the more informal arrangements and 'flat' structures adopted by some of the pre-92 universities and smaller institutions are again more effective in ensuring that the intelligence gathered through the quality assurance system informs management decision-making. The often informal but regular meetings between senior staff (including those with responsibility for finance, corporate planning, learning support and registry functions) provide a mechanism by which 'quality intelligence' can inform management decision making.[92] In the larger and post-92 institutions there tends to be a more formal separation of the quality assurance system from management decision-making.

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90 The kinds of provision that respondents placed in this category included new courses and those that are delivered by means of distance learning, collaborative and overseas provision and (possibly because of their placement elements which are delivered by non-university staff) courses preparing students for the healthcare professions. Some respondents also placed provision that was scheduled for QAA subject review in this category.

91 See Chapter II.

92 Cf paragraph …, above

25. What form should management action based on risk assessment take? A number of our respondents stated that their institutions were moving from an emphasis on quality control and accountability to quality enhancement and 'ownership'. Although (*pace* Chapter IV) our respondents offered only limited support for the proposition that quality assurance entails an undue diversion of resources and can encourage risk aversion, many were concerned that 'risk management' could have negative connotations with staff, implying management scrutiny without management support, and that it might deter them from engaging in 'high risk' innovative practices. A common reaction to the initial paper circulated to respondents was that 'quality risk management' must be enhancement focused: it should foster innovation rather than compliance and to this end it must operate within a 'no-blame' culture.

26. This report has touched already on the notion of a 'no blame' culture, and we have argued that the attribution of blame is incompatible with the definition of risk as the product of an *interaction* between certain external and internal conditions, and the way in which an institution manages these conditions. The word 'interaction' conveys the point that if provision is placed 'at risk', 'responsibility' for this must be shared between a number of actors at various levels and locations within and outside the institution. Our respondents have made it clear that the task of establishing a 'no blame' culture is important if staff are to be both encouraged to disclose risks and to engage in (high risk) innovative and enhancing activities. This presupposes a degree of transparency in the exchanges between academic staff, their managers and an institution's senior quality committee which, in turn, may incur significant risks for that institution if its governing body or external stakeholders were to execute their responsibilities in a way that is not consistent with, or not conducive to, the practice of quality risk management.

27. In the light of the interviews, we concluded that 'capacity building' should be the objective of effective 'quality risk management', both for institutions and for their external stakeholders. The purpose of quality risk management should be to build capacity by:

- enhancing the provision and its immediate operating environment and resource envelope;
- strengthening the provider unit (the department, course team or institution) and its capacity for self-management and self-assurance, and by
- encouraging and supporting staff and institutions in their efforts to identify and exploit opportunities to develop new courses, modes of delivery and approaches to the management of academic provision.

28. The implications of our specification of the principles of quality risk management are that the primary focus of risk assessment should be on the organisational and environmental context of a venture, and that risk assessment should provide a firm basis for risk management. Risk management should include positive measures to enable institutions to engage in innovative (and high risk) activity thereby securing their longer-term market viability. These 'positive measures' would necessarily imply investment in and support for ventures or areas of activity that are potentially exposed to identified risks.

Enhancement

29. Many commentators take it as axiomatic that there is, at best, a tension between enhancement and innovation on the one hand, and accountability-driven quality assurance on the other. This builds into a stack of imposing dichotomies which contrast managerialism with collegial participation, conservation with change, risk-aversion with risk-taking, compliance with self-determination, and retrospective with prospective approaches to quality management.[93] The key question is whether our preoccupation with internal and external accountability is likely to undermine the conditions for innovation and enhancement. Chapter IV has echoed these themes. It adds to the argument by suggesting that accountability and the consequent 'burden of bureaucracy' divert scarce resources from teaching and research, undermine trust, encourage risk aversion and impair the ability of institutions to exploit opportunities. This now familiar argument was joined by the 2002 report of the Better Regulation Task Force.[94]

30. Neat polarisation can, of course, obscure more subtle possibilities. We should not assume that accountability and enhancement are alternatives and, in any case, both can take a variety of forms. A closer inspection of the literature provides a basis upon which we can move beyond the one-dimensional accountability-enhancement opposition. John Biggs' use of the distinction between retrospective and prospective quality assurance provides a starting point:

> Retrospective QA looks back to what has already been done and makes a summative judgement against external standards. The agenda is managerial rather than academic, with accountability as a high priority; procedures are top-down, and bureaucratic. This approach (is concerned with) quantifying some of the presumed indicators of good teaching….
>
> Prospective QA is concerned with assuring that teaching and learning does now, and in future will continue, to fit the purpose of the institution…. (It is concerned with) reviewing how well the whole institution works in achieving its mission, and how it may be improved. This is analogous to what an individual reflective practitioner does.[95]

Whilst Biggs adds to our stack of dichotomies, the distinction between retrospective and prospective quality assurance can be separated from accountability vs. enhancement. We might also treat as a separate dimension the distinction between a focus on 'indicators of good teaching' and 'reviewing … the whole institution'. The latter, according to Biggs, takes us into the realm of 'quality feasibility' and 'the removal of factors in the institutional climate or structures that are deleterious to learning and good teaching'.[96] The suggested focus on 'the whole institution' and 'quality feasibility' resonates with Wright's plea for the adoption of 'systems thinking', and for 'a more

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93 John Biggs, *The Reflective Institution: assuring and enhancing the quality of teaching and learning,* January 2002*;* Norman Jackson*, Understanding Enhancement,* September 2002; Jethro Newton*, From Policy to Reality: enhancing quality is a messy business,* October 2002; and Sue Wright, *Enhancing the Quality of Teaching in Universities: through coercive managerialism or organisational democracy?,* February 2003. These papers can be found on the LTSN Generic Centre website.

94 *Higher Education: easing the burden,* July 2002.

95 Biggs, *op cit*, p 2.

96 Biggs, p 12. See also Newton, p 4.

holistic view of how a university's administration and procedures affect a department's teaching'.[97]

31. We have used these two dimensions to distinguish various approaches to quality management. Quality assurance systems can be forward or backward looking. And some merely generate evidence relating to 'symptoms' – the surface manifestations of the quality and standards of provision (for example, student progression and achievement), whilst others penetrate more deeply to 'causes' or 'setting conditions' (for example, the learning environment, institutional and market contexts, the policy environment). We have described these setting conditions as aspects of an institution's 'risk behaviour'. 'Quality risk management' is defined *inter alia* as prospective and context-focused.

32. The two dimensions enable us to distinguish three of the meanings commonly ascribed to 'quality enhancement'.

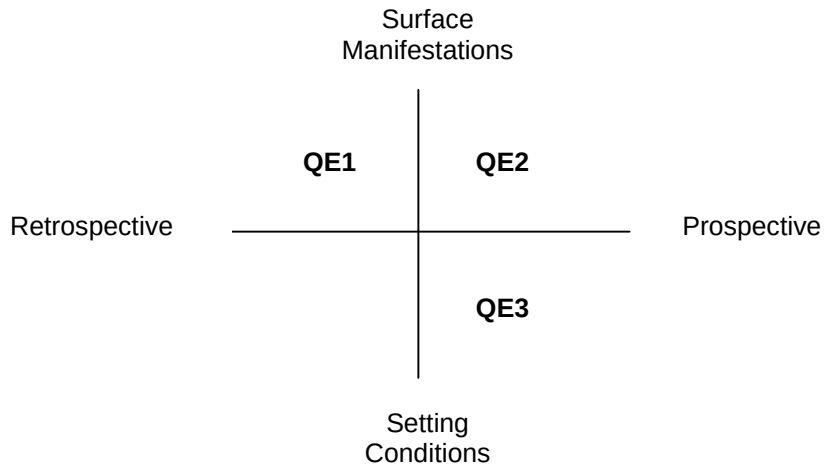

Figure 2

33. An example of quality enhancement in the first sense (QE1) might be the award of teaching fellowships to staff whose work is deemed to have been excellent, but who are not required to take an active role in leading or disseminating good practice. The award is simply a recognition of and *reward* for past performance. This fellow only contributes to the improvement of teaching and learning by acting as a role model for his or her colleagues. If the appointment were to carry specific responsibilities for improving teaching and learning it would qualify for the second category (QE2). It, together with staff development and the dissemination of good practice in teaching and assessment, becomes a form of *investment* to secure change in the future. This, in many of our institutions, is what passes for 'quality enhancement'.

34. In the case of QE2 the investment remains targeted on staff practices. Whilst QE3 is (like QE2) future-oriented, it seeks to intervene in the underlying conditions which *may* impede or promote quality and standards. Our third category refers, therefore, to forms of quality enhancement that entail action on those 'factors in the institutional climate or structures that are deleterious to learning and good teaching'. The report of the Teaching Quality Enhancement Committee recognised that the domain of quality enhancement

97 Wright, pp 5, 9-10.

includes such matters as 'infrastructure, equipment and other resources', and that it will be necessary for the sector to develop 'a foresight capability'.[98] This, however, is the relatively safe territory of hygiene factors, and the report falls short of bringing into the equation the management, structure and culture of institutions.

35. Enhancement is about change and there is a difference between improvement and innovation. As Robin Middlehurst has reminded us, our three categories (QE1-3) do not exhaust the range of possibilities:

> At a basic level, enhancement of quality involves examining what one is doing and as a consequence, making explicit aims, objectives and outcomes. At the next level, enhancement may involve making incremental changes so that teaching is more efficient (…) while maintaining the current direction of each. At the third level, quality enhancement will involve doing things in new ways. The most radical forms of quality enhancement are those which involve transformational changes which call for a complete re-examination, re-conceptualisation and re-direction of existing practice.[99]

36. Commenting on this passage, Norman Jackson states that 'much enhancement in higher education… is a continuous and natural process for many teachers and others who support students' learning'. It rarely progresses to Middlehurst's third level, although 'the reform agenda for higher education increasingly pushes teachers and institutions to the levels of change that are most difficult to accomplish'.[100] This should not be interpreted as meaning that teachers need to be persuaded by their managers to engage in this fourth form of quality enhancement (QE4).[101] The pressure for transformational change is often exerted, against the more conservative instincts of their managers, by staff who are in direct contact with students, employers and regulatory bodies.

Governance

37. We have argued that institutions' quality management systems should capture and exploit the expertise that lies at subject level. A similar argument has been developed by Sue Wright, both in her recent contribution to this discussion on QE and in some of her previous publications. The essential point is that professional autonomy and creativity are crucial for successful research and teaching, and that 'future systems of quality management and accountability (should) prioritise the enhancement of teaching by building on staff's professional values and their aspirations for improvement'.[102] Wright offers an alternative interpretation of QAA's 'drilling down' metaphor to suggest that university managers 'could think of using a drill to tap into a well of good ideas in departments and enable them to flow productively through the institution'. In suggesting that this might reveal 'how staff's current

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98 Final Report of the Teaching Quality Enhancement Committee on *the Future Needs and Support for Quality Enhancement of Learning and Teaching in Higher Education,* January 2003, paras 2.2, 2.17 and 4.4-5.

99 Quoted in *Imagining a Different Future,* Working Paper Number 2: Understanding Quality Enhancement.

100 *Loc.cit*.

101 It might be argued that transformational change is a variant of the first three forms of 'quality enhancement', rather than a form in its own right. QE1-3 may all vary in terms of the extent to which the changes that they entail are transformative or merely constitute an improvement on existing practices.

102 Wright (2003) *op cit*, p 1.

practices and aspirations for improvement are constrained by … the university's administrative systems and management policies', Wright establishes a link between her favoured approach to quality enhancement and Biggs' concept of 'quality feasibility'.[103]

38. This is the basis upon which Wright commends a 'dialogic' approach to quality enhancement. The dialogic approach '(takes) on board the perspective from below … (which) would result in a very different dynamic for institutional improvement than that likely to ensue from … top down imposition'.[104] This participative approach to management can, of course, be de-coupled from its association with prospective quality assurance and 'quality feasibility'. As such, it provides us with a third dimension for distinguishing our approaches to quality assurance and enhancement.

39. This report has identified various dimensions of risk – 'external' and 'dispositional' risks, 'risk behaviour' and the state of 'being at risk'. We have argued that if quality and standards are judged to be 'at risk' this is likely to be the result of a complex *interaction* between certain external and internal conditions together with the ways in which institutions manage these conditions. Our definition of risk necessarily entails a prospective and context-focused approach to quality management, attending to those 'factors in the institutional climate or structures that (may become) deleterious to learning and good teaching'. We suggest that both this and the emphasis placed on the interactive relationship between the dimensions of risk has particular implications for the design and operation of institutions' annual monitoring procedures. Suitably adapted, these procedures can be highly effective instruments for the assessment of academic risks. They provide the means by which staff with an intimate knowledge of a course and the contexts within which it is delivered can advise their institutions of the internal and external factors which may impact upon quality and standards in the future. This, however, presupposes the establishment of a no-fault culture in which staff are encouraged to disclose these risks and do not get 'penalised' for doing so.

Conclusion

40. Quality risk management entails evidence-based judgements that result in the closer scrutiny and support of high 'risk provision'. It might include the development of institutions' periodic review mechanisms so that they are governed by (and generate) risk assessments which include judgements on the competence of provider units together with an appraisal of institutional and environmental risks. This would be an approach to quality management that is developmental (enhancement-focused) and which is, to this end, integrated with an institution's academic planning and resource allocation procedures. It would need to be supported by a staff development programme that equips staff to assess and manage the full range of risks that could impact on the provision for which they are responsible. It should also be operated in a manner that does not foster risk aversion and the non-disclosure of risks by staff, and which will win the confidence of external stakeholders by demonstrating the efficacy of internal systems in ensuring that institutions are taking full responsibility for managing the quality and standards of their provision.[105]

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103 *Op cit*, p 7

104 *Loc cit.*

105 This paragraph and the following typology come close to the distinction that has been made between 'learning' and 'non-learning' organisations. According to Hayes and Hillman, learning organisations anticipate future problems; pay attention to the external environment;

41. A simple typology can be constructed on the basis of the four criteria discussed in the previous sections. This typology contrasts 'conventional' (or established) approaches to quality assurance with the approach implied by our definition of 'quality risk management' (see Figure 3, below). It should be noted that, whilst the typology rests on a binary opposition between 'conventional' approaches and quality risk management, the latter would need to incorporate the essential features of the former. For example, the emphasis that we have placed on 'enhancement' should be qualified by a reminder that quality management in all its various forms must ensure that internal and external accountability requirements can be met.

Figure 3: A Typology of Quality Management Systems

	'CONVENTIONAL'	QUALITY RISK MANAGEMENT
MONITORING	Retrospective Provision focused	Predictive Context focused
INTEGRATION	Weak	Strong
APPLICATION	Universal Correctional	Selective Developmental
	ACCOUNTABILITY	ENHANCEMENT

42. The evidence obtained from our interviews suggests that the systems operated by the great majority of institutions could be described as 'conventional', although a number are beginning to develop aspects of a quality risk management approach and many more regard as problematic the 'disintegrated' character of their current systems. Whilst the project team did not found a single example of a fully-developed quality risk management system, a small number of institutions had adopted versions of this approach for the purpose of managing their collaborative provision. This, perhaps, is significant given the wide recognition of the high level of risk incurred by institutions in their collaborative ventures, particularly with overseas partners.

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approach problem solving through conceptual analysis and on an organisation-wide basis; reward initiative and creativity; and encourage risk-taking, exploration, initiative and knowledge sharing. C Hayes and J Hillman, *Learning in the New Millennium,* National Commission of Education, 1995. Quoted by I Duckett, *Learning Organisations, Investors in People and New Labour's Learning Society,* Journal for Further and Higher Education, Vol 26, No 1, 2002.

VI Collaborative Provision and Flexible Learning

> The assurance of quality and standards in collaborative … provision has particular challenges for awarding institutions in the management of the potential risks associated with the complexity of such arrangements.[106]

1. Having placed complexity somewhere between chaos and certainty, our earlier discussion would suggest that the term is interchangeable with 'risk'.[107] This chapter will start, therefore, by giving a more precise definition to the complexity of collaborative arrangements, and by considering why they might incur risk. We shall then discuss the application of risk assessment techniques, and conclude by suggesting that the principles of quality risk management could be usefully employed to manage the particular risks associated with collaborative provision.

The risks of collaboration

2. The Funding Council defines risk as 'the threat or possibility that an action or event will adversely or beneficially affect an organisation's ability to achieve its objectives'.[108] The definition has two merits: it recognises that risk is positive as well as negative; and it takes us beyond the vulgar notion that a risk is simply something that might go wrong. As we have seen, the risk registers employed by some universities are little more than exercises in institutional neurosis. HEFCE's definition should prompt us to be more investigative and analytical: the key question that it implies is *why* might things go wrong, and what are the *factors* that might impede our objectives?

3. One reading of Section 2 of the *Code of Practice* would suggest that any departure from the traditional model of tutor-prescribed and classroom-based learning is 'complex'. If complexity is defined as the terrain that lies somewhere between chaos and certainty, collaborative provision and flexible (including distance and e-) learning would take us, from this perspective, to the 'edge of chaos': these innovative arrangements incur risk because they entail a potential loss of control by the awarding institution and its senior quality committee.

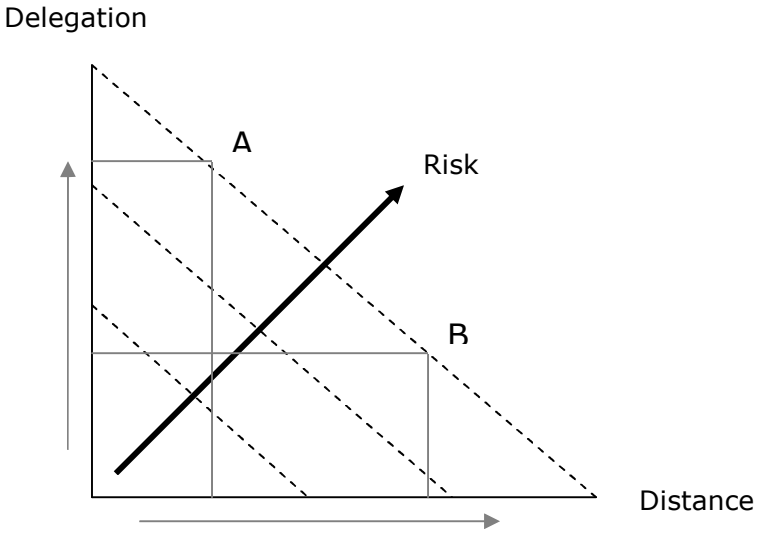
4. Collaborative provision involves the delegation of key responsibilities to providers located at a distance from a University, with risk being a function of the two variables of delegation and distance. This is expressed graphically in Figure 1. The scale and areas of delegation can be arranged along a continuum that starts at outreach and moves through franchising, credit rating and validation to end in accreditation relationships. Collaborative provision also involves working with outsiders who are more or less *distant* from the University. Obviously, distance can be geographical, but the concept becomes more interesting and useful if we recognise that it can also

106 *The Code of Practice for Higher Education, Section 2:Collaborative provision and flexible and distributed learning (including e-learning)*. September 2004

107 See Chapter III.

108 *Risk Management: a guide to good practice for higher education institutions*. HEFCE 01/28 (2001).

be cultural. Our partners are more or less like us with respect to their approaches to teaching, learning and assessment; their available learning resources; their learning environments and cultures; and their approaches to quality management and academic governance.[109] The diagram identifies two fictional partnerships which incur the same level of risk: one (A) entails a high level of delegation to a 'proximate' partner, whilst the other organisation (B) is more 'distant' but is assigned a lower level of delegated responsibility.



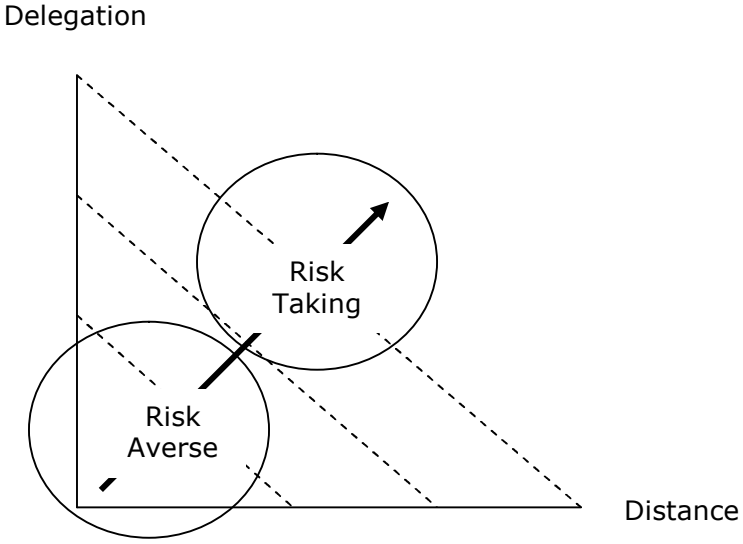
5. Rather than assume that the delegation of responsibilities to remote partners is inherently 'risky', it is more useful to take the view that collaboration invites rather than causes risk. It has the *potential* to expose an institution to a variety of threats or perturbating factors that may be beyond its span of control. It also has the potential to invite opportunity by working with partners who are better placed to meet the needs and interests of students in markets that would otherwise be beyond the institution's reach. The more distant the partner the greater our prospects of penetrating new markets, and the more that we delegate to that partner the more likely is it that we shall be able to capitalise on its strengths in serving the needs of our students.

6. When they enter into partnership arrangements, institutions deliberately expose themselves to uncertainty - they invite opportunities and expose themselves to threats. This is an inevitable corollary of any movement away from traditional forms of classroom-based teaching, and of a university's rejection of its equivalent to the theological dictum *extra ecclesiasm nulla salus*. The recent White Paper and the competitive market for higher education mean that most institutions will need to make this movement.

7. This gives us a rather different gloss on the earlier chart. Institutions that adopt a conservative and cautious approach to the development of their partnerships might be described as 'risk averse'; those whose policies are

109 One might presume that an accreditation relationship between a University and a college of Higher Education is a relationship between two institutions that enjoy a high level of cultural proximity. In the context of validation and franchising relationships with more culturally distant partners, it is useful to consider what is more distant – a local further education college or a well-founded private higher education institution in the Far East?

more entrepreneurial and innovative might be described as 'risk takers' - they are seeking out the potential benefits of working in partnership. These institutions may or may not be cognizant of the attendant threats, and they may or may not have developed the capacity to control or neutralise them.



8. Whether or not the potential threats and opportunities are fully *realised* depends on the way in which the university manages its partnerships and, in particular, on its management of the attendant risks. Effective management is crucially dependent on effective communications - on securing the information (or intelligence) that will ensure that the trust an institution necessarily places in its partners is, and continues to be, well founded. A prerequisite for the effective management of collaborative provision is the timely and accurate assessment and communication of risk.

Risk assessment

9. We need to be alert. Our world is fraught with risk and uncertainty. If we are serious about 'risk' we need to develop the ability to see what may be coming up over the horizon, and preventative action is far more effective than post-hoc remedial measures. It is equally important that our institutions place themselves in a position that enables them to anticipate and exploit the potential benefits of working in partnership. In either case, we need 'accurate and timely assessments of risk'.

10. But by whom, when and how should this assessment of risk be undertaken? A number of institutions have applied the idea of risk to the quality assurance of their collaborative provision. There are examples of excellent practice in the initial assessment of risk by central departments - perhaps by a university's registry or quality unit. This usually involves the *a priori* assessment of a proposed partnership against standardised and pre-determined criteria, honed (and sometimes reviewed) in the light of hard-won experience. Less common but equally good practice is the requirement that the responsible department (and, indeed, the partner organisation itself) should take responsibility for identifying and assessing risk on a day-to-day basis once the partnership has been established. It is important that this 'ongoing' (or *empirical*) risk assessment should not be undertaken against pre-determined criteria. Our world is uncertain, particularly so for

collaborative provision developed and maintained in turbulent policy, legal and market environments. If delegation implies trust we should ensure that our departments and their partners also develop and practice the skills of 'seeing over the horizon' - reading the runes and providing the institution with expert, 'on the ground' and up-to-date intelligence.[110]

11. Wherever and however it is conducted, the *communication* of the outcomes of a risk assessment must also be timely and accurate. A partner may know what is going on and could happen in the future. The department, too, may be conversant with the issues. But ultimate responsibility lies with the university - its senior management, central units, quality committee and Academic Board or Senate - and they may not be in a position to know what is going on. They may have a perfect purchase on the issues at the point of initial approval, but precious little information on how a partnership is progressing. Equally, the university's 'centre' may fail to communicate its perceptions of risk to the department and its partner. In addition to the factors of geography and culture, the distance between a partner and a university's centre may be *structurally* attenuated: the filtering of reports at department and faculty levels may mean that the centre does not have access to the evidence that would justify the university's continuing confidence in the quality and standards of the provision.

12. The issue does not just concern the free flow of information. It is also about the character of that information. Do an institution's monitoring systems ensure that the relevant committees and managers are provided with the reliable intelligence that is necessary for them to make the appropriate decisions in a timely fashion? Is the monitoring system retrospective - merely providing an assurance on the basis of historical data of the current health of the provision, or does it have the capacity to anticipate and pre-empt problems? And, crucially, what does the institution make of, and do with, the information it receives?

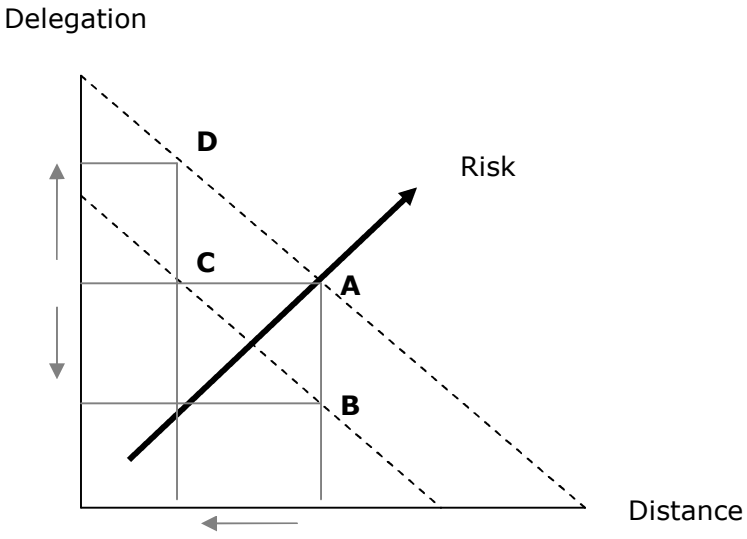
Risk management

13. It is likely that the optimisation of positive and negative risks requires an adjustment of quality management arrangements to the general risks associated with collaborative provision, and to the particular risks presented by an individual partnership. 'One size fits all' would not be cost effective. A prime justification for collaborative provision is that it enhances the responsiveness of the university to *specific* markets, student needs, and partner strengths. If this is the case, there will be significant differences between individual partnerships, and between an institution's collaborative and 'on-campus' provision. This means that an effective quality management system should be attuned to the risks presented by collaborative provision - both general, those that apply to all partnership activity, and those that are presented by a particular partnership. If we are to maximise the benefits and minimise the threats, an institution needs to adjust its requirements in ways that are fit for the purpose of managing the very different challenges posed by collaboration and, perhaps, by an individual partnership. An institution might also adjust its requirements in the light of current intelligence on the changing capacity and circumstances of its partners.

14. Given the dual character of risk, the task is to optimise the balance between its positive and negative aspects. There is a potential trade-off between

110 The distinction between the *a priori* and *empirical* identification of risks was discussed briefly in Chapter V (paragraph 14).

threats to quality and standards and opportunities to secure the market and other advantages that accrue from and motivate innovative practice; and lost opportunity is a cost that may be incurred by the adoption of risk-averse quality strategies. The dynamic is one in which both quality and standards on the one hand, and innovation on the other, entail opportunity costs.



