

Regulatory Framework



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Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

Statement on our Approach to Monitoring

Here we set out Medr's initial thoughts on our approach to the monitoring of compliance with conditions of registration and funding. It reflects our regulatory principles, our statutory duties, and our commitment to developing a proportionate, risk-based system of oversight that supports both regulatory compliance and continuous improvement across the tertiary education sector in Wales.

This approach will continue to evolve, and we are committed to working with stakeholders to refine our methods, expectations and supporting guidance over time. We recognise the importance of collaboration, openness and trust in building a regulatory system that is effective, proportionate, and focused on protecting the interests of learners and the wider public.

Purpose of Monitoring

Monitoring serves a dual purpose. First, it enables Medr to assess whether providers are meeting the baseline requirements set out in conditions of registration and funding. These conditions represent the minimum standards that all providers must meet to ensure that learners are protected, public funds are used appropriately, and confidence in the tertiary education system is maintained.

Second, monitoring contributes to our broader strategic duty to promote continuous improvement across the sector. This means using monitoring not only to identify and respond to risks of non-compliance, but also to understand how providers are performing, how sector level risks are evolving, and where we can support improvement through intervention or by issuing advice and guidance.

Principles Underpinning Our Monitoring Approach

Our approach is guided by the principles set out in Medr's regulatory approach. This includes a clear expectation that providers take primary responsibility for understanding and meeting their regulatory obligations. We will encourage and expect providers to be transparent about emerging risks, to engage early when concerns arise, and to foster a culture of openness and accountability. We will adopt a "no surprises" approach to monitoring, so that risks to compliance and concerns are raised early and providers are proactive in engaging with us. A central component of this is our emphasis on self-

reporting. Providers are expected to identify and disclose issues of concern through the structured channels we have established, for example via the reportable events process.

Equally, we are committed to minimising unnecessary burden. We recognise that providers operate in a complex and dynamic environment, and our approach is designed to focus monitoring where it is most needed. We will seek to avoid duplication, streamline data requests, and ensure that the expectations we set are proportionate to risk and the regulatory value of the information we receive.

Our Approach to Engaging with Providers

We recognise the importance of clarity regarding how we intend to use the information we gather. The monitoring information we receive is essential not only for assessing compliance with regulatory conditions but also for shaping the nature of our relationship with providers. We aim to ensure that our engagement remains proportionate and respects the autonomy of providers, whilst also enabling meaningful dialogue about institutional performance and strategic direction.

In developing this approach, we are keen to listen to the views of all stakeholders.

Model 1

The monitoring framework could utilise a model in which monitoring information primarily informs our understanding of specific compliance issues as they arise, leading us to address these individually with providers. In this approach, institutional strategy, performance, and broader direction remain entirely within the control of providers, aligning fully with principles of institutional autonomy. This approach focuses our resources directly on addressing identified compliance issues, responding clearly and promptly to individual circumstances.

Model 2

Alternatively, we could adopt a more holistic approach, whereby the monitoring information is analysed collectively to gain a comprehensive understanding of each provider's strategic positioning, overall performance, and long-term sustainability. Such analysis would serve as the foundation for structured, periodic engagements with provider leadership, enabling strategic discussions about future direction as well as retrospective compliance matters. This approach could foster a broader dialogue, enhancing mutual understanding and supporting providers in aligning their strategic ambitions with regulatory expectations.

Medr recognises the value and implications of both approaches. As we implement our monitoring framework, we will listen to the views of the sector and stakeholders to ensure there is a balance between targeted compliance monitoring and broader strategic engagement and we will clearly articulate our position to all providers in the tertiary sector.

A Risk-Based and Proportionate Model

Our monitoring activity will be driven by risk. We will consider two dimensions of risk in determining the nature and frequency of monitoring:

- **Risk appetite associated with a specific condition** – for example, where a condition relates to quality, governance and management, or financial sustainability, our tolerance for risk may be lower, and therefore we may require more frequent or intensive monitoring.

- **Risk associated with the provider** – this will be informed by a range of factors, including the provider's size and complexity, and recent past performance. We will also monitor data and other intelligence including complaints about providers, which can highlight issues of non-compliance.

Where both the condition and the provider carry lower risk, we may adopt a lighter-touch monitoring approach. This may include a reduced frequency of returns, greater reliance on self-reporting, or an emphasis on third-party assurance. Conversely, where either the condition or the provider represents a higher risk, we may require more regular engagement, deeper data analysis, or the submission of additional evidence.

We will be transparent about the factors we consider in assessing risk, and we will work with providers to ensure that our judgements are fair, evidence-based and proportionate.

Minimum Monitoring Requirements and Frequency

All providers will be subject to a core set of monitoring requirements to enable us to fulfil our statutory functions. These minimum expectations are necessary to ensure compliance with registration and funding conditions and will apply irrespective of provider risk. As part of this, we envisage introducing a core **Annual Assurance Return**, covering key areas of compliance and risk. Central to this return will be an assurance that the provider's Governing Body or Board has conducted a robust and evidence-based internal assessment to assure itself that the provider is compliant with all conditions of registration or funding. The return will also require submission of appropriate evidence to demonstrate the rigour and integrity of that assurance process. This may be supplemented, where appropriate, by topic-specific returns aligned to conditions that carry a lower risk appetite, or where the provider's risk profile warrants more frequent reporting.

In addition to routine returns, we will use other sources of evidence and engagement to inform our monitoring. We may take a more regular or ad-hoc approach depending on the circumstances and level of risk, but we aim to give providers clarity in advance around expected frequency wherever possible.

Forms of Monitoring Activity

Monitoring may involve one or more of the following activities:

- **Annual Assurance Returns**, confirming as noted above that the Governing Body/Board has undertaken a rigorous assurance of compliance, based on appropriate evidence;
- **Annual Financial Assurance Returns**, including forecasts, audited financial statements and other annual or periodic returns, and specific borrowing requests as required;
- **Data Returns**, which may be either annual or periodic, depending on the condition and the information required;
- **Independent Sources of Assurance**, including quality reviews, inspections, and professional or statutory body reports;
- **Thematic Reviews**, undertaken to explore sector-wide topics, or to support improvement in particular areas;
- **Data Audits or Spot Checks**, particularly where data quality concerns arise or where external assurance is limited;
- **Engagement Activities**, such as meetings with senior leaders at providers, student representatives, and trade unions;

- **Complaints Monitoring**, including analysis of learner complaints received directly by Medr or through designated schemes, and;
- **Self-Reporting**, through the Reportable Events process, including serious incidents and notifiable events.

The form and intensity of monitoring will be tailored to the risk profile and will evolve over time, in response to new evidence and developments.

The Role of Reportable Events in Monitoring

Our Reportable Events process (as a part of the governance and management condition) is a key component of this approach. It provides structured mechanisms for providers to disclose issues that may impact compliance, financial viability, governance, learner protection or public confidence.

Serious incidents must be reported promptly (within five working days), while notifiable events should be submitted on a regular basis. These events are assessed as part of our monitoring activity and may lead to further regulatory action or dialogue. The information provided through these mechanisms supports our ability to take early, proportionate and informed decisions.

We expect providers to establish effective internal arrangements to identify and escalate reportable events, including clear roles for the governing body. Failure to report events in line with expectations may, in itself, constitute non-compliance.

Next steps

This approach represents an initial framework and we are committed to working with providers to refine it further. We welcome feedback on the structure, frequency, proportionality and clarity of the proposed model and will use consultation responses to inform future development.

In particular, we are interested in provider views on how best to balance assurance and burden, how monitoring can support improvement as well as compliance, and how Medr can ensure that its oversight remains risk-based, learner-focused and responsive.



Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

Condition: Financial Sustainability

All providers must be financially sustainable.

Initial or Ongoing Condition

This is an **initial** and **ongoing condition** of registration. This is also a **condition of funding**.

Legal Basis

This condition is mandated under **Sections 27 and 31** of the **Tertiary Education and Research (Wales) Act 2022 (TER Act)**, Medr is required to develop a condition in relation to the: “financial sustainability of the provider”. Under **Section 108**, the Commission is also able to develop terms and conditions of funding in relation to the financial sustainability of the provider. Under **Section 80**, the Commission is required to monitor the financial sustainability of:

- (a) registered providers;
- (b) tertiary education providers in Wales that -
 - (i) are institutions within the further education sector,
 - (ii) are funded by the Commission under section 97, and
 - (iii) are not registered providers;
- (c) other tertiary education providers of a kind specified in regulations made by the Welsh Ministers.

Why is this condition important and how does this link to Medr’s regulatory approach?

Financial sustainability underpins the delivery of all of our strategic duties and priorities.

Requirement

1. ‘Financially sustainable’ means that Medr judges that the plans and projections of the provider (including any subsidiaries or entities over which it exercises control or

significant influence) show that it has sufficient financial resources and are based on reasonable assumptions.

2. The provider must have credible plans to ensure that it will:

- a) remain financially viable in the short term of one to two years, with no reason to suppose the provider is at material risk of insolvency¹ within this period;
- b) remain financially sustainable over the medium term (at least three to five years);
- c) ensure long term financial sustainability to secure a high-quality learning experience and, where applicable, high-quality research and innovation;
- d) maintain sufficient financial sustainability to honour the commitments it has made to provide and fully deliver the tertiary courses as it has committed to deliver;
- e) monitor covenant compliance and notify Medr where covenants are expected to be breached;
- f) request approval from Medr in advance of entering a new [financial commitment](#)² where Medr have informed the provider that they are in “increased engagement”;
- g) request approval from Medr in advance of entering a new [financial commitment](#) where the borrowing will exceed any approved multiple and/or monetary threshold calculated and issued by Medr based on submitted information;
- h) notify Medr on a timely basis where the provider is considering offering security over provider buildings to support a financial commitment. This notification must include confirmation of consideration of the appropriateness of the security being considered and whether the requirements relating to assets acquired using public funds need to be met. See supporting guidance on [assets acquired using public funds](#);
- i) notify Medr in advance of early repayment of significant loan balances, to include rationale and consideration of forecast cash headroom;
- j) Monitor operational cash working capital levels and use of overdrafts and notify Medr should adverse performance indicate increased pressure on financial sustainability. These might include but not be restricted to forecasts indicating a decline in operational working capital to 30 days or below over a sustained period, sustained use of bank facilities, loss or reduction of significant income streams. Medr expect to have been notified well before any difficulties in meeting liabilities.

3. Medr recognises there could be strategic circumstances that result in the institution making a planned deficit over a short period of time; for example, strategic investment for growth, where the return on investment is not realised immediately

¹ ‘Insolvency’ means a provider being unable to pay its debts as they fall due. Being unable to pay debts as they fall due has the meaning given by section 123 of the Insolvency Act 1986, substituting ‘Medr’ for ‘the court’ in section 123(2).

² Financial commitments, or borrowings, are aligned to the definition within FRS102.

