
Future Regulation of Higher Education

January 2013



Regulatory Partnership Group

From spring 2013 the Regulatory Partnership Group (created by HEFCE and the SLC and including representatives from HESA, OFFA, the QAA and the OIA) will start to report on what future regulation of the sector will look like.

This will include:

- A proposed operating framework outlining the conditions required for providers to enter and participate in the sector and the roles of various agencies in protecting the student interest and gaining assurance on public investment in the sector.
- A successor to the Financial Memorandum.
- Production of a governance framework for the collection of data with the objective of increasing the efficiency of collection, effectiveness of data analysis and visibility of data to sector stakeholders.

The successor to the Financial Memorandum will be particularly important to governing bodies, audit committees and management as this currently sets out the terms and conditions of funding and the assurance returns and information to be returned to HEFCE and includes the Audit Code of Practice.

Potential Changes to Regulation

Given the changes to the sector, the move of HEFCE towards regulator rather than funder and the need for the new document to outline how the new Operating Framework will be “enforced” we believe there is potential for significant changes from the current Financial Memorandum.

For example we expect the document to include:

- The principles of more collaborative working between HE agencies including HEFCE, the Student Loans Company and OFFA.
- How it will be assured new and existing providers are meeting the required conditions to operate in the HE sector maintaining “a level playing field.”

- The way in which HEFCE will gain assurance over institutions' compliance with the Research Integrity Concordat. Currently out to consultation the suggestion is compliance with the Concordat will be a mandatory condition of receiving publicly funded research through HEFCE and providing assurance on compliance will become a requirement of the Annual Accountability returns.
- Consistent with HEFCE and OFFA's National Strategy for Access and Student Success the FM successor may outline the assurance and monitoring requirements to ensure compliance with access agreements, bearing in mind the potential for a more "active" OFFA.

Further Updates

The Financial Memorandum is a key document for both Audit Committees and internal audit and we will be providing updates throughout the consultation including the implications of any suggested changes.