



# Annual Report 2003-2004

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# Message from Anton Colella, Chief Executive

I was appointed to be SQA's Chief Executive during the financial year covered by this Annual Report.

To me, the facts and measures within it give a snapshot of an organisation that is making progress.

In many of the activities mentioned, this report tells of targets having been met or exceeded. In a number of others, it is clear that work still has to be done. However, in all of these cases, improvements have been made since these snapshots were taken. We will continue to make progress.

Our Strategy, three-year Corporate Plan and annual Business Plans are mapping out clearly the priority areas where improvement is necessary, and I am confident that future Annual Reports will reflect on further gains and achievements.

It is important that I acknowledge the work and efforts of many, both within and outwith the organisation, who are helping SQA to deliver service and products for Scotland. We are at the heart of an education and qualification system that is envied in many quarters. By working with all of those involved, we will improve further and contribute to the economic well-being of Scotland, its people and all who use our system.

# Introduction

## Who we are and what we do

The Scottish Qualifications Authority (SQA) is the national body in Scotland responsible for the development, accreditation, assessment and certification of qualifications other than degrees. Our functions are set out in the Education (Scotland) Act 1996 as amended by the Scottish Qualifications Authority Act 2002.

- ◆ We are a Non-Departmental Public Body, responsible to the Scottish Ministers, through the Scottish Executive Education Department, and work together with key stakeholders and partners at all levels within the education sector in Scotland, nationally and internationally.
- ◆ We are primarily funded through qualification entry charges and have an annual turnover of approximately £51 million.
- ◆ We employ approximately 649 staff located at our Glasgow and Dalkeith sites.
- ◆ There are approximately 1,750 centres approved to offer our range of qualifications.

## Our aims and objectives

SQA is committed to providing qualifications which meet the needs of the individual, society and the economy. It aims to be recognised nationally and internationally for excellence in designing and awarding qualifications.

To achieve this, SQA will:

- ◆ develop, support and maintain qualifications and qualification frameworks to meet the needs of individuals, organisations and the economy and to support national policy
- ◆ devise valid, reliable and practicable assessments and related support materials which ensure the maintenance of standards for all SQA qualifications
- ◆ operate valid, reliable and practicable quality assurance systems
- ◆ accredit SVQs
- ◆ maintain a national archive of information and statistics on achievement in Scottish qualifications and benchmark SQA's qualifications against awards in other countries in the United Kingdom, the European Union and internationally
- ◆ manage the process leading to certification
- ◆ undertake commercial activities
- ◆ develop a national pool of expertise in accrediting and awarding, qualifications development, and quality assurance, to keep Scotland at the forefront of education and training
- ◆ advise Scottish Ministers on policies which would enhance qualifications and quality assurance
- ◆ play a role in policy development in Scottish education and training through involvement in the work of a range of stakeholders
- ◆ work with all customers, including business and employers, to ensure our qualifications and services meet their needs.

## Our stakeholders

In meeting our responsibilities, SQA seeks to achieve and maintain a listening and consultative relationship with stakeholders, including:

- ◆ Candidates
- ◆ Parents
- ◆ Teachers, lecturers and trainers
- ◆ Managers in schools, colleges and universities
- ◆ Employers and employees
- ◆ Independent training providers
- ◆ Trade unions and professional associates
- ◆ Local and national government
- ◆ The enterprise network and national agencies

## How we plan

SQA's strategic direction is developed by the Board of Management and its committees and is approved by the Scottish Ministers. The Board is corporately responsible for its implementation.

Our Advisory Council, representing the interests of education, training and employment, has provided SQA with helpful advice on a range of developments, including the portfolio review and computer assisted assessment (CAA).

SQA's *Strategy for Action 2002 – 07*, published in October 2002, provides SQA with a framework for corporate and business planning processes, as required by the Scottish Executive's Management Statement and Financial Memorandum. The strategy aims to:

- ◆ deliver the qualifications and services that candidates and customers want and need
- ◆ pursue excellence through benchmarking against best practice elsewhere, and by striving for continuous improvement; and
- ◆ maximise resources to deliver qualifications and services efficiently

The strategy will be delivered through activity and investment in three areas:

- ◆ Qualifications
- ◆ Organisational management and viability
- ◆ External activities

Attainment of the strategic objectives will be delivered through SQA's ongoing operational activities and the completion of a number of important change projects. These projects have been developed into business cases seeking additional funding from the Scottish Executive, and if approved, will be used to help modernise SQA's products and services.

