

Hungarian Accreditation Committee
Partial Review as Follow-up to
ENQA Review 2013

SELF-EVALUATION REPORT



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1. Abbreviations

CSc	Candidate of Sciences of the Hungarian Academy of Sciences
Corresp. member of HAS	Corresponding member of the Hungarian Academy of Sciences
DSc	Doctor of Sciences of the Hungarian Academy of Sciences
ENQA	European Association for Quality Assurance in Higher Education
ESG	European Standards and Guidelines, or in full: Standards and Guidelines for Quality Assurance in the European Higher Education Area
HAC	Hungarian Accreditation Committee
HAS	Hungarian Academy of Sciences
HEI	Higher Education Institution
MRK	Hungarian Rectors' Conference
SER	Self-Evaluation Report
SWOT	Strengths, Weaknesses, Opportunities, Threats



2. Foreword

Following national elections in Hungary in spring 2014, the re-elected government coalition appointed a new Secretary of State for Higher Education. László Palkovics is an engineer by training and a Full Member of the Hungarian Academy of Sciences. Within two weeks of taking office on 15 July 2014, he met the Hungarian Accreditation Committee President, Secretary General, and programme officer for foreign affairs, where both parties affirmed the importance of the HAC's continued membership in ENQA. The parties considered further, in how far the amended higher education act, passed two weeks before the secretary's appointment, was appropriate in alleviating the critiques ENQA had raised with regard to the HAC's lack of compliance with two of the association's membership criteria. The present self-evaluation report attempts to describe the changes in relation to the two standards with which the HAC had not complied in 2013. The Secretary of State expressed his wish to solicit the HAC's comments on the higher education strategy he was initiating. The HAC was able to comment on the strategy by request of the Hungarian Rectors' Conference and together with the Hungarian Academy of Sciences, and it has done so twice in recent months.

The higher education strategy sets down priorities that focus first of all on generating degrees relevant to the job market. It foresees an important role for the HAC in ensuring the quality of higher education and promotes a shift to outcome-based quality evaluation. The objective of the educational policy-makers is evident with the Secretary's initiative for a face-to-face discussion with the President and Director of ENQA, where he was joined by his Deputy Secretary of State. The meeting took place during the ENQA general assembly in Zagreb and confirmed the government's commitment toward ENQA. As representative of the Hungarian Rectors' Conference, Gábor Szabó, a former long-time member of HAC, underlined the importance of the HAC's need for adequate financing and independent operation. The discussion also determined that the new strategy, if accepted, would likely lead to further changes in legislation, and with that, additional HAC members to be delegated by stakeholders could be initiated. Furthermore, the accredited status of programmes and institutions could be indicated not only on the website of the HAC, as is currently the case, but from the December 2015 issue on also with placing the HAC logo next to accredited programmes and institutions in the Higher Education Admissions Guide.

Professor Ervin Balázs
President
HAC

3. Context and Aims of the Partial Review and Terms of Reference

In 2013/14, the Hungarian Accreditation Committee (HAC) underwent an external evaluation for the purpose of renewing its full membership in the European Association for Quality Assurance in Higher Education (ENQA) and to check compliance with the Association's membership criteria and the Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG). The HAC stated in its Self-Evaluation Report (SER) of March 2013, that in addition to a judgment of compliance with the criteria, it

“... would like to learn how experts judge the HAC's activities in the Hungarian context. This involves the legal environment in which HAC works and the degree to which it is able to comply with the legislation as well as the HAC's internal regulations, standards and procedures.” (2013 SER p. 7¹)

The external review panel produced a review report in May 2013² and the ENQA Board asked for additional clarification in a letter from 23 October 2013, which the HAC supplied in a letter of 7 November. Finally, the ENQA decision on HAC compliance with the membership criteria and ESG is dated 17 January 2014³. (As reference for the Partial Review, the ENQA decision is attached to this SER as **Appendix 1**.)

The Terms of Reference for the Partial ENQA Review of the HAC were agreed on with ENQA and finalized in November 2014. They are attached in full as **Appendix 2** to this SER. Accordingly, “the focus of the partial review shall be the criteria 3 (resources) and 5 (independence)”, and this SER focuses on the changes related or of relevance to the two criteria that have taken place since the 2013 review.

For the self-evaluation process for the Partial Review, the HAC assigned a staff member who also drafted the 2013 SER to write this report, in continuing consultation with the HAC president, the secretary-general, and staff colleagues and bearing in mind the best practice of other ENQA members. Additionally, the self-evaluation process involved

- a SWOT analysis by
 - HAC members, including the National Union of Students and the Union of Doctoral Students and
 - members of the staff.

(The summary SWOT analysis is included in this SER as **Appendix 4**.)

- The subsequent draft of the SER, incorporating the results of the SWOT, was circulated among the permanently invited participants to the HAC plenary meetings, namely
 - HAC members
 - HAC Board of Appeals
 - HAC Financial Supervisory Board
 - the Ministry of Human Resources
 - the Educational Authority
 - the Hungarian Rectors' Conference
 - the Higher Education Planning Council
 - the Hungarian Doctoral Council.

¹ http://www.mab.hu/web/doc/hac/publications/SERfinal_80306.pdf

² http://www.mab.hu/web/doc/mabmin/External_Review_Report_300713.pdf

³ http://www.mab.hu/web/doc/mabmin/ENQA_letter_070114.pdf

Any feedback received from these groups was taken into account in drafting this SER. Finally, the draft was discussed at the HAC plenary meeting on 12 December 2014 and the outcomes of the discussion were fed back into the final report. The recommendations made by the 3-person drafting committee, established at the same meeting were included in the text, and the amended document was accepted by the HAC plenary.

The HAC noted already in preparation for the 2013 review and throughout the self-evaluation and decision-making process, that the main constraints in its work were external ones. The ENQA decision, articulating a low level of HAC independence and its financial instability, confirmed this. Both the HAC's independence and availability and reliability of resources are determined specifically by legislation outlining the HAC's membership, scope of tasks, and funding scheme.