15. In the case of an operation that presents high negative risks (A), an institution could respond by either retracting the responsibilities assigned to a partner (B), or by reducing the distance between it and the university (C). Whilst B and C reduce the negative risks to the same level, they differ in their impact on the positive risks. Option B undermines the rationale for collaboration by reducing the opportunities for a partner to develop or customise provision to meet the needs and circumstances of its intended students, and to exploit its particular strengths. In this case, the opportunity cost is high. Option C, however, maintains a high level of delegation whilst seeking to improve a partner's ability to deliver the provision in a manner that is consistent with the requirements of the awarding institution. An institution with a high-risk appetite might also consider option D, delegating further responsibilities in return for a reduction in the cultural or structural distance between the two partners.[111] One could, of course, reduce the level of negative risk without incurring additional opportunity costs by ensuring that responsibility for the quality assurance of the partnership lies with a central department and/or committee, rather than being delegated to a faculty or department. The action here is to reduce the structural distance between the University's 'centre' and the partner organisation.

16. To the extent that they depend on a reduction in cultural distance, Options C and D represent attempts to assure quality and standards through a strategy of *enhancement*. This would entail action upon both the surface and the deep conditions for ensuring the quality and standards of the provision.[112] The strategy could range between the training and development of staff in the partner organisation, through securing improvements to the learning resources it provides, to effecting changes in its learning culture and governance. This reflects one of the 'fundamental principles' advocated by the Council of Validating Universities:

111 Paragraph 11 deals with the issue of 'structural' distance.

112 See Chapter V, paragraph 3.

> The awarding institution should encourage and enable the providing institution to take maximum responsibility for assuring and enhancing the quality of the latter's programme. Where a providing institution has little or no previous higher education provision, the awarding institution should be willing to adopt a developmental stance in promoting the higher education ethos of a self-critical academic community in a providing institution.[113]

The importance of this principle was confirmed by a report on the 2002 QAA Audit of collaborative provision in Malaysia:

> Where there was clear evidence that the UK institution had assisted its … partner to enhance its teaching and learning, and quality management, this coincided with clear evidence of secure academic standards…. Where there was scant attention to enhancement, the quality of provision and the security of the academic standards of the award was harder to demonstrate.[114]

17. It is suggested that institutions can optimise risk by adopting an enhancement-focused approach to quality management. This is an approach to risk control that enables an institution to retain delegation whilst working on the factors that govern staff practice and the student experience. By bringing the partner organisation and its staff into the higher education community, it also (and crucially) establishes the conditions for 'trust' and 'dialogic' accountability. Both trust – building on staff's professional values and their aspirations – and dialogic accountability are themselves preconditions for enhancement, risk assessment and the effective local management of risk.

Retrenchment or enhancement?

18. This chapter is based on the premise that the quality assurance of collaborative arrangements should be appropriate for the purpose of managing the risks associated with this form of provision. The risks are both positive and negative. Collaboration has the potential to yield considerable benefits in the form of staff development, a broadening of the curriculum, income generation and student recruitment. The dangers are all too apparent from the damage that has been inflicted on the reputation of the few institutions that have failed to assure the quality and standards of the provision that is delivered by their partners. By embarking on such ventures, institutions choose to enter 'the zone of uncertainty'. They are working with organisations in which the purposes of higher education (as defined in the UK) may not be shared, and in environments that are governed by forces that may be imperfectly understood and which are beyond the awarding institution's span of control. The key issue is distance: the particular risks of collaborative provision are a function of the extent to which the relationship between the partners (and the accountability of the provider to the awarding institution) is attenuated by geography, culture or structure.

19. The majority of our respondents recognised the greater risks associated with overseas collaborative provision and a few reported that their institutions had for this reason withdrawn from this area of activity. In the case of those

113 Council of Validating Universities (1997), *Code of Practice*, Para 3.4

114 David Cairns, *2002 Overseas Audit: Malaysia*, Higher Quality No 11, November 2002.

institutions which had maintained or expanded their portfolio of overseas collaborations, some had sought to control the level of risk (and reduce the structural distance between their senior quality committees and their partner organisations) by centralising responsibilities for quality management. A smaller number of institutions had introduced some form of risk assessment, usually to inform decisions on the initial approval of partnerships. In general, however, risk assessment was not employed as a means of varying the manner in which the partnership should be managed, and there was little evidence that institutions were managing risk through enhancement – that is, by developing the capacity of their partners to maintain quality and standards with a view to reducing in the longer term the level of scrutiny and supervision exercised by the awarding institution.

20. The example explored in this chapter reveals an apparent contradiction. In their attempts to deal with the risks inherent in overseas collaborative provision, some institutions have clawed back quality management and assessment responsibilities to 'the centre'.[115] On the other hand, one of the possible benefits of an approach based on the principles of quality risk management is that in certain circumstances some of these responsibilities might be devolved to partner institutions, permitting the latter to customise the provision to local conditions.

21. This chapter opened with a reference to the recently revised Section 2 of the QAA *Code of Practice*, which now encompasses 'flexible and distributed learning'. The argument that we have offered has a wider application if it is accepted that all provision entails a 'collaboration' between the body within an institution (Academic Board or Senate) that holds ultimate responsibility for quality and standards, and a provider unit that may or may not be located within that institution. Providers vary in terms of their experience and thus their cultural distance from 'the centre'; and the provision itself can vary in terms of the extent to which it entails a delegation of key responsibilities to the provider unit. Flexible learning entails the delegation to our own departments of such key responsibilities as the accreditation of prior or work-based learning or the approval of programme proposals.[116] The risks that this *may* incur are increased if we permit inexperienced (and therefore culturally 'distant') colleagues to deliver flexible programmes.[117]

22. The final word can rest with Yeats:

> Turning and turning in the widening gyre
> The falcon cannot hear the falconer;
> Things fall apart; the centre cannot hold;
> Mere anarchy is loosed upon the world…[118]

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115 It is important to distinguish between the *delegation* to partners of responsibilities for the delivery (and, perhaps, assessment) of a programme, and the reduction of *structural distance* by reserving to 'the centre' responsibilities for quality management.

116 Maggie Challis and Colin Raban, *Higher Education: learning from experience?*, Sheffield Hallam University Press, 1999.

117 The Agency's consultation on its methodology for Collaborative Provision Audit included some discussion on the implications of including flexible learning within collaborative provision. According to the analysis presented in this chapter, this would add significantly to our risks - both positive and negative. It is a kind of 'serial arrangement' - not the type of arrangement that is envisaged by the *Code*, but it is similar in effect. Responsibility for the delivery of the programme is delegated to a partner organisation, and the partner in turn delegates to the course team or to students responsibilities - perhaps - for proposing or approving individual programmes of study, or for 'validating' a candidate's prior or experiential learning. This is 'serial delegation'.

118 *The Second Coming*.

Retrenchment – disengaging with collaborative provision, selecting or deselecting partners on the basis of a simple 'risk assessment', or clawing back management and delivery responsibilities to 'the centre' – is akin to the falconer surrendering or tethering his falcon: holding the centre by losing his vocation. With a quality strategy based on enhancement things are less likely to fall apart, not because the falcon is tethered but because it understands and is motivated to meet the requirements of the falconer.[119]

23. This report commented earlier on the centralising effects of external accountability requirements and the ways in which these effects might impede the ability of institutions to operate successfully in a 'risk regime'. The problem is how we might reconcile accountability requirements with the imperatives of agility and responsiveness. The latter, together with the emphasis that we have placed on respecting the 'institutional' character of universities, promoting risk assessment as a participative exercise, and ensuring that risk management is enhancement-focused, would be consistent with the argument for devolved structures. However, the need for departments and institutions to be 'accountable', combined with our own emphasis on 'integration', might be taken as arguments for centralisation.

24. The contradiction describes a real dilemma (or risk) for Higher Education Institutions operating in the regime of a regulated market: they must develop their approaches to internal quality management in ways that both enhance their agility and ensure their accountability. We might be able to reconcile these requirements by interpreting the principle of 'selectivity' as 'conditional devolution'. Providing that it is understood that devolution implies a relaxation of scrutiny but not of support, devolution would be entirely appropriate for an institution, department or partner that is not exposed to significant external risks and/or for a unit that has demonstrated its ability to cope with the risks with which it is confronted.

119 This argument is developed further in C Raban, *The Falconer's Dilemma: turbulence, risk and quality management*. LTSN Generic Centre, 2004.

VII Conclusion

1. Chapter IV suggested that our established quality assurance systems may no longer be 'fit for purpose', and asked whether it is necessary for us to devise some new approach to the management of academic quality and standards. Should we stick with the old wine (the CNAA heritage and the external examiner system), or should we be importing new wine to enable us to cope with the risk regime? Quality risk management is both new and imported. The key question for the project is whether institutions would be better equipped to survive the dangers that beset the sector if they were to extend the application of risk management principles to the assurance of academic quality and standards. A question for the readers of this report is whether, in doing so, we are merely putting old wine in new bottles.

2. Most of our interviewees responded positively to the initial paper.[120] They commended its clarity and they were generally supportive of the project team's intentions. Some felt that their own quality strategies already incorporated elements of risk management, and these respondents tended to be employed in institutions with devolved structures in which departments are encouraged to operate as semi-autonomous enterprises.[121] However, although only one respondent described the initial paper as 'management gobbledegook', many were concerned that an unconsidered use of the 'alien' language of risk management might provoke a negative response from their academic colleagues. Thus, for some, the project was either 'old wine in new bottles' (it dealt with familiar themes in an unfamiliar language), or it represented 'new wine' that might not prove to be universally palatable.

3. Norman Birnbaum's *Management Fads in Higher Education* is salutary reading for innovators.

> In higher education, fads have been described as management innovations borrowed from other settings, applied without full consideration of their limitations, presented as either complex or deceptively simple, relying on jargon, and emphasising rational decision making. Management fads in higher education appear to follow the cycle of educational innovations in general: "early enthusiasm, widespread dissemination, subsequent disappointment, and eventual decline".[122]

Birnbaum's examples include Total Quality Management and Continuous Quality Improvement and he describes such fads as products that are promoted by individuals who have a vested interest. Quality risk management is not a 'product', and this report is not a recipe book. It will also be evident from the four case studies presented in Part II that each of the project partners has applied the idea of risk management in ways that suit the particular needs and circumstances of their institutions. In this respect, quality risk management lacks one of the defining characteristics of a

120 Chapter 1.

121 It also appeared that those institutions which are embracing the language of 'risk' were those that are less dependent on public funds and more able to draw upon reserves to support risk-taking innovation.

122 Norman Birnbaum, *Management Fads in Higher Education* (Jossey-Bass, 2001), p 5.

management fad, even though its roots lie in the business and government sectors.[123]

4. Current approaches to risk management were developed in the world of industry and commerce, and this provenance is apparent in the Funding Council's guidance on risk management. This might account for the fact that most institutions had not considered the implications of their Funding Councils' guidance and directives for the management of academic quality and standards. The relevance of commercial models to the deliberative functions of universities is questionable, as is the appropriateness of the customer focus, because academic quality management is as much about standards as it is about the quality of the student experience. The lesson that we might draw from this is that anyone wishing to import into the academic domain a commercially derived approach to quality management must respect the sensitivities of staff and the realities of university life if this approach is to have an impact beyond those parts of our institutions that are responsible for their corporate functions.

5. We have identified some of the pitfalls that might be encountered in the implementation of the principles of quality risk management. These include a failure to secure the full participation of academic staff, the integration of management decision-making with academic quality assurance in a manner that might compromise the independence of the deliberative function, the creation of a blame culture and the encouragement of risk aversion. Overcoming these obstacles presupposes an organisational culture that accepts risk, encourages staff to disclose risks and which is open to the frank exchange of information and ideas on the management of risk. Several of our respondents were concerned that the frank disclosure of risks might also leave their institutions exposed in the face of external scrutiny. This, then, would suggest that the implementation of the principles of quality risk management presupposes a relationship between institutions and their external stakeholders which is itself governed by a shared commitment to enhancement based on risk assessment.

Governance

6. The key features of quality risk management were set out in Chapter V.[124] The approach described by that chapter differs in two key respects from the ways in which many universities have implemented the Funding Council's requirement. First, we have stressed the value of a more forensic 'causal' analysis of risk factors and their interactions, whilst conventional 'risk registers' tend to focus on symptoms by itemising possible misfortunes in a way that often merely restates an institution's objectives in negative terms. Second, we have argued that the key role in identifying and perhaps assessing risks should lie with 'front line' staff in academic or professional departments, rather than with senior managers and the audit committees of governing bodies. These approaches to the definition and identification of risk may reflect more fundamental differences with respect to the perceived purposes of risk management: these might be arranged along a continuum according to the emphasis placed upon enhancement and development as distinct from accountability and control.

123 Op. cit., p 8

124 Paragraph 2

7. Chapter V also suggested that the appropriate and effective application of risk management principles to quality assurance depends upon a particular approach to academic governance. This is neatly captured by Sue Wright's phrase 'dialogic accountability' and by Michael Shattock's advocacy of greater academic participation in governance and management.[125] The *Lambert Review* presents a striking contrast, both in its narrower definition of the scope of 'governance' and in the value it places on executive management.[126] Shattock argues that governance 'is not just about what happens at the governing body' and that at least as much can be contributed to institutional success by a strong senate or academic board.[127] Lambert on the other hand is critical of universities' traditional reliance on 'management by committee' and offers a number of approving references to the development by some universities of 'strong executive structures'. The latter view is implied by the emphasis placed by the Funding Council's guidance on the responsibilities of senior managers and governing bodies.[128]

8. There is some common ground. All the protagonists agree that Higher Education Institutions need to be more adaptive and responsive to external imperatives, and that risk management should not foster risk aversion. The final draft of the Funding Council's most recent guidance on risk management stresses the importance of an 'holistic' approach, balancing stability with innovation.[129] The guidance also emphasises that 'risk management should not solely be associated with accountability to the governing body (and to senior management and stakeholders)':

> '(The) institutions that benefit most from risk management are those that understand it to be a two-way process; a way of feeding information up through the institution and providing support and targeting resources where they are most needed'.[130]

And the traditional approach to risk management which strengthens external accountability and management control to limit corporate liability is now qualified by the Funding Council's 'new deal'.[131] A commitment to proportionality – light touch based on justified confidence – could resolve the public sector 'crisis of trust'. O'Neill argues for an 'intelligent accountability' based on 'more attention to good governance and fewer fantasies about total control'.[132] The evidence she cites to indicate a possible shift away from the forms of accountability that damage professional performance includes the Kennedy Report's recommendation for more supportive forms of inspection.[133]

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125 Sue Wright, *Enhancing the quality of teaching in universities: through coercive managerialism or organisational democracy?* LTSN Generic Centre, 2003; Michael Shattock, *Managing Successful Universities*, SRHE and Open University Press, 2003.

126 *Lambert Review of Business-University Collaboration*, HM Treasury , December 2003.

127 Op. cit., p 98.

128 *Risk Management: a guide to good practice for higher education institutions* (HEFCE May 01/28); and *Good Practice Guidance for the Higher Education Sector: Risk Management* (PriceWaterhouse Coopers, December 2004).

129 PriceWaterhouse Coopers, op cit, p.5

130 loc. cit., p.7

131 *Accountability and Audit: HEFCE Code of Practice* (June 2004/27).

132 Onora O'Neill, *Reith Lectures: Called to Account*, BBC 2002.

133 *Learning from Bristol: the Report of the Public Inquiry into children's heart surgery at the Bristol Royal Infirmary 1984-1995*, July 2001.

External accountability

9. This report has suggested that 'quality risk management' has the potential to improve the cost-effectiveness of an institution's internal mechanisms for securing the accountability of departments, and at the same time to shift the emphasis from quality assurance to quality enhancement. But the systems and procedures developed by institutions have to be seen in the context of the demand for external accountability. Just as internal systems can be analysed as a form of 'risk behaviour' so, too, can external systems and requirements. The design and operationalisation of these systems and requirements could put at risk the diversity and responsiveness of the sector. This has been at least tacitly recognised in the design of the Quality Assurance Agency's current mode of engagement with institutions, and in recent reviews of the latter's 'accountability' to external agencies including the Funding Council. What, though, are the implications for both institutions and these external agencies of the emphasis given by this report on the development of innovative approaches to quality management?

10. The immediate issue is whether external agencies' current and future modes of engagement encourage or inhibit institutions in the task of adapting (and enhancing) their quality management arrangements in ways that will be genuinely 'fit for the purpose' of working within the higher education 'risk regime'. The survey yielded some (unsurprising) evidence suggesting that whatever institutions might wish to do by way of reforming their approaches to quality management, the prospect of a forthcoming audit or inspection imposes a kind of 'planning blight' on the implementation of these intentions. Whilst this may be regrettable it is understandable. It is to be hoped that audit and inspection teams will act in ways that encourage institutions to be open and adventurous in the formulation and implementation of their quality strategies. In this way, external stakeholders might act as agents of change and not of conservation.

11. Institutional Audit – with its context-focused emphasis on institutional systems – comes close to matching our principles for quality risk management. The commitment that lies at the heart of Enhancement-Led Institutional Review also promises a favourable climate for the development of innovative approaches to qualify management.[134] To the extent, however, that external agencies' modes of engagement with institutions are solely based on an assessment of their past performance, their approach fails the first quality risk management test simply because past performance is not necessarily a predictor of future success.[135] The effect of this mode of engagement is not to build the capacity of the sector but to diminish it. The 'desirable diversity' that was celebrated by the Dearing Report is, ultimately, threatened by the development of a higher education caste system – a system which is divided into three or four castes with the 'elite' institutions at the top and the further education colleges (offering HE provision) at the bottom.[136] This mode of engagement could exacerbate the market

134 'Enhancement is the result of change which may include innovation. Change and innovation will frequently involved risk….The review process will recognise and support effective risk management and adopt a supportive and not punitive role in this context'. *Handbook for enhancement-led institutional review: Scotland*, QAA 2003.

135 This is a criticism that might be levelled at the Funding Council's and the QAA's 'transitional arrangements' and the Research Assessment Exercise.

136 Roger Brown considers the impact of government policy since 1977 on the diversity of the sector in *New Labour and higher education: diversity or hierarchy?* Perspectives, Vol 6, No 3, 2002.

inequalities between these castes by adding an additional 'burden of bureaucracy' to the disadvantages already suffered by institutions that – rightly or wrongly – have previously been identified as 'failing'. The Government's agenda for widening participation, the target that we have been set for 2010, can only be met if quality assurance – both internal and external – is dedicated to the task of 'capacity building'.

Part 2

CASE STUDIES

VIII Risk Assessment in Routine Monitoring

Bath Spa University College

Abstract

BSUC's approach to the project was to consider how the techniques of risk management might be applied to a particular aspect of its quality assurance arrangements, namely routine annual monitoring at subject level.

In practice, this resulted in the following key tasks:

- Formulation of a data set that could be used by subject teams to indicate areas of risk
- Identification of a method for the identification and prioritizing of academic risks
- Consideration of how the resulting risk assessment might inform annual strategic planning at subject and school levels

A process of annual monitoring incorporating risk assessment was adopted for the academic year 2002/03. This revised method of annual reporting was generally felt to be an improvement on previous exercises. The following aspects were felt to have been most beneficial:

a. The new arrangements were clearly predictive rather than descriptive of the past, and were much more obviously integrated with other processes that bear on the assurance of quality, such as strategic planning.

b. The new process was selective in that it was aimed much more at quality enhancement than accountability. It was balanced by a process for periodic review that was more focused on quality assurance.

c. In its requirement for better use of data, the revised process was felt to be more rigorous.

d. The identification of risks was perceived as a group activity and therefore 'owned' by subject teams.

This first year of operation did, however, throw up a number of issues that needed to be addressed:

a. A cultural change in attitude was needed to accommodate what was perceived as primarily a business tool with little relevant application in HE.

b. Methodology had to be carefully selected that did not inadvertently encourage staff to worry about detail rather than overall purpose of the exercise.

c. A variability in approach by different subjects and schools had to be managed, especially where this related to the extent to which risk assessments influenced strategic planning.

As a result, measures were introduced in the revision of the process for the 2003/04 period:

a. The risk assessment would be structured through use of a template which in turn required reference to the data sets outlined in the Cooke Report on Teaching Quality Information.

b. Subject level reports would be taken by the Academic Quality and Standards Committee, rather than school level reports. In this way the process would be streamlined and strategic planning would be informed directly by subjects.

c. The methodology was revised. In particular an element of SWOT analysis (Strengths, Weaknesses, Opportunities & Threats) was introduced to encourage staff to explore the wider context of their subject, and encourage the forward-looking approach.

d. As a more general quality enhancement tool, we provided more and better data to assist this and other activities.

e. We also intend to roll out the practice to routine monitoring and strategic planning organisational units beyond the schools. Library and Information Services adopted the approach voluntarily for its strategic plan for 2003/04.

Introduction

Bath Spa became involved in the Good Management Practice (Risk Management) project at more or less the same time that a major institutional restructuring took place. In January 2002, four faculties were disestablished and the subjects within them reorganized into seven schools. The schools are of varying size and complexity, the 'simplest' being the Art & Design School with a single subject: most have three or four subjects; all have a coherent disciplinary focus.

The restructuring involved reconsideration of our institutional quality management practices, and the opportunity was taken to restate fundamentals. The following aims, objectives, principles and processes constitute a succinct statement of the framework for quality assurance adopted at the University College.

Framework for quality assurance at Bath Spa University College

Aims

- To ensure a high standard of education for its students
- To ensure that BSUC's degree awarding powers are exercised in a proper manner
- To provide the basis for continuous improvement

Objectives

- To ensure that BSUC's programmes conform to its mission and objectives
- To ensure that all programmes are adequately resourced, properly designed, informed by external views, and fit for purpose
- To ensure that national and international expectations about subjects and qualification levels are being met in BSUC awards

- To maintain standards levels aligned with national norms for the stages of the awards
- To enable the BSUC Academic Board to be fully informed about the health of the awards offered in its name and the programmes that lead to them

Principles

- Quality assurance should inform planning and development, and be built into the planning and development processes: all formal processes aimed at improvement should be 'joined up'.
- Quality assurance must be efficient: wherever possible data and processes generated for other purposes should be used for quality assurance, and vice versa.
- The basic unit for quality assurance should be an efficient fit with national quality assurance requirements. In the current situation this means 'subjects'. Subjects are located in schools for management purposes.
- There are only three sources of authority for decisions: the Board of Governors, the Director, and Academic Board. The competent authority only should make decisions, including approval for academic developments.

Processes

Historically there have been four key quality assurance processes, related to the course development life cycle. They may be summarised:

- Course planning and development (before the course begins)
- Validation/approval (to initiate and authorize a course)
- Monitoring (on an annual basis to assure Academic Board of the continuous good health of a course)
- Review (on a periodic basis) to make a considered assessment of a course as it has progressed over time

This is a 'bare bones' statement, and especially in the case of the processes, subsumes a number of different activities under one heading. 'Monitoring', for instance, involves a range of activities including self-evaluation by programme teams, and external examining, amongst other activities that operate on an annual cycle and are supervised by some agency of Academic Board.

The use of risk assessment practices in our quality assurance system was subject to meeting the requirements of the aims, objectives and principles.

Routine (annual) monitoring and risk assessment

Bath Spa decided that the process most amenable to immediate change was that part of monitoring that focuses on an annual self-evaluation at subject or subject group level. There were both 'push' and 'pull' reasons for this. Bath Spa inherited from CNAA the practice for each 'course' (as it was under CNAA) to make an annual reflective self-evaluation in the light of available evidence, including reports from external examiners, and to present it in the form of a written report. The report was the basis of an action list for the forthcoming year. While CNAA

did not see the reports annually, they were required at the time of CNAA periodic reviews. Since the number of discrete reports is relatively large, even in an institution of medium size like Bath Spa University College, it had become practice over the years for these reports to be taken by school or faculty boards and for Academic Board to see school or faculty 'overviews' of subject reports. The reports were used to some extent as a method for subject groups to make themselves accountable to Academic Board, but increasingly in recent years the reports have been seen more as a means of improvement: in short, more for quality improvement than for quality assurance or control.

We had however felt some dissatisfaction with the annual monitoring practices for some time. Colleagues had repeatedly suggested that it was focused on the past more than the future (that is, was weighted more towards the accountability end of the spectrum than the improvement end). Overview reports from faculties have been the chief means whereby Academic Board was able to determine its priorities in the advice it gave to the executive on the strategic distribution of budgets. Annual reporting as practiced before 2002 made it difficult to disentangle priorities. In general, the reports were a poor means of distinguishing the important from the unimportant, and sometimes the relevant from the irrelevant. Comments on rotten windowsills in classrooms stood alongside comments about pressure on IT equipment. Matters were included, in fact, which were the province of day-to-day executive action, or about which Academic Board had no power to act or even recommend action. There was little analysis of the data available, especially in areas where the disciplinary background of the staff involved did not incline them towards using numbers. Perhaps most frustrating of all, there was only an indirect link between the monitoring reports and strategic planning: the data collected for monitoring was not utilized as an evidence base to inform strategy. It was here, then, that a risk assessment approach seemed most profitable.

An outline of the process was agreed by Academic Board in February 2002. In summary, it declared that annual monitoring should be much more focused, and much more obviously oriented towards the future. Data used for monitoring should closely inform school strategic planning. Monitoring should be much more reliant on data, and the data should enable comparisons between subjects and institutions. The data set should be influenced by national decisions, but much was obvious: application rates, entry qualifications, degree classification, progression and completion, first destinations, etc. We anticipated being able to generate much of this data readily from our student records management system, though the reporting meant preparation and expenditure. This basic outline was subsequently expanded.

Strategic planning has two central purposes: the improvement of what is currently done less well than the optimum, and ensuring that new opportunities are grasped. The relationship of the second to the first means that data generated for quality assurance should have a role in strategic planning. Academic strategic planning is largely done at school level, whereas quality assurance is largely done at subject level. Therefore, a process was needed to ensure the most advantageous relationship between quality assurance and strategic planning, subject and school. The following was proposed and implemented.

'Subjects' were defined for these purposes as those organizational groups that are considered together at internal review. Every year, subjects have available a range of data which form the factual background of action plans for the year to come. Most of this data is provided by central agencies such as Registry and the Academic Office, though some is to be found by subjects themselves. Wherever possible, the data was to be the data used for purposes of public accountability. It included the following:

- Student profile: numbers; qualifications; gender balance, etc.
- Student applications/acceptances and comparative figures
- Student satisfaction survey results
- Student performance as indicated by assessment results (progression, retention, classification, failure rates)
- Module evaluations
- External examiners' and other external inspection reports
- Employment destinations
- Staff profiles including: staff numbers; external examinerships; membership of national bodies; published research; details of scholarship undertaken; internal engagement in quality assurance processes; consultancy; contribution to the external impact of the department (e.g. used as expert witnesses, broadcasts, etc); external research funding; turnover of staff, etc.
- Provision of research/scholarship/training opportunities
- Common lessons derived from appraisals and peer observations within schools
- Staff satisfaction survey
- Course profile: modules added/deleted; relationship to national trends

All these data were to form a background to a 'risk assessment' at subject level, dealing with opportunities (such as new programmes) as well as threats, to yield an action plan for the forthcoming year. These were to be presented to the school board, covered by a short narrative rationale, and would yield key information for strategic planning at school level.

Subject level reports were to give the raw material for a risk assessment at school level. Similarly, the risk assessment was to yield an action plan covered by a short rationale. The rationale and the action plan were to be the school strategic plan.

The strategic plan addresses itself to improvement of areas where performance is less than optimum, as revealed by the data, and also to developments where there are new opportunities. Academic Board is able to assure itself that this data is properly addressed via the strategic plan presented to it. The annual operating statements and associated reports on progress against the previous year's annual operating statements provide the documentary evidence needed by Academic Board to show that reflection on the data yields action plans, and action plans are followed by action.