Our strategy has been further developed into a Corporate Plan for 2003–06, setting out the overall objectives and targets for the organisation. The corporate plan has been

approved by Scottish Ministers. A Business Plan — an annual plan for 2003–04, defines these corporate plan objectives and targets in more detail.

The corporate aims and objectives set out in the Corporate Plan are:

## **Qualifications**

**Overall aim** To design, assess and quality assure qualifications that meet candidate and customer demand and are fit for purpose, relevant and credible.

### **Objectives**

- ◆ Ensure that SQA products are fit for purpose
- ◆ Ensure that SQA products and services are flexible and responsive to market needs
- ◆ Deliver the examination diets for National Courses and other assessment and certification services
- ◆ In partnership with the education and training community, enhance SQA's position as the national awarding body for Scotland

## **Organisational management and viability**

**Overall aims**

1. To provide SQA with clear leadership, with staff who feel empowered, are committed to continuous improvement and who enjoy a high level of morale.
2. To manage growth and investment strategies that bring the organisation to a point of financial break-even across all product groups as well as taking advantage of suitable commercial opportunities that will generate profit to be re-invested into qualification development.

### **Objectives**

- ◆ Communicate and implement SQA's corporate strategy
- ◆ Become a learning organisation
- ◆ Promote effective management
- ◆ Become an employer of choice
- ◆ Improve business efficiency
- ◆ Ensure sustainability

## **External Activities**

**Overall aims**

1. To make SQA's delivery of qualifications efficient and up-to-date.
2. To make the handling of SQA's processes more straightforward.

3. To develop strategic agreements at Scottish, UK and international levels that provide the environment in which win/win solutions can be gained.

### **Objectives**

- ◆ Identify and respond to customer needs
- ◆ Promote continuous improvement
- ◆ Achieve streamlined processes
- ◆ Undertake a proactive role in partnership working
- ◆ Achieve mutual benefit through joint working arrangements
- ◆ Manage SQA's accreditation function

The business plan for 2003–04 assigns objectives to each of SQA's 7 key processes:

Key process 1: Developing qualifications and assessments

Key process 2: Conducting and quality assuring assessments

Key process 3: Awarding qualifications

Key process 4: Accrediting SVQs and awarding bodies

Key process 5: Business support

Key process 6: Customer support

Key process 7: Delivering income generating services

## How we have performed over the last year

This review consists of a summary of the work undertaken by SQA staff in addressing each of the key objectives for 2003–04 in the Corporate Plan for 2003–06.

### Key targets

*The targets for the following range of performance indicators represent the level of achievement set for the last year of the Corporate Plan. Progress towards meeting these targets is indicated by the level of achievement for the current year.*

INDICATOR	TARGET for 2006	LEVEL OF ACHIEVEMENT AT 2004
1. Ensure that the examination diet and certification arrangements continue to meet the published schedule and agreed performance indicators	See Appendix 1 for details of performance measures	<b>Achieved — see Appendix One for details of performance</b>
2. Ensure high customer satisfaction ratings for the credibility of SQA qualifications <ul style="list-style-type: none"> <li>◆ 80% for Standard Grade, Intermediate 1 &amp; 2 and SVQs</li> <li>◆ 90% for HNC/Ds, Highers and Advanced Highers</li> </ul>	80% 90%	<b>Standard Grade – 78%</b> <b>Intermediate 1 &amp; 2 – 72%</b> <b>SVQs – 74%</b> <b>HNC/D – 83%</b> <b>Highers – 91%</b> <b>Adv Highers – 87%</b>
3. Ensure an 80% customer satisfaction rating for SQA's quality assurance arrangements	80%	<b>79%</b>
4. Achieve 75% staff satisfaction with SQA as an employer	75%	<b>82%</b>
5. Achieve 40% staff satisfaction with SQA's staff performance management system	40%	<b>38%</b>
6. Achieve 65% staff satisfaction with internal communication	65%	<b>80%</b>
7. Maintain staff turnover between 10–15%	10–15%	<b>10.2%</b>
8. Reduce the average staff absence rate to below 8.5 days per annum	Less than 8.5 days	<b>4% of working days</b>
9. Become self-financing	By 2006	<b>Target under discussion with Scottish Executive</b>
10. Achieve a 75% credibility rating	75%	<b>70%</b>