Monitoring

1. In order to monitor compliance with the ongoing condition on financial sustainability, and to assess the financial position and outlook of individual providers and the Welsh sector as a whole. Medr will take a risk-based approach, whilst setting minimum requirements for engagement and data collection in order to discharge its duties.
2. Medr will require providers to submit returns on an annual basis in order to report the minimum level of necessary information. For the avoidance of doubt, these returns will be assumed to include all activities within group structures for which providers are responsible. These will include:
 - a) Full, audited financial statements³ prepared under generally accepted accounting principles (UK or IFRS). The auditor must be independent of the provider, and of the preparer of the financial statements, and be listed on the Register of Statutory Auditors
 - i. Where applicable the Further and Higher Education Statement of Recognised Practice (FE/HE SORP) or other relevant SORP should be adopted,
 - ii. Where in scope providers should prepare their financial statements in accordance with the relevant accounts direction published by Medr
 - b) Five-year financial forecasts, together with accompanying commentary, approved by the provider's governing body. This will include details of downside and sensitivity modelling undertaken in preparation of financial forecasts. These forecasts will be treated as information provided in confidence, unless otherwise indicated, to ensure that they provide the information necessary to assess the risks relating to their delivery
 - c) Other returns may be required based on provider type and assessed risk level.
3. In judging whether the provider is financially sustainable, other information that Medr may consider includes:
 - a) the credibility of the provider's financial strategy;
 - b) other information concerning the provider's financial situation;
 - c) the provider's current obligations;
 - d) obligations that it is reasonable to assume the provider intends to undertake within the next three to five years;
 - e) information derived from student or staff complaints or any stakeholders or sources that we assess as relevant, indicating any issues which may have a bearing on financial resources⁴. Issues may include, but not be restricted to, reputational or quality matters; and
 - f) any other data, information or sector knowledge that Medr deems of relevance.
4. Medr will have regard to any dependencies on financial facilities or support from third parties, whether legally binding or expressions, on a case-by-case basis. This will

³ Abridged small company financial statements are not accepted.

⁴ For the avoidance of doubt, this does not oblige a provider to continue to offer a course or part of a course that it judges to be no longer financially viable, provided in doing so it honours any obligations already entered into.

include consideration of the terms, including the repayment and expiry terms and the nature and financial strength of the third party. Providers must ensure that Medr is fully informed as to its financial facilities and support. Should it be necessary for Medr to make direct enquiry of any third-party providers, Medr will inform the provider of this.

5. Medr will engage with provider finance teams at regular intervals determined by Medr.
6. Medr may request other financially based information as required to discharge its duties but undertake that this information will only be collected as necessary for a clear purpose and where the request is proportionate.
7. If any indicators, or any other information available to Medr, trigger concerns that the provider's risk profile in this area has changed, Medr may increase engagement and / or request further information.
8. Any assessment of underlying sustainability will include consideration of the ongoing requirements for [financial management](#), included within the Governance and Management condition.
9. Any assessment of underlying sustainability concerns will depend upon the context and the specific details of the provider. Medr will make an assessment where it believes there are reasonable grounds for uncertainty over the process for ensuring sustainability, informed as necessary by dialogue with the provider.

Initial Monitoring

10. During the initial registration process Medr will carry out a comprehensive assessment of the provider's financial performance and position, to inform Medr's risk assessment under section 27 of the Tertiary Education and Research (Wales) Act. This will enable Medr to identify any pressure points and areas of risk and to ensure that the ongoing conditions of registration and associated ongoing monitoring arrangements that are applied to the provider on registration are proportionate to regulatory risk.
11. Providers can demonstrate compliance with the initial condition on financial sustainability by submitting satisfactory evidence of their past and current financial performance (where the provider has operated previously), as well as forecasts. The evidence⁵ that Medr would normally require is:
 - a) full audited financial statements⁶ for the last three years, where the provider has been in operation and providing tertiary education for this period. Where the provider has been in operation for less than three years, for the period in which the provider has been in operation and providing tertiary education. These should be prepared under generally accepted accounting principles (UK or IFRS). The auditor must be independent of the provider, and of the preparer of the financial statements, and be listed on the Register of Statutory Auditors;

⁵ Medr will respect commercial confidentiality, within the bounds of the requirements of the Freedom of Information Act 2000.

⁶ Abridged small company financial statements are not accepted.

- b) financial forecast tables approved by the provider's governing body (including the current year budget and four year forecasts for financial and student number data, as well as underlying details of any growth or divestment plans). These will include details of downside and sensitivity modelling undertaken in preparation of financial forecasts. These forecasts will be assumed as information provided in confidence, unless otherwise indicated, to ensure that they provide the information necessary to assess the risks relating to their delivery; and
- c) commentary to support the financial forecast tables to ensure that Medr understands the provider's context and the assumptions underpinning its forecasts.

12. Where relevant, Medr will also seek information about:

- a) providers business plans (in particular where the provider is financially weak or new to the market, with no or only a short track record of operations and/or delivery of higher education), including robust and well evidenced forecasts and assumptions;
- b) details of any borrowings, whether from third party or related party sources;
- c) legally binding parental or other legally binding deed of undertaking, including evidence that the guarantor can fulfil the deed (if the provider is relying on such a guarantee to meet the condition) – this may include audited financial statements where the guarantor is a company or similar entity and proof of the guarantor's identity and funding sources;
- d) details of any other related party or other third-party financial interests or guarantees including evidence of affordability, and;
- e) any other relevant supporting evidence, such as endorsement by the validating body for any student numbers forecasts, access to bank and or equity finance, and any restrictions on funds (for example, by charitable trusts).

13. Where a provider is part of a larger group, the specified information should be assumed to refer to the whole group in order for Medr to assess the financial performance of the group as a whole. This should include a clear group structure.

14. Any assessment of underlying sustainability will include consideration of the ongoing requirements for [financial management](#), included within the Condition for Governance and Management



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Supplemental Guidance on Requirements

Condition: Financial Sustainability; Governance and Management (Including Financial Management)

Financial Management

1. Financial management must extend to oversight of all entities within the control of the group.
2. In order to manage their finances appropriately providers must:
 - a) plan and conduct financial affairs on a sustainable basis;
 - b) keep proper accounting records;
 - c) prepare financial statements in respect of each accounting period;
 - d) ensure that appropriate arrangements are in place for the organisation and management of financial affairs, including an adequate and effective [internal control environment](#);
 - e) prepare and regularly update forecasts of cash inflows and outflows covering at least the upcoming 12 months in order to monitor operational cash availability;
 - f) undertake regular monitoring of covenant compliance;
 - g) have due regard to value for money in respect of use of public funding and to comply with charitable requirements;
 - h) ensure that that public funds are used solely for purpose and are not used to subsidise non-public activities;
 - i) notify Medr on a timely basis where the provider is considering offering security over provider buildings to support a financial commitment. This notification must include confirmation of consideration of the appropriateness of the security being considered and whether the requirements relating to assets acquired using public funds need to be met. See supporting guidance on [assets acquired using public funds](#);

- j) comply with the relevant annual Accounts Direction(s) issued by Medr;
 - k) submit financial returns on a timely basis and notify Medr in advance where returns are expected to be delayed. This should include returns submitted to HESA or TRAC (Office for Students);
 - l) where an approved borrowing threshold has been calculated and issued by Medr based on submitted information:
 - i. monitor compliance with the threshold (multiple and monetary);
 - ii. notify Medr on a timely basis if the threshold multiple be exceeded;
 - iii. where new borrowing is being considered that will exceed either the monetary or multiple threshold, notify Medr as early as possible and seek approval for an increase threshold, in line with Medr's guidance on [financial commitments](#); and
 - iv. where a provider has been notified by Medr that they are under "increased engagement", approval must be sought for all new borrowing, in line with Medr's guidance on [financial commitments](#).
 - m) Providers should know the full cost of their activities and use this information to make decisions. If a provider does not seek to recover the full cost of an activity, this should be the result of a clear policy set by the governing body and included in the financial strategy, and must not risk putting the provider in financial difficulty.
 - n) Providers should ensure that budget setting and financial forecasting processes are aligned to and complement the strategic plan of the entity.
3. Medr's condition on [financial sustainability](#) must be adhered to.



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Supplemental Guidance on Requirements

Condition: Financial Sustainability; Governance and Management (Including Financial management)

Financial Commitments Threshold

Scope and rationale

1. Financial commitments are those liabilities meeting the definition within FRS 102 (or subsequent generally accepted UK accounting standard).
2. The primary responsibility for assessing the affordability of, and risks around, financial commitments rests with the provider's governing body. Medr's role is to assess whether any financial commitments entered into by the provider present challenges to the provider's sustainability or indicate issues in the organisation and management of financial affairs.
3. Providers are able to make financial commitments up to a predefined threshold. This threshold is based on the ratio of a provider's earnings before interest, taxation, depreciation and amortisation (EBITDA) (as adjusted for non-operational items) to its drawn and undrawn borrowings.
4. The threshold is not designed to deter providers from increasing their financial commitments where appropriate. The providers governing body must determine a level of financial commitments that is both affordable and consistent with its financial strategy.
5. The purpose of Medr's review is to determine that the proposed financial commitments are affordable and have been afforded appropriate scrutiny by the governing body. Medr do not have a role in other aspects of the financial commitments, such as setting conditions or restricting the use of funds.
6. In line with Medr's value of partnership working with the sector, we would expect to be made aware of the requirement for funding in advance of any formal request, and

would encourage providers to engage with us at an early stage where thresholds may be exceeded.

7. In the event that the provider chooses to proceed with borrowing where Medr's sanction has not been given, this will inform Medr's overall risk assessment for that provider and may impact Medr's assessment of risk within finance, governance and strategic direction. It is possible, depending upon the circumstances, that Medr will determine that there are poor financial planning processes in place which ultimately may mean that the provider is not sustainable.
8. All borrowing approvals will be subject to periodic review and revision as relevant to ensure that these remain appropriate.

Conditions requiring approval

9. Providers who have been issued with a borrowing threshold must formally request permission in advance from Medr for any increase in financial commitments where any of the below are relevant:
 - a) they have been notified that they have been assessed by Medr as in "increased engagement";
 - b) the new financial commitment would result in the provider breaching its approved monetary threshold;
 - c) the latest assessed financial position of the provider indicates that the new financial commitment would lead it to exceed the approved multiple in place.

Conditions requiring notification

10. Where a provider does not renew a financial commitment Medr must be notified and may reduce the provider's approved threshold to reflect this.
11. Where a re-financing takes place of borrowing that have previously required approval providers must notify Medr where the terms are more onerous than those originally agreed.
12. Where the provider exceeds its financial commitments threshold in the future because of a decline in its cash-flow, it need not apply for a higher threshold, but the governing body must notify Medr of this fact. Whilst an application for a higher threshold will not be required, the decline in cash-flow it is likely to lead to engagement with the provider about its ability to service its financial commitments. Such a scenario, taken in isolation, will not be considered to represent a failure to meet the requirements of the condition of financial management within governance management, and Medr will take the context as a whole into account.

Process for approval

13. Medr takes a risk-based approach to each provider's application for an increase to its financial commitments threshold. This approach will determine the method of considering the application.
14. Providers are advised to discuss their plans informally with Medr at an early stage.