The risk assessment itself was defined as a process of reflecting on the range of data available, and drawing up a table, which was to be the basis for action

planning for the year ahead, and for school recommendations to Academic Board on its advice to the Executive about its strategic disposition of budgets. Risks were defined as events that could damage quality if not prepared for or averted, and opportunities events that would inhibit quality improvement if neglected. The risks were to be assessed against perceptions of likelihood and impact, graded 1 (low) to 5 (high). This produced a rank order. A further column of the table was added, to identify who was in a position to act: subject, school, institution – or no-one, if the threat were entirely external (such as, for instance, changes in recruitment following from changes in the fees regime). The highest items on the list marked for attention at subject level provided each subject group with its action plan for the forthcoming year, and also a set of recommendations about action beyond the subject that were passed up the chain.

To facilitate the new processes some further structural and staff training changes were introduced. The new post of Dean of Academic Development was instituted at Directorate level to link the work of the assistant director responsible for academic quality with the assistant director responsible for recruitment and planning. With a senior member of the University College's Academic Office the Dean provided an iterative programme of staff training and facilitation to help subjects and schools with the new process. All activities and reports were implemented to the schedule determined by the need to submit an agreed strategic plan to HEFCE by early July, and the round of Academic Board committee meetings needed to consider the strategic plan before submission, leading up to and including the formal meeting of the Board of Governors that signs the plan off.

Relationship with the GMP project

The project outcomes for stages 2 and 3 were described generically as:

- Stage 2: 'The project partners will identify the various factors that can place the quality and standards of provision "at risk" and the indicators which might suggest that risks are already being incurred. (The project team) will propose a methodology for the initial identification of quality risks and procedure for the assessment of risk that utilise the deliberative structures of Higher Education Institutions.'
- Stage 3: 'The ultimate objective of the project is to advise institutions on the development of QA systems that generate valid and reliable data for quality risk assessment, and cost-effective risk control mechanisms that are consistent with the principles of "variable intensity". (This stage of the project) will offer recommendations for the reform of institutional quality management systems...'

Bath Spa's proposed contribution to the stage 2/3 work of the project was:

- to consider how the techniques of risk management might be applied to a particular aspect of its quality assurance arrangements, namely routine annual monitoring at subject level;
- to devise a data set that might be used by subject teams to indicate areas of risk;
- to propose a method for the identification and prioritizing of academic risks;

- to consider how the resulting risk assessment might inform annual strategic planning at subject and school levels;
- to implement these proposals internally for the round of routine annual monitoring 2002/03;
- to make an interim evaluation of the success of the technique.

The outcomes were:

- a method for the identification and prioritizing of academic risks at subject level approved by the University College's Academic Board;
- a training programme to assist academic staff to apply the method;
- a set of reports from BSUC subject groups exemplifying the method;
- a set of school strategic plans using the subject reports, and also using the method to identify priorities among the proposal from their subject groups;
- a report evaluating the success of the method for the University College's Academic Board;
- a report on the stage 2/3 work for the GMP project team.

All these outcomes have been achieved.

What has worked well?

The project team's interim report describes a range of qualities that distinguish the key features of 'quality risk management':

- a predictive and integrated approach to routine monitoring;
- quality assurance procedures that are closely and effectively integrated with an institution's arrangements for academic planning and resource allocation;
- the selective application of quality assurance procedures based upon assessments of risk; and
- quality management systems that enhance provision as well as secure the accountability of departments, schools or faculties.

The new arrangements are clearly predictive rather than descriptive of the past, and are much more obviously integrated with other processes that bear on the assurance of quality. They are 'end-on' to academic planning and resource allocation, not merely in time (the annual monitoring process is now the formal first step in annual academic strategic planning), but also in generating data that provides the evidence and rationale for strategic planning, and recommendations to help guide the distribution of resources. The new system's prime purpose is improvement: the subject groups and schools are accountable to Academic Board for demonstrating how they are going about getting better. The new system is not 'selective' in the sense that subject group A does something different and less than subject group B, on the basis of an assessment by the institution that A is 'safer' or less 'at risk' than B.

The system is however selective in an important sense. It is a truism that quality assurance has two purposes that are not incompatible, but do tend to pull against each other: accountability and improvement. Accountability is more about the

past than the future; improvement looks ahead more than astern. The belief on which our new arrangements for routine monitoring is based is that all elements of quality assurance must be seen as a system: provided that overall, there is proper regard for elements of accountability AND improvement, there is no need for any single element to display the optimum balance that needs to characterize the system in total. Our new process for routine monitoring is selective in that it is much more aimed at improvement than accountability. It is balanced by a process for periodic review that is more aimed at accountability than improvement: review involves at least as many (and in some cases more) external peers than internals; it involves an extensive public report; it includes a recommendation about re-approval. This aspect of what the QAA would call our 'framework' for quality assurance is key but easily misunderstood. In sum, our system for routine monitoring is 'light touch' in terms of what is required from each subject group in terms of an account of its past operation, but it is not light touch in exempting any subject group from the obligation to show that it is paying due attention to getting better.

The system was widely felt to have achieved its aim of being more improvement led. In its requirement for better use of data it was felt to be more rigorous. The identification of risks was perceived as a group activity and therefore 'owned' by subject teams, whereas the compilation of an 'annual report' was in practice usually done by someone with administrative or management responsibility for the subject, and colleagues were only involved when it was presented to a committee. Consequently more staff were engaged with strategic planning, since monitoring and planning were perceived as interrelated. It was certainly much more effective in identifying key matters for action, and eliminating the 'noise' of day-to-day executive issues or things about which nothing could be done from routine monitoring.

What has worked less well?

This is best approached under a series of headings.

Risk Assessment

- Problems arose from the use of the risk assessment approach itself. Some staff felt that this type of business model was not suited to higher education. Similarly, some felt that it was too restrictive in that it did not allow them to expand on the strengths of their provision.
- Clearly some staff had difficulty in getting beyond the colloquial significance of the word 'risk', and equated it with threats only, ignoring opportunities, despite the care with which the concept was defined in briefings and documentation. As a result, for some the exercise was not so much concerned with improvement as maintaining the *status quo* (i.e., avoiding potential adverse risks). In addition, and probably for the same reason, risk assessments did not always include those areas that we knew, informally, staff held high on their agenda (expansion of their provision, for example). We gave subject groups a considerable degree of latitude in how they formulated their lists (other than the basic requirements described above).
- Some staff indicated that they had concerns about the methodology of this particular approach to risk assessment. In particular, they were unhappy with the use of figures to denote levels of likelihood and impact, objecting to the perceived implication that it was possible to obtain objective, quantifiable results from a necessarily subjective process. This was called, memorably,

'spurious statisticism'. This objection, though valid if it had reflected the actual intention of the scheme, missed the point. The main purpose was to use the numbers to force staff to think about what they thought really important, and really likely to happen. There was no intention that the numbers should indicate absolute values – merely that some matters were more important and more probable than others, on the basis of informed and expert judgments and predictions. The idea was to yield a manageable and achievable list of actions for improvement, including self-improvement. This is surely preferable to the old approach, under which the 'annual monitoring report' could be caricatured as a bid for resources to the executive on the basis of claims that the unflagging efforts of staff have maintained outstanding quality, though conditions have been unremittingly adverse and the next straw really will break the camel's back.

Use of data

- The exercise drew upon the recommendations of the Cooke Report in identifying the data to be considered at subject level. With the exception of examination board data, this was the first time that this data had been distributed from a central agency for staff to use for these quality assurance purposes. The data was posted on the BSUC website. This seemed to be an effective way of sharing information, and a start on meeting the Cooke requirements.
- We acknowledged at the time that our data was not 100 per cent complete (e.g., first destinations data for some subjects was scant). Perhaps more significant for the process, there was a great deal of variation in the type and amount of data used by each reporting unit. Some subject areas addressed sub-sets of the data specifically identified on the Cooke-derived list. Others used additional subject-related information too (e.g., UCAS data), which made their reports better.

Relationship between annual reports and school strategic planning

- Perhaps through being the first year of operation, the fit between reporting units' reports and school strategic plans was not always as tight as intended: some school action plans related more closely to the individual reporting units' reports than others. Obviously, the risk assessments of those subject areas that did not fully grasp the 'bigger picture' (i.e., opportunities as well as threats) were least use for school planning. Ultimately, this was not a major issue for the completeness of the plans as the final school plans were agreed collectively at school boards.
- The school plans themselves were variable in style and detail. In some senses this was intentional as the process set parameters rather than prescribing contents, in order to give scope to schools to highlight key points to the extent that they wished, and reflect their particular disciplinary concerns. However, the range of detail showed perhaps more variation than Academic Board found comfortable.

Institutional audit and routine monitoring via risk assessment

BSUC was one of the first institutions to undergo institutional audit under the new arrangements that started in January 2003. In view of this, we thought carefully about whether to postpone the introduction of our new framework for quality assurance until a 'safer' time. A risk assessment of this proposition itself

suggested that we should press on with our intentions. The schools disrupted the representative system on which the peer assessment process was built, and the new schools were not merely disaggregations of the old faculties, but new entities based on regroupings. Restructuring released energies that it seemed sensible to exploit. We needed anyway to make a restatement of the most important elements of our quality assurance system for the sake of the audit self-evaluation document. This caused us to reconsider fundamentals. We thought ourselves that it might be a valid criticism to query why a system had remained largely unchanged through the experience of national and internal quality assurance experiences of the last eleven years or so. Moreover, there were flaws in some aspects of the old system, as described above.

We took the trouble to monitor the scheme itself closely as implementation progressed. This was done by written report back to the committee that had approved the arrangements, the Academic Quality and Standards Committee (AQSC) of Academic Board. These reports were useful material providing information for our self-evaluation document. The latter was submitted in January 2003, part way through the first cycle of operation: the fact that we could update the QAA auditors at the 'briefing meeting', and provide a further update still at the main, week-long meeting in May itself offered opportunities to consider and criticize its operation.

The audit report itself was largely positive about the use of the risk-based approach to annual monitoring although it acknowledged the issues raised in the SED regarding the shortcomings of the exercise as noted above. Specifically, the auditors felt that there should be a requirement on schools and subjects to report on elements such as the analysis of module evaluations so that Academic Board would have the assurance that these obligations had been fulfilled. Again, the discussion centred around the decision of whether to concentrate on quality improvement or quality assurance and control. The auditors noted that it was desirable for Academic Board, through AQSC, to keep this method of annual monitoring under review.

GMP final stage

We indicate above that a number of issues arose from the first year of the revised annual monitoring process. Subsequently, we have made a number of amendments for the 2003/04 exercise. Guidance on the revised process, along with a draft template, is attached as at Appendix A for reference.

- We will dispense with the part of the process that requires schools to amalgamate the results of subject-based risk assessments. Instead, AQSC will consider an expanded, subject-based report which will conform to a common template. This template will require specific comment on evidence and data as required by the Cooke Report on Teaching Quality Information. This revision will serve multiple purposes: ensuring that TQI information is gathered and considered, ensuring consistency of approach across schools and subjects and providing the assurance that the student voice has been considered by subjects. Ultimately, with the proviso that each subject-level report is approved by the appropriate school board, this approach will also provide the means by which subjects will be able to pass their views directly to AQSC who in turn, as mentioned above, will use this as evidence in advising Academic Board on the annual budget.

- In another part of the risk-assessment forest, the Finance Office, encouraged by the requirement of HEFCE, has introduced its own risk assessment system which largely focuses on financial risk, but includes at the margins some areas of risk that bear directly on academic development, like recruitment and its relationship to the portfolio of courses. The practices of the Finance Office's system also assigns numbers to try to prioritize risks, but they have adopted a 'conversion table', to enable them to distinguish between risks that have the same numerical value, but are nonetheless perceived to be of a different order in terms of their importance. The Finance Office system also includes the important matter of the relationship between the risk and the quality assurance system itself, i.e., the standard arrangements in place to mitigate risks that are routinely predictable. As part of the overall aim of aligning strategic and quality issues, subjects will be given a list of the relevant risks identified by the Finance Office as originating from (or affecting) subjects and schools. It was felt though, that the complex method used by the Finance Office to determine the level of these risks would not be utilized by the annual reporting process. This was mainly because of the increased chance of confusion that arises the more complex a process becomes, but also because of the adverse reaction previously received when the process demanded only a simple use of number.
- In fact, we have decided to do away with the use of figures at all, given the amount of opposition this method encountered. Through consultation with the Subject Leader for Business Studies (a specialist in corporate risk assessment training) we will utilize a grid method on which risks can be plotted on a scale of 'very low' to 'very high' in terms of likelihood (or desirability) and impact. This grid is included in the briefing notes attached at Appendix A. It is hoped that this system will alleviate last year's concerns of what was called 'spurious statisticism'. Moreover, it will provide a more obvious pictorial representation of the issues deemed most important to the subject.
- The risk assessment grid itself will be informed by a SWOT analysis (an examination of strengths, weaknesses, opportunities and threats). This will replace the more open approach adopted last year which was initiated through brainstorming, albeit informed by a list of possible risks/opportunities. Such a list will still be provided, including information derived from instititutional strategic planning (see 34.2 above) but also covers a number of other areas that might be considered. The idea for SWOT analysis also originated from Business Studies and itself will encourage subjects to examine the whole subject area and aid the identification of specific risks (threats) and opportunities. This will, it is hoped, alleviate the issue of subjects concentrating solely on potential risks and ignoring opportunities.
- The amount of data available to subjects has been enhanced. Significant improvements have been made to First Destinations Data and, in particular, the ability to disaggregate, by subject, data for students following Combined awards has been resolved. This is particularly important as the majority of BSUC provision falls within our Modular Scheme and, as such, many students are studying more than one subject. As before, the data will be published on the website as this appeared to be a successful method of dissemination.
- The practice of facilitation and explanation by senior staff on the production of risk assessment and annual reports will continue. The actual way this will be

accomplished is yet to be determined but it is anticipated that meetings will be held with subject leaders from each school at a time.

There are plans to extend the risk assessment process to our approval (validation) process although this remains at an early stage of development. We also intend to roll out the practice to routine monitoring and strategic planning organizational units beyond the schools. Library and Information Services adopted the approach voluntarily for its strategic plan for 2003/04.

Appendix A: Template and guidance notes for risk assessment 2003/04)

1. Identify risks using the 'Potential areas of risk/opportunity' list as guidance

2. Carry out SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). You should aim to find at least 12 opportunities or threats.

Strengths	**Weaknesses**
1 2 3 etc.	1 2 3 etc.
Opportunities	**Threats (Risks)**
1 2 3 etc.	1 2 3 etc.

3. Plot results of the opportunities/threats according to likelihood (or desirability) and impact on the scale of Very Low, Low, Medium, High, Very High) as illustrated below.

Likelihood/Desirability						
	Very High	O1	T2		T1 O2 O3	
	High			T3 O5		T6 O6
	Medium	T5		T4		
	Low		O4			
	Very Low					
		Very Low	Low	Medium	High	Very High
Impact						

4. There will be a standard type of action required according to the status of the risk. Risks that fall within the green zone only require general monitoring in case of changing circumstances; those falling within the amber zone should be monitored and contingency plans should be established in case of change. Risks falling within the red zone should be addressed immediately.

5. Compile an action plan in relation to the SWOT analysis/risk chart by identifying those areas which fall within the red and amber zones for which the Reporting Unit has lead responsibility. Urgent action for the School and/or institution should be listed separately as appropriate.

Template for annual reports (incorporating risk assessment) from Reporting Units

The completed template should be sent to Academic Office by Friday 19 March 2004 and will be taken to the meeting of AQSC scheduled for 8 April 2004.

a. Risk assessment as above.

b. Narrative commentary and analysis of statistical data relating to the risks/opportunities identified. This should comprise the following:

    i. Context – what is the actual situation within the reporting unit in relation to this risk/opportunity?

    ii. Supporting evidence – How was the level of risk/opportunity ascertained? Point to data supporting this.

c. A brief evaluative analysis of the reporting unit resulting from an analysis of subject-based data.

    i. The following types of data should be considered in accordance with the national requirements as outlined by the Cooke Report on Teaching Quality Information:

        - data on students' entry qualifications and tariff points
        - data on students continuing at the institution, completing awards and leaving without awards
        - data on class of degree achieved by students
        - data on leavers entering employment or further study, or unemployed, and data on the most common job types held by employed leavers
        - external examiners' reports
        - the institution's learning and teaching strategy
        - results of, and the actions taken in response to, periodic internal reviews
        - links with relevant employers
        - how programme compares with others internally and externally (UCAS)
        - analysis of student module evaluations

SWOT Analysis: understanding strengths, weaknesses, opportunities and threats

Adapted from an article by James Manktelow, editor of Mind Tools. The list 'Potential areas of risk/opportunity' should also be consulted as a means of prompting discussion.

Why use the tool?

SWOT Analysis is a very effective way of identifying your Strengths and Weaknesses, and of examining the Opportunities and Threats you face. Carrying out an analysis using the SWOT framework helps you to focus your activities into areas where you are strong and where the greatest opportunities lie.

How to use tool:

To carry out a SWOT Analysis write down answers to the following questions. Where appropriate, use similar questions:

Strengths:

- What are your advantages?
- What do you do well?
- What relevant resources do you have?
- What do students/outside agencies see as your strengths?

Consider this from your own point of view and from the point of view of the people you engage with (students, staff from other institutions, external agencies). Don't be modest. Be realistic. If you are having any difficulty with this, try writing down a list of your characteristics. Some of these will hopefully be strengths!

Weaknesses:

- What could you improve?
- What do you do badly?
- What should you avoid doing?

Again, consider this from an internal and external basis: do other people seem to perceive weaknesses that you do not see? Are others in your field doing any better than you? It is best to be realistic now, and face any unpleasant truths as soon as possible.

Opportunities:

- Where are the good opportunities facing you?
- What are the interesting trends you are aware of?

Useful opportunities can come from such things as:

- Changes in technology and markets on both a broad and narrow scale
- Changes in national trends
- Changes in institutional/school policy related to your field
- Changes in student body, etc.

A useful approach to looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities. Alternatively, look at your weaknesses and ask yourself whether you could open up opportunities by eliminating them.

Threats:

- What obstacles do you face?
- Do others report issues which should be avoided (e.g., module evaluations/internal review)?
- Is change threatening your current position?
- Could any of your weaknesses seriously threaten academic quality?

Carrying out this analysis will often be illuminating - both in terms of pointing out what needs to be done, and in putting problems into perspective.

Potential areas of risk/opportunity

The following list, adapted from the institution's risk assessment, is designed to prompt questioning about the risks and/or opportunities related to each area.

Learning and Teaching (student-related)
Increase/decrease in non-traditional entrants
Calibre of students
Ability to meet student demand
Level of challenge for students
Assessment of student performance
Liaison with Library & Information Services to ensure student needs are met
Ability to retain students
Student complaints (about staff, subject)
Keeping pace with industry – impact on student employability
International students ability to meet progression requirements
Levels of pastoral care
Levels of student progression
Extent to which provision meets needs of disabled students
Postgraduate numbers – rising, falling?
Trend (increasing/decreasing) undergraduate numbers and SSRs)

Learning and Teaching (staff-related)
Attraction and retention of high quality teaching staff
Standard/variability of teaching and learning approaches
Attraction and retention of non-academic staff
Partnership arrangements – incl. communication with those delivering collaborative provision
Ability to obtain external funding
Result of internal/external review
Accessibility of staff to students
Extent to which widening participation agenda is met
Standard of technical/admin support
Levels of scholarship activity
Research opportunities for staff and PG students

Physical Resources
Teaching accommodation space
Student social space
Utilisation of all available space
Stability of ICT resources
Level to which part-time and hourly-paid staff are incorporated into the team
Staff satisfaction/morale
Staff training and development

Other
Publicity – positive or otherwise (of programme and/or institution)
Links with other bodies (institutions, professional associations, overseas)
Issues related to health and safety
Level to which equal opportunities agenda is met
Ability to adapt – i.e., adopt flexible approaches in order to resolve issues

IX The Use of Memoranda of Agreement in Managing Risks to Academic Standards and Quality of Collaborative Provision

University of Durham

Introduction

The aim of the project was to investigate the value of a risk-based approach to the use of Memoranda of Agreement (or Collaboration) in procedures for monitoring and reviewing collaborative provision. The method used included an overview of current arrangements in so far as they relate to the use of Memoranda of Agreement, an evaluation of those arrangements, proposed revisions to them in the light of the Interim Report of the HEFCE Good Management Practice project on Quality Risk Management, and a pilot exercise applying the proposed revisions.

The University has been involved in a modest amount of collaborative provision with a variety of partners since the mid 1980s. The standard model with which the University is familiar, known as 'validation', is that where a partner institution or organisation seeks approval of a programme of study, leading to a qualification of the University, which the partner designs and delivers. The general policy governing this type of collaborative provision requires that the University only works with partners which it believes can deliver programmes of an acceptable quality meeting the University's standards. By such work, the University is able to make its qualifications available to a wider group of people, particularly in its locality and region, than would otherwise be the case. The University also makes provision for a limited amount of distance learning on programmes which are designed and delivered by academic staff of the University, some of which involves collaboration with overseas partners.

All collaborative programmes validated for delivery by partners are overseen by a Validation Sub-committee which reports directly to the University's central Teaching and Learning Committee. It is chaired by one of the three Faculty Deans. All Faculty Deans, or their deputies, are members of the sub-committee, and each Faculty also has a representative. It is serviced by an Administrator who manages the interactions between the University and its partners. In the case of each partner there is a Management Committee responsible to the University, via the Validation Sub-committee, for all aspects of the provision with that partner. Each Management Committee is chaired by a relevant Faculty Dean or a Deputy, and consists of an equal number of representatives of the University and the partner institution. The University also appoints, for each validated programme, at least one University Assessor – normally a member of the University academic staff – to maintain close contact with the staff and students of the programme and to report to the University if any difficulties should arise. University Assessors are members of relevant Boards of Examiners and are able to advise the University on the comparability of academic standards with similar or related University programmes. Annual monitoring of each programme, incorporating assurance of quality and standards, is undertaken by Management Committees. Comprehensive University Reviews of each programme are undertaken on a six-yearly cycle by the Validation Sub-committee.

The University would probably count itself among those who believe that its quality strategy incorporates tacit elements of risk management. In the case of

validation, it can be said that from the outset Senate has been conscious of the risks it takes in allowing other institutions and organisations to teach programmes leading to an award of the University. The quality assurance procedures that have been developed for validation reflect that perception. The University's partners regard them as onerous, and have tolerated them only because they place some value on their association with the University and on the reputation of its qualifications. Senate and its Teaching and Learning Committee have not, however, thought it appropriate to assess the degree of risk and to introduce a variable element in those procedures reflecting perceptions of risk. One reason for this is that risk assessment would involve additional costs to the University. These costs would have to be passed on to partners, and there would be resistance to those extra costs. It is true that some partners might benefit financially from 'lighter touch' and a consequent reduction in costs, but from their point of view the outcome of risk assessment by the University would be uncertain and their financial risk is minimised by resisting quality risk assessment.

The University is conscious of a degree of volatility affecting some of its partners. To some extent this is a consequence of changes in the demand for the kinds of knowledge and skills delivered in educational programmes, particularly those of a vocational nature. The principal effect of this is to lead to uncertainties about whether partners will fulfil their obligations to students. These issues can be driven by financial pressures entirely outside the scope of the University. So even if the risk to quality were assessed as high there may be little or no immediate action that the University can take to minimise the risk. Quality procedures will alert the University if, for example, there is a risk to quality arising from withdrawal of resources by a partner, but there may be little or nothing the University can do to address the risk short of initiating procedures to withdraw from the collaborative activity – which is necessarily a lengthy process.

The incentive to use risk assessment in the University's validation activity is weak. The University would save little in terms of its resources. Partners might benefit from a 'lighter touch', though the additional processes needed to produce useful and reliable risk assessments would reduce such benefits considerably. There is, in addition, general scepticism about whether the language and concepts of risk management can engender welcome changes in quality assurance regimes. Critics have pointed out that risk vocabulary is sometimes otiose, and that whatever may be the benefits of risk concepts in executive management structures, their usefulness in structures with significant deliberative elements is questionable.

In sum, the University's current quality strategy for validation activity displays a strong element of risk aversion. Because the cost implications of this are borne by partners, there will be resistance to the introduction of risk assessment and risk management, particularly in the face of doubts about whether they can deliver perceptible benefits.

General remarks about collaboration and risk

Collaborating with partners in the provision of educational opportunities has been widely perceived in the HE sector as an inherently risky activity. One important reason for this perception is that collaborative provision involves working with partners 'in environments that are governed by forces that may be imperfectly

understood and which are beyond the awarding institution's span of control'.[137] For this or other reasons, some universities do not involve themselves in such provision, or at least do not regard themselves as involved.[138] For those that do, an important reason for collaborating is that universities work in a regulated rather than a 'free' market in that they are subject to social and political requirements to, for example, widen opportunities for participation in higher education.[139] The risks of collaborating are: to academic standards and quality, which might not be upheld; to reputation, which might be damaged; and to financial stability, which might be undermined because of unanticipated obligations to students. These risks are interconnected in that damage to quality and standards or loss of reputation will lead to financial loss, and financial loss will make standards and quality, and thus reputation, harder to maintain. However, risk to quality and standards, and thus to reputation, can be said to have priority in that damage to them cannot be compensated financially.

HEFCE has defined risk as 'the threat or possibility that an action or event will adversely or beneficially affect an organisation's ability to achieve its objectives'. So an organisation is 'at risk' if either there is a threat that an action or event will adversely affect the organisation's ability to achieve its objectives, or there is a possibility that an action or event will beneficially affect its ability to achieve its objectives. Since it is counterintuitive (at least) to regard an institution as 'at risk' with respect to possible beneficial actions or events, this report confines itself to the 'negative' conception of risk.

Given this definition, and that some universities, including Durham, use procedures for monitoring collaborative activity that are centrally based, an understanding of the risks it poses depends on establishing a link between such activity and a university's objectives. The relevant objectives are those relating to academic standards and quality, those relating to widening participation, and in many cases those relating to regional partnerships. These objectives are typically linked to other activities of a university, some of which, such as internal provision of teaching and learning opportunities, might have a much greater impact on the achievement of objectives if they were to fail. Since risk is assessed using measures of the severity of an adverse action or event and the frequency of their occurrence, the risks in collaborative activity will not be great so long as the extent of the activity remains small in comparison with internal provision. This may still be the case when the risks are poorly controlled. Conversely, a university with a large amount of collaboration, so that the impact of failure on the achievement of aims and objectives would also be large, may have to assess its risks as significantly greater, unless those risks are effectively controlled.

However, although the level at which the risks exist is institutional, the impacts of adverse actions or events consequent upon a failure of central control of risks can be experienced at departmental level. This means that departmental aims and objectives are also linked to these risks, and that in a departmental context, these impacts can be greater than in the institutional context. This is likely to be the case in those universities where procedures for monitoring collaborative activity are distributed. For example, evidence of inadequate standards or quality

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137 Interim Report of the HEFCE Good Management Practice project on Quality Risk Management, §81.

138 There is evidence that provision falling within the scope of the section of the QAA Code of Practice on Collaborative Provision is not always so regarded by institutions. This applies particularly to 'informal' arrangements and in particular those not governed by institutional Memoranda of Agreement or Association.

139 Interim Report of the HEFCE Good Management Practice project on Quality Risk Management, §27(c).

in a programme of study, resulting in adverse publicity for that programme, can result in perception that the standard and quality of related internal programmes is questionable. Also, in a university where financial resources are devolved, difficulties for the collaborating partner can result in unanticipated financial burdens for departments which have to bear the costs of teaching and supporting the students to whom the university is morally, and perhaps contractually, committed. These burdens will have an impact on the ability of departments to achieve their objectives.

