

Appeals Committee Report – Institute of Tourism Studies (ITS)

29th May 2023

1. Introduction

An external quality assurance audit at ITS was carried out between the 9-12 March 2021 following which the Audit Panel compiled a report on its findings. In turn, the institution submitted an appeal to the Quality Assurance Committee (QAC) referring to statements, requirements and recommendations included in Standard 2 of the quality assurance audit report. MFHEA referred the appeal submitted by ITS to an Appeals Committee appointed by the QAC.

2. Appeals Committee

The following appointments were made to the Appeals Committee

Ms Veronica Montebello – Chairperson

Dr Robert Cassar – Member

Ms Natalia Greniewska - Member

3. Role of the Appeals Committee

The Appeals Committee had the task of analysing the evidence that the petitioner had submitted in support of its grounds, and subsequently determining whether to:

- dismiss the appeal; or
- uphold appellants' arguments (this may be partial); or
- order that a new evaluation should be conducted at the expense of MFHEA.

4. The appeal

The following is the appeal as submitted to QAC:

The Institute of Tourism Studies is appealing Standard 2 in its entirety, both as the written content under Standard 2 and its recommendations. ITS makes specific reference to the comments of the Audit Panel on the processes involved in the selection of the senior personnel below:

- A) The call for COO Academia
- B) The call for COO Corporate
- C) The call for IQAC
- D) The call for Registrar

5. Documented evidence

The Appeals Committee were presented with the following documents:

- reports submitted by the Audit Panel,
- correspondence between the provider and MFHEA,
- CVs of the persons identified above,
- the SAR submitted by ITS.

6. Oral evidence

The Appeals Committee had an online meeting with the Chair of the Audit Panel on the 17th May 2023.

7. Context considered by the Appeals Committee

The External Quality Assurance, Provider Audit Manual of Procedures stipulates that in Standard 2 - Institutional Probity – All *'Entities shall ensure that they have appropriate measures and procedures in place to ensure financial probity'*. In this regard, it is expected from the institution that it should,

- 1) Keep comprehensive records of all financial transactions.
- 2) Have sufficient financial reserves to maintain operations in the event of unpredicted circumstances.
- 3) Have one's accounts audited annually by a certified auditor and have regular budget plans.
- 4) Have procedures to ensure that its leaders are fit for purpose.

Key indicators for Standard 2 are:

- a) Whether the provider has sufficient resources to deliver its academic programmes
- b) How the provider ensures that the members of its bodies and staff occupying headship positions are fit for purpose

8. Rationale

The Appeals Committee reviewed Standard 2 included in the ITS Audit Report together with the available oral and written evidence and concluded the following:

- a) The Audit Panel in the report focused exclusively on criterion 4 of section 7 above (Have procedures to ensure that its leaders are fit for purpose) and key indicator 2 (How the provider ensures that the members of its bodies and staff occupying headship positions are fit for purpose) in its analysis leaving a key component out, i.e., the ability of the institution to sustain itself financially as well as grow. While it is a fact that the institution is government funded, hence its budget depends on what is allocated by the central government, it was a missed opportunity on behalf of the Audit Panel to have renounced to look into or at least refer in their report to how the institution is using this money. As a matter of fact, the institution has several practices it has been using for many years to further sustain its growth. These good practices have been completely ignored and should have been part of the report because they show proactiveness on behalf of the provider.

Also, the Appeals Committee noted that no reference to the SAR has been made with regards to Standard 2. The SAR clearly refers to several initiatives ITS was undertaking at the time to ensure financial probity. This direction is clearly explained in the SAR in pg21. It is not clear to the Appeals Committee why no reference to such initiatives has been made. Similarly, no reference has been made to whether the institution is indeed following the 5-year strategic plan mentioned in the report. It is also not clear to the Appeals Committee whether this plan has been one of the foci during the actual audit.

- b) The Audit Report points out that the Board of Governors at ITS is mainly operational rather than strategic in its operations. While there is nothing intrinsically wrong with this stance, the Audit Panel was right in arguing that the functions of this Body and what it was doing were not necessarily aligned. The Appeal's Committee recommends that the provider carries out an alignment exercise and proposes a new set of functions for the Board of Governors in line with what they are really doing at the moment.

Nevertheless, it should also be noted that it is common practice for the Board of Governors of Educational Institutions in Malta to be mainly operational in nature, rather than strategic. In institutions such as ITS, the Board of Governors is an important bridge between the institution and the central government and members are appointed amongst other things, to ensure that the vision of the Ministry and that of the Political/Public Administration of the day is achieved through the day-to-day operations of the institution. In that regard they are strategic. The Appeals Committee finds it incongruent to the nature of similar boards across the country to expect the Board of Governors at ITS to be knowledgeable and/or have expertise in *'quality improvement, risk assessment, curriculum organisation and development* etc (Audit report pg. 21).