15. Requests should allow Medr a reasonable time frame (usually at least 6 working weeks) to examine the request and provide an opinion. More time should be allowed for more complex or high risk financing options in order to permit time for external advice to be obtained where required.
16. In response to requests for borrowing approvals, Medr will base any approvals on agreed financial data, but undertake to take a pragmatic and proportional risk based approach.
17. The provider's accountable officer (copied to the provider Chair of Board) must submit a formal request to the Chief Executive of Medr.
18. The request should include a consideration of the following points, covering the areas listed as applicable and any other salient points required for a full understanding of the rationale for the request.

A. There should be a reasonable case for the new investment that the additional finance is funding (where applicable)

- i. A brief description of the new investment.
- ii. An explanation of how it broadly fits with the provider's mission and strategic priorities.
- iii. Confirmation that the provider has considered appropriate guidance on appraising investment decisions.
- iv. A description of how the learner interest will be taken into account.

B. The new financial commitments or refinancing arrangement (where these will result in an increase to the financial commitments threshold) should be consistent with the provider's financial strategy and represent good value for money.

- i. An explanation of why additional finance or refinancing is necessary and how this fits with the provider's financial strategy.
- ii. The forms of finance considered and the selection process and criteria.
- iii. The net present value for each financing option, and a brief explanation of why the chosen method was selected, to include value for money considerations.

C. Details of the new financial commitments.

- i. Details of the chosen option, including name of lender, value of new financial commitment, repayment period, basis of repayment and financial covenants.
- ii. Terms and conditions of the financing (such as a copy of the offer letter) and an evaluation of the risks and uncertainties.

D. The financial commitments and any new investment must be affordable.

- i. An update of the latest financial forecasts, to include the impact of the new financial commitment on total financial commitments and the impact of investments driving the new financial commitment, and demonstration that they are affordable. This update must include any other material changes in the provider's financial prospects, including guarantees to third parties.

- ii. Details of risks and downside modelling undertaken to inform considerations of affordability, including the retention of sufficient liquid cash and equivalents to service working capital requirements as well as a prudent level of liquid reserve to be called upon in the case of un-forecast downside events.

E. The provider's governing body must have made an informed decision about the new financial commitments and any related investment.

- i. Details of when the governing body approved the new investment and financial commitments, and a minute of the decision reached.
- ii. A summary of the information the governing body received in reaching its decision.
- iii. Confirmation that:
 - no key information or opinions relating to the proposed commitment or financial circumstances have been withheld from the governing body and the governing body has been supplied with all necessary information required to allow reasonable individuals to come to a reasonable, balanced conclusion;
 - following receipt of this information, the governing body has approved the borrowing, at least in principle as presented to Medr. It is recognised that final approval is likely to be given at a later date, and;
 - the proposal provided to Medr is the same as the proposal provided to the governing body.

F. Details of the new threshold.

- i. Details of existing financial commitments (including the lender, terms, interest rate and financial covenants) and of the new financial commitments.
 - ii. A calculation of the new threshold required based on the most recent forecasts approved by the governing body. In some circumstances, where it may be considered inappropriate to use these forecasts, other documentation may be agreed with Medr on a case by case basis.
19. Medr recognise that the timeline for provision of the documentation required may be interdependent. As a pragmatic approach, once sufficient assurance has been obtained, Medr may issue approvals conditional on the receipt of final documentation.
20. Where an application for a higher financial commitments threshold is approved, Medr will write to the provider setting out the revised threshold. The approval may include additional conditions which must be adhered to.

Template borrowing threshold calculation

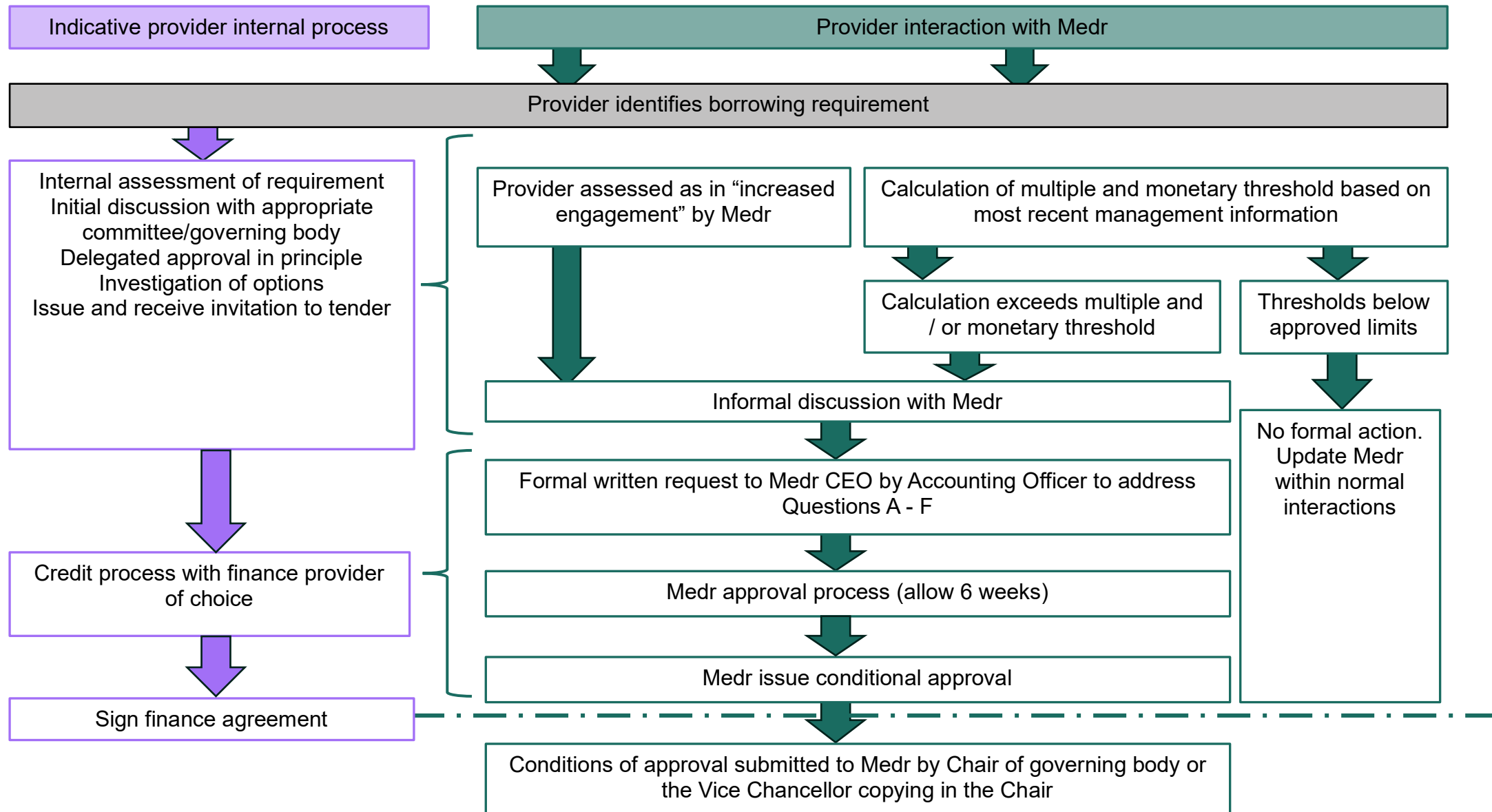
	Actual Y1 £'000	Actual Y2 £'000	Estimate Y3 £'000	Forecast Y4 £'000	Forecast Y5 £'000	Forecast Y6 £'000	6 year average £'000
Adjusted earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA)							
a) Operating surplus / (deficit)	15,000	(100)	10,000	11,000	12,000	13,000	
b) Add: depreciation and amortisation	1,200	1,200	1,000	1,000	950	950	
c) Add: interest payable	600	600	650	650	650	700	
d) Add: restructuring costs	500	800	-	-	-	-	
e) Add: non cash pension debits / (credits)	850	(520)	240	-	-	-	
f) Add: exceptional debits / (credits)	(5,000)	3,000					
g) Deduct: capital grants receivable (performance and accruals)	(2,000)	(6,000)	(1,900)	(1,950)	(2,000)	(2,050)	
h) Deduct: New endowments receivable	(100)	-	(130)	(100)	(100)	(100)	
i) Adjusted EBITDA	11,050	(1,020)	9,860	10,600	11,500	12,500	9,082
j) Adjusted for deficits	11,050	1	9,860	10,600	11,500	12,500	9,252
k) Financial commitments							
i) Loans			50,000				
ii) Service concessions and finance leases			30,000				
iii) Undrawn commitments			5,000				
iv) Proposed commitments			-				
v) Total financial commitments requirement			85,000				
l) Multiple			9.19				
m) Monetary threshold			86,000				

Notes:

Medr will build rounding into the monetary threshold issued to permit arrangement of small operational borrowing.

Adjustments to EBITDA will be based on items identifiable within the finance record based on the financial statements and the confidential forecasts as submitted to Medr. Provider internal adjusted EBITDA may differ.

Flowchart of borrowing approval process





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Condition: Governance and Management (Including Financial Management)

All providers must have adequate governance and management arrangements, including financial management.

Initial or Ongoing Condition

This is an **initial** and **ongoing condition** of registration. This is also a **condition of funding**.

Legal Basis

This condition is mandated under **Sections 27 and 31** of the **Tertiary Education and Research (Wales) Act 2022 (TER Act)**, Medr is required to develop a condition in relation to the: “governance and management of the applicant tertiary education provider (including its financial management)”. Under **Section 108**, the Commission is also able to develop terms and conditions of funding in relation to the effectiveness of the governance and management of the provider (including its financial management).

Why is this condition important and how does this link to Medr’s regulatory approach?

Governance and management (including financial management) underpins the delivery of all of our strategic duties and priorities.

Introduction

1. As providers will have different levels of complexity (including size, nature of the business and legal form), different management and governance arrangements may be appropriate for different providers. Arrangements that may be appropriate for small providers might not be appropriate for large, complex providers, those with degree awarding powers, or with university title. A provider will therefore need to demonstrate that its particular management and governance arrangements are appropriate for its size, complexity and risk environment.

2. In judging whether a provider has demonstrated adequate governance and management arrangements, material that Medr may consider includes:
 - a) The provider's governance and management arrangements and their assessment of these;
 - b) The size, complexity and type of provider;
 - c) The governance code to which the provider says it is committed, the appropriateness of this code, and the visibility and strength of that commitment;
 - d) The provider operates in an open and accountable way, with transparent decisions and actions made in line with good governance practices;
 - e) The outcomes achieved by the provider, including whether conditions of registration are met, and;
 - f) Whether the provider takes appropriate action to mitigate increased risk of a breach of its conditions of registration.

Condition Requirements

Good Governance

3. The governing body and all those who work for or represent the provider act with integrity.
4. The governing body adopts values, ethical principles for decision-making and a supportive culture appropriate to achieving the provider's purposes.
5. The governing body reflects the provider's ethics and values in everything it does. Governing body members undertake their duties with this in mind.
6. The governing body leads the provider in being open, transparent and accountable.
7. A recognised and appropriate governance code, where such code is available, has been adopted by the provider and is followed.
8. The governing body follows the requirements in respect of culture and ethics set out in the appropriate governance code, where such code is available, as well as follows the ethical standards set out in The Seven Principles of Public Life (the 'Nolan Principles').
9. The principles and structures set out in providers' governing documents and associated sector guidance are followed and adhered to.