Many universities use deliberative rather than executive structures to set policy for collaborative activity, to implement that policy, and to monitor its effectiveness, partly through the use of procedures intended to secure quality and standards. However, risk management techniques have been developed in a different and more commercial context, so there is a question about their applicability in an academic institution with collegial characteristics using deliberative structures, as opposed to a commercial organisation with managerial imperatives. There are, nevertheless, commercial aspects to many collaborations, and managing them might benefit from the use of executive structures, particularly if that would be a way of introducing and using risk management techniques. Furthermore, since there can be questions about the extent of consent and certainty in collaborative activity, and consent can be hard to secure using deliberative structures, especially consent to objectives, there would appear to be advantages in using alternative executive structures if the concept of risk and its management are to play a distinctive role in the assurance of quality and standards.[140] For those universities which wish to retain the use of deliberative structures in their collaborative activity, it is likely that a risk management approaches will be seen, and judged, as providing alternative means for describing more familiar approaches.

Risk and memoranda of agreement

Whether high or low, risk can be assessed as unacceptable. Of course, one response to such an assessment can be avoidance of the risk inducing actions either generally, or in particular cases. But an alternative is to reduce the risk by introducing or improving controls – by managing the risk. In the case of collaborative activity, universities will be using quality assurance processes which can be seen as incorporating instruments useful for controlling risk. One such instrument is the Memorandum of Agreement or Collaboration formally governing the relation between a university and its collaborating partner. A survey of the Memoranda currently in use by Durham University shows that in order for them to have an effective use in controlling risk, in the sense of reducing the likelihood of adverse actions or events, they would need significant modification. Examples of such documents used by other universities also indicate that, in many cases, changes and additions are required.

Memoranda of Agreement, or Collaboration, are formal documents requiring, usually, the signatures of the chief executives of the collaborating partners. They set a broad framework for the partnership, and are typically expressed in language suggesting they have legal status, though this is not always explicitly acknowledged. In many cases it is not clear what role, if any, they would have in the event of redress to legal action by either partner. It is also unclear how far their use as instruments for managing risk is compatible with their legal status. As part of this project, preliminary legal advice was taken in order to clarify these matters. The outcome of that advice was that these documents do indeed have

140 Interim Report of the HEFCE Good Management Practice project on Quality Risk Management, §33-37.

legal standing and may be used in the course of any legal processes that a university, or its collaborating partner, might have to invoke in relation to collaborative activity. It is all the more important, therefore, that Memoranda are framed with such a use in mind and that they be clear, explicit and as comprehensive as possible about the risks that collaboration involves. As part of this project, and in the light of practice observed elsewhere as well as advice received from lawyers with experience of educational contexts, substantial changes have been made to the clarity and scope of the Memoranda in use at Durham University. A model pro-forma has been developed and successfully piloted with one established partner and with one new partner.[141]

Memoranda of Agreement or Collaboration are widely regarded as management tools appropriate to executive action. This is reflected in the fact that they are sometimes drawn up by a university's legal advisers, and by the fact that they are rarely the subject of discussion in deliberative structures. They can, of course, be the subject of negotiation between collaborating partners, but once agreed they provide, or should provide, a clear and explicit regulatory framework for such action. In most if not all of the contexts in which questions of compliance with the obligations and duties set out in a Memorandum arise, it is executive rather than deliberative structures that will prove more effective. This not to say that deliberative structures are inappropriate in matters concerning the detailed implementation of those obligations and duties. In the case of quality assurance, such structures would be used in order to try to reach agreement about the best ways of achieving successful implementation.

Risk management is not only about the identification, assessment and control of risks; it is also about ensuring that the costs of effective control are justified. In adapting Memoranda to act as instruments for controlling risk, therefore, attention must be paid to the significant costs of monitoring their use for this purpose. One important aspect of this is the need for a process ensuring that Memoranda respond efficiently to any changes in risk to quality and standards.

Memoranda have the potential to create new risks to quality and standards, as well as to control the risk of the activity they govern. In particular, they can easily be thought to be more protective and controlling than they are. If it does not effectively control risk, but is thought to do so, a Memorandum can increase rather than reduce and control risks. Some of the ways in which this can happen may only become apparent when the status and effectiveness of an agreement is tested in particular circumstances.

Memoranda of Agreement have played an important role in reassuring stakeholders, and have taken into account the interests of students as well as the interests of the collaborating partners. Implicitly, if not explicitly, they have attempted to identify and control risks to some of those interests. For example, the financial risks associated with a collaboration are typically addressed in documents which set out the financial arrangements supporting it and which are formally connected with the Memorandum of Agreement. Concern for academic quality and standards is also evident, though the wide scope that that concern should have is not always acknowledged. It would, for example, be usual for responsibilities to quality and standards to be divided between partners in an appropriate manner, though there is a danger that lists of responsibilities will omit some aspect of quality or standards which is consequently neglected. The risk that these responsibilities will not be discharged is addressed only in general terms by means of provisions enabling partners to withdraw from the

141 See Appendix 1.

collaboration when faced with such a failure. The risk is neither assessed nor managed; the reasonable expectations of stakeholders are not met; and the reassurance provided to stakeholders by Memoranda is limited.

Risks to quality and standards posed by collaborative provision are general in two ways. In the first place, they are general in the sense that insufficient assessment and management can leave risks applying throughout provision inadequately controlled. For example, any lack of clarity about who is responsible for the quality of students' learning experience, or for maintaining the standards of the award offered, implies a general and direct lack of control of the risks to quality and standards. Similarly, the lack of a means for resolving disputes between a university and its partner, though rarely if ever invoked, means that the risk of such disputes, and of their consequences, is uncontrolled and may have adverse effects on quality and standards. Such risks apply to any kind of collaborative activity and need to be identified and managed as part of the framework within which the activity takes place. They are appropriately controlled by a standardised document ensuring that no risks, including those risks to academic quality and standards that are inherent in collaborative activity, are overlooked. But, secondly, risks can be general in the sense that they apply to a particular kind of collaborative provision, irrespective of the provider. For example, if a partner offers provision involving distance learning, or e-learning, or if the partner is based outside the UK, there will be accompanying risks to quality and standards applying to such provision, no matter who the partner is. These risks need to be identified, and care taken to ensure that the scope of the risk control instrument used is sufficiently wide to include any foreseen circumstances which might impinge, directly, or indirectly, on the maintenance of academic standards and quality. Again, a standardised document in the form of a Memorandum of Agreement is appropriately used to control risk associated with a particular kind of collaborative provision.

Quite apart from the general risks involved in any kind of collaborative activity, or the general risks involved in a particular kind of collaborative activity, there needs to be an identification and assessment of the risks involved in specific partnerships. In some cases it might be possible to control some of those risks by adapting a standardised Memorandum so that it identifies and assesses them. But for the most part such risks will, or should, be identified and assessed as a consequence of initial validation processes for the programme or programmes concerned, or as a consequence of periodic review processes. In effect, the outcome of these processes should be judgements of the level of confidence a university has in the capacity of the collaboration with respect to the programmes of study it encompasses to maintain academic standards and quality given the context in which that collaboration is operating and expects to continue operating. Such confidence judgements, because they incorporate risk assessments, have an essentially predictive element to them; a high level of confidence implies an assessment of low risk, and vice versa.

Confidence judgements also invite the prospect of 'variable intensity' of scrutiny by a university of its partners' ability to maintain quality and standards. The obstacle confronting such an approach is the high degree of risk aversion common in collaborative provision. Even if risks to quality and standards are of modest significance in relation to a university's objectives, because the extent of the provision is small, there will still be an inclination to use all available means to avoid such risks. Uniform, and intense, monitoring and review procedures are common, as are common-format Memoranda of Association. One important reason for risk aversion arises from the nature of collaborative provision. Variable intensity controls depend on the availability of good quality information, especially information about prospective risks. They depend therefore on the

willingness of partners to disclose risks. For understandable reasons partners find it difficult to disclose risks. There can be issues of commercial confidence, as well as of academic credibility, at stake.[142]

If Memoranda of Agreement (or Association or Collaboration) are to play a significant role in managing those risks specific to particular partners, as well the general risks they are intended to control, there needs to be clear links between the Memoranda and the quality assurance processes that can be used to identify and assess the risks specific to particular partners or to particular programmes. With the aid of such links Memoranda will play a more active role in a risk management approach than they have done in the approaches currently used. One way in which this could be done is by making validation reports and periodic review reports, essential elements in a suite of documents appended to a Memorandum and constituting an integral part of it. Typically, Memoranda are accompanied by appendices covering such matters as financial arrangements and, perhaps, appeals regulations, and the documents providing details of these arrangements and regulations are counted as part of the Memorandum. By adding quality assurance reports to the appendices, the recommendations and requirements contained in the reports will become part of the Memorandum. This implies no great change in the way Memoranda themselves are formulated and used. Currently they are expressed, appropriately, in general terms, because they are intended to control the risks inherent in collaborative provision, whoever the partners in the collaboration may be. The broad framework they concern is normally taken for granted in the routine management of quality assurance, and they are rarely if ever referred to or used. But it is not a trivial task to ensure that they not only accurately reflect the current position, but also have sufficient scope to enable the collaborating partners to address difficulties that may not be foreseen.

If the reports of validation exercises and periodic reviews are to be used in the way suggested as instruments for controlling the risks associated with working with particular partners or particular programmes, they would need to be forward looking. Validation reports are, implicitly if not explicitly, predictive and should identify and assess future risks to quality and standards. Periodic review reports tend, however, to serve the needs of accountability for what has taken place and is taking place. Accountability cannot be ignored so periodic review will need to maintain a backward-looking element; it will make use of 'front end' aspects of provision (curriculum, teaching, assessment, student progression and achievement), which provide information about the past and present. However, experience indicates that periodic review reports can engender confidence which is only short lived, because the monitoring is backward looking, provision based, and insufficiently focused on context and on changes in that context. By directing attention to the context of the provision more emphasis can be placed on using periodic review as a predictive instrument. Context focused periodic review will monitor the market, policy, regulatory and institutional environment in which the collaboration happens, rather than the content of the collaboration.[143] Information derived from 'back end' aspects of provision (student support, learning resources, quality management) will inform this monitoring. By taking into account the outcome of this monitoring of the context of the provision, and by making use of 'back end' aspects of provision, Memoranda should be able to control specific as well as general risks to quality and standards in an effective manner. The report of the outcome of a periodic review, with its

142 Interim Report of the HEFCE Good Management Practice project on Quality Risk Management, §28(b).

143 Interim Report of the HEFCE Good Management Practice project on Quality Risk Management, §57.

recommendation, will be an appendix to the Memorandum incorporating confidence-level judgements about academic standards and quality, and setting in place requirements for the effective control of the level of risk implied by those judgements which have just as much force and importance as the requirements set out in a standard form in the core document of the Memorandum. It will specify commitments of the University as well as commitments of the collaborating partner.

It would be more problematic, and less reliable, to use annual monitoring to provide the forward-looking focus essential to effective risk management. This is because much annual monitoring evidence is 'indirect', i.e., self produced. However, external examiner evidence and comparable independent scrutiny can be regarded as direct, and as of potential value for risk identification and assessment. For this additional reason, as well as for ensuring that all the recommendations and requirements incorporated into Memoranda are being addressed and that risks are thereby being managed appropriately, it would be appropriate and indeed necessary for Memoranda to be formally reviewed on an annual basis, taking onto account this direct evidence.

There can be little doubt that the implications of using a risk management approach to the assurance of quality and standards in the context of collaborative provision will entail a significant change in the design and use of instruments such as periodic review. In particular, a greater emphasis upon the forward-looking aspects of those instruments raises questions about the evidence used to support the claims that are made. It is inevitable that evidence about what has happened in the past will be the principle means for supporting claims about what will happen in the future, so the distinction between backward-looking and forward-looking aspects is blurred. The reliability of such evidence, however, is dependent on the stability of the context of the provision. Assessing that context, and reaching secure conclusions about the ways it will change, present significant challenges but are essential if risk is to be identified and managed. Much will depend on the quality of the strategic planning for the future development of the context for the collaboration, and again it will have to be evidence relating to the past success of planning which will inform views. But it is probably inevitable that claims about the future development of the context will be treated with caution, if only because risks which are not foreseen cannot be identified and cannot be managed. It is only in the light of experience of working closely with each other that collaborating partners will believe themselves justified in ameliorating that caution.

If Memoranda of Association were used in the way suggested, that is as incorporating the outcomes of forward-looking periodic reviews, and as the primary instrument for controlling risks to quality and standards, they would in effect vary in the intensity of the requirements placed on the collaborating partners. The variation may only be apparent in the extent and nature of the requirements, but in principle it might also be expressed by varying the duration of the currency of a Memorandum. At present, it is standard practice for Memoranda to have a currency of five or six years, and for periodic reviews to take place at intervals of five or six years. So long as the focus of the oversight of collaborative provision is accountability, this practice is probably acceptable. But more flexibility is implied by a focus on levels of confidence that quality and standards are secure; a high level of confidence might be used to justify a longer duration for a Memorandum and a longer interval between periodic reviews, whereas a lower level might justify a shorter duration, and a shorter interval. Another way of varying intensity is by changing the balance between direct (i.e., independent) and indirect (i.e. self-produced) evidence. For example, if a periodic review were to produce evidence of excellent procedures for managing and

enhancing quality, there would be justification for formulating the Memorandum so it makes use of summary information generated by those procedures and does not require details to be provided.

There are of course questions about whether the use of 'variable intensity' in any aspect of quality assurance would itself place academic quality and standards at risk. Undoubtedly it would, but provided the risk is identified, assessed and controlled it may well be acceptable. This is especially so if we bear in mind that any alternative, including constant-level intensity, will also place quality and standards at risk. It is apparent from the survey of Memoranda undertaken as part of this project that they can leave universities and their partners exposed to a number of risks which could have consequences for quality and standards. These risks have not been identified, and have not been either assessed or controlled; they may be unacceptable.

A further question is whether variable intensity would be potentially divisive and insensitive to the perceptions and aspirations of partners. Although this prospect should not be dismissed, we should note that in considering collaborative provision we are not dealing with academic departments jealously guarding their 'autonomy' and resistant to recently imposed, and widely resented, accountability requirements. Of course, the partners with which a university collaborates will wish to protect their independence, and will probably have staff who share frustrations about 'bureaucracy', but collaborative provision is the consequence of a partnership between different corporate bodies which has required the exchange of goods and services to mutual advantage. There should, indeed, be an explicit agreement, set out in Memoranda, as to what is being exchanged for what. The potential of variable intensity for encouraging divisiveness and insensitivity, should therefore be limited.

Benefits

The benefits to the University of Durham of this case study are that the agreements it has with its partners are now more secure and reliable, and that it has a more comprehensive understanding of certain risks to academic quality and standards that are associated with collaborative provision. There has been some limited discussion about whether an instrument like a memorandum of agreement might have some use as a tool for managing risks to quality and standards within an institution. For there are some aspects of the relation between a university and its collaborating partners which are also aspects of the relation between the university and its academic departments, particularly when responsibilities for quality assurance are devolved to academic staff in departments. It may be that the security of managerial links between central quality assurance responsibilities and departmental quality assurance practices could be strengthened, to the extent judged necessary or appropriate, by formal written agreements. Indeed, if risk management techniques are judged suitable as means for addressing questions about academic quality and standards, it would appear that there is a case for the widespread use of written agreements embodying an assessment of the degree of confidence an institution has in the quality and standards of its qualifications, whether those qualifications are provided externally or internally. That case can only be made, however, if a risk management approach to quality assurance can be shown to have real advantages, both for those who use it and for those who find it used on them.

Conclusion

The use of risk management methods, particularly in so far as they involve the identification, assessment and control of risks, would bring advantages to universities in justifying their confidence that the collaborative activity they allow, whilst contributing to certain corporate objectives, does not pose a threat to the achievement of other objectives, specifically those relating to the security of academic standards, and to maintaining and enhancing the quality of students' learning experience. The advantages are those that derive from a more forward-looking approach to the assurance of quality and standards, in place of the current approach which is primarily directed to the needs of accountability and is therefore primarily backward-looking. Memoranda could be used as a key instrument in the risk management of collaborative provision, especially in controlling risk to quality and standards. They would thereby become 'foreground' rather than 'background' instruments. In practical terms, the likelihood of adverse actions or events, which, to judge from the survey of Memoranda currently in use by Durham University, is high, would be reduced. Steps could be taken to improve the scope and effectiveness of Memoranda, but if those steps fall short of incorporating the Memoranda into a risk management approach, it is doubtful whether the level of confidence the University needs to have in collaborative activity can be fully justified.

APPENDIX 1

UNIVERSITY OF DURHAM

TEACHING AND LEARNING COMMITTEE
VALIDATION SUB-COMMITTEE

[Title(s) of qualifications]

Memorandum of Agreement between the University of Durham and [formal title, and address, of collaborating partner]

1. Interpretation

1.1 'The University' means the University of Durham.

1.2 '[Brief title of collaborating partner]' means [formal title of collaborating partner].

1.3 The Senate of the University has statutory responsibility for all academic matters including the quality assurance of all programmes of study leading to qualifications of the University and the academic standards of those qualifications.

1.4 The Teaching and Learning Committee of the University is a sub-committee of Senate and is responsible for advising Senate on the quality assurance of all programmes of study leading to qualifications of the University, and on the academic standards of those qualifications.

1.5 The Validation Sub-Committee is a sub-committee of the Teaching and Learning Committee, and is responsible for overseeing all aspects of the University's collaborations with partner institutions and for providing reports to the Teaching and Learning Committee on the quality assurance of programmes of study provided by collaborating partners and on the academic standards of the University qualifications to which they lead.

1.6 The Management Committee for a validated programme of study is a committee appointed by the Validation Sub-Committee with the responsibilities indicated in Appendix 1 to this Memorandum.

1.7 The Board(s) of Examiners has/have a membership appointed by the Senate. It/they consist(s) of internal and external examiners recommended for membership by the Management Committee. It/they is/are required to follow specific Instructions to Examiners, and recommend(s) to Senate persons who have satisfied the Board of Examiners that they have met all the requirements for the award of a qualification of the University.

1.8 'Validation' means a process whereby the University recognises a programme of study designed, delivered and assessed by a collaborating partner institution as leading to a qualification of the University. A validated programme of study is one which is so recognised.

1.9 An academic year is a period of twelve months beginning in October.

1.10 External examiners are subject specialists appointed by the University, and not otherwise employed by the University, to examine the work of registered students, to advise the University on the standards students achieve, and to assure the University that students' work is assessed fairly.

1.11 University assessors are subject specialists appointed by the University, who may be otherwise employed by the University, to examine the work of students and to advise the University on the comparability of the standards they achieve with those of other registered students of the University.

1.12 The Validation Administrator is a member of staff of the Undergraduate Section of the Academic Office of the University who provides administrative services to the Validation Sub-Committee and to the University's partner institutions.

1.13 The Validation Handbook is a guide prepared for the University's collaborating partners and includes details of Senate's approved framework for quality assurance.

1.14 In any question of interpretation, the terms and provisions of this Memorandum and its Appendices, as from time to time supplemented, varied or replaced, shall prevail.

2 Introduction

This Memorandum sets out the legally binding terms and conditions for the validation by the University of [titles of qualifications]. It should be read in conjunction with its Appendices. It follows an agreement, embodied in this Memorandum, between the University and the [brief title of collaborating partner] that they will create a legal relation whereby the University will validate programmes of study provided by the [brief title of collaborating partner] leading to these qualifications of the University. The financial arrangements that are part of this agreement are set out in Appendix 6.

3 Compliance with this Memorandum

a) The responsibility for ensuring that the [brief title of collaborating partner] complies with this Memorandum rests with the Management Committee for [titles of qualifications]. The Council of the University has the ultimate responsibility for ensuring that the University complies with its obligations under this Memorandum.

b) In exercising its powers and responsibilities under this Memorandum, the University will act in accordance with its Charter and Statutes. The University will act reasonably at all times.

c) In exercising its powers and responsibilities under this Memorandum, the [brief title of collaborating partner] will act in accordance with its [Instrument and Articles of Government]. The [brief title of collaborating partner] will act reasonably at all times.

4 Core agreement

a) With effect from [date Memorandum comes into effect], the [brief title of collaborating partner] will offer programmes of part-time study (as detailed in the programme regulations set out in Appendix 2 of this Memorandum) leading to the award of [titles of qualifications].

b) The programmes of study have been validated by the University for a period of six years from [date Memorandum comes into effect] on the basis of the information attached as Appendices 1-5 to this Memorandum. Any major changes to the programmes, including those affecting the structure of the programmes of study, their content, the nature, number or timing of the examinations, or to the regulations, or to the

programmes' management or resourcing, will require the approval of the University Senate. All changes affecting the terms, conditions or provisions of this Memorandum and its Appendices will be explicitly incorporated into the Memorandum and its Appendices.

c) The charge payable to the University for its continued validation of the programmes of study is subject to annual review by the Treasurer's Department of the University. The review will take place in the spring in respect of the following academic year. This charge includes the academic and administrative time involved in the continued validation, and the payment of fees and expenses by the University to its external examiners and its assessors.

d) Students on the programmes of study will be students of the [brief title of collaborating partner] and will be registered for an award of the University. They will not be members of the University and will therefore have no automatic right to the use of the University's facilities. They will be subject to the regulations of the [brief title of collaborating partner] except in the matter of an appeal against the decision of the University's Board(s) of Examiners or of a committee of the University, on an academic matter when they will be subject to the Regulations for Academic Appeals set out in Appendix 4 to this Memorandum.

5. Responsibilities of the University

The University will be responsible for the following:

a) For the oversight and maintenance of the academic standards of the programmes of study, to ensure that they are equivalent to those of any other programmes of study leading to similar qualifications of the University. The responsibility is vested in the Senate of the University, and is delegated to Senate's Teaching and Learning Committee which is advised by its Validation Sub-Committee.

b) For monitoring the procedures used to maintain and enhance the quality of the students learning experience.

c) For the appointment of members of the University's Board(s) of Examiners for the programmes of study, including the External Examiner(s), for the remuneration of the External Examiner(s), and for monitoring responses to the annual reports of the External Examiner(s) in order to ensure that prompt and appropriate action is taken by the [brief title of collaborating partner] to address any concerns raised in those reports.

d) For the appointment of the University Assessor(s) for the programmes of study, for the remuneration of the University Assessor(s), and for monitoring responses to the annual reports of the University Assessor(s) in order to ensure that prompt and appropriate action is taken by the [brief title of collaborating partner] to address any concerns raised in those reports.

e) For conducting a review of the programme of study in the fourth year of the six-year validation period, to determine whether, and on what conditions, the University will continue to validate the programmes of study.

f) For issuing invoices to the [brief title of collaborating partner] in respect of validation charges payable in the first term of each academic year.

g) For advising on practical academic problems through the Management Committee, and on administrative problems through the Validation Administrator.

h) For the administrative responsibilities outlined in a statement agreed between the University and the [brief title of collaborating partner] (see Appendix 5 – Administrative Responsibilities).

6. Responsibilities of the [brief title of collaborating partner]

The [brief title of collaborating partner] is responsible for the following:

a) For the day to day management and operation of the programmes of study.

b) For developing and using procedures which conform to Senate's framework for quality assurance, as set out in the Validation Handbook, and which will maintain and enhance the quality of students' learning experience and enable them to achieve the required academic standards.

c) For managing the financial and human resources needed to maintain and enhance the quality of students' experience.

d) For informing the Validation Administrator of any forthcoming inspections or reports by professional bodies or other organisations, which include consideration of the programmes of study, or any part of them, validated by the University.

e) For ensuring that a list of students registered in accordance with the approved regulations of the programmes of study is forwarded to the Validation Administrator no later that six weeks after the date from which the registration is to take effect. No students not so notified to the Validation Administrator will be eligible for the awards to which the programmes of study lead.

f) For inviting the University Assessor(s) to serve on any appointing committee for new staff appointed to the [brief title of collaborating partner] who will be teaching or examining on the programmes of study. The responsibility of the University Assessor(s) will be to ensure that the standards necessary for the continued validation of the programmes of study by the University will be maintained.

g) For the administrative responsibilities outlined in a statement agreed between the University and the [brief title of collaborating partner] (see Appendix 5 – Administrative Responsibilities).

7. Assignment and Sub-contracting

The [brief title of collaborating partner] may not sub-contract, assign or transfer any of its obligations identified in this agreement without the written consent of the University. If such consent should be given, the [brief title of collaborating partner] will not thereby be relieved of any of its obligations.

8. Termination of Agreement

a) Either the University or the [brief title of collaborating partner] may give to the other notice in writing of its intention to terminate the agreement set out in this Memorandum and its Appendices. The agreement shall in consequence be terminated at the end of the second full academic year following receipt of the notice.

b) The University and the [brief title of collaborating partner] each has an automatic right to terminate the agreement if there should be a material breach by either the University or the [brief title of collaborating partner] of its obligations which, if capable of being remedied, has not been remedied within an agreed time period.

c) The University and the [brief title of collaborating partner] each has an automatic right to terminate the agreement if the [brief title of collaborating partner] should become insolvent, or if an administrative order is made, or if a receiver is appointed, or if there should be a change in the control of the [brief title of collaborating partner].

d) In circumstances where either the University or the [brief title of collaborating partner] is unable to perform its obligations owing to circumstances beyond its control, neither the University nor the [brief title of collaborating partner] will be deemed to be in breach of its obligations, and will not be liable for any damages arising from those circumstances.

e) Notwithstanding the provision in 7(a) – (d) above, both the University and the [brief title of collaborating partner] shall fully discharge their responsibilities to any student who commenced the programme of study before notice was given of the termination of the agreement.

9. Mediation

a) The University and the [brief title of collaborating partner] will use every means to resolve any dispute to their mutual satisfaction. In the event of their not being able to do this, they will agree to appoint a neutral third party to facilitate discussions. The outcome of those discussions will not prejudice any subsequent litigation.

b) In the event of any dispute between the University and the [brief title of collaborating partner] which cannot be settled amicably, this Memorandum of Agreement and its Appendices may be relied upon and, if necessary, enforced by a court of law. The University and the [brief title of collaborating partner] will, in the event of litigation, submit to the exclusive jurisdiction of the courts of England and Wales.

10. Liability

a) The [brief title of collaborating partner] will indemnify the University in respect of all losses, costs, damages and expenses incurred by the University as a result and also in consequence of any breach by the [brief title of collaborating partner] of its obligations, or its negligence under the agreement.

b) The [brief title of collaborating partner] will ensure that it has appropriate and adequate insurance against any loss, action, claims or demands which may be brought or made against it by any person or persons suffering damage or loss in connection with its activities in complying with its obligations under this Memorandum.

11. Intellectual Property Rights

All intellectual property rights developed or created pursuant to this Memorandum shall be owned by the party that produces them, except where project work may be covered by the intellectual property rights of an individual. The University and the [brief title of collaborating partner] agree to grant a non-exclusive, royalty-free licence of such rights to each other to the

extent as may be necessary to carry out the obligations identified in the Memorandum.

12. Confidentiality

Neither the University nor the [brief title of collaborating partner] shall either during or at any time after the expiry of this Memorandum divulge or allow to be divulged to any person any confidential information whether or not it is expressed to be 'confidential' or 'commercial in confidence' which may become known to or in the possession, custody or control of either the University or the [brief title of collaborating partner] save for (i) the purposes of this Memorandum, or (ii) as may be required to be disclosed by law.

13. Data Protection [brief title of collaborating partner]

In relation to all personal data, the University and the [brief title of collaborating partner] shall at all times comply with all relevant regulations with regard to data protection and data privacy including the European Directive 95/46/EC as a data controller if necessary, including maintaining a valid and up to date notification under any relevant regulations covering the data processing to be performed in connection with this Memorandum.

14. Effective Date

The provisions of this Memorandum and its Appendices shall take effect from [date Memorandum comes into effect].

15. Appendices

1. Management Committee membership, Terms of Reference and Standing Orders.
2. Programme Regulations
3. Instructions to Examiners
4. Academic Appeals Regulations
5. Allocation of Administrative Responsibilities
6. Financial memorandum
7. University Validation report/University Review report

16. Signatures of Designated Officers

The Vice-Chancellor of the University and the Director of the [brief title of collaborating partner] signify below that they accept the terms and conditions for validation by the University of [titles of qualifications] as set out in this Memorandum of Agreement and its Appendices.