<b>INDICATOR</b>	<b>TARGET for 2006</b>	<b>LEVEL OF ACHIEVEMENT AT 2004</b>
11. Ensure that staff and other non-appointee costs remain constant in absolute terms for the period 2003–2005		<b>Will be monitored during course of year</b>
12. Reduce the area of office space by 10%	Reduce by 10%	<b>3%</b>
13. Achieve an 85% customer satisfaction rating for SQA's operational efficiency	85%	<b>79%</b>
14. Respond to customer complaints within published timescales		<b>Not available – new system under development</b>
15. Achieve an 80% satisfaction rating for SQA's website	80%	<b>75%</b>
16. Achieve an 80% customer satisfaction rating for the delivery of SQA's products and services	80%	<b>79%</b>
17. Achieve more than 95% of data transfer through electronic means	More than 95%	<b>96% for registrations and entries</b>
18. Achieve 80% satisfaction rating for SQA's relations with partners	80%	<b>18 key stakeholders surveyed. No measurement taken – new system under development for next year</b>
19. Develop strategic agreements with all partners		<b>Ongoing — see 'review of performance'</b>
20. Achieve 75% customer satisfaction for consultation and responsiveness	75%	<b>72%</b>

## Uptake of qualifications

	2001–02	2002–03
Standard Grade	456,288	453,450
National Units	1,451,552	1,461,605
Access 2	1,687	2,289
Access 3	3,567	9,147
Intermediate 1 – 2	87,861	96,940
Higher	164,004	166,885
Advanced Higher	15,749	16,998
Scottish Vocational Qualifications	44,864	39,816
Higher National Certificates	21,872	18,168
Higher National Diplomas	11,857	12,727

*Note:* Entries data is based on an academic session beginning in August and ending in July.

### Notable trends

- ◆ 2% increase in National Unit entries
- ◆ 34% increase in Access 2 entries
- ◆ 157% increase for Access 3 entries
- ◆ Increases in entries across all National Courses, with the exception of Standard Grade
- ◆ SVQ entries down by 11%
- ◆ HNC entries down by 17%
- ◆ HND entries increased by 7%

Further statistics on the uptake and certification of SQA's qualifications can be found in the Annual Statistical Digest and the Annual Statistical Report for 2003. Copies can be obtained from SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)), where the data can be downloaded as Excel spreadsheets or pdfs.

# Review of the year 2003-04

## Strategic focus 1: Qualifications

### 1.1 Ensure SQA products are fit for purpose

SQA designed staff development workshops which have been delivered by the Scottish Further Education Unit (SFEU) to college staff who are involved in Higher National (HN) developments using the 2003 design principles. To date, seven workshops have been developed and delivered to over 800 college staff and all SQA working on HN developments.

SQA relied on the considerable knowledge and expertise of the HN Key Partners Group in considering strategic issues and product improvements. The HN Modernisation Project is advised by the HN Key Partners Group, chaired by a college principal, and its membership is composed of representatives from Colleges, HEIs, Association of Scottish Colleges, the Funding Council, Scottish Executive, Scottish Further Education Unit, COLEG and other stakeholders.

Workshops aimed at college managers, course team leaders and student guidance tutors have also been delivered by the HN Partnership Team.

Further guidance to support the HN Review has included:

- ◆ a guide for validation panel members
- ◆ information on how to develop and write HNC/Ds using the design principles and the revised specification
- ◆ using Core Skills within HN frameworks
- ◆ advice on how to develop and internally moderate Graded Units in group awards
- ◆ SCQF credit rating and levelling

As HNC/Ds are developed and validated in partnership with colleges and other key stakeholders, SQA seconded four senior college personnel to understand and reflect colleges' needs and expectations. A development schedule between SQA and 47 major HN centres has been agreed and is published on SQA's website.

The schedule outlines plans for the revision of Higher National Qualifications, including consortia and collaborative developments. Reports on progress are published on a monthly basis.

The target for the publication of HN and SVQ support materials was revised during the year to accommodate variations in qualifications development projects. Overall, this target was met with 121 HN exemplars, 46 SVQ portfolios and 42 SVQ Assessor Guides produced during the period.

In response to the low uptake of some Scottish Vocational Qualifications (SVQs), SQA developed a viability paper which set out the principles to be applied for those qualifications with little or no uptake. This approach was endorsed by our Qualifications Committee and Board of Management.

We completed phase one of the National Qualifications Review, and 36 National Courses have been revised for introduction in August 2004. The review programme is funded by grant-in-aid from the Scottish Executive, and developments have been delivered within budget and on schedule.