Governing Body

10. The governing body is collectively responsible and accountable for compliance with the legal requirements for the governance of the corporate form of the provider.
11. The governing body is collectively responsible and accountable for overseeing a

provider's activities, for determining its future direction, fostering an environment in which the provider's mission is achieved and ensuring the provider is fulfilling its purpose as effectively as possible with the resources available. This includes where a collaborative partner delivers activities on behalf of a provider under sub-contractual arrangements or where a provider has validation arrangements in place.

12. The governing body works as an effective team. The governing body comprises the appropriate balance of knowledge, skills, background, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively and effectively.

Strategic Direction

13. There is a shared understanding of, and commitment to, the provider's purpose and the governing body ensures that this purpose is being delivered effectively and sustainably.

Leadership and Management

14. Each provider is led by an effective leadership and management team that provides strategic leadership in line with the provider's aims and values.
15. An accountable officer must be designated at each provider. Medr will view the accountable officer as the first and foremost responsible person for leadership of the academic affairs and executive management of the provider.
16. Where the secretary to the governing body has significant responsibilities at senior executive team level within the provider, the independence and accountability of the secretary's position must be considered.

Stakeholders

17. The governing body must be aware of its stakeholders, including staff and learners. The provider must effectively engage with and encourage participation from its stakeholders to ensure there is trust and confidence in its work. These interactions are guided by the values, ethics and culture put in place by the governing body.

Financial Management

18. In order to manage their finances appropriately providers must establish appropriate systems and controls to maintain financial records of sufficient quality and granularity to:
 - a) comply with all statutory and regulatory requirements;
 - b) allow oversight of all entities within the control of the group;
 - c) monitor cash levels, loan and covenant requirements and other key financial indicators on an appropriate forward basis to permit strategic intervention where required; and
 - d) provide timely and accurate information to support decision making, management and good governance.

19. Providers should know the full cost of their activities and use this information to make decisions. If a provider does not seek to recover the full cost of an activity, this should be the result of a clear policy set by the governing body and included in the financial strategy, and must not risk putting the provider in financial difficulty.
20. Providers should ensure that budget setting and financial forecasting processes are aligned to and complement the strategic plan of the entity.
21. For detailed guidance please refer to [financial management](#).

Estates Management

22. A provider's estate must be managed in a sustainable way, contributing to both the sound financial management of the provider and in maintaining the estate in terms of environmental sustainability. For detailed guidance please refer to [estates management](#).
23. Medr is required to safeguard and monitor exchequer interest funded assets (assets purchased in full or part using public funds from Medr, predecessor funding bodies, Welsh Government, Local Authorities, Research Councils, and the Welsh Office to former voluntary and direct grant colleges). Providers must:
 - a) maintain a list of exchequer interest assets, including the gross and depreciated value. Any changes relating to exchequer assets must be notified to Medr, with prior consent required in certain circumstances. For detailed guidance please refer to [assets acquired using public funds](#).

Assurance Environment

External Audit Services

24. Providers must:
 - a) comply with the conditions of Medr's Accounts Direction(s);
 - b) ensure that governance best practice is adhered to in managing external audit.
25. The external auditor must:
 - a) be listed on the Register of Statutory Auditors;
 - b) always adhere to the professional standards and ethics of a recognised accrediting accounting body;
 - c) Comply with the reporting requirements of the prevailing annual Medr Accounts Direction(s) where applicable;
 - d) Have regard to compliance with Medr's conditions of registration that impact financial sustainability and management.
26. For detailed guidance please refer to [external audit](#).

Internal Controls and Risk Management

27. Policies and procedures are in place for all key areas, accompanied by a schedule to ensure that these are regularly reviewed. Assurance processes exist to ensure that these policies and procedures are complied with and instances of non-compliance or areas of weaknesses are identified and addressed.
28. In order for risks to be effectively managed, there is a formally documented risk appetite, agreed by the governing body. Risks are managed in line with this appetite via an effective framework for risk management, internal controls and assurance, which enables the provider to successfully identify and manage existing and emerging risks which threaten delivery of its strategy or compliance with legislative or regulatory requirements. This framework must include assurance mapping.
29. Providers must conduct a thorough risk assessment of adverse events that could give rise to sustainability concerns. The extent to which the risk assessment considers adverse events will be determined by reference to events which a reasonable, informed individual could foresee as giving rise to sustainability concerns.
30. Providers must comply with all relevant legislation, regulatory requirements and statutory guidance in the countries in which it operates and communicates in a timely manner with the regulator, including on material issues that relate to actual or potential non-compliance.
31. Higher Education institutions and Further Education institutions must have an internal audit function which complies with relevant internal audit standards. All other providers must ensure that appropriate controls are in place and subject to periodic review, in order to provide assurance to the governing body.
32. The governing body ensures that there is a robust framework in place for conflicts of interest and whistleblowing.

Monitoring

Initial Conditions of Registration

33. When first seeking registration each provider is required to submit a self-assessment of the adequacy and effectiveness of its governance and management arrangements. In order to undertake an initial assessment of the provider's governance and management against the requirements set out above Medr requires:

A self-evaluation of the provider's governance and management arrangements. The self-evaluation must consider the provider as a whole and must encompass any group structures or subsidiaries. The self-evaluation to draw on:

- i. compliance with the principles set out in this condition;
- ii. compliance with the appropriate governance code;
- iii. any recent effectiveness review of the governing body and the actions taken in response to the report;
- iv. risk management tools and processes;
- v. management of reportable events;
- vi. any other sources of data and assurance;

- vii. how the needs of stakeholders have been considered as part of the self-evaluation;
- viii. demonstrate that the self-evaluation process is robust and evidence based; and;
- ix. The self-evaluation to be accompanied by a continuous improvement plan which identifies any gaps or areas for improvement and shows how these will be addressed.

For higher education providers and further education providers, the self-evaluation to also draw on:

- x. compliance with the supplementary guidance which supports this condition;
- xi. any recent effectiveness review of the committee's of the governing body and the actions taken in response to the reports;
- xii. the annual reports of any of the provider's committees of its governing body;
- xiii. internal and external audit annual reports; and
- xiv. internal audit plan;
- xv. Medr may request further information and/or carry out reviews of the provider's governance and management arrangements, where it considers this to be necessary or desirable to confirm that a provider satisfies the initial condition.

Ongoing Conditions of Registration

- 34. On an ongoing basis Medr will assess the extent to which a provider's governance and management arrangements remain adequate and effective. Medr will draw on a variety of other sources to assess this. Where Medr considers that the provider is at risk of breaching this condition, it may require additional information to be provided and may put in place additional monitoring.
- 35. Providers are required to submit an annual assurance return.
- 36. Reportable events reported by providers and complaints received by Medr against providers will be used as metrics to assess provider's governance and management.
- 37. Providers are required to undertake an annual self-evaluation. Medr reserves the right to call in these annual self-evaluations.
- 38. If a provider has adopted and follows a recognised and appropriate governance code, where such code is available, and the code requires the provider to undertake a governance effectiveness review, the provider must report any findings from such a review to Medr.
- 39. If a provider receives a negative assurance internal audit report in the area of governance and management the provider must share a copy of this report with Medr once finalised.



Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

Supplemental Guidance on Requirements

Condition: Governance and Management (Including Financial Management)

Higher education providers must:

- i. Comply with the supplementary guidance issued by Medr for the Governance and management (including financial management) initial and ongoing condition.

Further education providers must:

- i. Work towards compliance with the supplementary guidance for the Governance and management (including financial management) initial and ongoing condition. Full compliance to be achieved by 1 August 2027.

Good Governance

1. Providers must make governing documents readily and publicly available and make reports and minutes available in the public domain. The designation of material as confidential must be kept to the minimum necessary.
2. Providers must make publicly available, in writing, the responsibilities of the governing body and governance and executive functions. This includes the chair, governing body and its committees for HEIs and FEIs.
3. Providers who are exempt charities must comply with the below section on [exempt charities](#).
4. The governing body and all those who work for the provider must adhere to the Seven Principles of Public Life (also known as the Nolan Principles).

Culture

5. Providers must identify any gaps between the actual and desired culture. Actions must be determined and implemented to close the gap to achieve the desired culture.
6. Providers must assess and monitor culture and how the desired culture has been embedded. Where policy, practices or behaviour throughout the provider are not aligned with the provider's purpose, values and strategy, it must seek ensure corrective action is taken.

Governing Body

Composition of the governing body

7. For HE and FE providers, the length of membership must not normally exceed a maximum of 9 years, which may exceptionally be extended to 10 years.

Governing body operations

8. Providers must ensure that governing bodies have a budget to draw on and access to independent experts if required, such as legal or financial advice.

Strategic Direction

9. Providers must give consideration to the strategic priorities of Medr and Welsh Government when developing strategic plans.

Leadership and Management

10. Providers must have an effective and maintained succession plan for its senior leadership team.

Stakeholders

11. Providers must recognise their broader responsibilities towards communities, the Welsh language, stakeholders and wider society, and acts on them in a manner consistent with their purpose, values and available resources.
12. Providers must consider the benefits of working in partnership with other organisations, both locally and nationally, where this will further its objectives and purpose. Providers must undertake initial and ongoing due diligence when entering such arrangements to safeguard against financial, reputational and other risks.

Committees of the Governing Body

Remuneration Committee

13. The remuneration committee (or equivalent) must have oversight of settlement and non-disclosure agreements (NDAs).

Assurance Environment

14. Internal auditors must always adhere to relevant internal audit standards⁷.
15. Internal auditors must not take on any executive management responsibilities, or hold any interest - financial or non-financial, direct or indirect - in the provider other than the normal employee or contractor relationship (or the funding of any prize, scholarship or academic appointment).

Conflicts of Interest

16. Providers must maintain a public register of conflicts of interest, hospitality and gifts which is monitored regularly.

⁷ For HE and FE institutions this would be the Public Sector Internal Audit standards or successor standards.



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Commission for Tertiary Education and Research

Supplemental Guidance on Requirements

Condition: Governance and Management (Including Financial Management)

Estates Management

Estates Management

1. Providers estates are likely to represent a materially significant part of the provider's asset base. Sound financial organisation and management processes include good management of the estate.
2. Providers must manage their estate in a sustainable way, in line with an estates strategy and a maintenance plan, covering its long-term and routine maintenance requirements.
3. The need to improve environmental sustainability and reduce carbon emissions is fundamental to effective management of the estate. Providers should develop and maintain externally verified environmental management systems and actively seek opportunities to reduce carbon emissions through the effective management and development of the estate. A carbon management plan should be maintained to monitor and improve their environmental performance towards net zero.
4. Processes should be implemented to ensure that space is effectively managed. This should include keeping holdings of land and buildings under review, with the objective of rationalising and disposing of those which providers consider to be no longer needed.
5. Where applicable providers must abide by Charity Commission requirements relating to the disposal of charity land and buildings. This includes requirement over the disposal price in relation to the market value of an asset.
6. Where assets are being offered as collateral, providers must notify Medr in advance.