X Managing Risk through Monitoring and Review

Edge Hill College of Higher Education

Introduction

Edge Hill is a College of Higher Education and an accredited institution of the University of Lancaster. It was founded in 1885 as the country's first non-denominational teacher training college. During the 1970s and '80s it diversified its provision and it now offers undergraduate and postgraduate courses in teacher education and health, and in a wide range of disciplines within the humanities, management, social and applied sciences. The College also maintains – in partnership with the University – a limited portfolio of collaborative provision. There are currently 5,500 full-time, and 6,650 part-time students.

Edge Hill's academic provision was formerly delivered by five Schools. In 2002-3 the Schools were replaced by three Faculties. The central administration of the College includes an Academic Quality Unit (AQU) which is separate from the Academic Registry and is led by a senior academic reporting to the Directorate. Primary responsibility for the assurance of quality and standards is assigned to the College's Academic Board and its sub-committees. The current committee structure includes the Academic Quality and Standards Committee (AQSC) which itself has sub-committees for Teaching, Learning and Assessment and Quality Risk Assessment (QRASC). There is also an Academic Planning Committee (APC) which reports to both Academic Board and the Directorate.

A risk-based Quality Strategy (1999-2001)

The College's quality strategy was informed by the emerging methodology for institutional review and by the fact that risk management had become a key feature of the corporate governance requirements for public sector organisations. It was partly in response to (and partly in anticipation of) these developments that in December 1999 the College's Academic Quality and Standards Committee (AQSC) considered a paper which proposed that the Institution should adopt a 'risk-driven' approach to quality management. This was defined as an approach that fosters the development of course teams and Schools as 'mature academic communities', and which recognises and adapts to the maturity of these 'provider units' by reducing the intensity of scrutiny of, and conferring devolved responsibilities on, those units that have demonstrated their 'maturity' or success'. The proposed approach was considered on a number of occasions by AQSC and in 2000-1 changes were made to the College's quality assurance procedures to embody a risk-driven approach. At that stage in the development of the strategy, 'variable intensity' was identified as a key characteristic of the risk-based approach.

The key role in leading the early implementation of the strategy was performed by the Academic Quality Unit (AQU) and a Risk Working Group (RWG). The RWG was established in 2000 for the purposes of:

- developing a method for the systematic assessment of the institution's provision, which would identify areas in which quality and standards were actually or potentially at risk, and

- considering how the institution's quality strategy might permit variations in the intensity of scrutiny of provision according to the assessment of risk.

The primary focus of RWG activity was the consideration of Risk Assessment Reports (RAR) prepared by AQU officers. RARs provided an assessment of the risks associated with an area of provision and, to this end, they drew upon the qualitative information and statistical data that were routinely generated by the College's management information and quality assurance procedures. RARs identified risk factors and risk indicators for a subject area, focusing on three levels of risk - market, provider and provision.[144] It was intended that the RWG should make recommendations for action by AQSC, APC and School Boards of Study based upon its evaluation of the information contained within RARs. RARs were also designed to:

- inform the approval of initial proposals by APC, as a means of determining the resource or other conditions upon which the proposal might be approved, and also to help determine the intensity of scrutiny and the conditions set during the validation and review of programmes.
- be used in the College's Annual Quality Review (AQR) to identify examples of good practice for wider dissemination and areas of provision where quality and standards were potentially or actually at risk.

The problems with this approach soon became apparent. In practice, only a few RARs were used to inform the discussions of validation panels because the AQU did not have the capacity to produce them on a routine basis. In addition, the method by which RARs were produced was controversial, and their value was crucially dependent on the quality of the information upon which they drew.[145] This prompted a debate on how and by whom risks should be identified and assessed, and led eventually to the conclusion that the development of a quality risk management strategy would be more effective, both in assurance and enhancement terms, if it were to be a 'bottom-up' process initiated by reports produced by departments. It was for this reason that the College decided that the annual monitoring procedure would be key to the implementation of the quality management strategy (see below).

The Project

In 2000/1 the College and its partners obtained HEFCE funding in support of a project on 'Quality Risk Management' (GMP 250). The bid for project funding committed Edge Hill to a full-scale 're-engineering' of its quality management system to embody risk management principles.

The initial research undertaken by the project team indicated that institutional quality assurance systems tended to be universal and reactive. Although the risk-based strategy adopted by the College in 1999 had indicated the need for a more selective application of quality assurance procedures and a more proactive engagement with those factors which could place quality and standards in

144 A risk factor was defined as 'an action, event or condition that might be expected to jeopardise the quality and standards of provision at some point in the future' – essentially a predictor – while a risk indicator was described as 'a symptom that something is actually going wrong'.

145 The selection and generation of appropriate quantitative data proved to be one area of difficulty. It also became apparent that the qualitative data (generated by inter alia validation, review and external examiners' reports) would remain of limited value for as long as the College's procedures did not require panels or external examiners to identify and assess academic risks.

jeopardy, the revised quality management system had been only partially successful in putting these requirements into effect.

The early findings of the GMP project were considered by Academic Board in September 2002, and the team published its interim report (*Academic Risk*) in January 2003. This report suggested that the application of risk management principles to academic quality assurance would display the following features:

(a) A predictive and context-focused approach to monitoring and review.

(b) The integration of quality assurance procedures with an institution's arrangements for academic planning and resource allocation.

(c) An enhancement-focused approach to the management of identified risks entailing support for, as well as the closer scrutiny, of 'high risk' provision and activities.

Academic Risk also argued that the appropriate and effective application of risk management principles presupposes an approach to academic governance that:

(d) Recognises that responsibility for 'at risk' provision is shared between teaching staff and their managers, and establishes a climate in which staff are encouraged to disclose evidence that provision is 'at risk' and to identify those internal and external factors that may jeopardise the maintenance and enhancement of quality and standards in the future.

The remainder of this case study describes the subsequent development in accordance with these principles of Edge Hill's strategy for quality risk management, focusing on the College's procedures for annual monitoring and review (AMR).

Annual Monitoring and Review

In September 2002, RAG was replaced by the Quality Risk Assessment Sub-Committee (QRASC). The membership of the committee was drawn from academic areas (members of Faculty quality and standards committees, but not ex-officio members of AQSC) and central service areas. Its remit included the consideration of annual monitoring and review (AMR) reports for all academic provision, and responsibility for the production of the College's Annual Quality Review (AQR). The committee was also assigned responsibility for the scrutiny of external examiners' reports and subject area responses to these reports. It was anticipated that this would strengthen the relationship between Academic Quality and Standards Committee and Faculties, and enhance the evidence base available to AQSC from which it could make decisions on the operation of such quality management processes as internal audit or programme review. To this end, work was also carried out on the deliberative structures through which AQSC communicated with Schools and subject departments.

Although the consideration of draft RARs was retained in the remit of QRASC, their production was held in abeyance to enable the committee to concentrate on the tasks of evaluating subject-level AMRs, and providing guidance for AMR authors on the production of 'predictive and context-focused' reports. This decision stemmed from an agreement that AMR reports should be regarded as a vital contribution to the deliberative process, and that the AMR provided the means by which the College could secure the maximum feasible participation of staff in the identification and assessment of risk.

The previous year's AQR had noted that, although there was a high level of compliance with the AMR process, many reports were failing to provide a critical

evaluation of the work of the reporting unit and a clear identification of the action required at institutional level. This remained true for the reports submitted to QRASC in 2002-3. The common shortcomings, which made it difficult for QRASC to make a decision about the quality management of academic provision, included:

- reports that were excessively long and descriptive, and which were over-reliant on (positive) quotations from external examiners;
- poor action planning, tending to focus on trivialities and only identify actions to be taken at the local level;
- statements and assertions (and action proposals) not backed up by evidence;
- poor use of statistical information;
- few reports were predictive or context-focused.

The criteria against which QRASC evaluated the reports submitted in 2002-3 are set out in Appendix 1. QRASC provided feedback on each report, and generic feedback to all AMR authors (Appendix 2).

Towards the end of the academic year, QRASC was commissioned by AQSC to undertake a thematic audit of the AMR process.[146] The purposes of the audit were to:

- establish the extent to which AMRs have been produced in a manner that is consistent with the principle that the AMR procedure provides a key opportunity for the 'bottom-up' communication of risks to the quality and standards of academic provision based on a full and inclusive 'deliberation' between staff and students on the current health of the provision and the factors that might place it 'at risk' in the future;
- provide a basis for the future development of the AMR procedure, and inform the advice and guidance provided to Schools and departments and any staff development programme that is offered in preparation for the implementation of the new AMR procedure;
- provide a basis for advice to the Institution on the development and implementation of its commitment to 'quality risk management'.

The panel comprised members of QRASC, with written comments provided by an external panel member selected for her experience as a QAA auditor. It was agreed that the exercise should be as inclusive as possible and, to this end, the AMR reports selected for scrutiny by the Panel were drawn from one academic area from each of the Faculties, and from two central service areas. The Panel met with groups of staff to explore key issues raised from the Panel's reading of the documentation provided[147].

The panel noted that the minutes of Course and Faculty Boards revealed that there was inconsistency across the institution in terms of the depth of discussion of AMR reports, resulting in limited information - filtered through the Faculty AMR - being provided to AQSC. There appeared to be significant variation in the level

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146 The audit was commissioned in response to a recommendation made in the Annual Quality Review (AQR) 2002. The AQR stated that "some AMRs are descriptive, failing to provide a critical evaluation of the work of the reporting unit and a clear identification of actions that need to be taken at the institutional level. The Audit Standing Panel annual report also noted that the quality of AMRs is crucial in enabling it to form judgements on the effectiveness of School, subject or service area management of the quality and standards of their provision".

147 This included relevant Course and Faculty Board minutes and summary external examiners' reports.

of scrutiny and feedback given to AMR authors by Faculty Boards and Academic Board sub-committees. The panel noted that many action points from the previous year's reports were recorded as 'ongoing', giving little sense that institutional issues were being responded to. Participants felt that QRASC met an important need in terms of scrutiny of department AMRs by an institutional committee, and suggested that this committee should be used to identify broad institutional issues and to require senior managers to draw up an action plan to address them.

The importance of a firm evidence base was also raised. The panel observed that there was insufficient discussion of responses to student feedback and issues raised by external examiners. It was also noted that few subject area AMRs made reference to ways in which they have responded to issues raised through the institution's other quality assurance procedures, such as validation and programme review.

In relation to risk, the QRASC scrutiny of subject AMRs included an assessment of whether the reports identified and analysed potential risks that might affect the future quality and standards of the provision, and a judgement about the ability of the reporting unit to manage the risks or challenges with which it was faced. The audit panel noted that few risks were identified in the reports other than those related to the allocation of institutional resources.

There were mixed views among participants on whether it was possible to be honest and self-critical in an AMR report which is placed in the public domain. Some participants agreed that they would put 'bad things' into their report providing that they could also present a solution, while others felt that it was an appropriate medium for raising issues that they were unable to solve at local level, using the AMR report as a 'cry for help'. Although it was acknowledged that many of the institutional issues that departments wished to raise were probably common to many HEIs and agreed that it was important for bodies such as the QAA to see that departments were addressing difficult issues, few colleagues were willing to raise issues (make themselves vulnerable to criticism) in such a publicly available document, which might cause managers or external assessors to suspect that the area was not being managed effectively.

The question of audience was particularly relevant for areas subject to professional/ statutory body accreditation, where they felt that they could not run the risk of being seen as non-compliant with external requirements. Some colleagues noted that there were some issues, for example contentious student feedback, that were more appropriately addressed through other mechanisms. Those departments that made the most on-going use of the AMR and action plan felt that they were able to be more open about weaknesses 'because the audience is ourselves'. They acknowledged that they would use different language if they were writing for an external audience, but highlighted the danger of becoming defensive.

The panel suggested that AQSC should consider ways of promoting a supportive culture in which institutional issues (and potential risks) can be raised and where action is required from institutional committees and executive groups, including the development of mechanisms by which feedback can be routinely provided to AMR authors – a key role for QRASC. The panel recommended that AQSC should give consideration to a number of other issues, some quite practical, others involving more of a cultural shift:

- The promotion of a supportive culture in which institutional issues (and potential risks) can be raised and where feedback and action is required from institutional committees and executive groups.
- The development of mechanisms by which feedback is routinely provided to AMR authors and their colleagues – both in general terms and in response to specific issues and action points – from line managers, Faculty Boards, QRASC and Academic Board committees.
- Reviewing the timing and focus of the process, and clarifying the role of QRASC in the scrutiny of AMR reports.
- Reviewing the specification of data provided to departments to ensure an accurate evidence base for AMR reports.
- The provision of staff development and support for course teams in drawing up and using action plans to support the work of course/department teams throughout the year; and to promote an inclusive approach to the AMR process in order to secure input into and ownership of the reports by staff and students.
- Reviewing the reporting format.

The quality management system

The internal audit was one of several exercises which informed the recent review of the College's quality management system, culminating in the publication (in September 2004) of a revised *Quality Management Handbook.* In this section we provide a brief description of the revised system against each of the project team's four characteristics of 'quality risk management'.

Predictive and context-focused monitoring.

Annual Monitoring and Review is now the keystone to the College's quality management system. The procedure has been revised on the premise that the identification of academic risks is best undertaken by staff working on the 'front line' and in direct contact with their markets and with their academic and professional communities. The reporting formats for AMRs are designed to encourage 'predictive and context-focused' monitoring. The AMR procedure also provides for phased reporting: the annual cycle starts in September with reports from academic departments, followed by reports from Faculties in December, from service areas in February and the Directorate in the Spring. The reports produced by Faculties, service areas and the Directorate are required to address the issues raised in the earlier stages of the cycle. This process is overseen by QRASC which is also responsible for producing an end of year commentary (the 'Annual Quality Review' or AQR) on the AMR dialogue. The 'emerging issues' identified by the AQR are then carried forward into the next annual cycle to inform the reports produced at department-level.

Within the AMR process, primary responsibility for the *identification* of academic risks lies with subject departments and the responsibility for *assessing* these risks in the light of other evidence (statistical data, external examiners' reports, internal audits and critical review panels) is assigned to QRASC and Faculties. Internal audit and programme review panels are also required to identify quality and standards risks, and they are instructed to ensure that their deliberations are also 'predictive and context-focused'. In addition, the College's procedure for the management of its collaborative provision provides for a more searching assessment of the risks posed by educational partnerships. Following the lead provided by the University of Durham, the memorandum of collaboration includes

an annex which specifies the distribution of responsibilities between the College and its partner which is subject to revision on an annual basis in the light of ongoing assessments of the risks posed by the partnership.

Integration

The integration of quality assurance procedures with the College's arrangements for academic planning and resource allocation is achieved, principally, by linking the AMR process with budgetary negotiations and the setting of intake targets, the initial approval of course proposals before they proceed to validation, and a strengthening of the procedures for the strategic planning of educational partnerships. With the introduction in 2004/05 of a new process which requires Faculties to submit annual Academic Development Plans (ADPs), there is now a stronger relationship between the 'risk-focused' annual monitoring reports produced by departments and Faculties and the longer term development of the Institution's portfolio.

The implementation of this aspect of Edge Hill's quality strategy presupposes, of course, that the quality assurance procedures are themselves effectively integrated with one another. For this reason, the *Handbook* has been revised to ensure that AMRs are fully informed by the evidence generated by other procedures in the College's quality management system and that, in turn, these procedures draw upon AMR reports and assessments of risk undertaken by Faculties and QRASC. The AQR plays a key role in drawing together the evidence generated by the College's quality assurance procedures.

In future, the AQR will include a summative assessment of the 'net risks' in each academic department. In Part 1 of this report, 'net risk' was defined as the product of the level of 'objective' risk and the extent to which a department demonstrated its capacity to manage risk. AMR reports provide indirect evidence relating to the former, and direct evidence of the latter. Whilst the QRASC assessment is based primarily on the content and quality of AMR reports, it is also informed by the evidence provided by statistical reports, validation and review reports, departments' Research Development Plans, and external examiners' reports. This evidence may lead the Committee to decide that an AMR constitutes an unreliable source of risk 'intelligence' with the consequence of a reduced level of confidence in the department's capacity to manage risk.

The summative assessment requires an analysis of:

- *Risk Factors and Exposure*: The institutional or external events and circumstances that could have a negative impact on the viability, quality or standards of a department's provision. These are factors that lie at or beyond the immediate temporal and spatial 'horizon'. Provision is 'at risk' if it is exposed to these factors and especially if their impact is already apparent.
- *Risk Potential*: Those features of a department and its provision that might expose it 'risk factors' – the characteristics of a staff group and its provision which could have a bearing on its capacity to withstand 'threats' or exploit 'opportunities'.[148]
- *Risk Management*: The capacity of a department to manage the risks to which it is exposed.

Appendix 3 provides an example of the guidance issued to QRASC members to enable them to complete this task.

148 The concept of 'risk potential' is identical to that of 'dispositional risk' (see Chapter III).

Enhancement

Quality enhancement is often limited to the identification, reward and dissemination of 'good practice'. Whilst this is a function of the College's internal audit procedure, its quality enhancement strategy goes further to ensure that, where necessary, action is taken on 'factors in the institutional climate or structures that are deleterious to learning and good teaching' and this includes a developmental and supportive approach to course planning and validation.[149] Quality enhancement should be assisted by the 'context-focused' approach to monitoring and review and the closer integration of quality assurance procedures with management-decision making. The identification and assessment of risks should also inform AQSC and management decisions to both support and subject to closer scrutiny any provision or activities that are found to present high levels of risk. To this end, validation panels formulate 'confidence statements' which draw upon an assessment of risk and, in turn, provide the basis for the approval conditions and recommendations set by them.[150]

Shared responsibility and a climate conducive to the disclosure of risk

Recent debates within AQSC and its Quality Risk Assessment Committee (QRASC) have underlined the importance of staff confidence in the committee structure as a forum for open debate and as a means to securing effective action in supporting departments that are faced with the task of identifying and managing significant risks. The committee structure has been revised to reflect an approach to academic governance that is based on the principle of 'dialogic accountability'.[151] This principle has also informed the redesign of the AMR process to ensure the accountability all parts of the College to one another for the maintenance and enhancement of quality and standards. The key role is performed by QRASC and AQSC in promoting the recognition that responsibility for the management of risk is shared between teaching staff and their managers, and in establishing an appropriate climate for the identification and assessment of risk.

Conclusion

Edge Hill's contribution to the project has focused on the development of the annual monitoring procedure as a source of intelligence both on actual risks and a department's capacity to manage risk. Realising the potential value of AMR reports has required significant changes to the College's arrangements for academic governance and to other procedures within the quality management system.

One rather obvious lesson that we have drawn from the work undertaken over the past four years is that whilst it is relatively easy to produce strategies, systems and structures, it is much more difficult to effect real changes in the

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149 John Biggs, *The Reflective Institution: assuring and enhancing the quality of teaching and learning,* LTSN Generic Centre, January 2002.

150 Given Edge Hill's current status as an accredited institution, it has been agreed that the principle of 'variable intensity' should not be interpreted as implying 'light touch' for provision and departments that are deemed to present low levels of risk.

151 The term 'dialogic accountability' was coined by Sue Wright to refer to governance arrangements in which 'different categories of staff (are) involved in *giving accounts* to each other…'. (*Enhancing the Quality of Teaching in Universities: through coercive managerialism or organisational democracy?,* LTSN Generic Centre, February 2003). It is broadly consistent with Michael Shattock's argument for a 're-balancing' of university governance (*Re-Balancing Modern Concepts of University Governance*, Higher Education Quarterly, Vol 56, July 2002).

culture of an institution and in the attitudes and behaviour of its staff. The troubled infancy of QRASC is a case in point.

In the light of the experience that we have gained, we believe that the full and effective implementation of a 'quality risk management' strategy will require continuing action on three fronts:

Staff development

The approach that we have adopted places responsibility for the initial *identification* of risks on staff engaged in the day-to-day delivery of academic programmes. Responsibility for the subsequent verification and *assessment* of identified risks lies with Faculties working in partnership with QRASC. The *management* of academic risks is a responsibility that is shared by all staff and by groups and committees within both the deliberative and executive structures.

The starting point for this 'bottom-up' process is, then, the large number of teaching staff located in academic departments. Our strategy is reliant on the quality of the information that they provide through the AMR process and, in particular, their ability to identify risks. The production of 'predictive and context focused' AMR reports has proved to be a challenge and, although many staff have embraced the language of risk, there is a tendency for them to use the concept as a synonym for 'things that might go wrong'. Quality risk management requires a more sophisticated analysis of a department's operating environment and, in particular, an informed identification of future events followed by an analysis of the ways in which these events might interact with one another to place provision 'at risk'.

Staff training is, therefore, essential if colleagues are to acquire a full understanding of the nature of risk, develop their skills in identifying and analysing risks, and if a risk-based quality assurance system is to be supplied with the 'bottom-up' intelligence upon which it is so crucially dependent. The AQU convenes workshops to assist staff in the production of their AMR reports, and the College's 'Guide to Enhancement' includes a chapter on risk assessment.[152] Similar provision has been made to support the chairs and members of validation panels in enabling them to make their contribution to the implementation of the strategy.

Governance

Staff development may be a necessary, but is a far from sufficient, condition for effecting attitudinal and behavioural changes. The confidence and commitment to change will also depend on the 'lived experience' of staff and, in particular, the culture of an institution which is itself a partial product of the way in which it is managed. For example, in Part I of this report it was argued that the requirement that teaching staff are frank in their disclosure of risks would be undermined in an institution with a strong 'blame culture'. Edge Hill's audit of its AMR process made the related point that the College's risk management strategy presupposed the development of a 'supportive culture', and the closer integration of quality assurance with management decision-making. It is for this reason that both Part I and this case study have placed such emphasis on governance as one of the four features of 'quality risk management'.

152 Appendix 4

There is also the question of external 'governance'. We have seen that some AMR authors are apprehensive about the ways in which a frank report might be viewed by some external stakeholders. In essence, the viability of our strategy for quality risk management will depend on our ability to negotiate 'modes of engagement' with external quality assurance agencies, including the QAA and PSBs, in which the frank disclosure of risk is viewed positively. These modes of engagement, and the concepts of accountability with which they are associated, are themselves a source of risk. Depending on their character, a commitment to innovation and to implementing the principles of quality risk management could either expose an institution to criticism or enhance its reputation with funding and regulatory bodies.

Enhancement

In Chapter V enhancement was described as an essential feature of 'quality risk management': it is consistent with forward-looking monitoring and review, and with a proactive approach to the management of risk. There are also indications that the QAA is beginning to place greater emphasis on enhancement relative to assurance and narrower forms of accountability. This is particularly marked north of the Border where the Agency and the Funding Council, working in partnership with Universities Scotland, have introduced 'Enhancement Led Institutional Review'.

An important task for the College is to develop an enhancement strategy that will enable it to manage its version of the risks that result from, for example, the need to widen participation whilst maintaining academic standards, and to achieve both in the context of limited resources. The more fundamental challenge is to develop a strategy that goes beyond the traditional emphasis on securing incremental improvements in staff practices through the 'dissemination of good practice', incentive schemes and training workshops.[153]

153 This point is developed further in C Raban, *The Falconer's Dilemma: turbulence, risk and quality management (www.ltsn.ac.uk)*

APPENDIX 1: CRITERIA FOR THE EVALUATION OF AMR REPORTS

1. Does the report appear to be the sole work of a single author (e.g., Head of Subject/Dean), or is it evident that it has been produced in a manner that draws upon the views of staff, students and other stakeholders, and which secure the full 'ownership' of the AMR by the staff group?

2. Does the report provide evidence of the appropriateness and effectiveness of action taken in response to previously identified issues?

3. Does the report provide an evidence-based analysis of (rather than merely describe) the activities of the reporting unit (the subject, course, Faculty or service area) during the 2001/2 session?

4. Does the report provide convincing evidence of the current 'health' of the provision for which the reporting unit is responsible?

5. To what extent might the report be described as 'context focused' and 'predictive', or is it merely provision focused and retrospective?

6. Does the report identify and analyse 'risks' that might affect the future quality and standards of the provision? What is the balance between the 'dispositional', 'provider', institutional and external 'risks' that the report identifies?

7. To what extent does the report identify appropriate action to be taken (by 'actors' at various levels) in response to the risks and other problems/issues that it discusses?

8. Is it possible for you to reach a summative judgement on the risks associated with the provision that is offered by the reporting unit?

9. What, in the light of the above, is your overall judgement of the quality of the AMR that has been produced by the reporting unit? Does this judgement enable you to draw any inferences about the ability of the reporting unit to manage the risks or challenges with which it is faced?

10. What recommendations would you make to QRASC on the action that it should take? Should it accept the report, request further details from the reporting unit or other sources, or refer the report?

APPENDIX 2: GENERIC FEEDBACK TO AUTHORS OF AMR REPORTS

Across the institution, there was a wide variation in format and style of AMR reports. Common areas of weakness in the reports were action plans, style and the evidence used to support statements in the reports. Some were reflective and evaluative, making good use of the evidence available, particularly external examiners' reports and student feedback. However, many reports tended to be lengthy and descriptive, making assertions and identifying actions that were not supported by a strong evidence base; and some were written in a style that would be more appropriate for an annual report. Some AMRs were written in a bullet-point style, which made it difficult for the reader to identify the key issues within the Faculty/Subject Area. In many cases, action plans were not well constructed - although the identified actions were pertinent, actors, timescales for action and success criteria were not always clearly articulated. Action points contained in the reports were often described as 'ongoing', making it difficult to ascertain which issues were priorities. Members noted that the action plans in most of the reports identified action to be taken at local level, by the Faculty or Subject Area. Few requests for action were directed towards the institution, despite the discussion of some major institutional issues within the body of many reports. Few reports were effective at identifying risk – although most AMRs provided a good picture of the issues faced by schools, QRASC members questioned whether the locally-focused action points identified were sufficient for the Faculties to achieve their objectives.

The readers of the AMR reports informed the committee that it was difficult to reach a decision about the management of provision within one or two Faculties due to the way in which some reports had been written. Members acknowledged the tension between the reporting requirements of external QA bodies and those of the institution but agreed that, since Schools were accountable to Academic Board (and, ultimately, Lancaster University Senate), judgements about the quality of academic provision should not be compromised by the demands of purchasers and other external stakeholders.

AMR reports from FE partner colleges tended to be descriptive and to contain an inappropriate level of detail whilst raising few substantive issues, making it difficult to identify the key issues that were facing staff involved in the delivery of HE programmes at the college. There was little evidence of student input, but an excessive reliance on external verifier reports as an evidence base. Reports tended to be a commentary on individual modules rather than a report on the overall management and delivery of the programmes. Action plans, where produced, did not appear to be derived from the issues raised in the body of the reports. Due to this it was difficult for members to make a judgement on the effectiveness of the management of the provision at the partner colleges.

APPENDIX 3: CRITERIA FOR THE ASSESSMENT OF 'NET RISK'

Criteria		Explanation	Evidence	Interpretation
Risk Potential	**Staff**	Staff capacity/capability (workloads and expertise, including relevant research and scholarly activity), stability and critical mass.	Statistical data: SSRs, staff turnover and the proportion of new staff and staff on PTCs. RDPs, AMRs.	Adverse indicators might be a high SSR, a significant reliance on PTC staff, low levels of external engagement and research/scholarship, and high staff turnover/proportion of new staff.
	Provision	Diversity (by level and area) and structure of taught programmes; number of 'free-standing' single honours awards; proposals for the development of courses in new areas; flexible learning; the nature and scale of collaborative including placement or outreach provision.	AMRs, ADPs and direct enquiries conducted by the AQU.	The evaluation of these data needs to be conducted alongside the assessment of staff capacity/capability, stability and critical mass.
Risk Factors/ Exposure	**'At risk'**	Provision is *actually* 'at risk' (the impact is already apparent),	AMRs, ADPs, External examiners' reports; retention, progression and awards statistics; student evaluations.	Student evaluations will be required for the completion of this exercise. Statistical data only provide indirect evidence of provision being 'at risk'.
	Risk factors	The department is exposed to institutional or external factors that *could* place its provision at risk.	AMRs, ADPs, validation and review reports.	The current quality of AMR reports may make these an unreliable source of intelligence. Additional information on learning resources may be required.
Risk Management		The capacity of a department to manage risk potential and risk factors/exposure.	Absenteeism/sickness rates; the quality of AMR reports; conditions and confidence statements in validation/review reports.	Caution should be applied in the interpretation of absenteeism/sickness. The evidence provided by AMR reports will need to be qualified by a recognition of the circumstances that may militate against the frank disclosure and analysis of risks.