To improve the situation in these respects, the HAC consulted numerous times with the Ministry of Human Resources, whose scope of authority includes higher education, and submitted several proposals for amendments to the legislation governing the HAC. Indeed, several legislative amendments were passed in the past year, if not all that the HAC proposed. A chronology of the actions that took place in this respect is listed in **Appendix 3** to this SER.

It was clear after the ENQA decision became known that both the Ministry of Human Resources and higher education stakeholders are exceedingly concerned about the recognition of the HAC in the international – and consequently national – higher education community that ENQA membership signifies. They realise that the recognition of Hungarian graduates is affected by the HAC's certified compliance with the ESG. In order to consult on the issue, the Secretary of State for Higher Education within the Ministry of Human Resources, his deputy, and a member of the Hungarian Rectors' Conference travelled to the ENQA general assembly in Zagreb to meet with the ENQA President and Director on 16 October 2014. The HAC President also took part in the discussion.

The following sections of the SER discuss the improvements and continued self-reflection by the HAC regarding its compliance with ENQA criteria 3 and 5.

4. Compliance with ENQA Criteria 3 and 5

Chapter 4 focuses on the two critical criteria/standards with which the review panel report and the ENQA decision judged the HAC to be only partially compliant. The review panel report touched on the question of resources and independence also in other parts, but the main concerns summarised in these two sections and the relevant developments presented here can be extrapolated to all HAC activities.

ENQA criterion 3 / ESG 3.4: Resources

Agencies should have adequate and proportional resources, both human and financial, to enable them to organize and run their external quality assurance process(es) in an effective and efficient manner, with appropriate provision for the development of their processes, procedures and staff.

The ENQA Board decision January 2014 stated,

“...the financial instability (the budget allocation for the second half of the year had not been transferred yet at the beginning of November) ... are a cause of concern for the Board.”

The review panel made the following observations in its report with regard to ENQA criterion 3 / ESG 3.4 (Panel Report p. 32). (Only the critical points are cited here.)

“The shortage of financial resources is the principal constraint. (...)

“The State budget allocation has been reduced almost by half between 2009 and 2011. Then the situation has still been worsening in 2012 with a reduction by half. (...)

“For 2013, the Ministry has announced that the budget is to be raised considerably compared to 2012, but this was still not effective at the time of the site visit and the budget for the current year was not yet clear. (...)

“The reserves of the Agency are almost depleted, but still hope exists in the expectation that the budget will be raised compared to 2012. (...)

“International activities, with the exception of the ENQA forum and general assembly participation of the HAC President and General Secretary - are limited to those that are reimbursed by the inviting party.

“The scarcity of resources of HAC makes long-term planning impossible. HAC has a strategic importance for the HE-sector in Hungary and the cost of running the agency is very low compared to the cost of the whole HE System in Hungary. Therefore funding should be sufficient and secure.”

The panel recommended with respect to resources,

“The coherence between allocated resources and tasks should be negotiated with the Educational Authority. The Ministry has to budget and provide HAC with the necessary resources in due time in order to allow the Agency to plan and carry out its tasks.”

Changes in the legal framework

The legislative framework was amended in 2014. A clause was added to the amended Higher Education Act⁴,

§84/E

“The HAC’s financial support, which will ensure that lawful and adequate-level support, also under consideration for the expert body’s other annual incomes, shall be allocated as an appropriation in the ministry budget”.

A similar regulation was previously on the level of the government decree regulating higher education quality (and noted as such in the SER 2013). The Government Decree (19/2012. (II. 22), amended as effective from 1 September 2014, in § 4 (2) retained the declaration that the HAC President has full discretion over the budget.

Thus the legal change in 2014 consisted of

- raising the regulatory level governing state budget allocation of the HAC from a government decree to the level of a law.

⁴ Act 2011. CCIV on National Higher Education, proclaimed 30 December 2011. All translations of the Hungarian texts are by HAC.

Evidence and analysis

As a result of the ENQA review and subsequent discussion with the Secretary of State for Higher Education, HAC funding was raised substantially in 2013 and retained at the 2013 level at 155 million HUF (~500 thousand EUR) in 2014. It is thus on a par with the 2010 allocation (in HUF) and more than double the amount allotted for 2012, and the HAC considers it viable in light of its other incomes. Moreover, the amount of procedural fees that the HAC may charge for services was raised by 60% in April 2013, and since September 2014, it is in the government decree that the HAC may also request fees for evaluating university professor applications. This has been the practice since autumn 2011 but now it is reinforced by legislation.

The time-plan for budget allocation is in quarterly instalments, with an annual contract signed after the Ministry's acceptance of the HAC financial report of the preceding year. In the past year, the allocation was transferred regularly (although the first quarter arrived together with the second quarter in June 2014 only, as it was the practice in previous years).

To understand the changes indicated in the table below, please note, that:

- it covers a period, when – subsequent to the global economic crisis – the state budget's absolute priority has been to keep the deficit in the <3% level as regulated in the EU;
- the per capita amounts in HUF are more realistic and indicate less fluctuation partially generated by the changes of HAC members and exchange rates.

Table 1: HAC budget 2009-2014

Year	State budget allocation in million HUF	State budget allocation in Euros	Own income in million HUF	Own income in Euros	Total in Euros	Profits and losses HUF in million /EUR
2009 ⁵	245.5	901 149	61.0	223 911	1 125 060	36.65 / 134 530
2010 ⁶	155	541 076	43.1	150 457	691 533	4.1 / 14 313
2011	126.9	461 918	22.3	83 958	545 876	-38.9 / -141 600
2012 ⁷	61.9	214 766	51.2	177 642	392 408	-67.83 / -235 340
2013*	155	527 210	86.4	293 878	821 088	56.4 / 189 260
2014 ⁸ (projected)	155	509 868	(~ 62)	(~203 950)	(~713 818)	

* Additionally in 2013 the Educational Authority paid the fee (~30 000 EUR) for the ENQA coordinated external review of HAC.

The average exchange rate we counted for 2009 was 272.43 HUF/EUR and for 2014 304.00 HUF/EUR

In 2013/14, upon the request of the HAC President, the Ministry allocated an additional 3 million HUF (of which 1.7 million HUF [~5600 EUR] was actually used) for inviting foreign

⁵ The HAC consisted of 29 members and 6 co-opted members

⁶ The HAC consisted of 19 members and 2 co-opted members

⁷ The HAC consisted of 18 members

⁸ Two additional members were appointed from October 2014

experts in the disciplinary accreditation procedure of medicine, dentistry, and pharmaceuticals programmes.