Assets Acquired Using Public Funds

7. Where providers have assets acquired or constructed using public funds in full or part, Medr's consent must be sought before:
 - a) raising any finance on security over such assets;
 - b) disposing of such assets where the valuation exceeds a market value of £25,000;
 - c) ceasing to use such assets for their intended purpose;
 - d) leasing such assets. In this case the rent or an appropriate proportion thereof (after deduction of any ground rent or other charges, administration costs and any expenditure necessary to keep the property in a state to command that rent) should be paid to Medr unless the activities are:
 - i vacation lettings
 - ii those activities eligible for funding by Medr under section 22 of TERA.



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Supplemental Guidance on Requirements

Condition: Governance and Management (Including Financial Management)

Exempt Charities

1. Where a provider is an exempt charity, many of a charity's legal obligations are the same, irrespective of whether it is registered or exempt. This includes Further Education corporations in Wales whose principal regulator is the Welsh Ministers (including St David's Catholic Sixth Form College).
2. All charities must comply with the law, including the requirements set out in the Charities Act 2011, and these requirements apply to a provider that is an exempt charity unless the Charities Act specifically states that they do not.
3. The Charity Commission publishes guidance to charities and their trustees about the legal duties and responsibilities of both. Although the Charity Commission's guidance is framed for charities that it has registered, much of this guidance is also relevant to exempt charities, as they must also comply with charity law⁸.
4. In summary, trustees must:
 - a) ensure the charity is carrying out its purposes for the public benefit, and that its assets are applied solely for its charitable purposes;
 - b) comply with the charity's governing document and the law;
 - c) act in the charity's best interests, including by managing conflicts of interest;
 - d) ensure the charity is accountable;
 - e) manage the charity's resources responsibly, including by managing risks and protecting its assets and people; and
 - f) act with reasonable care and skill.

⁸ See www.gov.uk/government/publications/exempt-charities-cc23. 2 Connected charities of exempt charities are also exempt under paragraph 28 of Schedule 3 to the Charities Act 2011.



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Supplemental Guidance on Requirements

Condition: Governance and Management (Including Financial Management)

External Auditors

External Audit Services

1. Providers must:
 - a) submit full audited financial statements to Medr regardless of whether these are required to be produced for any other regulatory body;
 - b) notify Medr on a timely basis and in advance of any delays expected in the submission of audited financial statements;
 - c) comply with ASB Ethical Standards⁹ or successor standards when considering length of tenure on lead partner rotation and re-appointment of external auditors and undertake periodic market testing in line with current guidance;
 - d) provide external auditors with unrestricted access to information – including all records, assets, personnel and premises – and be authorised to obtain whatever information and explanations the external auditor reasonably considers necessary, and;
 - e) provide written responses to any recommendations made or issues raised in the external auditor's report to the governing body.
2. The external auditor must:
 - a) be independent of the provider, and of the preparer of the financial statements. The external auditor must not take on any executive management responsibilities, or hold any interest - financial or non-financial, direct or indirect - in the provider (other than the normal employee or contractor relationship, or the funding of any prize, scholarship or academic appointment);

⁹ [Ethical Standard for Auditors \(frc.org.uk\)](http://frc.org.uk)

- b) be listed on the Register of Statutory Auditors;
- c) always adhere to the professional standards of a recognised accrediting accounting body;
- d) comply with the reporting requirements of the prevailing annual Medr Accounts Direction(s) where applicable;
- e) issue to the governing body a report (or reports, if more than one, covering different stages of the annual audit), which records accounting issues and control deficiencies arising from the audit. For providers who are registered charities, any issues around the use of charitable assets for non-charitable purposes must be highlighted in such reports;
- f) ensure that the report(s), with management responses, are made available to the provider's audit committee in time to inform the committee's annual report, and;
- g) have regard to compliance with Medr's conditions of registration and funding that impact financial management.

Non Audit Services

3. Providers must:

- a) Obtain the consent of their audit committee where additional services commissioned may have a bearing on the auditors' objectivity and independence. Additional work must not impair the independence of the external audit opinion; and
- b) specifically notify the governing body, through the audit committee of any request for a limitation of liability for non-audit services.

4. Providers may:

- a) commission external auditors to provide additional services; and
- b) agree to a limitation of the external auditor's liability arising from its default for other types of work performed by the external auditors. This may be negotiated if the decision is made on an informed basis and the liability remains at such a level as to provide reasonable recourse for the provider;

Appointment and Removal of External Auditors

5. When appointing external auditors, providers must:

- a) agree procedures to appoint external audit providers that include the advice of the provider's audit committee;
- b) ensure that selection criteria and procedures for appointing external audit providers are determined and endorsed by the audit committee before proposals are received; and
- c) ensure that internal and external audit services are not provided by the same or a connected firm or provider.

6. Where auditors cease to hold office for any reason, they must:
- a) provide the governing body with either a statement of any circumstances connected with their resignation or removal which they consider should be brought to the governing body's attention, or a statement that there are no such circumstances; and
 - b) provide a copy of this statement to Medr within three months of the governing body receiving it.



Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

Condition: Quality and Continuous Improvement

All institutions registered with and / or funded by Medr, must comply with expectations and requirements set out in the Quality Framework for the Tertiary Education Sector.

Other Relevant Information

This condition applies to all providers registered with and/or funded by Medr.

Initial or Ongoing Condition

This is an **Initial** and **ongoing condition** of registration. This is also a **condition of funding**.

Legal Basis

Under **sections 27 and 31** of the **Tertiary Education and Research (Wales) Act 2022**, Medr is required to set an initial and ongoing condition of registration:

“relating to the quality of the kind of tertiary education provided by, or on behalf of, the provider to which the category of registration relates”

The Commission has a strategic duty (under **section 5** of the Act) to promote continuous improvement in the quality of Welsh tertiary education. In discharging this duty, the Commission must have regard (among other things) to:

- a) the importance of ensuring that members of the tertiary education workforce are capable of providing tertiary education of a high quality;
- b) the reasonable requirements of members of the tertiary education workforce for continuous professional development;
- c) the importance of the views of learners about the quality of the tertiary education they receive.

Under Chapter 2 of the Act the Commission may publish quality assurance frameworks, setting out guidance and information on criteria and processes for assessing the quality of tertiary education, and the roles and responsibilities of persons assessing the quality, and of providers, with regards to quality.

Under **Section 108** of the Act, the Commission must consider whether to impose terms and conditions relating to “the quality of the relevant education provided by or on behalf of the provider.”

Why is this condition important and how does this link to Medr's regulatory approach?

This condition is important to ensure that learners are able to access provision of consistently good quality across all parts of the tertiary education system.

Accountability: This condition holds providers accountable for the quality of their provision, and their engagement with the requirement to seek continuous improvement. This includes all areas of the learners' experience at their provider(s).

Clear guidance and resources: The condition focuses on compliance with clear guidance set out by Medr, which will in time include sharing examples of good and effective practice across the tertiary education sector to drive continuous improvement.

Promotion of Best Practice: The focus on continuous improvement aims to foster a culture of the promotion of evaluation and sharing of best practice, with the aim of improving and enhancing the learner experience.

Compliance Requirements

To comply with this condition, the provider must meet the requirements set out in the Quality Framework. These include the following:

1. **Learner engagement:** ensure learners are fully involved in the design and implementation of quality assurance and continuous improvement processes, implement the learner engagement code, have effective learner protection plans in place where required, and ensure that self-evaluation and continuous improvement planning is developed in partnership with learners.
2. **Learner voice:** take account of the views of learners about the quality of their education (including in quality assurance processes and planning for continuous improvement), ensure they have effective learner representation on governing bodies/ boards and committees, participate in learner voice surveys and respond to learner feedback.
3. **Engagement of the governing body/board:** As effective governance and management are key drivers of good quality education, the provider must ensure that they actively engage the governing body/board in the development of plans for internal quality assessment and continuous improvement. Ineffective governance arrangements that lead to poor outcomes in respect of quality may not only impact a provider's compliance with this quality condition, but also compliance with the governance and management condition.
4. **Self-evaluation:** undertake regular and rigorous self-evaluation in partnership with learners and staff; analyse data and demonstrate their understanding of their

strengths, weaknesses, opportunities and threats; and use the outcomes as part of a strategic programme of activity to improve the learner experience.

5. **Externality:** actively engage with external quality assessment of all its provision; seek opportunities to collaborate with others where this will add value, and evaluate impact of this engagement; and use benchmarking and external reference points to inform continuous improvement.
6. **Continuous improvement:** engage learners and staff in the development and delivery of continuous improvement plans; engage in relevant networks to share and learn from effective practice; work collaboratively to tackle shared challenges; actively participate in developmental reviews as appropriate; share good practice to drive innovation and excellence in the quality of the learning experience across all parts of the sector; seek to enhance provision through internal quality processes and reflection on external quality processes and actions.
7. **Professional learning and development:** support staff in undertaking professional learning and development, including opportunities to engage with and enhance delivery and use of the Welsh language; work collaboratively with staff, using social partnership principles, to develop professional learning strategies and evaluate the effectiveness and impact of investment in professional learning; share good practice, exploring collaborative approaches where possible; and support staff to meet appropriate professional standards.

Monitoring

Medr will monitor compliance with this condition through the following mechanisms:

- **Outcomes of external quality assessments:** this includes inspections and reviews. The outcomes of developmental / thematic / geographical reviews will also inform the monitoring.
- **Analysis of data:** Medr will monitor a range of data, as set out in the Framework. This analysis will be contextualised and benchmarks used where possible.
- **Information:** this may include the outcomes of reviews of quality carried out by other bodies, complaints about quality and standards made to Medr or other organisations, issues raised by other organisations (as set out in the Quality Framework), engagements with awarding bodies.
- **Provider reporting:** Medr will take account of information relevant to quality contained in wider performance reporting submitted by providers as required by the overall conditions of registration and funding.
- **Risk-Based Monitoring:** Institutions identified as at higher risk of non-compliance due to previous issues or significant changes in operations may be subject to more frequent monitoring.

Medr will undertake a range of potential activities in response to performance against these pillars. These activities may range from intervention to secure provider compliance with threshold performance requirements, to facilitation of collaboration to promote enhancement and innovation. Failure to comply with monitoring requirements will prompt further investigation and possible interventions.

Review and Amendment

Medr will regularly review the Quality Framework and the associated conditions of funding and / or registration to ensure they align with evolving sector needs, policy changes, and feedback from stakeholders. There is an expectation that regulated institutions will inform a key part of that feedback loop. Providers will be informed of any amendments with adequate notice to allow for planning and compliance.



Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

Condition: Regard to Advice and Guidance

All institutions registered with Medr in the **Higher Education Core and Alternative** categories must ensure that their governing body:

“have regard to advice or guidance given by the Commission to the body (either specifically or to persons generally) in exercise of the Commission’s functions under this Act;”

And therefore:

- Gives due consideration to any advice or guidance issued by the Commission, whether explicitly directed to the institution or disseminated more broadly to the sector.
- Integrates the Commission’s guidance into strategic and operational decision-making frameworks at the governance level.
- Demonstrates how such guidance has been evaluated, and where relevant, incorporated into institutional governance, policy development, and procedural operations.