The Appeals Committee also questions why the Audit Panel opted to remark on the fact that it *'has no visibility if there is any process preceding the political appointment of the Board members or if ITS has any role in the nomination process'* (Audit report pg. 20). First and foremost, it is not clear to the undersigned why such a reference was made and what point the Audit panel intended to convey. Moreover, political appointments are by nature and by law the result of a selection/process carried out at a ministerial level. Often, the institution has little to no influence in such appointments. Additionally, the Appeals Committee finds it strange that the Audit Panel decided to remark that no CVs for members of the Board of Governors were presented to the Audit Panel. It is not the remit of the panel nor of Standard 2 as clearly indicated in Section 7 above to delve into the qualifications and skills of members of the Board of Governors. Their appointment was done according to the Maltese and institution's law. Additionally, such appointments take place outside the boundaries of the panel's remit as auditors.

The Appeals Committee would like to emphasise that the remit of the Audit panel is to investigate the process. The EQA Manual of procedures is very clear in this stance. The Audit Panel acted beyond its scope when it investigated if the Board of Governors are able/skilful/knowledgeable enough for the job. The various ministries and Parliament itself have checks and balances in place to ensure that

board members are doing their job, and these mechanisms are once again outside the remit of the Audit panel and/or the institution they were auditing.

- c) A similar argument to the previous point can be made with regards to the Audit Panel's statement on pg. 21 of the report that stated that *'the panel believes that the BoS seems to be well equipped - in terms of both its composition and qualifications of its members - to meet the scope it was assigned.'* Yet again it is the not remit of the Audit Panel to judge whether the individuals selected for the various bodies of the institution are apt or not for the job. The above statement was redundant, and it does not provide anything of value to the institution or add intrinsic value to the report. Additionally, it should be stated that two members of the Board of Studies whom the panel deemed 'well equipped' are from the Board of Governors, whom the panel believed unqualified and unskilled for the job only a few paragraphs before. The Appeals Committee is unclear how this can be the case.
- d) In Pg 22 of the Audit Report, the Audit Panel was not clear enough in its conclusions. It is not clear to whoever is reading the report which bodies are functioning well and which still have a lot of work to do. In the report they state – *'generally, the panel observed that ITS has put a lot of effort into increasing the effectiveness and efficiency of its governance and management, which is in some instances evidenced and commended, but other times does not have sufficient supporting formal systems in place e.g., minutes taking, work planning and reporting are not sufficiently developed'*. Just by stating 'other times' the panel failed to identify which areas the institution needs to improve on, hence that point is redundant. Also, it does not provide anything of value to the provider or the report itself. It is cardinal to remember – 'who the audit report is being written for'. Statements such as these, which do not identify structures, bodies or processes are in effect pointless since they do not direct the end user of the report (the provider) in the right direction.
- e) In pg. 22 of the Audit Report, the Audit Panel refers to the PSMC (Public Service Management Code). The fact that this key document is mentioned demonstrates that there was a level of awareness on behalf of the panel to how the Public Service in Malta operates. Notwithstanding, the Appeals Board believes that such an important document was not taken enough into consideration during the deliberations of the panel. This is evident since the PSMC is mentioned only once in passing and no context is provided in the report, as to why such a document influences a number of key processes at the institution.
- f) Also in pg. 22, with regards to the role of the CEO, the Audit Panel yet again refers to the experience and background of the individual in question and his/her ability to fit in the role s/he occupies. As mentioned above, the Appeals Committee understands that is not within the parameters of Standard 2, since the Standard refers and is interested in processes rather than judging whether an individual is suitable or not for the job. The panel should have investigated, and if they did so reported on whether the public call was run as it should have been, rather than judging the suitability of the person.

- g) In the evaluation of the recruitment process for the role of COO-Academia, the Audit Panel states that the *'main duties described in the vacancy announcement are either erroneous or intentionally not synchronised with any academic management responsibility'*. The Appeal Committee is of the opinion that such a judgement is unfounded. It is not clear to the Appeals Committee, on which grounds and by what benchmark did the Audit Panel conclude that the criteria included in the job announcement are not fit for purpose or not adequate for the role. If the institution deemed fit to include these criteria in the duties pertaining to this role, the panel has no ground to object to their validity and/or suitability, unless of course they have been written with ill intentions, are inappropriate or do not respect local and European laws. The argument that the criteria mentioned are transferable to other jobs/positions is not strong enough to dismiss them or to claim that there is foul play in the recruitment process. The above statement should have never been there in the first place as it is improper.