Moreover, the HAC has just won an open competition for a project of 19.6 million HUF (~ 63.3 thousand EUR) to be implemented in the first half of 2015, the tasks of which is to work out the operational standards of Teacher Training Centres at HEIs and the new external evaluation and accreditation criteria of teacher training programmes.

After the 2013 ENQA Review Report, the HAC had made several proposals to planned amendments to the higher education law and government decree regulating higher education quality. With respect to securing stable government funding, the HAC proposed to re-establish the amount of its allocation to be 0.2% of the state budget for higher education that was in the 2005 Higher Education Act (knowing that the national budget law had in fact always overridden it and never actually reached that sum). It also would have seen a guarantee for a predictable financing if the budget had been legislated in a separate budget line, rather than together with some other organizations, within the Ministry's budget.

At the annual meeting of the HAC International Advisory Board in October 2013, members of the Hungarian Advisory Board were also present. The Hungarian Advisory Board members subsequently addressed a letter to the Secretary of State for Higher Education, recommending that the HAC budget be in a separate budget line and that it receive its funding at reliable intervals.

In our interpretation the positive changes in financial and human resources below lead to the full compliance of HAC with the ENQA Criterion 3,

- the combined income from the budget and fees allows the HAC to fulfil its basic assignments
- the HAC was able to hire an additional programme officer in September 2014 and another one is planned to be employed from January 2015 on
- the HAC has accrued some reserves again, after the severe losses in earlier years the audited financial result of 2013 was a surplus of 56.4 million HUF (~ 190 000 EUR) and also 2014 will probably end with a surplus.

ENQA criterion 5 / ESG 3.6: Independence

Independence: Agencies should be independent to the extent both that they have autonomous responsibility for their operations and that the conclusions and recommendations made in their reports cannot be influenced by third parties such as higher education institutions, ministries or other stakeholders.

The ENQA Board decision January 2014 stated,

“...the fact that the Educational Authority might overturn a decision of HAC and grant programmes or institutions a licence to operate without HAC accreditation are a cause of concern for the Board.”

The review panel made the following observations in its report with regard to ENQA criterion 5 / ESG 3.6 (Panel Report pp. 34-35). (Only the critical points are cited here.)

“The new Higher Education Act does not formally mention this independence but the Government Decree (19/2012, II.22, §4(1)) specifies that the HAC is an independent organization. (...)

“The HAC decisions are not directly influenced by the Ministry or any political entity. However the commitment of the Educational Authority not to override the HAC’s decisions was overturned with the case of consideration of the new VET programmes. (...)

“The Government Decree (19/2012 II.22) regulates financing for the HAC, “stating in that it is a separate item in the budget of the Ministry. The de facto allocation in 2012 (less than half of what it has been in 2011) has seriously threatened the quality work and the independent existence of the HAC. (...)

“The delegation of half the HAC members by the Minister, replaces a system with 19 members, dominated by academics, nominated by the HRC and by the Hungarian Academy of Sciences.

“The nomination of the President by the Minister, instead of the precedent system of election by secret ballot among the members, is an additional concern in this context. This system is not unusual in Europe, but the President, as the members, can also be dismissed in the same form at any time without explanation, which diminishes the degree of independence of the Agency. (...)

“The “small country effect” makes decisions at risk of being occasionally tinged with institutional interests. (...)

“HAC is thus driven from an independent role into a more consultative role in the decision processes of the Educational Authority. Decisions and resolutions of HAC are in legal terms only expert opinions, requested and considered by the Educational Authority when making the licensing decisions. This situation is still undergoing further negotiations and HAC has proposed a number of amendments on the various points mentioned above that still may be improved. (...)

“The National Union of Students is invited to assist at the public part of HAC Plenary session, but has no member when the Plenary votes. They had this right before, but according to the New Higher Education Act they lost it, their place being overtaken by a representative of PhD students. HAC should involve both undergraduate and doctoral Students National Union of Students and Doctoral Students together, in the plenary sessions with full rights to vote. (...)

“The Panel recognizes as a threat to independence the delegation of members by Minister, the fact that members can be recalled without explanation, and that the president is not elected by members but named by Minister. (...)

The panel recommended with respect to independence,

“The Panel recommends HAC to persist in the present discussions with the Educational Authority about amendments and a clarification of the links and distribution of competences between Ministry of Human Resources – Educational Authority and HAC. It is important to ensure the independent status of HAC and to increase its stability and sustainability.”

Changes in the legal framework

Legislative amendments were passed to regulate the independence of the HAC. The amendment to the Higher Education Act, effective as of 1 September 2014, now explicitly declares the HAC’s independence (the amended parts are indicated in italics),

§70 (1)

“The HAC is an *independent* national body of experts for the external evaluation of the quality of higher education, scientific research and artistic activity and the internal quality assurance systems at higher education institutions, and it contributes its expertise in procedures relating to higher education institutions as defined in this Act.”

With respect to the delegation of members, the law added two HAC members, and they are not delegated by the Minister.

§71 (1)

“The Hungarian Accreditation Committee shall be comprised of *20 members*. The Minister shall delegate 9 members, the Hungarian Academy of Sciences 2 members, the Hungarian Academy of Arts 1 member, the Hungarian Rectors’ Conference 3 members, religious legal entities maintaining higher education institutions 2 members, *the Hungarian Chamber of Trade and Industry 1 member, the Hungarian Union of Students 1 member*, and the Association of Hungarian Ph.D. and DLA Students 1 member.”

The amendments to the Government Decree (19/2012. (II. 22) regulating the HAC include the following,

§ 9

“Membership in HAC terminates ... (3) d) when his or her recall is initiated, if – upon a proposal *together with an explanation* by the Minister – the Prime Minister withdraws the appointment.”