Other Relevant Information

This condition is applicable to all institutions registered with Medr, irrespective of their category.

Initial or Ongoing Condition

This is an **ongoing condition** of registration. This is also a **condition of funding**.

Legal Basis

This condition is set out under **Section 31 of the Tertiary Education and Research (Wales) Act 2022** which empowers the Commission to impose conditions necessitating that the governing body of a provider duly considers any guidance or advisory statements issued in the course of the Commission’s regulatory functions. Furthermore, under **Section 37 of the Act** determines that the Commission may provide, or make

arrangements for the provision of, advice or other assistance to a registered provider for the purpose of securing compliance by the provider with its ongoing registration conditions.

Under **Sections 99 and 104 of the Tertiary Education and Research (Wales) Act 2022**, the Commission must develop terms and conditions of funding that require further education and apprenticeship providers respectively to have regard to advice or guidance given by the Commission.

Why is this condition important and how does this link to Medr's regulatory approach?

Mandating institutional regard for Medr's advisory directives underpins a **transparent, accountable, and effectively regulated tertiary education sector**. This condition upholds:

Transparency: Providers must evidence how they have evaluated and responded to Medr's guidance, thereby ensuring openness in regulatory compliance and governance processes.

Accountability: Governing bodies bear responsibility for actively considering and, where appropriate, enacting Medr's guidance to maintain alignment with regulatory expectations.

Sectoral Cohesion: A consistent application of Medr's guidance fosters uniformity in compliance standards across the sector, benefiting students and stakeholders.

Proactive Compliance: Providers are expected to incorporate Medr's regulatory insights within their governance processes, thereby reducing the likelihood of enforcement interventions.

Compliance Requirements

To comply with this condition, the provider must:

1. **Evaluation of Guidance** – Formally review and document consideration of Medr-issued guidance at the governing body level.
2. **Integration into Governance** – Demonstrate how Medr's guidance has influenced their strategic planning, operational decision-making, and policy formulation.
3. **Record-Keeping and Evidence** – Maintain verifiable records evidencing how the governing body has engaged with, deliberated upon, and, where appropriate, acted upon Medr's guidance.
4. **Annual Compliance Reporting** – Providers will be required to confirm they have taken advice and guidance into account on an annual basis.
5. **Justification for Divergence** – Where a provider opts not to adhere to Medr's guidance, it must submit a formal explanation to Medr outlining its rationale and any alternative approach adopted.

Monitoring

Medr will monitor compliance with this condition through the following mechanisms:

- **Annual Compliance Reporting:** Providers will be required to confirm through Medr's registration system that they have remained compliant with this condition.
- **Audit and Governance Reviews:** Medr retains the authority to conduct audits, including examination of governance records, provider policies, and governing body deliberations, to ensure compliance.
- **Risk-Based Oversight:** Providers with a prior record of non-compliance, deteriorating trends in data in priority areas or identified as at risk of future non-compliance will be subject to increased scrutiny.
- **Stakeholder Consultation:** Feedback from students, staff, and other relevant sectoral bodies will inform Medr's evaluation of provider compliance.

Failure to comply with monitoring requirements will prompt further investigation and possible interventions.

Review and Amendment

Medr will periodically review this condition to ensure its continued relevance and efficacy in response to sectoral developments, policy evolution, and stakeholder feedback. Institutions will receive adequate notice of any amendments to facilitate compliance planning and institutional adaptation.



Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

Condition: Information Provided to Prospective Students

All institutions registered with Medr, including those in both the **Higher Education Core** and **Higher Education Alternative** categories, must:

- i. Ensure that information provided to prospective students about a provider, its courses, and its terms and conditions of contracts with students is clear and accurate.

Other Relevant Information

This condition applies to all providers registered with Medr, regardless of their category. Institutions must ensure that prospective students are fully informed about their rights and obligations and are treated fairly throughout their student journey.

Initial or Ongoing Condition

This is an **initial** and **ongoing condition** of registration.

Legal Basis

Part 4 of the **Commission for Tertiary Education and Research (Registration of Tertiary Education Providers in Wales) Regulations 2024** provides provisions for an initial and ongoing condition of registration to ensure that Medr is “satisfied as to the information provided by the applicant tertiary education provider to prospective students about the provider, its courses, and its terms and conditions of contracts with students.”

Why is this condition important and how does this link to Medr's regulatory approach?

Ensuring that information to prospective students is clear and accurate aligns with Medr's commitment to a learner-centred approach, where the needs and welfare of students are central to all regulatory activities.

Transparency: by ensuring that prospective students can make informed decisions about their education, fostering trust between students and institutions. This transparency is key to creating an open and accessible educational environment.

Accountability: This condition ensures that institutions are accountable for their practices and interactions with prospective students. This includes ensuring fair and transparent marketing, recruitment, and adherence to student contracts.

Student Well-being and Protection: With a focus on learner-centred operations, Medr works to protect prospective students from unfair practices such as misleading information or inadequate complaints handling.

Compliance Requirements

To comply with this condition, the institution must:

1. **Provide Clear Information:** Ensure all marketing materials, course information, and contractual terms are accurate, clear, and not misleading.
2. **Ensure Fair Terms:** Regularly review student contracts and terms and conditions to ensure they are fair and compliant with consumer protection law.
3. **Ensure Accessibility of Information:** Ensure all marketing materials, course information and contractual terms are accessible to the diverse range of prospective students in Wales.
4. **Maintain a Robust Complaints Process:** Implement and maintain an accessible, transparent, and fair complaints handling process, informing students of their rights to escalate complaints to external bodies if necessary.
5. **Regular Training and Updates:** Provide regular training for staff on consumer protection law requirements and ensure practices are updated in line with relevant legislation.
6. **Adhere to Relevant Legislation:** For example, the Higher Education Consumer Law Advice for Providers as outlined by the [UK government](#), or thereafter any advice and guidance provided by Medr.

Monitoring

Medr will monitor compliance with this condition through the following mechanisms:

- **Initial Self-Assessment:** Institutions seeking to become registered will be required to self-assess against condition. This assessment will be supported by a range of evidence which underpin compliance with the condition.
- **Annual Compliance Statement:** Institutions must submit an annual statement confirming adherence to this condition, including details of how they ensure compliance and any measures taken to address potential issues.
- **Audits and Reviews:** Medr may conduct periodic audits to verify compliance with this condition, including reviewing student contracts, marketing materials, and complaints processes.
- **Risk-Based Monitoring:** Institutions identified as at higher risk of non-compliance due to previous issues or significant changes in operations may be subject to more frequent monitoring.
- **Feedback Mechanisms:** Medr will consider feedback from students, stakeholders, and other sources (including the CMA where appropriate) to identify

any potential issues regarding fee limit compliance. This feedback will inform Medr's monitoring and decision-making processes.

Failure to comply with monitoring requirements will prompt further investigation and possible interventions.

Review and Amendment

Medr will regularly review this condition to ensure it aligns with evolving sector needs, policy changes, and feedback from stakeholders. There is an expectation that regulated institutions will inform a key part of that feedback loop. Institutions will be informed of any amendments with adequate notice to allow for planning and compliance.



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Condition: Fee Limits

A provider in the **Higher Education Core** category must

- (a) Have a fee limit statement approved by Medr
- (b) ensure that regulated course fees do not exceed the applicable fee limit.

Other Relevant Information

The fee limit condition will not be applied to the Higher Education Alternative Category. Providers registering in the Higher Education Alternative category will have their relevant full-time undergraduate level higher education courses automatically designated for tuition fee support at the lower rate ([currently £6,355 per annum](#)).

Initial or Ongoing Condition

This is an **initial** and **ongoing condition** of registration. The institution must continuously adhere to the fee limits set by Medr for all qualifying courses throughout its period of registration.

Legal Basis

This condition is mandated under **Section 32** of the **Tertiary Education and Research (Wales) Act 2022 (TER Act)**. Institutions are required to submit and adhere to a **Fee Limit Statement** that details the maximum fees chargeable for all qualifying courses, as stipulated by Medr. The fees charged must not exceed the approved fee limits.

Why is this condition important and how does this link to Medr's regulatory approach?

The **Fee Limit Condition** is vital to ensuring that tertiary education remains accessible, affordable, and fair, while protecting the interests of students.

Proportionality

Medr's regulatory approach ensures that regulation is applied proportionately, focusing efforts where they are most needed. The **Fee Limit Condition** helps regulate fees in a way that protects students from excessive costs, without unnecessarily burdening institutions. It ensures that fees are balanced against the quality of education provided, supporting institutions in delivering value without overcharging learners.

Transparency

Transparency is a core aspect of Medr's regulatory approach. The **Fee Limit Condition** requires institutions to clearly communicate fee structures, helping learners understand their financial obligations before enrolling. This transparency ensures that students can make informed decisions about their education, supporting a culture of openness between institutions and learners.

Accountability

Medr holds institutions accountable for the quality of education and the fees they charge. The **Fee Limit Condition** ensures that institutions can only charge fees that reflect the value of the education provided. Institutions are expected to justify their fees through high standards of teaching and learning, making sure students receive value for money.

Student Well-being and Protection

Protecting students is at the heart of Medr's regulatory approach. The **Fee Limit Condition** safeguards learners from being charged excessive or unfair fees, reducing the risk of financial hardship. This protection is crucial for ensuring that students can focus on their education without undue financial stress, particularly for vulnerable groups or those from disadvantaged backgrounds.

Fee Limit Statement Requirements

In accordance with **Sections 46 and 47 of the TER Act**, the institution must submit a **Fee Limit Statement**, which includes:

1. Setting out the maximum fees chargeable for each qualifying course, for which must either:
 - a) Specify a fee limit, or
 - b) Provide for the determination of a fee limit.
2. A list of all qualifying courses to which the fee limit applies, including qualifying courses delivered on its behalf.
3. The period during which the fees will be charged.
4. A detailed breakdown of the fees, including any additional costs that students may incur, such as materials, equipment, or field trips.
5. Has been developed in consultation with the student union or other representative bodies, and therefore reflects the input of students on the proposed fee structures and their potential impact on access and inclusion.

The institution must ensure that all fees charged remain within the limits specified in the **approved Fee Limit Statement**. The statement must be submitted to Medr for approval

before the start of each academic year and published in a manner that is easily accessible to both prospective and current students.

Monitoring

Medr will monitor compliance with this condition through the following mechanisms:

1. **Annual Fee Compliance Report:** Institutions must submit an annual **Fee Compliance Report**, confirming that all fees charged to students comply with the approved **Fee Limit Statement**.
2. **Audit and Verification:** Medr may conduct audits to verify that fees charged to students are in line with the limits outlined in the Fee Limit Statement. Institutions must cooperate with any requests for information or documentation to support monitoring activities.
3. **Risk-Based Monitoring:** Medr may increase its monitoring frequency for institutions identified as high-risk based on previous non-compliance, significant fee increases, or other risk factors.
4. **Feedback Mechanisms:** Medr will consider feedback from students, stakeholders, and other sources to identify any potential issues regarding fee limit compliance. This feedback will inform Medr's monitoring and decision-making processes.

