

5 **Decision on the application by the Central Evaluation and Accreditation Agency Hanover (ZEvA) from 6 May 2015 for accreditation and for assessment of compliance with the Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG)**

Resolution of the German Accreditation Council dated 22 June 2016

10 **I.**

The Foundation for the Accreditation of Study Programmes in Germany (Foundation) accredits the Central Evaluation and Accreditation Agency Hanover (ZEvA) pursuant to § 2 Para. 1 No. 1 of the German Law on the Establishment of a Foundation “Foundation for the Accreditation of Study Programmes in Germany” in accordance with the following provisions and insofar thereby grants it the authority to accredit study programmes and internal quality assurance systems of higher education institutions by awarding the seal of the Foundation

II.

20 The decision effect pursuant to Article I above comes into effect on 22 June 2016. However, it will become void if the agency does not sign an agreement by 30 September 2016 pursuant to § 3 of the German Law on the Establishment of a Foundation “Foundation for the Accreditation of Study Programmes in Germany” in the version adopted by the German Accreditation Council on 22 June 2016.

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III.

The accreditation and the authorisation pursuant to Article I. above will be granted for a period of five years; the right of revocation pursuant to Article V. below remains reserved.

30 The German Accreditation Council decided at its 83rd meeting on 18 June 2015 to terminate the reaccreditation procedure so that the assessment can be made based on the version of the ESG adopted on 14/15 May 2015.

ZEvA has therefore been temporarily accredited until 30 June 2016 according to Clause 3.3.1 of the Rules for the Accreditation of Agencies; the duration of the temporary accreditation must be included in the applicable term according to Clause 3.2.

5 According to Clause 3.2.1 in conjunction with Clause 3.3.1 of the resolution “Rules for the Accreditation of Agencies” dated 8 December 2009 in the version adopted on 10 December 2010, the accreditation expires on 31 March 2021.

IV.

10 The German Accreditation Council finds that ZEvA has not fulfilled a few quality requirements; these defects are to be corrected according to Clause 3.1.3 of the resolution “Rules for the Accreditation of Agencies” dated 8 December 2009 in the version adopted on 10 December 2010 within six months. Accreditation is therefore granted under the following conditions:

15 **Condition 1:** The agency shall demonstrate, using suitable documentation, that it conducts procedures on a full-cost basis and does not make use of cross-subsidisation (Criterion 2.3.2).

20 **Condition 2:** ZEvA shall produce an updated internal quality management system which guarantees continuous and sustainable quality development, also with regard to the system itself, and is publicly available (Criteria 2.5 and 2.2.1).

The German Accreditation Council explicitly refers to the recommendations contained in the report.

25 V.

If ZEvA does not demonstrate that the conditions have been fulfilled within the respective term or if the conditions prove to be unfulfilled after the respective term has elapsed, the foundation may revoke the accreditation according to Clause 3.5.3 of the resolution “Rules for the Accreditation of Agencies” dated 8 December 2009 in the version adopted on 10
30 December 2010.

VI. Rationale

General:

5 Based on the report and taking into consideration the agency's position paper, the German Accreditation Council (GAC) has concluded that the Central Evaluation and Accreditation Agency Hanover (ZEvA) substantially fulfils the criteria pursuant to Chapter 2 of the resolution "Rules for the Accreditation of Agencies" dated 8 December 2009 in the version adopted on 10 December 2010.

Regarding Condition 1:

10 The Foundation for the Accreditation of Study Programmes in Germany is legally required to guarantee fair competition amongst the agencies. Agencies must therefore prove that procedures for which the seal of the German Accreditation Council has been granted are conducted on a full-cost basis.

15 In the expert group's opinion, the information in the 2016 business plan suggests a possible – albeit very minor – cross-subsidisation of programme accreditation by evaluation. This doubt could not be unequivocally dispelled in the discussions with the expert group on site (see Chapter 5 of the report, Criterion 2.3.2).

20 According to ZEvA's position paper, revenues from evaluation activities form part of the overall cost planning in accreditation and ensures a balanced projected profit. The form chosen by ZEvA to report revenue is intended to allow the area of business of evaluation to be quantitatively assessed. According to the agency, no cross-subsidisation takes place.

25 Regardless of the potentially misleading representation in the agency's business plan, the documents submitted by ZEvA are not sufficient to prove that the accounts are managed on a full-cost basis. The 2016 business plan presents a provisional planning value, which is based on assumed rather than actual operating expenses and income. The same applies to the example procedure calculations, which ZEvA included with its self-evaluation report. These also present a planning value, which does not allow for any reliable statements to be made regarding the actual invoiced costs. The 2014 annual financial statements, including the corresponding income statement, do not differentiate between the agency's different areas of business, with the result that statements regarding the accounting method for accreditation procedures on a full-cost basis cannot be derived from these either.

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Regarding Condition 2:

The process description for system accreditation procedures is based on the decision by the German Accreditation Council from 2012. In February 2013, the German Accreditation Council's rules of procedure for system accreditation were further developed, particularly
5 with regard to the implementation of programme and feature random sampling. The corresponding changes are not presented in the Guidelines for Internal Quality Assurance that was available to the expert group during the on-site visit (see Chapter 5 of the report, Criteria 2.5 and 2.2.1).

For certification for programme accreditation and system accreditation, the agency must
10 demonstrate binding internal structures and procedures, which guarantee the correct and consistent application of the "Rules of the German Accreditation Council for the Accreditation of Study Programmes and for System Accreditation" in its current version (Criterion 2.2.1). In this context, one of the key functions of a quality assurance system is not only to define and, where necessary, further develop procedures and processes, but also to
15 guarantee reliable and prompt adaptation to changes in the framework conditions, for example, due to changes to resolutions.

In the past, ZEvA's system was clearly not able to fulfil this requirement to the extent necessary.

The German Accreditation Council welcomes measures to update the Guidelines for Internal Quality Assurance explained in ZEvA's position paper, but points out by way of caution that even the updated guidelines do not adequately represent the current applicable
20 resolution by the German Accreditation Council.

In accordance with Criterion 2.5, the agency must make its formalised internal quality management system publicly accessible. The Guidelines for Internal Quality Assurance
25 are not published on ZEvA's website. Here only a brief descriptive summary of the agency's quality objectives, procedure elements and demand for quality can be found.

In its position paper, ZEvA notes that it does not intend to publish the quality guidelines as this is a handbook designed purely for employees that only serves to provide binding rules for internal procedure outlines.

If the Guidelines for Internal Quality Assurance are to function only as a handbook for employees in future, the agency must, in order to fulfil Condition 2, produce and publish an
30 additional formalised, internal quality management system that can suitably allow an assessment of the efficacy of the internal controlling process and ensure continuous improvement in the quality of the agency's activities.

VII. Compliance with the Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG)

The German Accreditation Council finds that ZEvA partially fulfils the “Standards and Guidelines for Quality Assurance in the European Higher Education Area” (ESG).

5 The following five standards are fulfilled: 3.2; 3.3; 3.4; 3.5; 3.7

The following five standards are substantially fulfilled: 2.1; 2.2; 2.3; 2.5; 3.1

The following four standards are partially fulfilled: 2.4; 2.6; 2.7; 3.6

Pursuant to Clause 6.4 of the Guidelines for ENQA Agency Reviews from October 2015, as a general rule, only information that is submitted by the agency either *before* or *during*
10 the on-site visit is taken into consideration.

The finding by the German Accreditation Council is based on the assessment of the ESG documented in the report and does not include the measures described in ZEvA’s position paper. The decision-making committees of the ENQA and the EQAR are responsible for deciding whether to take the changed circumstances into consideration.