§11 (1)

“The recall of a member may also be initiated by the delegating body or organisation. *The initiation for the discharge must include an explanation.*”

In our interpretation the legal changes in 2014 as shown below affect positively the independence of the HAC and contribute to the full compliance of HAC with the ENQA Criterion 5. The legal changes in 2014 affecting the independence of the HAC,

- the law declares the HAC to be an independent body of experts
- in order to reduce the share of minister delegates to HAC, the number of members was raised by law from 18 to 20, making that ratio changed from 50% to 45%
- two additional stakeholders, students and industry, are now represented in the membership
- the delegating body wishing to recall a member has to provide an explanation for initiating the recall.

Evidence and analysis

A new Secretary of State took office in the summer of 2014, and he expressed his personal concern for the success of the HAC in retaining full membership in ENQA. To this end, the amended government decree governing the HAC included changes meant to guarantee the body’s independence. Moreover, the Secretary, together with his Deputy and a representative of the Hungarian Rectors’ Conference and accompanied by the HAC President, met the President and the Director of ENQA to clarify the situation of the HAC.

The HAC had repeatedly submitted proposals for changing the legislation. While it was pleased that some of its proposals were heard, others were not. The HAC had suggested to lower the membership to 17 and reduce the Ministers' quota from nine to three. It also proposed to have a balanced delegation that would keep the three members each delegated by the Rectors' Conference and the Hungarian Academy of Sciences respectively but also add new ones (including a foreign member delegated by ENQA).

HAC first suggested the scheme to the Secretary of State in February 2013. The proposal was repeated by members of both the *International* and the *Hungarian Advisory Boards* in October 2013, who had also called for clarifying in the legislation under what circumstances a HAC member could be recalled.

The current list of HAC members with their delegating entity is provided in **Table 2** below. It should be noted as an advantage of the current delegating process that with the current government structure the Minister for Human Resources, who oversees education, health, sports, and culture, was able to consider in his nominations that a variety of disciplines are represented in the HAC.

Table 2: HAC members

Name	Professional field	Scientific degree	Position	Delegating entity / Employer
Ervin Balázs* president	Agriculture	HAS full member	research professor	HAS / Agricultural Research Institute
István Bérczi	Geology	CSc	advisor to Manag. Dir. MOL Ltd. / prof. emeritus, Miskolc Univ.	Hungarian Chamber of Commerce and Industry
Gyula Bakacsi	Business and management	CSc	university professor	Minister** / Semmelweis University of Medicine
Imre Csiszár			PhD student (Debrecen University)	National Union of PhD Students
Márton Csanády	Multidisciplinary social sciences	PhD	college professor	Károli Gáspár University of the Reformed Church / Budapest College of Communication and Business
Katalin É. Kiss*	Linguistics	HAS corresp. member	research prof. / univ. professor	Minister** / Pázmány P. Catholic University
István Ferencz	Architecture	Doctor of Arts	university professor	Hungarian Art Academy / Moholy-Nagy University of Art, Napur Architect Ltd
Pál Fejérdy	Clinical medicine	CSc	university professor	Minister** / Semmelweis University of Medicine
György Fodor*	Theology, linguistics	PhD	university professor	Catholic Church / Pázmány P. Catholic University

Name	Professional field	Scientific degree	Position	Delegating entity / Employer
Ferenc Fülöp	Pharmaceutics, chemistry	HAS full member	university professor	Minister** / Szeged Univ. of Arts and Sciences
Ferenc Gazdag	Political science	DSc	university professor	MRK / National University of Public Administration
Gábor Gerber	Biology, theoretical medicine	CSc	university associate professor	Minister** / Semmelweis University of Medicine
Tibor Gulyás			student at University of Pécs	National Union of Students
Kálmán Gyóry	Mathematics	HAS full member	professor emeritus	Minister** / University of Debrecen
János Hebling	Physics	DSc	university professor	Minister** / University of Pécs
Ákos Jobbágy	Electrical engineering	DSc	university professor	MRK / Budapest Univ. of Technology and Economics
László T. Kóczy	Computer sciences, electrical engineering	DSc	university professor	Minister** / Széchenyi István Univ., Bud. Univ. of Technology and Economics
László Korinek	Public administration and law	HAS full member	university professor	HAS / Pécs Univ. of Arts and Sciences, Gazette of the Ministry of the Interior
Gábor L. Kovács	Health sciences, clinical and theoretical medicine	HAS full member	university professor	MRK / University of Pécs
Csaba Kutnyánszky	Music	Doctor of Arts	university professor	Minister** / Liszt Academy

* second term

** Minister of Human Resources

Acronyms:

HAS: Hungarian Academy of Sciences; CSc: Candidate of Science of the HAS; DSc: Doctor of Science of the HAS; corresp. member of HAS: corresponding member of the HAS; MRK: Hungarian Rectors' Conference.

The HAC has also suggested to return the right of selecting the HAC president to the membership by secret ballot, as was the case before the 2011 law. Nor was a change made in the legislation in the appointment of the members of the Board of Appeals, who are assigned by the Minister.

The distinction between licensing and accreditation continues to be undefined. No change was made in the legislation about the right of the Educational Authority or the Minister to disregard the HAC's expert opinion or that of its Board of Appeals. The Minister, as determined in the Higher Education Act, still has the right to grant license for a programme or institution even against a negative decision on its quality by the HAC. It has happened several times. The Minister is not bound to, and he did not ask, the HAC Appeals Board opinion in the programme appeals procedures.

The HAC stresses that its quality decisions are made public on its website⁸, and are therefore distinct from licensing by the Educational Authority or Minister. In order to make the distinction evident to the public, the Secretary of State committed at the meeting with ENQA to adding the HAC seal to accredited programmes listed in the Higher Education Admissions Guide. (The 2014/15 Guide was already near its publication date, therefore the HAC logo may only be included in the next issue out in December 2015.)

In its Recommendations at its October 2014 meeting, the International Advisory Board made the following statement,

“From the documents received and its discussion with the HAC in the past years, the Board is of the impression that the HAC operates independently and its members are not influenced by external parties in their decision-making. The Board takes note of the positive developments in the legislation, with two additional HAC members not delegated by the Minister (and two more such members expected in the near future), and by declaring that members may not be repealed without explanation.