APPENDIX 4: GUIDANCE ON RISK ASSESSMENT

Introduction

The recent development of Edge Hill's quality management system has drawn on the findings of the HEFCE-funded Good Management Project on 'Quality Risk Management in Higher Education'.[154] This project has emphasised the importance of 'predictive and context-focused' reporting, and the College's AMR and programme review procedures have been revised accordingly. The purpose of this chapter is to assist staff in the use of risk assessment techniques in preparing their AMR reports and submissions for periodic review ('critical reviews').

AMR and periodic review

AMR reports and critical reviews serve three purposes: they *assure* AQSC and Faculty Boards that quality and standards are being maintained, *alert* the institution to any factors that might place quality and standards 'at risk', and they provide a basis for effective *action*. In the past, the primary function of an AMR or critical review was to provide assurance and in this respect reports tended to be retrospective. The emphasis that we now place on the second and third purposes encourages the writers of AMRs and critical reviews to formulate action plans based upon an anticipation of *future* developments and *potential* threats to quality and standards. The intention is that these action plans should be proactive and preventative rather than remedial and reactive.[155] The AMR cycle – which is a significant departure from the traditional 'harvest festival' approach to annual monitoring – is also designed to promote prompt and effective action in response to the issues identified by staff.

The design of the AMR and periodic review procedures is based on the premise that 'front line' staff within academic and service departments have expert knowledge of their provision, the student experience, the impact of institutional factors on their day-to-day work, and of developments within their markets and within their wider academic or professional communities. These procedures are designed to capture this intelligence, and to ensure that the institution is provided with reliable advice on any current or future issues that may need to be addressed either by the department concerned or by other 'actors' at Faculty or institutional level.

AMR and critical reviews should be 'predictive and context-focused' – they should anticipate future developments and look beyond (without neglecting) the provision offered by a department. It is to this end that staff are encouraged to use 'risk assessment' techniques. These techniques are an aid to the systematic analysis and communication of factors that could have an impact on the work of a department. The ultimate purpose of such an analysis, and of our risk-based AMR and review procedures, is to enable us to formulate more cost-effective strategies for enhancing the quality and maintaining the academic standards of our provision. In this respect the AMR and periodic review procedures have developed from a previous concentration on their 'accountability' and assurance functions to give more emphasis to their role in promoting quality enhancement.

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154 For further details see C Raban and Liz Turner, *Academic Risk*, January 2003.

155 The rationale for this approach to quality management and, specifically, to annual monitoring and periodic review is set out in more detail in Chapters 1 and 3 of the *Quality Management Handbook.*

Risk and risk management

Mary Douglas has commented that 'risk' has been debased by common usage – 'it has become a decorative flourish on the word "danger".[156] 'Risk' is commonly used as a synonym for 'chance' or 'possibility'. Even in the more technical risk assessment exercises undertaken by institutions, the risks that are entered into 'risk registers' tend to consist of things that might go wrong – for example, an unfavourable outcome in a QAA subject review exercise or a failure to recruit students. The nomination of a 'risk' is often no more than a neurotic symptom! Used in these ways, the term has little analytical value because it tells us nothing about the likelihood of a danger occurring and the factors that might cause it. Because it has limited analytical value it cannot provide an effective basis for focused action – action which, given limited resources, will secure the future of an institution and of its provision.

The Funding Council has offered us a more useful definition:

> (A risk) is the threat that an action or event will adversely affect an organisation's ability to achieve its objectives.[157]

'Threat' implies a quantifiable calculation of probabilities and 'action or event' suggests some chain of causation. Edge Hill's approach to risk assessment reserves the term 'risk' to refer to these actions, events or factors which might impede our objectives and *not* to the failure to achieve the objective itself. The objectives will obviously include maintaining and enhancing quality and standards and securing the economic viability of courses. Our task is to identify the relevant factors (risk identification), understand the causal relationships between both them and our objectives (risk assessment), and on that basis determine a practicable course of preventative or remedial action (risk management).

Identifying and assessing risk

Risk assessment is a way of seeing and thinking – it encourages us to see over the 'horizon', to look forward into the future and beyond our courses and departments to focus on the institutional and external environments in which we operate. It may be helpful to treat this as an analysis that entails four 'Is': identification, interaction, impact and intervention. We need to *identify* the factors that might impede the achievement of our objectives; consider the ways in which these factors might *interact* with one another; assess the combined *impact* that these factors may have on our academic provision; and discern the opportunities for *intervention* to avert possible problems in the future.

So, when preparing AMRs or 'critical reviews' we should:

- Start by identifying an objective or desired outcome for a department. This is likely to be in one of two categories – economic and academic. The first relates to the viability of the provision, and the second to its quality and standards.
- Consider the various factors that might frustrate the achievement of this objective. In doing so, it might be helpful to work from the provision itself to consider factors within the department, factors that may operate at Faculty or institutional level, and finally factors within the external environment.

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156 Mary Douglas, *Risk and Blame*, Routledge 1992, p 40

157 HEFCE/Deloitte and Touche, Risk Management 'Good Practice' Guide, February 2000, para 1.2

- Think about the ways in which these factors might interact with one another to affect either directly or indirectly the objective (outcome).
- Finish by estimating the likelihood of each factor occurring and the magnitude of its impact on other factors or directly on the objective itself. A device that is often used in risk assessments is to assign scores between 1 and 5 to reflect 'likelihood' and impact. The significance of a particular causal relationship can then be expressed by multiplying the two scores with one another.

Having compiled a list of factors, it might be helpful in considering their probability and impact to work backwards from environmental to institutional factors.

Analysis, evidence and process

Risk assessment could entail the construction of a formal 'risk register' and a graphical description of the relevant risk factors and of the relationships between them. A risk register is merely a systematic record of a discussion between staff which could be rendered in diagrammatic form. But be cautious! These formal techniques may be too elaborate for the purpose of preparing an AMR or a critical review: they are simply devices that might help.

Staff teams should develop approaches of their own, ensuring that these are appropriate to their needs and suitable for the purpose of meeting Edge Hill's reporting requirements. Whatever method is adopted, it is <u>essential</u> that:

- Full consideration is given to current and future factors and circumstances at the levels of the provision itself, the institutional setting and the wider environment.
- The analysis of risks is based upon a full discussion involving *all* the staff within a department or subject/service area.
- Care is taken to ensure that the analysis is 'evidence-based' drawing, as appropriate, on relevant statistical data, student and staff evaluations, and the information provided by external examiners' and other reports. This evidence must be cited in the text of an AMR report or critical review.

The management of identified risks

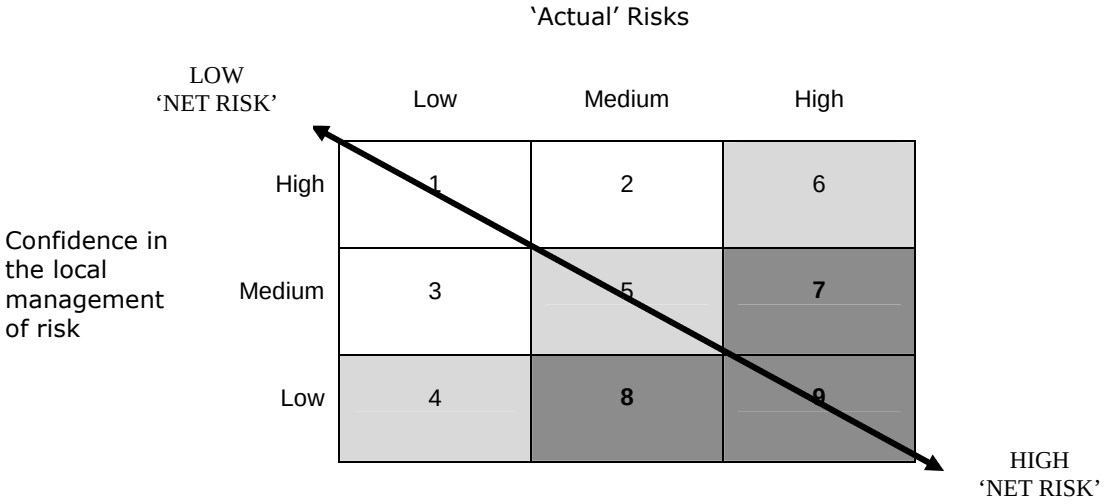
The construction of an action plan is the final and crucial stage in preparing a 'risk-focused' AMR or critical review. The analysis of risks should focus discussion of the action that should be taken by a department itself or by other groups, individuals or committees within the institution. Effective risk management presupposes that this analysis has identified already factors which have particular 'causal' significance based, perhaps, on an estimation of their likelihood and impact. Following this, two other decisions need to be made:

- Which factors are within the institution's (and/or the department's) span of control?
- What are the short-term opportunities for action, and which factors might be subject to intervention over a longer term period?

The two decisions are related. Some factors will be immediately amenable to departmental or institutional action, others might be brought within the span of control by the introduction of long-term measures. Long term action on factors that lie further up the 'causal chain' may prove to be ultimately more effective.

Interpretation and response

The AMR reports produced by departments are considered by QRASC and Faculty Boards; faculty, service area and Directorate reports are considered by AQSC. Both these committees, and periodic review panels (when they consider course teams' 'critical reviews'), will use these reports to establish the particular constellation of 'actual' risks that could have an impact on the work of a department. AMRs and critical reviews will also be used as evidence of the competence of a department or course team to manage these risks. A frank, analytical, evidence-based and action-focused report inspires confidence in a team. A report which does not possess these qualities will be viewed as an unreliable source of risk intelligence, and may lead a committee or panel to question the extent to which a team both understands and is able to manage the risks that are inherent in its provision or which lie within its span of control.



On the basis of these two considerations it is possible to determine what might be termed a level of 'net risk'. This is illustrated by the diagram above. In the future it is likely that a panel or committee will conclude that provision or departments that fall into categories 7-9 require a higher level of *scrutiny* and *support* (because they present a higher level of overall or net risk) than those which fall into categories 1-3. This could, for example, prompt a decision to require the resubmission of a report and/or that the periodic review of an area should be brought forward.

XI The Application of Risk Management Techniques to Processes within the Academic Life Cycle

Leeds Metropolitan University

Introduction

This is the final report of work undertaken at Leeds Metropolitan University within the HEFCE-funded Good Management Practice 250 Project: Quality Risk Management in Higher Education. It draws together the outcomes of four sub-projects conducted within the University for analysis and evaluation, enabling identification of good practice that may be relevant to institutions across the sector. The outcomes to date, in relation to the overall aims of the Project, are summarised, with cross-references where appropriate to the other projects within the partner institutions. The detailed reports from the sub-projects are appended.

The authors have also considered other texts on risk management in order to support developments within the University. Relevant evidence has been considered and, where possible, it has sought impartial and informed advice to build a shared understanding of the risks and options for action. The report identifies where evidence has informed the decisions that have been taken and will keep a variety of literature under review as new evidence comes to light from government, industry or the higher education sector.

Taken as a whole, the case study from Leeds Metropolitan University contributes to the overall project aim, that is, to advise institutions on the development of quality assurance systems that generate valid and reliable data for quality risk assessment and cost-effective risk control mechanisms that are consistent with the principle of 'variable intensity'.[158]

Institutional Context

The University quality assurance and enhancement systems reflect the history of the institution and its origins in a local authority context. Leeds Metropolitan University's origins can be traced back as far as 1824, the year in which the Leeds Mechanics Institute was founded. In 1868 this became the Leeds Institute of Science, Art and Literature, latterly Leeds College of Technology. A second element, Leeds College of Art, had its origins in a government school of design founded in 1846. A third constituent part of the 'proto-university', Leeds College of Commerce, began in 1845, when it was known as the Mathematics and Commercial School. Finally, the Yorkshire Training School of Cookery was founded in 1874; by the 1960s it had been renamed the Yorkshire College of Education and Home Economics.

In the early 1950s the Leeds local education authority decided to house the four colleges on a central site, the present City Campus. Leeds Polytechnic came into existence in 1970 and was enlarged in 1976 with the addition of the James Graham College and the City of Leeds and Carnegie College. The Polytechnic was a constituent part of the Leeds LEA until it became an independent Higher Education Corporation on 1 April 1989. In September 1992 Leeds Polytechnic changed its name to Leeds Metropolitan University and gained the power to confer its own degrees and other awards.

158 C Raban and E Turner, Academic Risk: Quality Risk Management in Higher Education: Interim Report, 2003, para 4.

In 1998 the University became one of only two English Higher Education Institutions to merge with a general-purpose further education college, Harrogate College. The merger reflected the University's aim to become a major provider of post-school to postgraduate learning opportunities.

The locus and foci of issues relating to risk management can be found in the mission and context of the University. The University has always focused on professional and vocational education and this is reflected in its current profile of courses. It makes a valuable local and regional contribution whilst maintaining an important national and international dimension to its work. The University has always sought to offer opportunities for education, training and development to those who might otherwise not have them and is proud of its commitment to being a university of applied learning. The University offers courses from further education, through sub-degree and degree, to postgraduate and research awards. The portfolio includes over 200 undergraduate and sub-degree programmes and over 120 postgraduate programmes. The University also offers a full profile of further education awards.

The University has approximately 41,000 students of whom over 27,000 are studying for higher education awards. Part-time students make up 60% of the total, the gender balance is roughly equal, and the age profile shows approximately 65% are over twenty-one. The University has a total staffing complement of nearly 2000. This comprises approximately 750 teaching and research staff and over 1200 support staff.

Leeds Metropolitan University is a Higher Education Corporation with charitable status under the provision of the Education Reform Act 1988. The University's Board of Governors is responsible for the following: determination of the educational character and mission of the University and oversight of its activities; the effective and efficient use of resources; the solvency of the University and the Corporation, and the safeguarding of their assets; the approval of annual estimates of income and expenditure; the appointment of the Vice-Chancellor and certain other senior post holders, and the framework of pay and conditions for the staff of the University. The regulatory framework of the University, and the executive and academic structures are all derived from this background.

The University's mission as identified in its Corporate Plan 2000-2004, is:

> 'to engage in teaching and research of high quality and of value to society, which will enable the greatest number and widest variety of people to develop the capability to shape their future and to contribute to the development of their organisations and communities.'

Linked to the corporate plan are strategic aims, and associated operational plans. Key risks, and their perceived level of impact, have been identified against both the corporate and operational plans since 2001/2002. These in turn inform proposed activity and performance targets documented within the corporate plan.

Attitude to risk and its management

This section relates to the University's overall attitude to risk and its management. The project team discussed the need to identify key features that would indicate institutional awareness of risk and its management whether or not the specific terminology was used. The project team identified areas where possible improvements could be made through the application of a risk-based approach. They included the ability to be more proactive, the ability to adopt a selective approach to quality assurance procedures and embed quality assurance

systems that are integrated with each other and with other forms of management decision making. It was important however to ensure that any systems developed did not foster risk aversion and would not lead to or incur an undue diversion of resources from the core activities of teaching and research.

Strategic quality issues are integrated within the educational strategies together with the relevant resource-based strategies, which underpin them. They are also embedded in the regulatory framework and the consequent policy, practices and procedures that have been designed and developed. Additionally the loci for quality assurance and quality control are clearly defined and understood at all levels within the institution.

The University pursues a policy of devolving substantial operational responsibilities for managing the quality of taught provision to its faculties. It is the responsibility of all staff to maintain and enhance the quality of the University's educational provision. The level of developmental activity across the University is substantial and demonstrates the benefit of placing quality assurance and control close to the point of delivery.

The exercise of quality control is formally located with Heads of School, and the operation of quality assurance processes as the responsibility of faculties, chiefly carried out through the deans with the support of the relevant faculty committees. At University level, the Academic Registry holds certain quality assurance responsibilities, but primarily acts in an audit and quality enhancement capacity.

The organisational structure, including academic and central service areas of the University, encompasses both the deliberative and executive management mechanisms. There is a clearly defined twin-track approach to quality management: a formal committee or peer based route and a professional or managerial route. This approach is considered essential to achieving quality control, enhancement and assurance with respect to the student learning experience.

The University is acutely aware of its accountability to stakeholders and how the mechanisms for evidencing such accountability are developing and changing. In the light of this the University has put in place a series of initiatives which will facilitate alignment with the requirements of external scrutiny. A major initiative is the current review of the regulatory framework, which will assure alignment with the QAA Code of Practice, the National Qualifications Framework, professional bodies' requirements and the post-16 curriculum. This reflects the proactive approach of the University in which anticipation of requirements and environmental awareness informs planning.

It is important to note that the University recognises areas of risk as potential opportunities as well as threats. This is evident in the various processes of the University. A particular example of this is the use of risk management techniques in major estates projects to secure cost effective plans within a quality assured environment.

The application of quality risk management methodologies was explicit in the University's corporate and operational plans. However it is also implicit in the University's academic regulations and many of the University's processes. The processes are based on the concept of risk management but do not use the specific terminology related to the area. For example, at an operational level, managers assess regularly the likelihood of risk across a range of activities both internal and external to the University in the review, development and

maintenance of the University strategic academic portfolio, preparation for external scrutiny, and overseas developments.

The processes related to programme development, approval, monitoring and review require all staff to identify issues that will affect the programmes of study and identify action plans to address these issues and further enhance the academic provision. Academic audit, which occurs annually, requires a review of all academic activity within the period and the identification of specific areas that may require or benefit from further examination so that the University may be assured of the quality and standards of its academic provision. In addition a key focus of academic audit is the dissemination and sharing of good practice to promote enhancement. All the processes developed require detailed consideration and evaluation against standard criteria that address key issues. The criteria are encapsulated within the regulatory framework of the University and are then translated into guidelines and checklists to support staff engaged in each process. It is timely to consider the benefits of adopting a more formal/explicit approach to risk management that enables a prioritisation of engagement through consideration of risk factors, risk indicators and impact at an operational level.

Articulation with the GMP250 project

The University wished to join the project because it would provide a focused opportunity for sharing experiences and expertise with other institutions. The project has served to increase our institutional awareness of the possibilities of further developing a risk management culture in relation to quality and has supported the institution in moving towards an integrated approach to quality systems with a focus on risk management and enhancement. The University believes that the synthesis created by the partners in working together has resulted in innovative approaches to inform future developments within the sector and provide exemplary activity that can be transferred to different situations.

The University also elected to participate in the project in order to develop cost-effective approaches to quality assurance and management consistent with the principles of risk management. This approach was in line with the emerging requirements of HEFCE, the QAA and other external stakeholders. It is interesting to note that as the project has progressed the use of risk management as a process continues to support a proactive approach to the management of quality.
As a member of the project team, Leeds Metropolitan University was closely involved in the project since its inception in 2001. We contributed to shaping the development of the project, from the initial survey through subsequent stages. Our findings have been presented for discussion and dissemination both at project team meetings and at national fora, including the Quality Risk Management (QRM) conference held at Universities UK in October 2002, the HEFCE Good Management Practice Conference in December 2003 and the CHERI conference on 'Institutional Audit – Where Next?' in January 2004. .

The University submitted a sequence of proposals for activity as required by the staged approach taken towards completion of the project. Reports were provided as requested to the Project Co-ordinator, following approval by the University's deliberative structures to assure the validity and reliability of the project outcomes.

The University established a Steering Group composed of senior academics from across the University who would have an oversight of the project and the Head of Quality who would represent the University at national meetings. The University identified the need for academics across the University to be involved in the

project. Regular reports would be made to the steering Group on progress made and the possible implications for operation within the University. Members of the Steering Group would be involved in the project as they wished and according to the relevance of the project to their area.

Project Stages

Within Stage 1 of the project[159] the University undertook an initial audit of its quality assurance systems and approach to risk management. Based on this initial audit, it was decided that the most effective way of taking the project forward and meeting its objectives would be to focus on specific areas of the University's quality assurance systems that would benefit from review and possible modification through looking at risk management as it applied to academic activity and the related quality assurance and enhancement processes.

The initial discussions within the University were based on initial documentation provided through HEFCE.[160] The University benefited from the advice, and examples of best practice that HEFCE and other representative bodies have produced. It was particularly relevant that the examples and guidance related specifically to higher education. The University welcomed the fact that the guidance was not prescriptive and provided a good basis for discussions about approaches to the review.

The results of the discussions led to an approach based on the life cycle for the academic provision. Key areas were selected for consideration within the cycle of activity at various stages. Each area of activity selected was developed as a sub-project, led by a senior academic colleague, within the University's overall participation in the project.

In the next stage of the project, project teams used the concepts of risk management and applied them to each area of activity and hence identified the various factors that could place the standards and quality of provision at risk and also the indicators that might suggest that risks were already being incurred. This development then led the teams to seek ways to incorporate risk management tools and techniques into the quality assurance processes. The outcomes of these processes would be to identify recommendations for the reform, or 're-engineering', of institutional quality management systems.[161]

The final stage of the project would be to bring their findings together to develop a methodology which was applicable to the University but could be shown to have currency across the sector, in line with the project brief. The methodology involved the initial identification of quality risk factors and risk indicators which could affect particular institutions, and consequent identification of procedures for the assessment of risk that utilised the deliberative structures of the University. It took into account the outcomes of the survey of HEIs undertaken at Stage 1, and was implemented across all the sub-projects within the University.

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159 C Raban and E Turner, Academic Risk: Quality Risk Management in Higher Education: Interim Report, 2003, Appendix II.

160 Risk Management: a briefing for governors and senior managers (HEFCE 01/24): an introduction to help the governing body and head of a university or college to assess risk management in their own institution. Risk Management: a guide to good practice (HEFCE 01/28): a practical guide aimed at those involved in planning, launching and implementing a risk management programme.

161 C Raban and E Turner, Academic Risk: Quality Risk Management in Higher Education: Interim Report, 2003, para 4.

Each sub-project report provides an account of the contextual background of the selected area of activity, the initial stages and application of the methodology developed, proposals for the reform of processes and outcomes. In this way, the methodology is demonstrated in various 'live' areas of activity, enabling colleagues across the sector to benefit from the experience gained and identify those points which may be relevant to their own institutions.

Scope and focus

The areas listed below were developed as sub-projects:

a) The strategic planning approval process and consequent activity at all levels of the University;

b) Identification and management of risk factors related to the quality management of courses;

c) The implications and benefits of adopting a quality risk management approach to overseas collaborations;

d) The implications and benefits of adopting a quality risk management approach to other forms of partnership.

These four sub-projects were selected because together they represent the lifecycle and fundamental building blocks for academic development within the University. The University Steering Group agreed that this eclectic approach would provide evidence for future development throughout the academic development lifecycle. The University Steering Group also considered the degree of transferability that could be expected for the rest of the sector. It was agreed that whilst individual institutions would have differing processes and procedures, the actual areas of risk remain the same. Therefore though there will be variation in practice across the sector, the basic need to approve the academic portfolio would remain the same. It was therefore felt that the four sub-projects would provide elements of good practice that could be transferred across the sector.

The sub-projects were agreed on the basis of staff interest, results from audit and other initiatives that had identified these areas as an issue for review. They also provided good opportunities for linking the academic and management areas of the University. All project teams were led by senior academics.

The University Steering Group used the findings from the Interim Project Report[162] to inform the project plans. Specific consideration was given to how risk is viewed in higher education and what its possible impact would be on academic quality and standards. There are a number of models used in consideration of the higher education risk regime.

The project teams were asked to consider whether institutions be better equipped to survive the dangers that beset the sector if they were to extend the application of risk management principles to the assurance of academic standards and quality. The group considered the concepts of 'fit for purpose', 'old wine and new bottles', familiar themes but alien language, and redundancy in systems. The benefits of integrating these discussions into other work concerned with embedding the concepts a quality culture within an institution were also considered.

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162 C Raban and E Turner, Academic Risk: Quality Risk Management in Higher Education: Interim Report, 2003.

An important aspect of the sub-projects was also the consideration of how current approaches to risk management could be adapted for quality assurance processes when considering both academic standards and the quality of the student learning experience. Discussions around these issues took into account the sensitivities of staff and the realities of the current context of higher education. This entailed looking at what pitfalls could be associated with a risk management approach including any failure to secure full participation by staff. There were also identified dangers in integrating managerial decision making with academic quality assurance particularly in terms of compromise and conflict between the deliberative and executive systems or trying to implement change too quickly. Great care was taken to avoid the dangers of creating a 'blame culture' that is risk averse and therefore allows missed opportunities and the dangers of reducing opportunities for frank and open discussion and exchange of ideas.

The project teams were asked to address issues such as how this type of development related to the realities of external scrutiny. This question raised further issues relating to enhancement and how focus is achieved, and whether risk assessment and risk management could support enhancement. Quality risk assessment and quality risk management have the potential to improve the cost-effectiveness of institutional mechanisms for securing accountability and at the same time move quality assurance towards quality enhancement but how would this be achieved?

Aims and methodology of sub-projects

The aims of each sub-project were determined as:

- To identify various factors within the specific area of activity that may place quality and standards of provision at risk and the particular implications for an integrative quality system;
- To identify possible risk indicators and procedures for the assessment of risk that would suggest that risk is present in a given situation, including the scale and scope of any risk.

In planning and conducting the sub-projects, the following aspects were considered:

a) the nature and context of Leeds Metropolitan University in moving towards a more explicit, risk assessed and managed approach;

b) some of the issues and challenges facing the institution in terms of the mission and national context;

c) designing a simple methodology that could be common to all project teams so that it would enable all teams to consider the testing of similar tools and techniques;

d) how a variety of tools and techniques could be applied;

e) the potential benefits of adopting an approach based on risk assessment and risk management (in terms of being more proactive in planning and decision making).

A methodology was designed and applied to each sub-project to support them in moving forward:

a) To undertake an initial review and analysis of current processes and procedures operating within the specific area of activity;

b) To research and review the benefits of risk management and assessment, including a review of the tools and techniques, in determining a more effective approach to the specific area of activity;

c) To identify risk factors and indicators, using relevant tools and techniques to quantify the results and therefore be able to propose revisions of current processes and procedures to reflect benefits of applying risk management through a range of pilot activity.

The following section provides a synthesis of the outcomes from the sub-projects, while the detailed reports are appended at the end of this chapter.

Process

In each case, the project team conducted a review of the existing processes and procedures in the area of activity, involving discussions with experienced staff. This comprised an analysis of:

- relevant literature to synthesise the outcomes of any similar developments;
- the various stages in the processes and procedures associated with the specific area of activity and the purpose of these stages including the range and type of information collected at each stage and the types of documentation produced;
- how the information collected would be used and the expected outcomes of the processes including a review of the arrangements for monitoring, review and evaluation of the various stages within the overall process.

This initial analysis led to an identification of risk factors, the essential elements within the process where risk could occur and risk indicators or measures which identified changes that needed to be addressed. It is interesting to note that these occurred in the process itself, the procedures governing the process, those responsible for implementation and the regulations and documentation that supported the process. Other issues relating to the level of risk aversion that was generated and the extent to which the process was reactive or proactive also arose.

Following the initial analysis, it was decided that a multi-stranded approach should be adopted in order to determine a more effective approach to the quality process in each sub-project, bearing in mind that both the processes themselves, and the outcomes of the processes were under consideration. Qualitative risk management tools and techniques were used to provide useful information to support the streamlining of the process and enabled the project teams to consider effective action.

The teams were particularly interested in any redundant features of the process or unnecessary duplication of activity, any appropriate changes to be made to the process, and any areas of activity or decision points which could put academic provision at risk.

