

ECA
**EUROPEAN CONSORTIUM FOR ACCREDITATION
IN HIGHER EDUCATION**

The Hague – The Netherlands

Annual Report, 31 December 2012



KPMG Audit
Document to which our report dated

- 3 APR 2013

also refers.
Initials for identification purposes
KPMG Accountants N.V.

Annual Report 31 December 2012

Annual accounts

1. Balance sheet as at 31 December 2012	3
2. Statement of income and expenditure 2012	4
3. Summary of significant accounting policies	5
4. Notes to the balance sheet	7
5. Notes to the statement of income and expenditure	7

Other information

1. Result appropriation	10
2. Auditor's Report	10

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Document to which our report dated

- 3 APR 2013

also refers.
Initials for identification purposes
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1. Balance sheet as at 31 December 2012
(after appropriation of net result)

	<u>31 December 2012</u>	<u>31 December 2011</u>
	€	€
<i>Currents assets</i>		
Other current assets:	261	2.085
Cash at bank	80.337	71.461
Total assets	<u>80.598</u>	<u>73.546</u>
<i>Equity</i>	66.308	59.247
<i>Current liabilities</i>		
Accounts Payable	5.123	773
Current accounts	6.167	13.526
Prepaid income	<u>3.000</u>	<u>-</u>
	14.290	14.299
Total liabilities	<u>80.598</u>	<u>73.546</u>



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- 3 APR 2013

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2. Statement of income and expenditure 2012

	Actual 2012	budget 2012	Actual 2011
	€	€	€
Income			
Contribution members	48.000	48.000	51.000
Contribution observers	1.000	1.000	2.000
Total income	49.000	49.000	53.000
Expenditure			
Cost of Coordination	15.000	15.000	15.000
Information and communication	404	10.000	479
Meetings Management and Working groups	7.153	4.500	2.498
Contributions to ECA Events	8.113	12.000	9.416
Travel expenses	6.188	6.000	5.054
Other expenses	5.081	4.500	4.172
Total expenses	41.939	52.000	36.619
Net result	7.061	(3.000)	16.381



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3. Summary of Significant Accounting Policies

a. About ECA

The European Consortium for Accreditation in higher education (ECA) has been established in Cordoba in November 2003 and renewed in Kraków in June 2008. The first activities with financial impact on the ECA budget took place in 2004. The aim of the Consortium is threefold:

- to achieve mutual recognition of accreditation and quality assurance decisions; to enhance the conditions for such mutual recognition, especially for joint programmes
- to provide a platform for mutual learning and disseminating experiences with accreditation and accreditation-like practices
- to provide transparent information on quality and to facilitate the internationalisation of institutions and students.

The members of ECA believe that mutual recognition of accreditation decisions will contribute to the recognition of qualifications and the mobility of students in Europe. It will also make life easier for institutions and programmes operating across borders. When the mutual recognition agreements will be established institutions only need to apply for accreditation in one of the ECA member countries instead of obtaining accreditation in each country separately. Thus, by undertaking the necessary activities for mutual recognition ECA contributes to the achievement of the European Higher Education Area.

The consortium will also work to provide transparent information on quality and to support the internationalisation of institutions and students. In addition, the organisations in ECA want to learn from each other and promote good practices in accreditation.

The organisations participating in ECA meet once year in a plenary general meeting. There will also be annual seminars or conferences with a special theme and participation of stakeholders such as institutions, students, recognition bodies, government representatives and employers.

The Consortium is a project organisation with the legal seat of the secretariat in The Hague, the Netherlands.

b. Termination of current ECA Agreement of Cooperation

The current Agreement of Cooperation between member agencies on which ECA is based ends on 30 June 2015. Therefore, the compilation of the annual accounts 2012 is based on the principle of going concern.



KPMG Audit
Document to which our report dates

- 3 APR 2013

also refers.
Initials for identification purposes
KPMG Accountants N.V.

c. Summary of Significant Accounting Principles

Basis of Preparation

These financial statements, which are expressed in Euro's, are prepared in accordance with accounting principles mentioned below.

Invoices received related to the following year and which have not been paid yet in the current year are presented off-balance.

Assets

Assets are stated at nominal value net of a provision for doubtful debts.

Cash at bank

Cash at bank are at the disposal of the consortium and are interest bearing at prevailing market rates.

Current liabilities

Current liabilities are stated at nominal value.

Income and expenses recognition

Income and expenses are accounted for in the period to which they relate.



KPMG Audit
Document to which our report dated

- 3 APR 2014

also refers.
Initials for identification purposes
KPMG Accountants N.V.