The Board believes, nevertheless, that independence must be safeguarded as much as possible by procedural means in order to ensure independence in times of conflict, should these arise. The Board still sees a need to definitely securing enhanced safeguards by explicitly stating the grounds for possible repeal of membership, and repeats its recommendation from 2013, that members “**can only be dismissed on grounds of serious misconduct** in relation to HAC's mission and specified tasks, and **only after the grounds have been set out in a document** to them stating the facts and the reasoning on which the decision is based”.

The Board would be reassured of the HAC's long-term independence if the number of HAC members **delegated by the Minister would constitute no more than one third** of all members.”

In our interpretation the positive changes as shown below affect positively the independence of the HAC and contribute to the full compliance of HAC with the ENQA Criterion 5,

- legislation declares that HAC is an independent body of experts
- the share of members delegated by the Minister was reduced
- students are now represented in the HAC
- the *Chamber of Commerce and Industry* is represented in the HAC
- the recall of members has to be provided with an explanation.

5. Other changes since the 2013 review

As noted in Chapter 3, HAC solicited SWOT analyses in preparing for the 2014/15 Partial ENQA Review from its members and staff with feedback solicited also from the external stakeholders who are permanently invited to its plenary meetings. The responses were of course not limited to independence and resources issues. Nevertheless, in analysing the replies, a great number of them were in some way influenced by these two factors. The most recurring remarks under Constraints and Threats concerned the uncertain legislative framework, both with regard to its frequent changes and the lack of guarantees for the consideration of the HAC's quality

⁸ On the Hungarian website www.mab.hu on the top banner under “Érdeklődőknek” (Stakeholders)/ “Akkreditált szakok” (Accredited Programmes), which links to the HAC database listing the accredited programmes

decisions in the legislation. The HAC's international recognition also featured heavily, on the positive side being the body's historical position at the forefront of international developments in quality assurance, and on the negative side the threat to this position and the effect of that on the international acceptance of Hungarian diplomas. More personal interaction with ministry authorities to raise awareness of the place of quality assurance in higher education as international good practice is offered as an opportunity to improve the situation (which in fact is a recent development between the HAC President and the Secretary of State).

Among the Strengths are mentioned HAC's official status and over twenty-years of experience and recognition in Hungarian quality assurance. HAC has adapted and up-dated its processes over time, and has remained fairly consistent in its fundamental approach even as the external environment has encroached on its stability. The HAC staff is always mentioned in all SWOT analyses as ensuring the needed professionalism and drive to astutely carry out an often heavy workload. The instability has left its mark on the external and internal perception of the HAC, however, when respondents remark about the difficulty some expert commissions face in finding competent external evaluators who are willing to dedicate their time to the HAC's work.

Other internal Weaknesses to be noted include the deficit in regular training of HAC members, experts and staff, which may lead to inconsistent interpretation of criteria and decision-making and lack of strategic planning. The HAC trusts that with a stable legislative framework it will be able to adjust its priorities in this direction. A training protocol will be all the more important in order to ensure consistency in decisions when the expert pool is expanded to include international members, as is planned starting in 2015 for the evaluations of university professors.

The Review Panel noted in its 2013 report, that "The 'small country effect' makes decisions at risk of being occasionally tinged with institutional interests" (p. 33), which is noted among the Weaknesses by one respondent. In addition to existing measures to reduce any conflict of interest, such as a Code of Ethics for members and experts, the anonymity of external evaluators, the databased evaluation in the HAC's TIR system (<http://tir.mab.hu/>) through which evaluations are conducted, and others, the HAC plans to increase its use of foreign evaluators. As a first step, applications for university professor positions are requested to be submitted in both Hungarian and English starting in 2015, thus enabling a wider range of experts to be invited.

Recognising the international character of quality assurance, a 2013 amendment to the Higher Education Act has included the *Standards and Guidelines in the European Higher Education Area* (ESG) as a reference point for the HAC's expert opinion. In § 67 (4)a) the law states that the Educational Authority has to include in its resolution on licensing and renewal of licenses the HAC's opinion regarding the institution's compliance with the ESG, which according to §8 (2) is to take place every five years.

Finally, but significantly, the previous Secretary of State for Higher Education has initiated a complex strategy for the sector, which the current Secretary has taken up and is developing in a comprehensive way and in consultation with higher education stakeholders. Discussions on quality issues with the HAC are ongoing. A still unedited English translation of the December 2014 draft Higher Education Strategy is sent to the ENQA review panel in a separate document.

6. Appendices

1. Letter from ENQA President on decision following 2013 HAC review
2. Terms of Reference for 2014 Partial Review
3. Chronology of actions to improve HAC independence and reliability of resources
4. HAC SWOT
5. Documents requested by the External Review Panel during the site visit
 - a. State support of Higher Education and HAC (million HUF)
 - b. HAC decisions 2010 – 2014 (extended data)

Appendix 1. Letter from ENQA President on decision following 2013 HAC review



Prof. Ervin Balázs
President
Hungarian Accreditation Committee (HAC)

Dublin, 17 January 2014

Subject: External review of HAC and decision on membership

Dear Professor Balázs,

I am writing to inform you of the decision taken by the ENQA Board on 29 November 2013 regarding the membership of HAC in ENQA.

As you know, the Board had already discussed the report of the review panel at its meeting of 28 October 2013 and I would like to thank you for the additional information you kindly provided regarding the criteria on resources and independence.

From your explanations, the Board came to the conclusion that, while the other criteria can be deemed as satisfactorily met, the level of compliance of criterion 3 (resources) and 5 (independence) is significantly lower.

Indeed, the financial instability (the budget allocation for the second half of the year had not been transferred yet at the beginning of November) and the fact that the Educational Authority might overturn a decision of HAC and grant programmes or institutions a licence to operate without HAC accreditation are a cause of concern for the Board.

In addition, the outcome of the discussion with the Secretary of State for Higher Education regarding the delegation and appointment of HAC members is still uncertain.

As substantial compliance with the membership criteria is required for full membership of ENQA, the Board cannot renew HAC's full membership at this moment. HAC will thus be designated as "ENQA Full member under review" for a period of two years from the 29th November 2013 and will need to undergo a new review process at the end of this period, or sooner, if HAC wishes.

