FINNISH EDUCATION EVALUATION CENTRE

3.3 Renewed external quality assurance activities – Institutional quality audit

A central starting point for the FINEEC audits is the statutory duties defined in higher education legislation, alongside the HEIs' responsibility for their operations and the quality thereof. The Universities Act (558/2009) and the Universities of Applied Sciences Act (932/2014) include binding provisions requiring HEIs to undergo external evaluations of their operations and quality systems regularly and publish the results of these evaluations. Enhancement-led evaluation is established as a core principle of FINEEC in the Government Decree (1317/2013). It is grounded in the values of trust, participation, and a respectful approach toward the evaluation object. While FINEEC's audits address all three main purposes of evaluation, accountability, improvement, and knowledge, the main emphasis since the first audit cycle has been on enhancement. Beyond examining whether HEIs meet the ESGs, the audits focus on supporting institutions in continuously improving their activities and strengthening their capacity to achieve their strategic goals.

Institutional quality audits have been the main external evaluation method of Finnish HEIs since 2005. The institutional quality audit frameworks have been holistic, and included in addition to teaching and learning, also research or RDI activities and societal engagement. The rationale is that quality management is integrated in all core functions of the institutions, not only teaching and learning. Alongside the ESGs, each audit cycle has also mirrored the development of quality management within Finnish HEIs and the needs of the sector. The first two cycles of audits, conducted in 2005-2011 and 2012-2018, focused on quality systems and processes. In the second cycle, the framework included a link to strategic management. The second cycle also included samples of degree programmes and an enhancement topic in the form of an evaluation area chosen by the HEI.

The audit framework was substantially reformed for the third audit cycle conducted in 2018-2024. The number of evaluation areas was reduced, and the criteria were rewritten in a more descriptive style and assessment scale renewed. In line with the development of quality management in Finnish HEIs, an aim of the reform was to shift attention away from the quality system to highlighting quality assurance and enhancement as integral parts of the HEI's everyday work. The more descriptive criteria made value judgements in audits clearer and more transparent, but at the same time inducing more binding content into the criteria. Some of the more descriptive criteria can also be traced back to the ESGs.

The revised criteria placed emphasis on educational provision, student-centredness, societal engagement and impact. The overall impact of HEIs' activities was highlighted, including the extent to which quality management effectively supported institutions in achieving their strategic objectives and improving their core functions. The third cycle also introduced benchlearning as a method and Quality Label of Excellence. Another major change was the introduction of a digital audit platform, which served as the submission system for the HEI's self-assessment and as the basis for producing the audit report that combined the institution's self-assessment with the audit team's evaluation.

FINEEC conducted a thematic mid-term analysis (Huusko et al., 2022) and an end of cycle analysis of the third audit cycle (Harri et al., 2025). It concluded that the institutional audit framework has proven effective in the Finnish higher education context, and enhancement-led evaluation continues to enjoy wide support. In many HEIs, audits are seen as a tool for strategic management and institutional development, as was also highlighted during the consultations of the fourth-cycle framework. Strategic and data-driven management has advanced considerably in Finnish HEIs over the three audit cycles (see also Huusko & Pyykkö, 2022). By the third cycle, many institutions had established systematic approaches to strategic management in which management of operations, quality system development and strategic objectives are closely aligned. HEIs have developed their quality systems with long-term dedication. A particular strength of Finnish HEIs is also their commitment to continuous improvement, supported by an inclusive and open quality culture. The model of continuous improvement (PDCA) has become firmly embedded in operations and development processes. (Harri et al., 2025.)

The planning of the fourth-cycle audit framework was an open and collaborative process engaging key stakeholder groups (see Chapter 4.3.). The planning was guided by several key principles that emerged from the consultation process in autumn 2024.

Key principles in the planning

- Ensure that the framework is aligned with the ESGs.
- Use same framework for both universities and universities of applied sciences, as it brings clear benefits.
- Ensure continuity with earlier audit cycles and incorporate identified development areas of Finnish HEIs.
- Focus on the core statutory functions of institutions.
- Make the framework more focused, highlighting only the essential themes.
- Keep the framework flexible so it fits different types of institutions with different objectives.
- Use existing national and institutional data more effectively in the audit.
- Continue with the enhancement-oriented approach.
- Differentiate the assessment scale, as the level good in the third cycle was too broad.
- Include more follow-up in the process.

Based on the work of the planning team and consultations with key stakeholders, the purpose and objectives of the fourth-cycle framework was defined as follows.

The purpose of the audit

- To ensure that HEIs maintain and develop the quality of their operations, and to support their continuous, comprehensive and long-term development.
- To ensure that the quality work of HEIs comply with the European Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG).
- To support strategic management in HEIs, and the implementation of their institutional profiles and core mission objectives.
- To provide stakeholders with information on the operations of HEIs and the development of their quality.

The objectives of the audit

- To support the competitiveness and attractiveness of the Finnish higher education system.
- To support HEIs in identifying their strengths and improvement areas.
- To support HEIs' foresight and readiness for change.

- To promote and support the planning, implementation, evaluation and development of high-quality education, research, RDI activities, artistic activities and their societal impact.
- To promote and support the well-being, equity, engagement and openness of higher education communities.
- To encourage the internationalisation, collaboration and responsibility of HEIs.
- To promote the development of HEIs' operations by disseminating good practices.

The audit framework for the pilot phase was approved by the Higher Education Evaluation Committee in June 2025, and the pilot phase audit manuals were published in Finnish in August 2025 and Swedish and English in September 2025. Two pilot audits, Lappeenranta-Lahti University of Technology, LUT and Southern Eastern University of Applied Sciences (XAMK), were conducted in spring 2026 with site visits in April 2026. The decisions and reports from the pilot audits will be published after the submission of this SAR, in August 2026. Following the pilot phase, the framework will be refined based on the findings from the pilots. The revised audit manual for the fourth cycle will be published in September 2026. The new audit cycle will begin in 2027 and end in 2030.