In reviewing available tools and techniques, the project teams took into account the requirements of the particular quality management process under consideration. In each case, appropriate tools and techniques were selected according to factors such as the nature of the data (quantitative or qualitative), the need for analysis of multiple factors, the desirability of combining several techniques, and the level of staff experience. Details of the various tools and techniques, and how they were applied according to the context of the situation, are given in the project reports. Furthermore, many of the tools and techniques

were common to all the sub-projects, where the simpler tools proved effective in initial analysis and evaluation of situations and led to improvements during the development stage

Through consideration of the stages within the process, the project teams were able to consider and identify risk indicators that would provide early warning of potential problems/issues arising. The risk factors that would have most impact on the academic provision, and thus the institution, were isolated at each stage of the process. Quantitative techniques were applied to assess the costs and benefits of the process, the probability and impact of occurrence of risk factors considered within the process and also to the monitoring and review of developments.

As a result of the projects, a number of revisions and/or enhancements to existing processes and procedures were proposed to reflect a risk management approach, including the use of appropriate tools and techniques. Details are provided in the project reports. Changes were intended to develop more streamlined processes, avoiding duplication and unnecessary bureaucracy, and the incorporation of explicit consideration of identified risk factors and indicators. These included revision of standard documentation and adjustments to workflow processes and timing. Where appropriate, an existing process was adapted according to pertinent circumstances to support the principle of variable intensity. Enhancements to information systems were also proposed to support provision of monitoring and tracking information where gaps were identified.

Pilot projects were established in order to test out the proposals identified in each sub-project. Although it is too early to evaluate these fully, the initial feedback from the pilots indicates that:

- Revised quality management processes have led to a reduction in duplicated activity, and are therefore more cost-effective;
- Both senior managers and staff welcome the benefits of more streamlined processes;
- The tools and techniques employed are proving effective in providing relevant and timely information to staff for assessment and therefore management of risk;
- There are opportunities to explore the use of more complex tools and techniques within some areas of activity, which would require further resources.

Change management and innovation

The revisions of quality management processes which have been proposed as a result of the project are being considered through the deliberative structures of the University, although full evaluation from the pilot projects, including expected costs and benefits, has not yet been completed. They include:

- A review of the relevant sections of the regulatory framework, comprising academic regulations and guidance to staff, in order to support a risk management approach;
- A review of key documentation in order to reduce redundancy in the systems, provide more reliable and accurate information for students and stakeholders, and reduce costs of producing and maintaining documentation;

- A clarification of roles and responsibilities within the process, leading to improved staff ownership[163];
- A review of the interface between those aspects of quality management processes which are devolved to Faculties and those at institutional level.

Across all the sub-projects, it was found that identification and management of risk factors and indicators took place throughout the various processes, although this was not always explicitly acknowledged. Therefore attention should be focused on the need to:

- identify and concentrate on the key risk factors that are critical to the success of each area of activity and have the greatest impact;
- manage these risk factors properly to minimise any undesirable outcomes;
- identify any risk factors which may go wrong but would not have a serious effect on the activity as a whole, and which may therefore be managed without introducing unnecessary complexity and wasting resources.

Participation in the project has supported innovation within quality management processes, in that it has enabled the development of new tools and procedures[164]. These aim to support variable intensity within QA processes by taking into account relevant external and internal conditions[165].

Outcomes

Each of the sub-projects resulted in a more streamlined and informed approach to both the process and the procedure. The tools and techniques differed according to the particular area being reviewed. Generally the simpler the tool the more effective it was. The use of language was also critical. It was found to be more effective to avoid jargon related to risk management.

The outcomes of the project on strategic planning and approval provided the impetus for discussion within the University to gain approval for the revisions to the overarching process. Areas of duplication were identified which in turn led to a more streamlined approach. In addition it was possible to determine a set of criteria that could be used to ensure that risks were identified at an early stage. A further outcome was that the sequence of activity and need to provide information was reallocated to more appropriate stages of the process. Changes were required to the regulatory framework and these have now been made. Once the new process has been fully implemented, further evaluations of the changes and the expected/achieved costs and benefits will be reported to the University.

The second project focused upon the various internal and external factors which may impact upon the quality of programmes of study. The project team considered the existing processes and procedures used to identify emergent risks and how a more explicit risk management approach could make these more effective. As well as tools and techniques for risk management, the project team considered the context within which these were applied and ways in which departments and Schools might reflect upon and enhance their risk orientation. Preliminary feedback from the pilot activity indicates that Scorecards provide an

163 C Raban and E Turner, Academic Risk: Quality Risk Management in Higher Education: Interim Report, 2003, para 88.

164 C Raban and E Turner, Academic Risk: Quality Risk Management in Higher Education: Interim Report, 2003, para 76.

165 C Raban and E Turner, Academic Risk: Quality Risk Management in Higher Education: Interim Report, 2003, para 61.

effective means of collating and displaying risk indicators associated with programmes of study. The outcomes of the sub-project will inform further discussion within the University. The ongoing pilot activity will be evaluated in terms of the effectiveness of the overall scorecard approach. In the short term, it is proposed to design a number of scorecards for a variety of purposes, at a variety of levels, to support existing quality processes within programmes of study. A number of commercial software products which support the formation and presentation of Balanced Scorecards will be investigated. The adoption of Scorecards requires an integrated, university-wide, management information system and relatively sophisticated querying and analysis tools. These requirements would be necessary to enable transferability of the methodology across the HE sector.

The third sub-project was related to the risk assessment and management of partnerships and collaborations overseas. This area can represent significant risk to any institution. The outcome of the project was the identification of a range of tools and techniques (fully explained in the case study) that can be used to manage the situation more effectively. The results of the pilot activity have now been transferred into mainstream operations. Changes were made to the regulatory framework to ensure that the full range of risks and opportunities were considered when planning for an overseas development. It is interesting to note that much of this work is now incorporated into the revised QAA Code of Practice Section 2.

The final sub-project sought to transfer the good practice identified in the overseas collaborations into more general partnership arrangements. A fundamental review of the process identified many issues relating to both process and procedures. The findings were triangulated with the work being undertaken by Durham University and there was mutual sharing of information. The outcome of the project is a more streamlined approach with variable intensity depending on the form and type of relationship. Again it was found that the simpler tools for risk assessment and management were more accessible and therefore more likely to be used.

Evaluation and next steps

The project team identified a number of ways in which risk management and assessment and associated techniques can be applied to review quality processes in a post-1992 university. The use of risk assessment and management was not used as an end in itself but rather the team identified that it could be used in conjunction with other management techniques. They concluded that it can support the further development of systems that assure the quality and standards of provision and provide evidence that processes and procedures are fit for purpose.

The pilots demonstrate that the application of a risk management approach can lead to a more proactive approach to quality management in large, complex and diverse institutions. The benefits of an explicit approach to risk management can be seen in the early identification of risks to quality and standards. These benefits can be used in supporting the principle of variable intensity within the audit function of an institution, by providing relevant information.

The project outcomes also demonstrate that by undertaking the activity they developed a more complete and holistic understanding of risk through the incorporation of risk assessment and management techniques in quality processes.

It may be useful to consider the introduction of risk assessment and management within the overall context of the management of change. In this context, there are a number of elements which it may be beneficial to consider and plan for, such as:

- consulting widely with staff to gain ownership of any new process;
- determining an outcomes-based model which will deliver the requirements for each stage of the new processes;
- considering any modifications required to the regulatory framework to reflect the new processes;
- developing processes that provide timely and accurate information without complexity or bureaucracy.

The project has identified the potential for enhancing the various quality management processes to make them more streamlined, informative and cost-effective. Incorporation of risk management tools and techniques has enabled more effective action planning to support variable intensity. The emphasis on systematic use of data within management information systems has supported strategic planning. Areas for further review have also been identified, involving integration within and between the sub-projects[166].

166 C Raban and E Turner, Academic Risk: Quality Risk Management in Higher Education: Interim Report, 2003, para 65.

QRM Sub-project Report: Strategic Planning and Approval Processes

Overview

This sub-project examined the application of risk management principles to the strategic planning and approval processes of the University and explored the use of some tools and techniques to support analysis and review of the processes.

Background

At the start of the sub-project, the requirements for strategic planning and approval processes were set out within the University's regulatory framework but had not been reviewed since 1999. They comprised the following stages:

1. Completion of a Strategic Planning Approval (SPA) Form for any development of academic provision in order to gain strategic planning approval from the University via the Deputy Vice-Chancellor;
2. Confirmation of approval to the faculty and tracking and recording within Academic Registry;
3. Programme developments within faculties and schools resulting in an academic approval event. This was followed by a recognition/validation event where a partnership arrangement was involved;
4. Completion of a Final Faculty Approval Form when the approval (and / or validation) event had been concluded and any conditions met;
5. Entry of the provision on to the student information system to enable registration and enrolment.

Written guidelines and standard documentation were provided centrally by Academic Registry to support staff in the SPA process, and staff development sessions were also available if required.

Analysis of existing processes

The project team, informed by discussions with staff, analysed the existing processes, and found that there were three broad areas which might benefit from review:

- the purpose of the various stages in the SPA process and the required outcomes from each stage;
- the range and type of information collected at each stage, its potential uses and the types of documentation produced;
- the processes for monitoring, review and evaluation of the various stages.

The project team determined that a flow chart would be an appropriate tool to support analysis of the stages of the SPA process. The resulting flowchart (see Appendix A) was evaluated in terms of the University's mission and the objectives of its operational plan, and the regulatory requirements. This enabled the identification of any gaps, any redundant or duplicated stages in the SPA process and where there was value added.

Although the nature of information generated within the SPA process is essentially qualitative, quantitative techniques could be applied to the cost/benefit aspects of the process, the probability and impact of risk factors considered within the process and also to the monitoring and review of developments. The team used a probability/impact analysis tool to identify the key issues to monitor and review throughout the process (see Appendix B).

The standard forms requiring completion at each stage were mapped according to section and purpose. This revealed some areas of duplication, where the team carefully assessed whether the duplicated activity added value to the security and rigour of the process or whether it was redundant. Additionally, certain information was requested before relevant discussions had taken place within the course development teams. Grid matrices were selected as a tool to conduct the analysis and resulted in the construction of a number of contingency tables (see Appendix B).

A number of different elements were identified which contributed to monitoring, review and evaluation of stages within the SPA process. Each of the following elements was analysed in terms of its purpose, format, reporting mechanism and impact on the overall process:

- a business specification;
- a database for tracking and recording the progress of all SPA instances;
- processes for monitoring, reviewing and evaluating the progress of each programme of study;
- reporting on the outcomes of each programme of study;
- processes for reviewing recruitment to programmes of study.

From this analysis, the following issues were noted:

1. the SPA form required detailed information at an early juncture about issues that were only considered later in the process and did not easily facilitate minor changes;
2. the form was used for different purposes;
3. certain elements required within the regulatory framework were not included in the form;
4. the form went through many stages, leading to possible delay;
5. the required documentation seemed to involve duplication of effort;
6. the monitoring and tracking systems did not readily provide information about what stage a particular form had reached;
7. infrastructure issues regarding the requirements for documentation, its completion and updating.

Evaluation, review and outcomes

Through this analysis, the project team found that the existing SPA process implicitly entailed risk assessment and management related to strategic planning of the University's portfolio. Risk factors were identified as matters for consideration or decision points which could put academic provision at risk, e.g., the size and shape of the portfolio, adequacy of market research, the possibility of too much development at the expense of consolidation.

The findings of the analysis were confirmed with a focus group and used as the basis for a review of aspects of the overall SPA process. The key risk factors and indicators were isolated through the use of the grid matrix tool as demonstrated, being those which could have most impact on the institution. The review aimed to focus attention on these key factors that need to be monitored and reviewed at each stage. In this way, the SPA process would integrate risk assessment and management more explicitly, and early and focused consideration of risk factors and risk indicators would provide early warning of potential problems/issues arising, enabling an informed decision to be made. However, it was important to note that the use of these risk assessment and management techniques should not lead to risk aversion.

The project team also found that there were aspects of the SPA process which threatened its effectiveness. For example, there was fragmentation and lack of clarity in the location of, and responsibility for the various monitoring, review and evaluation elements. The monitoring database provided information about individual developments but did not provide information to support management of the overall portfolio. Therefore changes were proposed to streamline the process, building on the analysis in the flowchart tool, in order to improve its efficiency and effectiveness.

The purpose, format and content of documentation required at each stage of the process were reviewed, leading to appropriate amendments which lead to less redundancy in the process and more reliable and accurate information for students and stakeholders. In addition, they lead to a more cost-effective and efficient approach to the production, maintenance and updating of documentation.

A need for clarification of the ownership, roles and responsibilities within the process was identified. Some changes have already been implemented but other aspects are subject to a further review, given that responsibility for some aspects has been devolved to the operational level.

In summary, the review led to a number of changes to the existing SPA process, including:

- a clearer focus on outcomes and consequent clarification of roles and responsibilities within the process;
- a requirement to provide information only at the appropriate stage;
- a streamlined approach to the development and updating of documentation;
- additional requirements in relation to the monitoring, review and evaluation stages of the process.

Further proposals are under discussion including amendments to the regulatory framework, focusing on the academic and business needs of the institution, and opportunities to review the interface areas within the process.

Conclusions

The project team identified how the application of risk management and assessment and associated techniques could be used to review quality management processes, and concluded that there are potential benefits to be achieved in undertaking this. In this case, the use of appropriate tools and techniques relevant to the context identified areas for improving the SPA process. The application of risk management was found to support the development of systems that assure the quality and standards of provision and provide evidence

that quality management processes and procedures are fit for purpose. Through identification of risk factors, risk management can lead to a more proactive management of the portfolio in large, complex and diverse institutions. Furthermore, relevant information may be provided to support the principle of variable intensity within the audit function.

The change process

Risk management and assessment was not used as an end in itself but rather the team has identified that it can be used in conjunction with other management techniques. It may be useful to consider this project within the overall context of the management of change. A quality culture can be integrated within an organisation only when its processes are owned by the staff who implement them. The introduction of risk assessment and management therefore may require consideration of the wider management of change and include elements such as:

- consulting widely with staff to gain ownership of any new process;
- determining an outcomes-based model which will deliver the requirements for each stage of the SPA process;
- designing strategies that meet the needs identified in the two points above;
- considering any modifications required to the regulatory framework to reflect the new processes;
- developing processes that provide timely and accurate information and yet avoid unnecessary delays by creating complex systems.

Next steps

The outcomes of this project provided the impetus for discussion within the University to gain approval for the revisions to the SPA process proposed above. This will have implications for the method of implementation, monitoring and review. Once implemented, further evaluations of the changes and the expected/achieved costs and benefits will be reported to the University.

Appendix A

Strategic planning and approval process: Example of value-added analysis

Stage of process	**Value added**
SPA form sent to Academic Registry - Quality Enhancement and Development Unit (QED) for tracking purposes	Supports control of the portfolio and quantitative data relating to number of planning instances, progression to academic approval and operational approval
Scrutiny by Academic Quality Manager and Academic Registrar	Enables a university-wide perspective to be taken in relation to corporate strategy and operational objectives
Scrutiny by other senior managers where necessary	Avoids any conflict within the portfolio
Approval decision made by Deputy Vice Chancellor	Decision-making at appropriate level of the institution with full information
Internal memorandum sent to Academic Registrar by the Deputy Vice Chancellor informing of decision (copied to Academic Quality Manager, relevant Dean of Faculty and members of staff)	Provides audit trail and signal to proceed, facilitates tracking and monitoring of the portfolio
Further activity/discussions to meet any conditions set	Enables resolution of potential conflict
SPA decision (and associated Memoranda) noted in QED, and file copy maintained	Facilitates tracking and recording and triggers activity in relation to collaborations and partnerships
Academic approval	
Faculty Final Approval Form (FFAF) sent to QED for tracking and scrutiny by Academic Quality Manager	Completes tracking and monitoring process – enables statistics to be produced. Resolves any issues relating to the award and its entry on the information system
Any quality issues noted and queries raised with Faculty and/or School	Enables timely updating of incorrect information
Approval entered on SIS	*NB These four stages are achieved in a single step within the new student information system - some issues thus resolved*
Fees entered, modes and stages listed and planned on SIS	
Award Set authorised on SIS	
Fees queries raised with Faculty / School	
Production of enrolment forms	Completion of the process

Stage in process	Value added	How measured	Gaps identified

Appendix B

Determining choices – qualitative and quantitative tools

This table was used to compare the effectiveness of one process against another for a particular type of relationship:

Key factors/stages	Weighting of importance (1-10)	Process A	Process B	Process C
Totals				

Determining focus

This table was used to consider different processes and evaluate the effectiveness of the approach in terms of risk and impact.

Risk factor	Risk indicator	Probability factor (0-100)	Impact factor (1-10)	Risk index

Risk management

This table was used to support the clarification and identification of roles and responsibilities within a partnership development, and their allocation at an appropriate level within an institution:

Risk factor	Risk index	Risk management – action required	Level of responsibility	Allocation of responsibility

Comparing sources of information

Documents	Detail of programme	Admissions section	Programme structure	Assessment of programme	etc
Prospectus					
Programme specification					
Definitive document					
Student handbook					
Module descriptors					

QRM Sub-project Report: Monitoring Programmes of Study

Overview

This sub-project focused upon the various internal and external factors which may impact upon the quality of programmes of study. The project team considered the existing processes and procedures used to identify emergent risks and how a more explicit risk management approach could make these more effective. As well as tools and techniques for risk management, the project team considered the context within which these were applied and ways in which departments and Schools might reflect upon and enhance their risk orientation.

Background

Significant amounts of information relating to a programme of study are collected by agencies within and outside the University. At the student level, detailed statistical information is collected relating to their applications, progress through enrolment, induction, attendance at classes, success in coursework and examinations, extenuating circumstances, etc., forming a complete history of their engagement with the educational process and their performance. This information is collated at the programme level and aggregate data produced. There are various checkpoints within a programme of study at which summaries of this information are viewed, e.g., Boards of Examiners and course committees. At the School level, quality control procedures act upon information and statistical indicators in order that appropriate action may be taken e.g., a personal tutor meeting with a student with poor attendance or developing an action plan for a module with a poor progression profile.

Successful risk management within a programme of study requires techniques which are able to assess and make explicit the overall state of health of that programme, and a risk management culture that informs and empowers individuals and groups upon whose everyday actions avoidance of risk depends.

Risk orientation and culture

It was recognised that taking effective action to address issues that could impact negatively upon the standard and the quality of provision was dependent, on a day-to-day basis, on those delivering and managing the programme. It was suggested that a School might therefore assess the level of sophistication of its risk management culture by reflecting upon its 'risk orientation'. The project team felt that Marchand's[167] research on information orientation would provide a useful approach in viewing Risk Management (RM) orientation within a university School or department. Marchand examined the information orientation of senior managers in relation to achieving excellence in business performance, and determined that this should be viewed from the three perspectives of information technology practices, information management practices and information behaviour and values. Low-level RM technology practices would be concerned with operational support or support for business processes such as the use of a managed learning environment for module evaluation, questionnaire administration or electronic module boxes. Higher level practices would be those which support management decision-making or innovation e.g., the introduction

167 Marchand, D. (2001) *Back to Basics: See, Measure and Manage Information Capabilities* (IMD Perspectives for Managers No. 82). IMD International, Lausanne, Switzerland.

of integrated management information systems and staff training in the use of more sophisticated statistical techniques. Low-level RM management practices would be those concerned with collecting, organising and maintaining quality control information. Their primary aim would be to ensure the completeness and currency of the information held. Higher level practices would focus upon processing, analysing and acting appropriately on such information. Scorecards might be considered an emerging methodology to enhance these higher-level practices, and this tool was further developed in the project. Low-level RM behaviour and values would be concerned with control, formality and the integrity of quality control and quality assurance processes. To operate effectively it is important that staff understand how these processes work and have a shared belief in their value. Higher level RM behaviours would be those concerned with supporting proactivity, transparency, sharing knowledge and best practice.

The project team proposed that Knowledge Management techniques should be considered to promote higher level RM behaviour within departments or institutions, as a means of developing more effective ways of delivering and managing programmes of study. This might involve activities such as focused staff development with a RM theme, dialogue within staff groups to promote shared values, identifying and making available experts within Schools and across the University e.g., for developing foundation degrees or overseas collaborations, creating safety nets, sharing failure and its causes!

Identification of risk factors and risk indicators

An audit of potential risk factors associated with programmes of study in terms of input, output and educational processes was carried out. The review identified some factors familiar to all Schools, some factors of limited risk potential, but which were eminently measurable, and some factors of emerging importance, together with the points within the annual review cycle at which data on these indicators were considered. Appendix A provides a detailed list of risk factors cross-referenced with suitable statistical indicators. Some risk factors can be quantitatively assessed to a significant degree by a single indicator, some require a collection of indicators, while some have no satisfactory indicator(s). In such situations there may be a temptation to use an available but ineffective indicator. Where an indicator is appropriate there may be problems associated with its measurement. Simple absence or presence of a factor may often be a sufficient indicator. Other indicators may require statistical estimation or sampling to be used, and it is sometimes the case that insufficient attention is paid to the inherent degree of variability associated with such indicators.

It is interesting to note that the generic type of risk indicators deemed suitable for measures at programme level are inherently likely to help manage risk at the corporate university level, although the detail may have a different emphasis. This is important in order to adopt a truly holistic approach to risk management. It would also allow cross School/Faculty and University comparisons, thereby aiding the strategic planning process. In addition, external drivers (e.g., HEFCE's Teaching Quality Information requirements) are steering institutions towards being more open with quantitative and qualitative information, much of which can also be seen as the basis of the identified risk indicators. It is interesting to note that Bath Spa's project on Annual Monitoring Reports – which aligns very closely with the proposed scorecard approach – proposes re-aligning reporting units from Faculty to subject group, which is how HEFCE proposes that information is disseminated.

The project team found that the risk factors and indicators associated with programmes of study are well understood within Schools and that a considerable

amount of academic and administrative staff time is dedicated to the collection, storage and analysis of information relating to these factors. As the project proceeded the team identified that there was a requirement for a risk management technique that encouraged groups to view risk indicators in a more holistic way within the existing deliberative structures of a programme. A tendency may exist for groups to over-react to a single indicator, or to react to the movement of a number of indicators, by attempting to address each individually without recognising their interdependence, with a consequent reduction in the likelihood of their actions being effective.

Balanced scorecard tool

The project team chose to pursue the use of 'Balanced Scorecards' as a risk management tool, an approach which is attracting interest in the UK HE sector. Balanced Scorecards appear to incorporate various perspectives used in direct strategic thinking, and are ideally suited to quantitative assessment and comparative analysis of multiple factors. It was therefore proposed that Scorecard theory be used in conjunction with current knowledge management techniques in order to scope the risk associated with programmes of study. The sub-project focused on a particular programme of study, but the approach would be equally applicable across any area of activity within the University.

In order that the management information contained within the Scorecards can truly aid the risk management process, the number and the subject of the indicators must be chosen carefully. Too many indicators will merely cloud any judgement on risk assessment; too few will not provide enough information to reach intelligent conclusions. It was suggested that perhaps six main headings on a scorecard should be the optimum, with the detailed content changing to reflect priorities depending on the point of the academic year at which the scorecard is populated. For example, information on admissions, student success and student surveys will all be available at specific times of the academic year. Although the detail within a scorecard is likely to differ from programme level to institutional level, the one should feed into the other at an aggregate level in order to inform the corporate strategic planning process, and should therefore be linked hierarchically.

The six headings considered appropriate for Higher Education were:

- Marketability
- Accessibility
- Success
- Quality of the teaching and learning experience
- Economics
- Staff experience

Each of these defined areas could include relevant details which would change over the lifecycle of the activity. The scorecards would include data on areas such as student profile data, applications/offers ratio, entry profiles, achievement, learning experience, post-university experience and marketability, the education processes of admissions, enrolment, attendance, module delivery, staff expertise and assessment, and quality data and processes relating to module evaluation, liaison meetings, committees and reviews. Some of this information could feed directly into corporate performance indicators on aspects such as attrition rates, student success and widening participation, and underpin published data at institutional and sector level.

The Scorecard approach was piloted for a programme of study, with particular reference to information to be considered by the Course Committee. Appendix B illustrates the types of indicators to be included and a sample format.

Conclusions

Initial discussions with staff indicated the need for staff development and a wariness concerning the term 'Balanced Scorecard'. Although the phrase is rapidly becoming widely used in industry, it may be that it should be amended in the HE sector in favour of something more palatable and less 'report card' like, such as 'risk profile'. However, staff development would still be required to promote the acceptance of scorecards as a useful management tool.

Preliminary feedback from the pilot activity indicates that Scorecards provide an effective means of collating and displaying risk indicators associated with programmes of study. Their use encourages and supports a holistic view of risk, leading to a more complete understanding among staff of risk assessment and management. Potentially, this would facilitate a more effective annual review process, with improved action planning at the programme level. However, a range of Scorecards, possibly within a hierarchical structure, would be needed to monitor risk effectively within a programme of study. The adoption of Scorecards requires an integrated, university-wide, management information system and relatively sophisticated querying and analysis tools. These requirements would be necessary to enable transferability of the methodology across the HE sector.

Next steps

The outcomes of the sub-project will inform further discussion within the University on the use of Scorecards for management information purposes. This will have implications for the annual review process and use of data for strategic planning at programme, departmental and institutional levels. The ongoing pilot activity will be evaluated in terms of the effectiveness of the overall scorecard approach. In the short term, it is proposed to design a number of scorecards for a variety of purposes, at a variety of levels, to support existing quality processes within programmes of study. A number of commercial software products which support the formation and presentation of Balanced Scorecards will be investigated.