If HAC is dissatisfied with the decision of the ENQA Board not to reconfirm membership, it may file an appeal according to the procedures outlined in article 38 of the Statutes of ENQA.

I would like to conclude by emphasising that the report confirmed the high professionalism of the Agency and its staff in conducting evaluation procedures. Since HAC has been a Full member for over 10 years, we hope that the two major aforementioned shortcomings identified in the review will be



addressed and substantially resolved in the next two years.

Yours sincerely,

A handwritten signature in blue ink that reads 'Padraig Walsh'. The signature is written in a cursive style with a large 'P' and 'W'.

Padraig Walsh
President of ENQA

Appendix 2. Terms of Reference for 2014 Partial Review



Additional partial review of the Hungarian Accreditation Committee (HAC) by the European Association for Quality Assurance in Higher Education (ENQA)

Annex I: TERMS OF REFERENCE

November 2014

1. Background and Context

The Hungarian Accreditation Committee (HAC) was established by the Hungarian first higher education law in 1993. It is, according to the 2011 National Higher Education Act, a national body of experts facilitating the control, assurance and evaluation of the scientific quality of education, scientific research and artistic activity at higher education institutions.

HAC conducts ex ante and ex post evaluation of both programmes and institutions. Ex ante evaluation of programmes comprises giving opinion on the national-level educational and outcome requirements (which are framework requirements for all degree programmes in Hungary and appear in a ministerial decree), and new programmes to be launched at institutions. Ex post evaluation is conducted in five-year cycles. There are separate procedures for institutional and programme evaluation. The latter is conducted for entire disciplines, with all programmes taught in Hungary in that discipline undergoing a single procedure with external evaluators from a common pool.

In 2005, bachelor and master programmes replaced the traditional, single stream college or university programmes. The majority of new bachelor programmes began in 2006 and master programmes in 2009. All of them have undergone the evaluation process.

The new National Higher Education Act was passed by Parliament on 23 December 2011.

HAC has been Full member of ENQA since 2002.

Following its last external review, HAC was awarded the status “full member under review” in November 2013. The ENQA statutes state that an agency “under review” has to undergo a further review which would focus on the deficiencies mentioned in the report of the first review after a period of two years or sooner if the agency requests so.

HAC has expressed its willingness to undergo the additional partial review before the adoption of the revised ESG in May 2015. Due to the changes in the national framework in the past year, the agency considers itself now ready for this partial review.

2. Purpose and Scope of the Evaluation

This is a partial review, following the completion of the full review of 2013 that led to the assignment of the agency as “full member under review”. The partial review will evaluate the way in which and to what extent HAC fulfils the criteria 3 (resources) and 5 (independence) for the ENQA membership. The review will also consider any relevant changes that have taken place since the full review was completed in 2013. Consequently, the review will also provide information to the ENQA Board to aid its consideration of whether HAC Full membership should be reconfirmed.

The review panel is not expected, however, to make any judgements as regards granting Full Membership.

Should the partial review be successful, HAC's membership will expire five years after the completion of the full review, i.e. at the end of 2018.

3. The Review Process

The process is designed in the light of the *Guidelines for external reviews of quality assurance agencies in the European Higher Education Area*.

The evaluation procedure consists of the following steps:

- Formulation of the Terms of Reference and protocol for the review;
- Nomination and appointment of the review panel;
- Self-evaluation by HAC including the preparation of a partial self-evaluation report;
- A site visit by a reduced review panel to HAC;
- Preparation and completion of the final evaluation report by the review panel;
- Scrutiny of the final evaluation report by a Review Committee of the ENQA Board;
- Analysis of the scrutiny by the ENQA Board and their decision regarding ENQA membership;
- Follow-up of the panel's and/or ENQA Board's recommendations by the agency.

3.1 Nomination and appointment of the review team members

According to the ENQA rules for partial reviews, the Board may carry out the review itself, or nominate external reviewers to complete the task. The Board proposed to carry out this review by employing three external reviewers. In order to ensure consistency, sufficient background knowledge on the agency, and the external trust in the outcomes the Board has decided to ask three of the five members of the panel of the full review of HAC in 2013. One of the members will be an EUA nominee and one will be a student.

ENQA will provide HAC with the list of suggested experts with their respective curriculum vitae to establish that there are no known conflicts of interest. The experts will have to sign a non-conflict of interest statement as regards the HAC review.

3.2 Self-evaluation by HAC, including the preparation of a partial self-evaluation report

HAC is responsible for the execution and organisation of its own self-evaluation process and shall take into account the following guidance:

- Self-evaluation is organised as a project with a clearly defined schedule and includes all relevant internal and external stakeholders;
- The agency is expected to produce a partial self-evaluation report on the two criteria indicating in particular the changes that have taken place since the last full review (in 2013). In addition, the agency will indicate any eventual changes and developments beyond those listed under criteria 3 and 5 that will be of relevance for the process. Supporting documents and evidence shall be provided to support the analysis in the self-evaluation reports. The self-evaluation report will be provided in English.
- The partial self-evaluation report is broken down by the topics of the evaluation and is expected to contain, among others: a background description of the current situation of the Agency; an

analysis and appraisal of the current situation; proposals for improvement and measures already planned; a SWOT analysis;

- The report is well-structured, concise and comprehensively prepared. It clearly demonstrates the extent to which HAC fulfils its tasks of external quality assurance and meets the criteria for the ENQA membership and thus the ESG.
- The report is submitted to the review panel at least one month prior to the site visit.

3.3 A Site Visit by the Review Panel

HAC will draw up a draft proposal of the schedule for the site visit to be submitted to the review panel one month before the planned dates of the visit. The schedule includes an indicative timetable of the meetings and other exercises to be undertaken by the review panel during the site visit, the duration of which is 1 day. The approved schedule shall be given to HAC before the site visit, in order to properly organise the requested interviews.

The review panel will be assisted by HAC in arriving in Budapest, Hungary.

The site visit will close with an oral presentation and discussion of the major issues of the evaluation between the review panel and HAC.