Any deviation from the approved fee limits or failure to comply with monitoring requirements will prompt further investigation and possible interventions.

Review and Amendment

Medr will regularly review this fee limit condition to ensure it aligns with evolving sector needs, policy changes, and feedback from stakeholders. There is an expectation that regulated institutions will inform a key part of that feedback loop. Institutions will be informed of any amendments with adequate notice to allow for planning and compliance.



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Condition: Notification of Changes Which Affect the Accuracy of Information

The governing body of a provider in either the **Higher Education Core** or the **Higher Education Alternative** category must:

- i. “notify Medr of any change of which it becomes aware which affects the accuracy of the information contained in the provider’s entry in the Register.”

And:

- ii. “notify the Commission of any change of which it becomes aware which affects the provider’s status as a tertiary education provider in Wales.”

Initial or Ongoing Condition

This is an **ongoing condition** of registration. The institution must continuously adhere to the requirement to notify Medr of any change which affects the accuracy of the information contained in the provider’s entry in the Register.

Legal Basis

This condition is mandated under **Section 31** of the **Tertiary Education and Research (Wales) Act 2022 (TER Act)**. Namely, Medr is required to develop “a condition requiring the governing body of the provider to notify the Commission of any change of which it becomes aware which affects the accuracy of the information contained in the provider’s entry in the register.” This condition is further set out under Regulations **10(c) and 11(b) of The Commission for Tertiary Education and Research (Registration and De-registration of Tertiary Education Providers in Wales) Regulations 2024** that Medr is required to develop “a condition requiring the governing body of the provider to notify the Commission of any change of which it becomes aware which affects the provider’s status as a tertiary education provider in Wales.”

Why is this condition important and how does this link to Medr's regulatory approach?

The purpose of the notification of changes, which affect the accuracy of the public Register, is to ensure that Medr is able to maintain its Register as an authoritative and accurate record of the providers for which it has regulatory oversight, to inform students, potential students and the wider public.

Proportionality

Medr's regulatory approach ensures that regulation is applied proportionately, focusing efforts where they are most needed. The **Accuracy of Information Condition** helps to support our ability to do this by ensuring we can rely on the information contained in the register when assessing risk.

Transparency

Transparency is a core aspect of Medr's regulatory approach. The **Accuracy of Information Condition** requires providers to clearly communicate changes that may impact on their registration. This transparency ensures that we have the information needed to undertake our regulatory role and that we are able to make that public, where appropriate, through the published register.

Accountability

Medr holds providers accountable for their compliance with conditions of registration. The **Accuracy of Information Condition** helps to support our ability to do this by ensuring we can rely on the information contained in the register when engaging with a provider regarding their compliance.

Student Well-being and Protection

Protecting students is at the heart of Medr's regulatory approach. The **Accuracy of Information Condition** helps to support our ability to do this by ensuring we can rely on the information contained in the register in respect of students and courses.

Notification Requirements

- i. In accordance with **Sections 31 of the TER Act**, the provider must submit information whenever the information on the Register has become inaccurate. The provider is likely to be the primary source of updated information, and will be expected to be proactive in supplying this information. Medr requires a provider to inform it of any change within **28 calendar days** of the provider making, or becoming aware of, the change. This notification must be accompanied by any relevant supporting evidence to allow the Medr to verify that the change to the information on the register is required. The evidence required to verify a change will vary depending on the change, for example this might be the URL for a new website or proof of address where the contact address has changed. Medr may ask for further information if it deems this necessary. Medr will update the Register with the latest information it has about a provider.
- ii. **Regulation 10(a) of The Commission for Tertiary Education and Research (Registration and De-registration of Tertiary Education Providers in Wales) Regulations 2024** requires that Medr develop an ongoing registration condition for providers in core category "relating to the provider's continued status as a charity".

Changes to Charitable Status for providers in the core category must be notified to Medr as soon as practicably possible.

Regulations 10(c) and 11(b) of The Commission for Tertiary Education and Research (Registration and De-registration of Tertiary Education Providers in Wales) Regulations 2024 require that Medr develop “a condition requiring the governing body of the provider to notify the Commission of any change of which it becomes aware which affects the provider’s status as a tertiary education provider in Wales.” Changes of this nature must be notified to Medr as soon as practicably possible, once that decision is considered by the Governing body of the provider.

(i) Notification of changes to the accuracy of information included in a tertiary education provider’s entry in the register

Part (i) of this condition relates to all of the following information requirements of a tertiary education provider’s entry in the register:

- a) the provider’s name, including any trading names or names granted by or by virtue of any enactment or Royal Charter,
- b) where the provider’s name includes the word “university”, whether, and if so, when, the use of that word was—
 - i. authorised by Royal Charter,
 - ii. consented to by the Privy Council under section 77(1) of the Further and Higher Education Act 1992(7),
 - iii. approved by the Privy Council for the purposes of section 39(1)(b) or (2) of the Teaching and Higher Education Act 1998(8), or
 - iv. authorised by or by virtue of any other provision of an Act of the Parliament of the United Kingdom,
- c) an address, e-mail address and telephone number at which the provider may be contacted,
- d) the address of the provider’s principal place of business, or which is otherwise suitable for the service of documents upon the provider,
- e) the address of the principal website maintained by, or on behalf of, the provider,
- f) the kind of tertiary education provided by, or on behalf of, the provider,
- g) the category in which the provider is registered and the date the provider was registered in that category,
- h) whether the provider’s ongoing registration conditions include a fee limit condition and, if so, details of how to access the provider’s fee limit statement as approved by the Commission under section 47 of the Act,

- i) whether the provider is a charity and, if so—
 - i. its charity registration number, or
 - ii. if the provider is not registered with a charity regulator, the reason why registration with a charity regulator is not required,
- j) whether the provider is a company and its company registration number (where applicable),
- k) whether, and if so, when, the provider was authorised to grant taught awards or research awards or both—
 - i. by Royal Charter,
 - ii. by an order of the Privy Council under section 76(1) of the Further and Higher Education Act 1992(9), or
 - iii. by or under any other provision of an Act of the Parliament of the United Kingdom,
- l) if the provider is authorised to grant taught awards or research awards or both by an authorisation referred to in paragraph (k) above, a description of the taught awards or research awards it is authorised to grant,
- m) whether the provider has entered into validation arrangements, and
- n) whether the provider has entered into franchise arrangements.

(ii) Notification of Changes which affects the provider's charitable status or status as a tertiary education provider in Wales

Part (ii) of this condition relates to the following, which materially impact on the ability of a provider to be included on the register:

- a) Any changes associated with the Charitable Status condition., for providers in the core category,
- b) A change to the address of the provider's principal place of business, or which is otherwise suitable for the service of documents upon the provider.

If any provider is deemed to no longer provide Higher Education provision wholly or mainly in Wales, they will not be eligible for registration with Medr.

Monitoring

Medr will monitor compliance with this condition through the following mechanisms:

- Providers will be expected to notify Medr if any of the changes made to the Register have resulted in inaccurate information being published. To support this process, we will require each provider to check and confirm its entry on the Register on an annual basis.
- Medr may request information from a provider if it wishes to verify the accuracy of information displayed on the Register, or to investigate any concerns that may have been brought to its attention that information may be incorrect or out of date.
- Where inaccurate information is identified, we may require the provider to supply an explanation or commitment to correct the information within a timescale specified in correspondence.
- Where we find evidence that information is incorrect through the provider's mismanagement, negligence or deliberate intent to delay or conceal correct information from appearing, we may take appropriate action as set out in our Statement of Intervention. Medr may consider whether behaviour of this type represents an increased risk of a breach of other conditions of registration such as those for Governance and Management.

Review and Amendment

Medr will regularly review the **Notification of Changes Which Affect the Accuracy of Information** to ensure it aligns with evolving sector needs, policy changes, and feedback from stakeholders. There is an expectation that regulated institutions will inform a key part of that feedback loop. Institutions will be informed of any amendments with adequate notice to allow for planning and compliance.



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Condition: Charitable Status

All institutions registered with Medr in the **Higher Education Core** category must:

- a) be a charity. This must be confirmed in the application along with the institution's charity registration number (where relevant) and the name and address of its charity regulator.
- b) If the institution is not registered with a charity regulator, it must provide reasons for this, together with a copy of its governing document.
- c) Where qualifying courses are being delivered on behalf of the institution, then the institution must confirm that each provider delivering the qualifying courses on its behalf is a charity.
- d) ensure that they are fully transparent about their charitable status, including the institution's compliance with charity law and how its charitable status impacts its operations. This includes communicating the institution's charitable status clearly to the public.

Other Relevant Information

This condition applies specifically to institutions registered with Medr in the Higher Education Core category.

Initial or Ongoing Condition

This is an **initial** and **ongoing condition** of registration.

Legal Basis

The requirement for a provider in the core category to be a charity is set out under **Regulation 8(a) (initial condition) and 10(a) (ongoing condition) of the Commission for Tertiary Education and Research (Registration and De-registration of Tertiary Education Providers in Wales) Regulations 2024.**

Why is this condition important and how does this link to Medr's regulatory approach?

Ensuring that information about charitable status is clear and accurate aligns with Medr's commitment to transparency, accountability, and student protection. Institutions that have charitable status must disclose this information to foster trust and ensure that students, staff, and the public understand the legal framework and responsibilities associated with it.

Transparency: By clearly communicating their charitable status, institutions enable students and stakeholders to make informed decisions based on an understanding of the institution's legal standing and obligations.

Accountability: This condition ensures that institutions are accountable for managing their charitable status in compliance with charity law, including governance of charitable resources.

Protecting the Rights of Students: Providing transparent information about charitable status helps to protect students from any misunderstandings about the institution's financial or legal structure.

Compliance Requirements

To comply with this condition, the institution must:

1. **Provide Clear Information:** Ensure that all information about the institution's charitable status is clear, accurate, and not misleading. This includes details on compliance with charity law and how this status impacts institutional operations.
2. **Ensure Accessibility of Information:** ensure that all charitable information is easily accessible on the institution's website, in public documents, and in communications with prospective and current students.
3. **Maintain Accurate Reporting:** Institutions must provide accurate reports about their charitable status and compliance with relevant legal obligations, including reporting to Medr.
4. **Adhere to Relevant Legislation:** Ensure compliance with all relevant legal frameworks, including the Charities Act 2011, and any further guidance from Medr related to the disclosure of charitable status.
5. **Decision making:** The governing body of the institution has a responsibility to protect the collective student interest and the public interest and must ensure that consideration of these elements takes place within its key decision-making processes, insofar as is consistent with their obligations under charity law.
6. **Notification:** Where a failure at the institution has triggered a notification to be made to the primary regulator and that regulator is not Medr, the governing body must also immediately inform Medr of the failure to the extent allowable by law.