4. Notes to the balance sheet as at 31 December 2012

a. Current Assets

The current assets comprise cash at bank.

b. Equity (reserves)

Statement of movements

	<u>2012</u>	<u>2011</u>
	€	€
As at January 1	59.247	42.866
Net result reporting year	7.061	16.381
As at December 31	<u>66.308</u>	<u>59.247</u>

c. Current Liabilities

The current liabilities comprise of accounts payable, prepaid income and an amount due to NVAO.

5. Notes to the statement of income and expenditure 2012

a. Income

In 2012 a membership contribution of € 3.000 was invoiced to:

1. Österreichischer Akkreditierungsrat (ÖAR), Austria
2. Agency for Science and Higher Education (ASHE), Croatia
3. Danmarks Evalueringsinstitut (EVA), Denmark
4. Commision des Titres d'Ingénieurs (CTI), France
5. Agência de Avaliação e Acreditação do Ensino Superior (A3ES), Portugal
6. Akkreditierungsagentur für Studiengänge im Bereich Gesundheit und Soziales (AHPGS), Germany
7. Agentur für Qualitätssicherung durch Akkreditierung von Studiengängen (AQAS), Germany
8. Foundation for International Business Administration Accreditation (FIBAA), Germany
9. Zentrale Evaluations- und Akkreditierungsagentur (ZEVA), Germany
10. Nederlands-Vlaamse Accreditatieorganisatie (NVAO), the Netherlands and Flanders
11. Polska Komisja Akkredytacyjna (PKA), Poland
12. Agencia Nacional de Evaluación de la Calidad y Acreditación (ANECA), Spain
13. AQU Catalunya, Spain
14. Organ für Akkreditierung und Qualitätssicherung der Schweizerischen Hochschulen (OAQ), Switzerland
15. Slovenian Quality Assurance Agency (SQAA), Slovenia
16. The Accreditation Institution, Denmark

In 2012 an observer fee of € 1.000 was invoiced to:

1. Council for Higher Education, Israel

KPMG Audit
Document to which our report dated

- 3 APR 2013

also refers.
Initials for identification purposes
KPMG Accountants N.V.

b. Expenses

Cost of coordination

	Actual 2012	budget 2012	Actual 2011
	€	€	€
Coordination: NVAO	14.000	14.000	14.000
Secretarial costs	1.000	1.000	1.000
Total	15.000	15.000	15.000

The Coordinator:

- Prepares and convenes the meetings of the Consortium and the Management Group.
- Prepares the reports and publications of ECA, and administers the websites.
- Prepares the financial statements; administers the finances; collects the annual subscriptions and any other financial contributions to the activities of ECA.
- Supports the Management Group and encourages the Working Groups.

Information and communication

	Actual 2012	budget 2012	Actual 2011
	€	€	€
Website	205	8.000	479
Logo, letters, envelopes, etc.	199	2.000	-
Total	404	10.000	479

Meetings management and working groups

	Actual 2012	budget 2012	Actual 2011
	€	€	€
Management meetings	7.013	2.500	845
Working groups	140	2.000	1.653
Total	7.153	4.500	2.498



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- 3 APR 2013 

Contribution workshops

	<u>Actual</u>	<u>budget</u>	<u>Actual</u>
	<u>2012</u>	<u>2012</u>	<u>2011</u>
	€	€	€
ECA Workshop	5.113	9.000	9.416
ECA Seminar (NVAO)	3.000	3.000	-
Total	8.113	12.000	9.416

Travel expenses

These are the travel expenses of the coordinator, the chairperson and invited experts.

Other

These costs comprise the affiliated membership fee of ENQA and the costs of the auditor and banking costs.

On behalf of the management group: 3 April 2013

Rolf Heusser, Chairperson



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Document to which our report dated

- 3 APR 2013

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Initials for identification purposes
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Other information

1. Profit appropriation

The net result is added to the reserves.

2. Independent auditor's report

To: the General Meeting of Participants of the European Consortium for Accreditation in higher education.

We have audited the accompanying financial statements 2012 of the European Consortium for Accreditation in higher education, The Hague, which comprise the balance sheet as at 31 December 2012 and the statement of income and expenditure for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management of the Consortium is responsible for the preparation of the financial statements in accordance with the accounting policies selected and disclosed by the Consortium, as set out in note 3 to the financial statements. Furthermore, management is responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements 2012 are prepared, in all material respects, in accordance with the accounting policies selected and disclosed by the Consortium, as set out in note 3 to the financial statements.

Basis of accounting and restriction on distribution and use

We draw attention to note 3 to the financial statements, which describes the basis of accounting. The accounting policies used are selected and disclosed by the Consortium. Our opinion is not qualified in this respect. The financial statements 2012 and our auditor's report thereon are intended solely for the General Meeting of Participants and should not be used for other purposes.

The Hague, 3 April 2013
KPMG Accountants N.V.
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- 3 APR 2013

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KPMG Accountants N.V. 10