3.4 Preparation and completion of the final evaluation report

On the basis of the review panel's findings, the review secretary will draft the report in consultation with the review panel. The report will take into account the purpose and scope of the evaluation as defined under article 2 and assess how the compliance has evolved since the last full review (in 2013). It will also assess any eventual changes that have been brought to the attention of the panel in the self-evaluation report. A draft will be submitted for comment to HAC within one month of the site visit for comment on factual accuracy. If HAC chooses to provide a statement in reference to the draft report it will be submitted to the chair of the review panel within one week after the receipt of the draft report. Thereafter the review panel will take into account the statement by HAC, finalise the document and submit it to HAC and ENQA.

The panel will provide an assessment of compliance on the two criteria (3 and 5) and will also be invited (though not required to) express its overall assessment of compliance of the agency in light of the outcomes of the full review in 2013 combined with the additional partial review.

The report is to be finalised by March 2015.

4. Follow-up Process and Publication of the Report

HAC will consider the expert panel's report and will publish it on its website once the ENQA Board has made its decision. The report will also be published on the ENQA website, regardless of the review outcome and decision by the ENQA Board. HAC commits to preparing a follow-up plan in which it addresses the recommendations of the review panel and to submitting, if requested, a follow-up report to the ENQA Board. In this case, the follow-up report will be published on the ENQA website, in addition to the full review report and the Board's decision.

5. Use of the report

ENQA shall retain ownership of the report. The intellectual property of all works created by the expert panel in connection with the review contract, including specifically any written reports, shall be vested in ENQA.

The review report is to be used by the Board of ENQA for the purpose of reaching a conclusion on whether HAC has met the membership criteria/ESG.

The review report is to be considered final only after being approved by the ENQA Board. Once submitted to HAC and ENQA and until the decision by the Board is made, the report may not be used or relied upon by HAC, the panel and any third party and may not be disclosed without the prior written consent of ENQA. HAC may use the report at its discretion only after the Board decision has been made.

Should the review report be used for applying to the European Quality Assurance Register for Higher Education (EQAR), the Chair of the panel shall remain available to respond to questions of clarification or further information from the EQAR Register Committee provided that the ENQA Secretariat is copied in all such requests.

6. Budget

HAC shall pay the following review related fees:

Fee of the Chair	1,000 EUR
Fee of the Secretary	1,000 EUR
Fee of the other panel member	800 EUR
Administrative overhead for ENQA Secretariat	500 EUR
Travel and subsistence expenses (approximate)	2,000 EUR

This gives a total indicative cost of 5,300 EUR for a review team of 3 members. In the case that the allowance for travel and subsistence expenses is exceeded, HAC will cover any additional costs after the completion of the review. However, the ENQA Secretariat will endeavour to keep the travel and subsistence expenses in the limits of the planned budget, and will refund the difference to HAC if the travel and subsistence expenses go under budget.

In the event of a second site visit required by the Board and aiming at completing the assessment of compliance, and should the agency accept a second visit, an additional fee of 500 EUR per expert, as well as travel and subsistence costs are recoverable from the agency.

7. Indicative Schedule of the Review

Agreement on terms of reference and protocol for review	November 2014
Appointment of review panel members	November 2014
Self-evaluation completed	19 December 2014
Preparation of site visit schedule and indicative timetable	December 2014
Briefing of review panel members	January 2015
Review panel site visit	January 2015
Draft of evaluation report to HAC	February 2015
Statement of HAC to review panel if necessary	February 2015
Submission of final report to ENQA	15 March 2015
Consideration of the report by ENQA and response of HAC	April 2015
Publication of report	April 2015

Appendix 3. Chronology of actions to improve HAC independence and reliability of resources

1. Meeting with the Deputy Secretary of State in the Ministry, discussion on the HAC external review and ESG/ENQA compliance (January 18, 2013)
2. Letter to the Deputy Secretary of State, proposal for amendments of the HEA (February 1, 2013)
3. Letter to the Secretary of State, asking for additional financing for involving foreign experts in disciplinary programme accreditation (June 7, 2013). [*The requested 3 million HUF was offered by the Ministry, 1.7 million was used, since only two experts took part in the evaluation procedure, one expert did not come.*]
4. *Amendment of the HEA (HAC is “independent”, in force from July 6, 2013)*
5. Meeting with the Secretary of State in the Ministry, discussion on the HAC ESG/ENQA compliance, proposal for HEA amendments (October 21, 2013)
6. Letter of HAC Hungarian Advisory Board to the Secretary of State, proposal for amendments of the HEA (October 31, 2013)
7. Recommendations (2013) of HAC International Advisory Board sent to the Secretary of State and his Deputy (November 20, 2013)
(www.mab.hu/web/images/doc/hac/news/RECOMMENDATIONS_2014_NTT.pdf)
8. Letter to the Minister asking for explanation on his decisions concerning professorial appointments against HAC negative evaluations (July 16, 2014) and reply by Secretary of State (29.09.2014)
9. *Amendment of the HEA, HAC has 20 members (in force from July 24, 2014)*
10. Meeting with the new Secretary of State and his Deputy in the Ministry, discussion on the HAC ESG/ENQA compliance, actual standing (July 24, 2014)
11. *Amendment of Government Decree 19/2012. (VII.22.) on diverse issues on HE quality assurance and development (The recall of members has to be provided with an explanation, in force from September 1, 2014)*
12. Meeting with the Secretary of State and his Deputy in the Ministry, discussion on the HAC ESG/ENQA compliance, actual standing (September 10, 2014)
13. Meeting with the ENQA President and Director in Zagreb (Secretary of State and his Deputy, HRC representative, HAC President, October 16, 2014)
14. Recommendations (2014) of HAC International Advisory Board sent to the Secretary of State and his Deputy (November 13, 2014)
(www.mab.hu/web/images/doc/hac/news/RECOMMENDATIONS_2014_NTT.pdf)
15. Meeting with the Secretary of State and his Deputy in the Ministry, discussion on the HAC ESG/ENQA compliance, actual standing (December 2, 2014)

Appendix 4. HAC SWOT (C-SWOT)

A SWOT analysis was conducted among HAC members and staff between 24.11 and 1.12.2014. The response rate was six out of 20 HAC members and five out of 17 staff members. Subsequently, together with the whole draft SER, the SWOT was discussed at the HAC plenary meeting on 12.12.2014. The principal findings obtained from recurring responses are presented here. Please see also pp. 15-16 for the HAC's internal comments on the SWOT results.