Appendix A

Risk factors and indicators

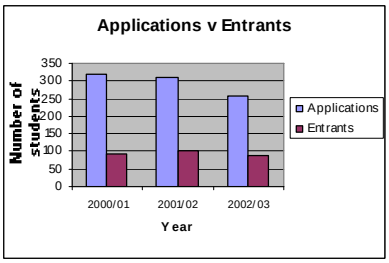
Risk factors	**Methods used to assess risk**
Inputs	**Statistics**
Student profiles	Established through longitudinal studies
Admissions process	Application:acceptance ratio
Enrolment process	Delay, % after 4 weeks
Induction	Attendance%, exit questionnaire
Set up student record	% at start date
Educational process	**Statistics**
Student experience	Student questionnaire
Support services	Student questionnaire
Staff attitudes	Student questionnaire
Facilities	Student questionnaire
Assessment	
Workload	Hours for each module
Scheduling	Programme assessment schedule
Methods - fit for purpose?	Cross-level review
Unbiased?	Anonymous marking
Secure?	Receipted tracking
Learning	
Attendance	Attendance registers
Attitude	Staff questionnaire
Motivation	Staff questionnaire
Delivery - fit for purpose?	Module outcome review
Formative feedback	Module assessment profile
Student progression	Level%, aggregate
Teaching	
Staff expertise	Staff/module matrix
Delivery methods	Review module guides
Healthy modules	Module evaluation by students and staff
Resources	+ outcome review
Outputs	
Marketability	1st destination statistics
Recommendation?	1st year anniversary alumni survey
Course reputation	League tables
Repeat business – CPD?	% re-engagement
Career progression	3rd year anniversary survey

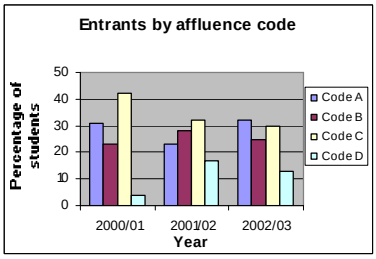
Quality Control Processes	
Course Action Plan	Head of School annual report
Staff/Student liaison meetings	Annual Course Leader report
Monitoring attendance	Annual Course Leader report
Module evaluation	Subject Group Review
Module Outcome Review	Subject Group Review
Results counselling	Personal tutors, Year tutor, Course Leader

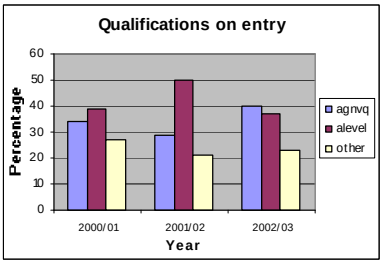
Quality Assurance Processes Course Committee Annual Review	 Head of School annual report Faculty, University

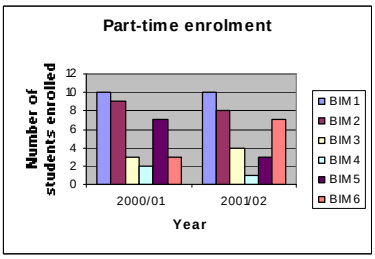
Appendix B

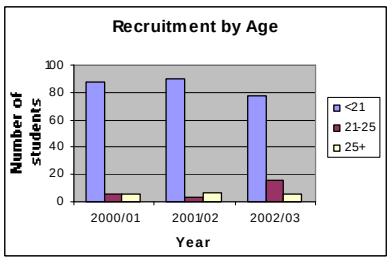
Specimen scorecard

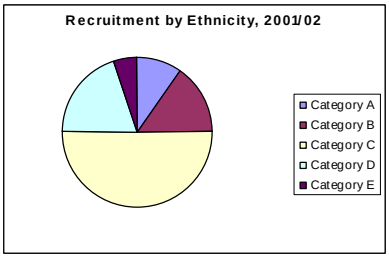


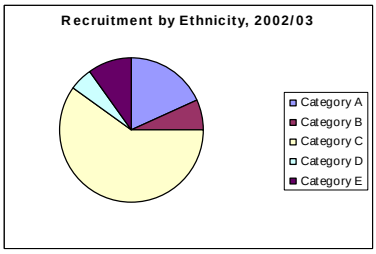


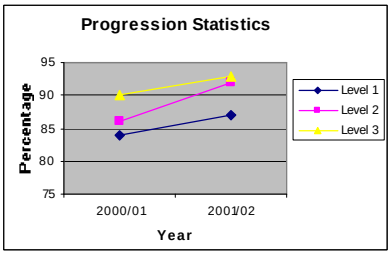


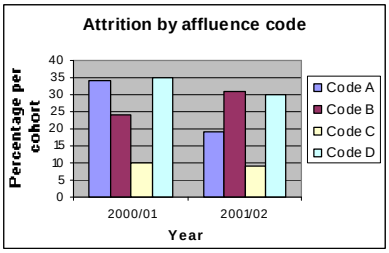











Attrition by affluence code
Percentage per cohort
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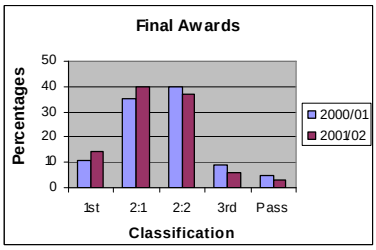
35
30
25
20
15
10
5
0
2000/01
2001/02
Year
Code A
Code B
Code C
Code D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Percentages
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30
20
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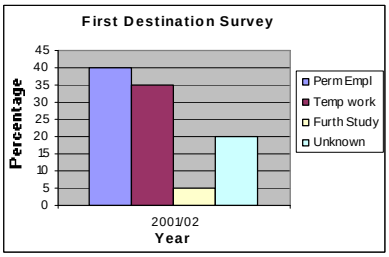
0
1st
2:1
2:2
3rd
Pass
Classification
2000/01
2001/02


First Destination Survey
Percentage
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40
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Furth Study
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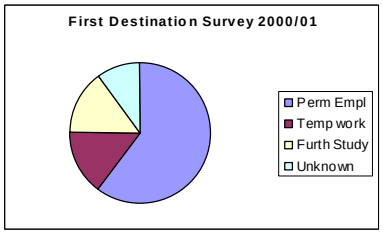
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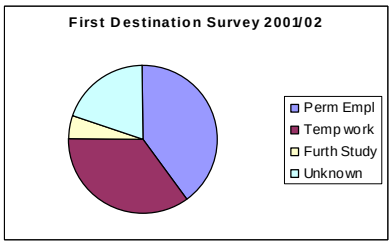
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QRM Sub-project Report: Overseas Collaborations

Overview

This sub-project was concerned with developing a comprehensive approach to analysing and managing the quality risks relating to programmes delivered in collaboration with overseas partners. An existing partnership between Leeds Metropolitan University and an overseas institution was used as the context for the implementation of a risk management approach to managing these quality risks. An extended and detailed business plan was used as a risk management tool to support strategic planning and decision-making. As part of the business planning process, further techniques were developed to assist systematic risk identification and assessment, which are demonstrated and evaluated below.
The quality assurance systems in relation to this partnership were also reviewed with a view to integrating quality risk management principles, leading to the development of a streamlined delivery framework within which the validation and collaborative delivery of the University's programmes could take place. The development of the delivery framework and the validation of a pilot programme within it are discussed below

Quality risk management in collaborative activity

In establishing a collaboration with an overseas partner, it is the responsibility of the University to assure various stakeholders of the quality of its products (usually courses) which are germane to the partnership. Evidence of the product quality needs to be provided to the partner, students, the University itself, QAA, and probably overseas governments and/or their agents. In addition, the University must assure these stakeholders of the maintenance and sustainability of the product quality, not just for the specific programme under consideration, but also for the sake of any future developments. The University aims to develop quality assurance systems in order to meet these challenges, ideally without imposing unnecessary bureaucracy or duplicating activity. Both its own staff and its partner's are already likely to be working with constrained resources. Assuming that the University's quality processes for academic approval assure the product quality in its home location, then the only additional risks which should be reviewed for collaborative activity are those associated with the delivery overseas.

The project team's first consideration was an assessment of the challenges facing the institution regarding who or what is at risk in respect of an overseas collaborative development. They agreed that these identified risk factors need to be explicitly and thoroughly assessed so that they may be managed systematically and consistently. Inevitably the main outcome which is sought of an overseas collaboration is a successful activity which meets (or preferably surpasses) its aims relating to student achievement and financial viability. Therefore, it was important from the outset to manage those risk factors which might jeopardise the achievement of these aims. The project team decided that an appropriate tool to address the quality risk factors associated with overseas collaborative delivery was an extended and detailed business plan. This was drawn up by staff closely involved in the partnership, and approved by a cross-University committee of academic staff and senior management.

Risk identification

The identification of relevant quality risk factors was based largely on staff experience in other overseas developments and knowledge of the market and local environment in which the partner operated. The risk factors were categorised into three sections. The first section was the initial set-up of a collaboration, which could be addressed through applying a PEST analysis (Political, Economic, Social, Technical aspects). The delivery section concentrated on management of the courses, student achievement and introduction of new courses in the collaboration. The monitoring and review section included sustainability of current course provision, assessment of the changing environment, and analysing threats and opportunities for further development.

In this case, the key risks were identified as:

- increased competition in the market;
- change of partnership arrangement;
- insufficient student numbers;
- dwindling commitment by University staff flying in and out;
- poor performance of staff in delivery of modules.

(N.B. financial viability was excluded from the risk factors, since agreement had been reached that the course would not run if there was insufficient demand. The minimum number of students needed to ensure financial viability was stated in the business plan.)

Risk assessment

The project team chose to use a risk chart as an analysis tool in order to make an explicit and systematic assessment of each risk factor within these sections. An example drawn from the risk chart is shown below:

Risk factor	Risk assessment *0 = lowest risk* *4 = highest risk*	Probability / effect *P = probability* *E = effect*	Addressed by
<u>Set-up: economic.</u> Competition from other providers	2 Some risk, mostly focused on student numbers	P = 0.5 High probability of competitive pressure from other providers E = 25% Loss of market share. Impact would be significant if occurs, but market is large and we can counter with own competitive action	Keep up to date with competitor offerings Keep up to date with market demands

Each identified risk factor is assessed on a scale of 0-4. The probability of occurrence is assessed and quantified. The effect of occurrence is estimated as a percentage value with 0% being no effect and 100% being maximum adverse effect. Comments are added to give a brief narrative on the potential impact of the outcome if it actually occurred. The risk chart also includes possible actions as

to how the risk factor may be addressed and possible mitigating factors which may be applied to reduce its impact.

In reviewing and evaluating the risk chart tool, the following issues were noted:

1. It was felt to be a reasonable starting point but needed further development;
2. The identified risk factors were based purely on experience and market knowledge and these should be more research-based;
3. The identification of the risk assessment, probability and effect were considered to be appropriate, but needed to be analysed further and extended into other areas of consideration;
4. The values placed on the risk assessment, probability and effect were again based on experience and market knowledge. This was inevitably limited and imperfect, and more methods of determining these need to be researched with a view to providing higher levels of confidence in their reliability;
5. Activity taken to address the risk factors could be more specific and better informed by more in-depth market research.

Building on these findings, the project team proceeded to devise a quantitative four-phase model as a technique which would enable comparison of different courses of action. Each course of action would carry variable levels of risk, which may be quantified and assessed, again with a view to providing information to support strategic decision-making. A worked example of the model is shown at Appendix A.

Review of quality assurance systems

The University has a well-established system of reviewing proposed new activities in order to consider whether time and effort should be expended in their development. This analysis of viability, probity and feasibility is incorporated within the strategic planning and approval process. A detailed Strategic Planning Approval (SPA) document is required in order that risk factors may be considered at the appropriate level, including the rationale for the proposed provision, identification of the target market and expected demand, involvement of partners, implications for the activity in the home location, the teaching learning and assessment strategy, entry requirements and staffing implications.

In the context of this partnership, the relationship had been developed over a number of years, meaning that the University had confidence in the institution as a trustworthy and reliable partner. It was anticipated that there would be continued growth of activity with this partner, and it was agreed that a more streamlined approach was required to facilitate this growth, and to strengthen the partnership. The quality assurance systems in relation to this partnership were therefore reviewed with a view to integrating quality risk management principles. This led to the development of a delivery framework within which the validation and collaborative delivery of the University's programmes could take place. The project team produced a generic document setting out expectations and roles and responsibilities related to the collaborative delivery for each partner. Quality risk factors associated with validation, delivery, monitoring and review of academic provision overseas were explicitly identified and addressed. Once the framework was approved, each time a new course was proposed for delivery with the partner, only its degree of fit within and exceptions from the framework need be addressed in the validation process. These would be set out in the form of appended annexes to the framework document, obviating the need for production

of lengthy validation documents. Further validation events may be conducted remotely or virtually, saving resources in terms of staff time and travel expenses.

A course development team was established to produce the delivery framework documentation for approval purposes. At the same time, a new programme was proposed for delivery with the partner. This programme had already received academic approval from the University, so it was suitable to use as the pilot programme to be validated under the auspices of the delivery framework. Following receipt of strategic planning approval for the collaborative delivery of the provision, a Memorandum of Agreement was signed by both partners, stating their intent to develop delivery of the course at the partner's location, with a caveat that the course would run only if there was sufficient demand to ensure its financial viability.

The approval of the delivery framework and validation of the course were undertaken through a series of activities at course, faculty and University level, and followed the normal process of validation as set out in the University's regulations. The delivery framework was approved and the course successfully validated, indicating that the new risk management approach was deemed to be rigorous and fit for purpose. The date for the first cohort intake was agreed after registration with the local government organisation, and it recruited successfully. Emerging student progression and graduation statistics, projected student numbers and financial viability are all extremely positive.

Next steps

It is proposed to pursue the four-phase quantitative model to support work on another overseas development currently under consideration by the University. Further evaluation and review of the impact of the delivery framework and subsequent validations will be undertaken at an appropriate juncture.

Appendix A

Overseas collaborations: four-phase quantitative model

Phase 1

Identify alternative courses of action or 'packages' for development, such as different markets or courses to be pursued, or alternative methods of delivery, and allocate scores to the attributes of each package. A list of variables can be identified which are indicative of the desirable outcomes (e.g. student numbers, financial return). A weighting factor could be applied to these desirable outcomes. The desirability score and the outcomes for each variable can then be multiplied together to determine an overall score which shows a ranking order for the packages.
For example, suppose there are only three packages (A, B and C). Let the desirability scores be 1, 2 and 3. The desirable factors are labelled i, ii, iii and iv and the weight attached to them can vary between say 1 and 10. The following package table could then be established:

		Package A	Package B	Package C
Desirable factor	Weight (1-10)			
i	7	3 (7x3) = 21	2 (7x2) = 14	1 (7x1) =7
ii	5	2 (5x2) = 10	1 (5x1) = 5	3 (5x3) = 15
iii	2	3 (2x3) = 6	1 (2x1) = 2	2 (2x2) = 4
iv	9	1 (9x1) = 9	2 (9x2) = 18	3 (9x3) = 27
Totals		46	39	53

Thus the rank order would be package C, then A then B. Some packages could thus be eliminated according to established criteria, resulting in a shortlist. Suppose the criterion established was that an overall score of 45 must be achieved for the package to be considered further. In this case, package B would be eliminated.

Phase 2

This would involve the following:

- Identify and confirm the risk factors which are germane to each shortlisted package, using appropriate market research and business strategy models;
- Assign the probability of the risk factors occurring to each package;
- Assign impact factors to each package.

For example, let the probability of occurrence of risk factors be as follows:
Risk factor W has a probability of 0.7 occurring in package C and 0.5 in package A,
Risk factor X has a probability of 0.3 occurring in package C and 0.9 in package A,
Risk factor Y has a probability of 0.6 occurring in package C and 0.2 in package A,
Risk factor Z has a probability of 0.4 occurring in package C and 0.2 in package A.

Let the impact factors for packages C and A be as follows:

	Package C	Package A
Risk factor	*Impact (p)*	*Impact (p)*
W	0.4	0.6
X	0.9	0.9
Y	0.5	0.5
Z	0.8	0.7

Phase 3

This would involve the following:

- Produce an index of impacts of particular risks in a tabular format for each shortlisted package;
- Take the average of the index on each package;
- Take the standard deviation of the impacts of each package;
- Calculate the co-efficient of variation to identify the relative risk associated with each package;
- Rank the packages according to the co-efficient of variation.

Using the above example, the result for Package C would be:

Risk factor	Probability	Impact	Index
W	0.7	0.4	0.28
X	0.3	0.9	0.27
Y	0.6	0.5	0.30
Z	0.4	0.8	0.32
Total			1.17

Divide by 4 to give a weighted average based on *p*	0.2925
The standard deviation for C is	0.022
The co-efficient of variation is therefore (0.022/0.2925)	0.075

The result for Package A would be:

Risk factor	Probability	Impact	Index
W	0.5	0.6	0.30
X	0.9	0.9	0.81
Y	0.2	0.5	0.10
Z	0.2	0.7	0.14
Total			1.35

Divide by 4 to give a weighted average based on *p*	0.3375
The standard deviation for C is	0.3267
The co-efficient of variation is therefore (0.022/0.2925)	0.97

This would confirm that Package C is much less risky overall than Package A, and probably should be pursued in preference to Package A. It would also allow measurement against specific criteria. Suppose a criterion was set that no package with a weighted average index score greater than say 0.25 should be pursued. In this case, neither Package C nor Package A should go forward, irrespective of how desirable they are.

Phase 4

This would consider contingency planning based on the outcomes of key risk factors actually occurring, identifying the action required in certain circumstances and determining the level at which decisions should be made with regard to that action.

QRM Sub-project Report: Partnerships and Collaborations

Overview

This sub-project examined the application of risk management principles to the development of partnerships and collaborative activity in the University and explored the use of some tools and techniques to support analysis and review of the processes.

Background

Leeds Metropolitan University has been involved in partnership and collaborative activity over a number of years, with relationships including other HE institutions, FE colleges, training organisations and public and private sector companies. Types of partnership activity include accreditation of other providers' training and awards, delivery by LMU staff (with and without other partners) of LMU awards off campus and complete franchise of an LMU award to another provider. The University had traditionally been very conservative and cautious in its approach to partnerships and collaborative activity. At the start of the sub-project, the development processes for this type of activity were largely centralised in a devolved structure. Staff had identified a number of issues and opportunities with regard to the complexity of the development processes and the range of developments that were taking place.

The regulatory framework of the University encompassed all partnership and collaborative activity and supporting guidelines and standard documentation were provided centrally by Academic Registry. Staff development sessions were also available if required.

Analysis of existing processes

The project team, informed by discussions with colleagues, undertook an initial analysis of the development processes, using appropriate risk assessment tools and techniques. The project team considered the purpose and required outcomes of the various stages within the processes, and the range and type of information collected at each stage, its potential uses and the types of documentation produced. Since the nature of information generated was primarily qualitative, they used a pre-existing flow chart and grid matrices as tools to support this analysis. The flowchart (see Appendix A) was evaluated in terms of the University's corporate plan and objectives, the operational context and the regulatory requirements. Use of the flowchart enabled identification of areas where duplication or redundancy occurred in the processes and where there was value added. Areas of activity or decision points which could put the academic provision at risk were also identified, together with risk indicators that would provide early warning of potential problems/issues arising. A grid matrix tool was used to support discussions (see Appendix A).

The standard forms requiring completion at each stage were mapped according to section and purpose. This revealed some areas of duplication, where the team carefully assessed whether the duplicated activity added value to the security and rigour of the process or whether it was redundant. It was also identified that some of the documentation that was designed to reduce the risk actually increased the risk to both the relationship and the students.

Quantitative techniques were applied to the cost/benefit aspects of the process, the probability of occurrence and impact of risk factors, and also to the monitoring and review of developments. The team used a probability/impact analysis tool to identify the key issues to monitor and review throughout the process (see Appendix B).

From this analysis, the following issues were noted:

- lack of flexibility within the development processes and the regulatory requirements;
- unclear purpose of some processes, particularly where partnerships did not involve full collaborative activity where the whole or part of a course was franchised to another institution;
- lengthy and multi-staged processes spanning several areas of responsibility, leading to possible delay, duplication and frustration;
- documentation requirements 'bolted on' at the end of the process leading to perceived duplication of effort and consequent infrastructure issues regarding the purpose, validity, construction and updating of documentation;
- monitoring and tracking systems did not readily provide information about what stage a particular development had reached.

Evaluation, review and outcomes

The project team found that the identification and management of risk factors and indicators took place throughout the existing process. However, the development processes and regulations were based on an approach designed to reduce the risks inherent in partnership and collaborative activity. In some situations this led to a risk-averse environment where opportunities were missed, due to failure to respond appropriately to the market. In addition, the regulations and guidelines were lengthy, complex and did not support a quality-driven or cost-effective approach to the development of partnership and collaborative activity. For staff, they were off-putting to the extent of inhibiting developments, leading to the situation where the 'risk' was that nothing would happen. During operation of a partnership, such lack of clarity and purpose could lead to failure to embed quality assurance and enhancement within the programme of study. This situation could jeopardise not only an existing venture but also other potential ventures or developments with that partner. In addition, any failure in a relationship could potentially damage the reputation of the University as a high quality provider of HE.

These findings were used as the basis for a review of development processes for partnership and collaborative activity. The project team aimed to streamline the processes with a view to making them 'fit for purpose' by applying risk management principles. Certain elements were agreed to be key to the success of such provision and could also put it at risk; as such, they were identified as risk factors within the process. The team proposed that these risk factors were to be explicitly identified and regulated within the revised process, while minimising risk aversion which could inhibit action. Similarly, those factors which may go wrong but would not have a serious effect on the partnership as a whole should be managed without introducing unnecessary complexity and wasting resources.
Some key risk factors pertinent to the set-up phase were identified, including:

- Locus of decision-making and project management. This should be as near the point of delivery as possible because, as with any project, the most important activity is at the starting point;
- Appropriate planning and dissemination to the project team. This increases ownership by staff with responsibility for successful implementation of such activity and provides a focus for leadership.
- Shared agreement about the nature, extent and limitations of the partnership. Clear negotiations are required at the start of the project, so it is necessary to have representatives from each partner who are experienced, professional, and at a sufficient level of seniority to make decisions.
- Formal written reference document. A formal written agreement, such as a Memorandum of Partnership, must clearly specify the roles and responsibilities of each partner.

Others were pertinent during the delivery phase, such as:

- Recruitment, selection and admission of students. Registration of inappropriate candidates on a programme can jeopardise the success of a relationship, e.g., if students are inadequately prepared then the progression or graduation outcomes may be unsatisfactory. Equally, if students are too highly qualified for the programme, dissatisfaction may lead to withdrawal and consequent impact on attrition rates.
- Management of assessment. Weaknesses or failure in this area can have a considerable impact on the students, the project and the reputation of both institutions. In extreme cases, a failure in the assessment process may result in serious negative consequences for the long-term viability of an institution.

It was identified that there were numerous stages between setting up and finalising the negotiated partnership, but some played only a small part in reducing the risk inherent in the project. For example, where the partnership involved an FE college, it was still necessary to visit and formally recognise the college. However, the college was likely to have undergone many stringent audits by other external agencies, which were likely to be informative about the same issues considered within the University's own recognition and validation processes. The project team felt that the key issue for consideration in developing partnerships was the extent to which the partner institution's quality assurance processes were in alignment with those of the University and the level of transferability.

The purpose, format and content of documentation required at each stage of the process were reviewed with a view to reducing redundancy in the process and producing more reliable and accurate information for students and stakeholders. A formal partnership document, often known as a Memorandum of Partnership, was recognised as an essential part of any partnership, setting out its framework. However in some cases this document was completed by staff not involved in the partnership negotiations, and was therefore not owned or referred to by staff involved in the delivery of the programmes within the relationship. It was further identified that the Memoranda did not always focus on the key aspects of the partnership, and the increasing number and diversity of institutional relationships meant that a 'one size fits all' approach was not the most appropriate or effective. It was felt that any required documentation should be differentiated according to the type of relationship being developed, thereby adding value to and supporting

a partnership. This approach would lead to more cost-effective and efficient production, maintenance and updating of documentation.

In summary, the development of more varied partnerships and collaborative activity has not been accompanied by similar changes in the quality processes supporting these. The use of risk assessment and management techniques has led to a review focussed on the key risk factors and indicators at each stage. A number of changes were made, including:

- a clear emphasis on key risk factors to be monitored and reviewed within the process;
- a refined process which requires timely provision of information which is appropriate to the type of relationship to be developed;
- a streamlined approach to the development and updating of documentation;
- proposals for amendments to the regulatory framework;
- identification of further opportunities for analysis and review.

Further proposals are under discussion including amendments to the regulatory framework, focusing on the academic and business needs of the institution.

Pilot activity

The revised processes were piloted in two areas of provision, foundation degrees and off site delivery. The development of foundation degrees required the University to engage in new forms of relationship, and the revised process facilitated a focus on setting up relationships and their development at appropriate levels. Staff directly responsible for the delivery of programmes were involved in building the partnership. Discussions took place around the key risk/success factors for the partnership. The relevant operational teams in all partner organisations generated the documentation through joint discussions, thereby increasing ownership by the delivery teams, and this was formalised in a peer reviewed event to complete the process.

A further pilot was undertaken where an area of the University was responsible for a number of off site deliveries. Existing processes were proving to be over-complex and bureaucratic, since unnecessary duplication of activity was occurring. A streamlined process was developed for individual instances of delivery, focusing on the key risk factors and indicators, within an overarching framework for the management of risk. The ownership and understanding of staff has been enhanced and the documentation is more concise and concentrates on key information that is required to manage the relationship. This is proving a successful model and will be included in the regulatory review.

Conclusions

The project team identified how the application of risk management and assessment and associated techniques could be used to review quality management processes, and concluded that there are potential benefits to be achieved in undertaking this. In this case, the use of appropriate tools and techniques relevant to the context identified areas for improving the management and development of partnership and collaborative activity.

The application of risk management was found to support the development of systems that assure the quality and standards of provision and provide evidence that quality management processes and procedures are fit for purpose. The use

of risk assessment and management was not used as an end in itself but rather the team identified that it could be used in conjunction with other management techniques. Through identification of risk factors, risk management can lead to a more proactive management of the portfolio in large, complex and diverse institutions. It is important to concentrate on key risk/success factors, and to manage these factors properly to minimise any undesirable outcomes. Furthermore, relevant information may be provided to support the principle of variable intensity within the audit function.

Next steps

The outcomes of this project provided the impetus for discussion within the University to gain approval for the revisions to the processes for the management and development of partnerships and collaborative activity proposed above. Evaluation and review are already underway for the modified processes adopted for development of foundation degrees. The need to differentiate and provide appropriate processes for different forms of partnership will be kept under review. Evaluations of the changes and the expected/achieved costs and benefits will be reported to the University.

Appendix A

Development of partnership and collaborative activity: Example of value-added analysis

This flowchart was used to identify the various stages within the development processes and identify the value added, if any. If no added value was identified, then consideration was given to the relevance of that stage or the possibility of duplication of activity.

Stage of process	Value added
Setting up the relationship	
to	
Approval and finalisation of negotiations	

Delivery and Evaluation Cycle

Stage of process	Value added
Delivery requirements (including admissions and assessment, etc.)	
to	
Monitoring and evaluation	

Evaluation
Having identified the various stages of the process, it was important to identify any omissions that would affect development of partnerships. The following table was useful in discussions:

Stage in process	Value added	How measured	Gaps identified

Appendix B

Determining choices – qualitative and quantitative tools
This table was used to compare the effectiveness of one process against another for a particular type of relationship:

Key factors/stages	Weighting of importance (1-10)	Process A	Process B	Process C
Totals				

Determining focus
This table was used to consider different processes and evaluate the effectiveness of the approach in terms of risk and impact.

Risk factor	Risk indicator	Probability factor (0-100)	Impact factor (1-10)	Risk index

Risk Management
This table was used to support the clarification and identification of roles and responsibilities within a partnership development, and their allocation at an appropriate level within an institution:

Risk factor	Risk index	Risk management – action required	Level of responsibility	Allocation of responsibility

Appendix A Responding Institutions

Anglia Polytechnic University
Arts Institute at Bournemouth
Birkbeck College
Bournemouth University
Brunel University
Canterbury Christ Church University College
Cardiff University
Central School of Speech and Drama
Chester College of Higher Education
City University
College of St. Mark and St. John
Cranfield University
Cumbria College of Art and Design
Falmouth College of Arts
Glasgow Caledonian University
Glasgow School of Art
Imperial College
Institute of Cancer Research
Institute of Education
Keele University
Kent Institute of Art and Design
King Alfred's College, Winchester
King's College London
Kingston University
Leicester de Montfort University
Liverpool Hope
Liverpool John Moores University
London Guildhall University
London School of Economics and Political Science
Loughborough University
Middlesex University
Napier University
Newman College of Higher Education
Norwich School of Art and Design
Queen Margaret University College
Queen Mary, University of London
RCN Institute
Royal College of Art
Royal Holloway, University of London
Royal Veterinary College
School of Pharmacy
South Bank University
Southampton Institute
St George's Hospital Medical School

St. Mary's College
Thames Valley University
The College of Ripon and York St John
The London Institute
The Surrey Institute of Art & Design, University College
Trinity and All Saints
Trinity College of Music
University College Chichester
University College London
University College Northampton
University College Worcester
University of Abertay Dundee
University of Bath
University of Birmingham
University of Brighton
University of Bristol
University of Cambridge
University of Central Lancashire
University of Derby
University of Dundee
University of East London
University of Edinburgh
University of Essex
University of Glamorgan
University of Glasgow
University of Greenwich
University of Hertfordshire
University of Hull
University of Kent at Canterbury
University of Leeds
University of Leicester
University of Lincoln
University of Liverpool
University of Manchester
University of Manchester Institute of Science and Technology
University of Newcastle
University of North London
University of Northumbria at Newcastle
University of Nottingham
University of Oxford
University of Paisley
University of Plymouth, QEEU
University of Reading
University of Salford
University of Sheffield
University of Stirling
University of Sunderland
University of Surrey
University of Surrey Roehampton
University of Sussex

University of Wales Institute Cardiff
University of Wales Registry
University of Wales Swansea
University of Wales, Aberystwyth
University of Wales, Bangor
University of Wales, Lampeter
University of Warwick
University of Westminster
University of Wolverhampton
University of York
Welsh College of Music and Drama
Writtle College

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