In relation to the role of COO Academia, the Audit Panel stated that *'the judgment on the successful candidate having the one (1) year work experience in management set-up of an educational institution is subjective and stretched, and may not be justified by the background of the position holder, which does not seem equipped to meet the responsibilities of the highest academic role within the institution'* (pg. 24 of the Audit Report). The Appeals Committee believes that yet again the Audit Panel opted to instruct the institution, telling them what they believe should be done and in which way. While it should be stated that the institution was not particularly forthcoming with providing certain documents, including CVs, the Audit Panel was factually incorrect when stating that the successful candidate had only 1 year of experience. In fact, the individual selected had more than that at the time of the audit. Then again it is not the remit of the Audit Panel to get into how many years of experience should be specified in the call for applications, for a specific job. That is up to the institution to decide. Nor it is its remit to question why the *'eligibility criteria for a senior role of high importance to the institution is of such a low standard'* (pg. 24 of the Audit report). Statements such as the following should have been edited and removed in the first place – *'similarly, the panel finds that the judgement on the successful candidate having met the job requirements is subjective and stretched and may not be justified by the background of the position holder.'* (pg. 24 of the Audit Report). The panel has no legal authority nor remit to tell a provider whom they should employ. Yet again the panel should have stuck to evaluating and/or analysing the process which led to the selection of that individual. Also in this case, the Audit Panel chose to question the institution on why *'the eligibility criteria for a senior role of such high importance to the institution is phrased so generically that it can be met by virtually anyone with minimal experience in a senior management position'*. The Appeals Committee believes that the tone of this statement is inappropriate. The statement above is solely the opinion of the panel, hence it carries no weight as judgment. Moreover, even if there is evidence to this, the Audit Panel was not in a position to assess all the conditions in which the institution was operating at the time, including but not limited to, its intrinsic operational needs and/or labour market conditions.

- h) With regards to the position of Head Quality Assurance, the Audit Panel failed to distinguish between the members of the IQAC and the Head himself. They claim

that members of this committee are unqualified for the role, hence also including the Head of QA as well. It should be said that the Head of QA does indeed have qualifications as it is reported by the same Audit panel in pg. 25 of the Audit Report. Due to the lack of qualifications of almost all members of the IQAC, the Audit Panel also questions why the Board of Governors approved their appointment. In this regard, it is not clear to the Appeals Committee whether the Audit panel due to their judgment, did indeed delve into that matter, and collected evidence about it.

Additionally, while the Audit Panel state the appointment of the Head of QA was carried out according to the legal notice, the panel failed to report on whether the process was followed diligently. On the other hand, the panel opted to investigate the qualifications of the individual and argue that what he had at the time was enough justification for the Board of Governors to reappoint, but chose not to report on whether such processes were followed according to ITS law or otherwise.

- i) With reference to the Audit Panel evaluation of the role of Registrar, the statement reported was erroneous since the individual occupying the role did not transfer/was promoted from another role but was appointed through a 'detailing' process as expressed in the PSMC.
- j) In relation to the KR 5 pg. 26, the Audit Panel did not clearly explain what is expected from the institution – *'reconsider the scope of the Board of Governors to ensure a more coherent separation between the operational and strategic levels in the organisation'*. The Appeals Committee believes that such a key recommendation should either be reworded or eliminated completely. This is also due to the arguments made above on the nature and role of the Board of Governors in Malta.

9. Summary of outcomes

When taking all the above points into consideration, this Appeals Committee have concluded that:

- The Institute for Tourism Studies (ITS) was right in appealing to the Audit Panel judgment on Standard 2.
- Apart from inaccuracies, the report failed to respect the autonomy of the institution to carry out certain processes as it deems fit and in total respect of local legal frameworks.
- The Audit panel skewed the reporting of Standard 2 towards elements which it did not necessarily have the authority/remit to do so. Indeed, there were aspects worth discussing which had been completely left out in favour of others which did not merit being there or should have at least occupied less time during the audit.
- The Appeals Committee also advocates that the recommendations emanating from the findings in the audit report should reflect the conclusions presented in this

report and should not be prescriptive but allow for some degree of flexibility on the part of the institution.

10. Decision

The appeals Committee upholds the appellants' arguments in those parts identified above.

The Appeals Committee recommends to MFHEA that a 50% refund of the appeals fee is issued to ITS. This decision was taken after considering that not all the findings reported by the Audit panel under Standard 2 were erroneous, but only had components which contained misjudgements.

The report of the Appeals Committee is endorsed:



Ms Veronica Montebello



Dr Robert Cassar

Ms Natalia Greniewska