Constraints

- Regarding the legal framework
 - changes frequently
 - overrides HAC rules and disregards common international quality assurance practices
 - the Educational Authority/Minister may grant operating license and is not bound by the experts' independent quality decisions (diminishes HAC's role and may threaten its existence)
- Financing insecure and unreliable

Strengths

- HAC President represents HAC and its views and resolutions very well towards external stakeholders
- official status and recognition with national scope
- members and external experts are respected within higher education sector
- international
 - recognition and prominent presence in international quality assurance for 20 years
 - panel evaluated HAC three times in past 14 years
 - Advisory Board counselling since HAC's first year
- regarding HAC work and its evaluations
 - professional recognition, experience / high level of work
 - consistent implementation of pre-determined criteria
 - thorough and in-depth evaluations
 - fairly consistent implementation of no-conflict-of-interest
 - detailed regulations that have been relatively consistent over past 20 years despite external changes but are updated periodically
 - criteria, standards and processes in line with international ones
 - access to experts knowledgeable in the required fields
 - supportive and constructive toward higher education institutions
 - streamlined IT-based processes
- HAC staff dedicated, hard-working, low fluctuation

Weaknesses

- regarding HAC experts and their work
 - PhD students were not involved in the accreditation of doctoral schools [Editor's note: doctoral schools are databased evaluations, no site visits involved, but students sit in expert committees]

- low motivation among some HAC members and external experts to contribute time and effort to the work of the HAC (incl. individual evaluations and thorough contributions to evaluation reports)
- more younger experts should be invited who would be more open to new higher education organisation and processes
- difficulty to find experts not affected by any conflict of interest, due the “small country effect”
- lack of consistent interpretation of criteria and decision-making
- lack of in-depth and ongoing training of experts and staff
- regarding processes and operation
 - efforts of HAC members exhausted in routine tasks with low capacity for strategic thinking and planning
 - frequent and often quickly introduced rules and accreditation requirements
 - ongoing time constraints: some deadlines cannot be kept because applications arrive late before an expert commission date or due to external bureaucratic constraints / time for site visits inconsistent (e.g. one to one and a half days for large institutions while a whole day may be devoted to smaller ones)

Opportunities

- regular face-to-face interaction on quality assurance issues, including international practice, with Educational Authority/Secretary of State for Higher Education to ensure harmonization of concept of HAC mission / communicating flaws in legislation
- more strategic thinking and planning with periodic review of HAC tasks and approaches
- maintaining international recognition of the HAC
- regarding processes
 - inviting international experts and independent experts also from business and industry, refreshing expert pool
 - disseminating good quality assurance practices among higher education institutions and focusing on developing quality culture in its broadest sense
 - increasing the involvement of students and PhD students in accreditation

Threats

- further external constraints, esp. legislative ones, threaten consistent work
- legislation fails to take into consideration international quality assurance practices in the future either, which endangers HAC recognition and Hungarian higher education internationally
- low and unreliable financing keeps on
- decline in the number of qualified external experts who accept to work for HAC, loss of HAC recognition due to legislative uncertainties

Appendix 5. Documents requested by the Review Panel during the site visit

a. State support of Higher Education and HAC (million HUF)

State support of Higher Education and HAC (million HUF)

Year	All HE	HAC	HAC %
2009	197 845	245,5	0,1241
2010	194 815	155	0,0796
2011	183 833	126,9	0,0690
2012	169 968	61,9	0,0364
2013	168 831	155	0,0918
2014	136 688	155	0,1134

2014 not final sum!

HAC reserves at end of year

Year	million HUF
2009	123
2010	127
2011	88
2012	20
2013	77
2014	90

2014 not final sum!

b. HAC decisions 2010 – 2014 (extended data)

Type		Supported					Not supported					Appeals at HAC ^c		Appeals Comm. Negative decision		Licensed / Appointm.	
		2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2013	2014	2013	2014	2013	2014
Ex ante accredit. – bachelor programs	Establishment nationally	1	2	4	1	1	9 3	1	1	2	3	0	0				
	Launching at HEI	31	33	17	10	16	37	17	27	21	23	1 ^c	0	1 ^c	0	3 ^d	2 ^d
Ex-ante accredit. – master programs	Establishment nationally	12	18	8	2	9	13	7	6	8	12	0	0				
	Launching at HEI	86	53	49	26	39	44	47	35	23	37	2 ^c	0	2 ^c	0	2 ^d	4 ^d
Monitored (operating programs)	Bachelor progr's	6	4	1	20	3	9	4	0	7	1	2	0	0	1 (from 2013)		lic. not revoked
	Master progr's	0	3	1	13	1	0	1	0	1	1	0	0				
Ex ante accredit. – VET programs		0	0	0	125	3	0	0	0	112 (42)	1	0	0			112 (42)	1
Ex-ante accredit. – new HEI to be established		0	0	0	0	0	0	0	0	0	1	0	0				
Ex-post institutional accreditation		8 7	7	8	9	26 (9 from 2012/13)	0 1	0	0	0	0	0	0				
Ex-post accr. of all running programs in a discipline (bachelor + master)		29	71	35	0	36	0	0	0	0	1	0	0				
Evaluation of professorial appointments		104	98	90	80	111	94 44	40	32	27	27	30	15	22	12	5	4
Accr. of doctoral schools	Ex ante, new	2	1	3	3	2	1	5	1	2	1	0	0				
	Ex post schools and core members	39	135	43	(114) ^a	84 ^b	12	81	17	(38) ^a	11 ^b	0	0				

^a Preliminary evaluation for 2014/15 accreditation procedure

^b Remaining doctoral schools to be decided on January 30, 2015

^c In ex-ante program procedures started from September 2012 the minister is not compelled to ask the second opinion of HAC when it comes to appeals. The three ex-ante (launching) procedures indicated in the table were started before that date. As to appeals in professorial appointment procedures, the minister, by law, has to ask the second opinion of HAC (which is given by the Appeals Committee).

^d These licensing decisions were related to program appeals under the new law, they were not sent to HAC for second opinion. (Data from Educational Authority.)