Monitoring

Medr will monitor compliance with this condition through the following mechanisms:

- **Initial Assessment:** Institutions seeking to register with Medr must a declaration of their charitable status, including the institution's charity registration number (where relevant), the name and address of its charity regulator and how they communicate their charitable status to the public.
- **Annual Compliance Statement:** Institutions must submit an annual statement confirming compliance with this condition.
- **Audits and Reviews:** Medr may conduct periodic audits to verify that institutions are complying with this condition, reviewing public documents and communications that disclose the institution's charitable status.
- **Risk-Based Monitoring:** Institutions identified as at higher risk of non-compliance, due to prior issues or changes in their legal status, may be subject to more frequent monitoring and reviews.
- **Feedback Mechanisms:** Medr will consider feedback from students, staff, stakeholders, and other parties regarding the clarity and accuracy of the institution's disclosures about charitable status.

Failure to comply with monitoring requirements will prompt further investigation and possible interventions.

Review and Amendment

Medr will regularly review this condition to ensure that it remains aligned with evolving sector needs, policy changes, and feedback from stakeholders. Institutions will be informed of any amendments with adequate notice to allow for planning and compliance.



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Supplemental Guidance on Requirements – Reportable Events

Summary

Applies to: all funded providers and registered providers and all conditions of registration and funding.

Reportable Events

1. Reportable events include both serious incidents and notification of events.

Assessment

2. Reportable events will be used to inform Medr's assessment of compliance against on-going conditions of registration and funding.

Identifying matters that should be reported

3. It is the responsibility of a provider to determine whether a particular event or matter constitutes a reportable event and should be reported.
4. If we conclude that a provider has not reported an event, or that in reporting an event a provider has not met the timescales for reporting, we may take further regulatory action.
5. We consider that matters identified in Table 1 in Annex A must always be reported, by all providers, because these are matters that, in our judgement, a reasonable provider would always consider to be reportable.
6. There may be cases of serious failure that risk compliance with any regulatory condition or present a risk to learners that fall outside of the list contained within Tables 1 and 2 in Annex A. In these cases, providers should use their judgment and can seek advice or clarification from Medr. We will keep Tables 1 and 2 in Annex A under regular review.

Informing Medr of a reportable event

7. Providers are responsible for ensuring that Medr is informed of reportable events. The governing body is responsible for ensuring effective oversight of the arrangements for reporting events. This is important because the information contained in a reportable event may change the Medr's risk assessment for a provider and could lead to regulatory action.
8. If a reportable event relates to the accountable officer, it is not likely to be appropriate for the accountable officer to make the report to Medr. In these circumstances, the governing body must itself make the report or delegate the action to report the matter to another appropriate individual who is not the accountable officer. Where the accountable officer is the subject of a report, the individual making the report must clearly state that it would not be appropriate for Medr to respond to the accountable officer.

Serious incident

9. Providers are required to report a serious incident within five working days of the date that the incident occurs or is identified. Where a provider is reporting outside the 'five working days' time frame¹⁰, it should set out the reasons for this as part of its submission of a reportable event.

Notifiable event

10. Providers are required to report any notifiable events on a monthly basis.

Events that relate to more than one provider

11. Medr recognises that events or matters will sometimes occur that must be reported by more than one provider. In such circumstances, each provider should make its own judgement about whether an event should be reported.

Submission of a reportable event

Serious incident

12. A serious incident must be submitted in writing via email to assurance@medr.cymru.
13. When a provider submits a serious incident, the submission must include the following information:
 - a) a description of the event that is being reported;
 - b) whether the event has occurred or is yet to happen;
 - c) the date of the event (if the event has occurred);
 - d) who was involved;
 - e) inquiries made and actions taken by the provider, including any reports to other regulators or the police;
 - f) the controls were in place that applied to the event, whether they were

¹⁰ For these purposes, a 'working day' is any day that is not a Saturday, a Sunday, or a day which is a bank holiday in Wales under the Banking and Financial Dealings Act 1971.

- followed and, if not, why not;
 - g) whether the governing body has determined that controls need to be introduced or revised – and if so, how and by when;
 - h) the assessment of the adequacy of the relevant controls by the provider's internal auditors and any impact on their opinion of risk management, control and governance processes;
 - i) the impact of the event on the provider;
 - j) the impact of the event on any stakeholders, including learners and staff;
 - k) confirmation that the event has been reported to the entirety of the governing body; the chair of the provider's audit committee (or equivalent); the provider's head of internal audit (or equivalent); and the provider's external auditor.
14. In the event that there is an internal investigation into the reportable event, the provider must provide a copy of the investigation report when this becomes available.
15. After a provider has submitted a serious incident, Medr will review the information and assess its credibility, reliability and completeness. We may ask the provider for further information, if this is required. We may also make enquires of, or request further information from, other bodies.

Notifiable event

16. A notifiable event must be submitted in writing via email to assurance@medr.cymru.
17. After a provider has submitted a notifiable event, Medr will review the information and assess its reliability and completeness. We may ask the provider for further information, if this is required. We may also make enquires of, or request further information from, other bodies.

Annex A: Reportable events

1. The list of serious incidents in Table 1 is grouped into themes. This is for illustrative purposes only and it is likely to be the case that a particular event or matter is relevant to a number of themes.
2. The list of notification of events in Table 2 is grouped into themes. This is for illustrative purposes only and it is likely to be the case that a particular event or matter is relevant to a number of themes.

Table 1: List of Serious Incidents

Type of event or matter
a. Matters relating to a provider's ownership, legal form or corporate structure, including but not limited to:
The legal entity that is registered ceasing to exist
b. Matters related to the delivery of tertiary education in Wales, including but not limited to:
Loss, including suspension, of the provider's student sponsor licence
c. Matters relating to the quality and standards of a provider's tertiary courses, including but not limited to:
A notification to the provider of an investigation by an awarding organisation or awarding body or by a professional, regulatory or statutory body
A notification to the provider that its awarding organisation is to withdraw from the arrangement, where this is not a routine consequence of a planned contract review
Where a provider thinks that there is reason to believe that the quality of provision it delivers or a partner delivers is inadequate or likely to become inadequate to meet the reasonable needs of learners as identified through their own processes, including via complaints
Quality related significant events
d. Matters relating to student and consumer protection, including but not limited to:
The provider becomes aware that it has charged or advertised fees that exceed a statutory fee limit or a fee limit imposed as a result of being registered in the core category of the register
e. Matters relating to a provider's financial viability or sustainability, including but not limited to:
The provider identifies a risk to its short term (one to two years) viability
The provider identifies a risk to its medium term (at least three to five years) sustainability
f. Matters relating to management and governance, including financial management, including but not limited to:
The initiation of a governance review where this is not a routine part of a provider's planned arrangements
Significant internal control deficiencies
Control weaknesses identified by internal audit that relate to the provider's ability to comply

with on-going conditions of registration and funding
<p>The following events or matters relating to fraud or financial irregularity:</p> <ul style="list-style-type: none"> • Fraud or financial irregularities occur at the provider where the sums of money are, or potentially are, in excess of £50,000 or 2% of the provider's turnover, whichever is lower; • The provider receives a complaint or allegation that it may have committed fraud; • The provider initiates an investigation into a possible fraud or financial irregularity involving the provider; • Fraud occurs at the provider which exposes a systemic weakness in the provider's internal control arrangements that suggest other, as yet unidentified, cases could be taking place and the action being taken by the provider to address this weakness; • The fraud is one of a repeating pattern of even small-scale frauds and the action being taken by the provider to address this weakness; and/or • There is likely to be public interest in fraud at the provider because of the nature of the fraud or irregularity, or the people involved
Instances where conflicts of interest have not been managed and where this has resulted in a failure of internal controls
Instances where whistleblowing reports have not been managed and where this has resulted in a failure of internal controls
<p>Legal or court action against the provider which includes:</p> <ol style="list-style-type: none"> 1.1 Involvement of any member of the governing body; 1.2 Involvement of a member of the senior executive team; and/or 1.3 An individual case, or a pattern of cases, exposes a systemic weakness in the provider's management and governance arrangements
Reports made to another regulator
Regulatory investigation and/or sanction by other regulators or funding bodies
Any breach or non-compliance with UK legislation
Any breach or non-compliance with international legislation, where a provider operates in another country outside of the UK
Cyber-attack resulting in significant data loss; disruption to services and/or impact on learners

Safeguarding, including:

- 1.4 Death on property owned or leased by the provider;
- 1.5 Death whilst under the supervision of a provider;
- 1.6 Death as a result of the actions of a provider;
- 1.7 Significant harm on property owned or leased by the provider;
- 1.8 Significant harm whilst under the supervision of a provider;
- 1.9 Significant harm as a result of the actions of a provider; and/or
- 1.10 Findings of a coroner where these relate to a learner death and expose a systemic weakness in the provider's management and governance arrangements.

Table 2: List of Notifiable Events

Type of event or matter
a. Matters relating to a provider's ownership, legal form or corporate structure, including but not limited to:
A merger of the provider with another provider
A change of ownership, including through a sale, of the provider
A change in the provider's legal form
Substantive amendments to the provider's governing documents
An acquisition by the provider of another entity
A sale of a part of the provider or its parent
b. Matters related to the delivery of tertiary education in Wales, including but not limited to:
The provider resolving to fully or substantially cease providing tertiary education or a specific type of tertiary education, whether or not this results in the closure of the provider
The provider enters into a new partnership agreement relating to academic delivery
Changes which result in the provider not being wholly or mainly based in Wales
c. Matters relating to learner and consumer protection, including but not limited to:
Governing body approval of a new campus, whether in the UK or internationally
d. Matters relating to a provider's financial viability or sustainability, including but not limited to:
The provider identifies a risk of covenant breach
The provider identifies that its approved borrowing multiple (where issued by Medr) will be exceeded
The provider is considering offering security over provider assets to support a financial commitment ¹¹
The provider identifies circumstances that indicate a significant downturn in expected performance and / or expected pressure on working cash levels

¹¹ This notification must include confirmation of consideration of the appropriateness of the security being considered and whether the requirements relating to exchequer assets need to be met. See supporting guidance on [exchequer assets](#).

The provider is considering early repayment of significant loan balances ¹²
The provider plans to enter a new financial commitment and has been identified by Medr as in 'enhanced monitoring'
The provider identifies a risk to delay in submission of audited financial statements to Medr
e. Matters relating to management and governance, including financial management, including but not limited to:
The resignation of the Chair of the governing body or the Chair of its committees
The appointment of the Chair of the governing body or the Chair of its committees
The Clerk to the governing body, or one of its committees, leaves their post due to disagreement, dismissal or forced resignation and the reasons for the departure
The appointment of the Clerk to the governing body
The removal or resignation of the internal auditors and the reasons for this
The removal or resignation of the external auditors and the reasons for this
Change in the provision of internal audit
Change in the provision of external audit
The resignation or removal due to disagreement, dismissal or forced resignation of a member of the senior executive team
The appointment of a member of the senior executive team
Any severance agreements for members of the senior executive team or of a value over £75,000 along with confirmation that the severance agreement has been approved via the provider's governance structure
Delays in submission of financial and/or data returns
Significant restructuring projects involving changes to staffing and/or physical infrastructure. To include information on the rationale for any proposed changes; engagement and communication plans with learners, staff, trade unions and the media and for regular updates to be provided as the situation develops
Divergence of the provider into significant new areas of activity
Significant change to the nature or delivery of provision of the provider
A matter relating to the provider's compliance with the Prevent duty

¹² Notification to include rationale and consideration of forecast cash headroom

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