All National Assessment Bank (NAB) materials have been updated in line with the NQ Review schedule, with just over 300 NAB packs produced and distributed. A secure online facility now operates which means that centres now have immediate access to new and updated materials and also ensures the most recent version is available. SQA began a review of its portfolio of qualifications, and as part of this review, is taking stock of its position regarding the revision of Scottish Group Awards (SGAs) and has decided to rationalise project-based National Courses (PBNCs). We will publish an implementation strategy for SGAs once the portfolio review has been agreed by the Board of Management — this should happen in January 2005. For PBNCs, we will either withdraw the National Course if uptake is low, or develop it as a National Course without a grade.

The implementation plan for the revised Core Skills framework is on hold pending the publication of the 3–18 Curriculum Principles by the Scottish Executive.

During the year, we piloted an improved model of moderation for internal assessment carried out in centres. This model looks at interim evidence and takes a risk based approach to moderation, for example by taking into account the track record of the centre and the type of qualification. SQA's Qualifications Committee approved the pilot for 2003–04.

We also completed a review of quality assurance for external assessment which was carried out by a former Chief Inspector of Schools. An action plan has been approved by the Qualifications Committee.

## **1.2 Ensure that SQA products and services are flexible and responsive to market needs**

In reviewing the viability of introducing an endorsement service for non-SQA qualifications, we concluded that it would be feasible to offer a 'kitemarking' service, and further work will be undertaken in 2004–05 to clarify its nature and likely cost.

Since May 2003, SQA has enhanced its environmental scanning by introducing a database, known as PRIMED, for internal use by staff. It includes a monthly magazine and quarterly trends bulletin on information and intelligence gathered as part of our scanning activities. This helps staff make decisions about our products and services.

We expanded our portfolio of Scottish Progression Awards (SPA) and Professional Development Awards (PDA) with the introduction of PC Passport, an Enterprise award, and an Employability PDA. We started developing online assessment and support materials for the latter two qualifications, in partnership with Careers Scotland. Successful candidates in the 18–30 years old age group will be able to apply for a business start-up grant through the Scottish Enterprise network.

Online objective testing and other assessment materials are being piloted for PC Passport — a development funded during 2003–04 and launched in May 2004. Online materials have as yet to be developed for specific Core Skills, pending the completion of consultation in this area.

During the course of the year, we reviewed the use of the fallback (compensatory) award and introduced revised arrangements — Grade D — for the August diet.

A range of activities and support materials have been offered to help centre staff to understand the standard required for external assessments of National Courses. This has included:

- ◆ a pilot project in 2003 providing centres with component marks (individual marks which contribute to the overall grade) for their candidates in 13 National Courses. This information will be helpful for appeals.
- ◆ feedback on why appeals have been unsuccessful, helping staff to understand the reasons for failure and what action might be taken to improve appeals evidence in future years.
- ◆ the introduction of new derived grades procedures for Standard Grade results, bringing these into line with other National Courses.
- ◆ amendments and additions to the Annual Statistical Report (ASR) and Digest, including commentary suggesting reasons for changes in entries and awards.

In addition to this, the 'Understanding Standards' programme of the National Qualifications Review has included a number of projects to promote understanding of standards. These have included:

- ◆ The piloting of subject in-service (a form of training) for Higher English and a series of continuous professional development workshops in Higher English, Mathematics and Art and Design, which attracted 987 delegates. These events were linked to post-McCrone continuing professional development (CPD), and SQA is now registered with the General Teaching Council as a CPD approved provider.
- ◆ Appeals exemplification with the publication of support materials on the type of evidence most useful for appeals.
- ◆ Publication of Principal Assessors' reports.
- ◆ Publication of marking instructions on the website.
- ◆ Preparation of course assessment specifications to help others develop valid course assessments.

SQA carried out a research project to investigate the extent to which existing provision at Access 1 met the needs of all learners.

We concluded that the needs of learners with multiple learning difficulties were not being met and further provision has been developed. Further National Assessment Bank exemplars have also been developed for high uptake Access 2 Units.

### **1.3 Deliver the examination diet for National Courses and other assessment and certification services**

In carrying out our responsibilities to quality assure assessments completed in centres, we met all our targets, including postal and central moderation events, moderation of Higher National qualifications, prior moderation and development visits. We also completed our programme to approve and audit centres within a specified number of days.

Other quality assurance activity included 11 audits on behalf of SQMS Scotland, 24 Quality Networks (events for centres) and just under 90% of planned visits to centres to monitor their systems (systems verification visits). The latter target was superseded by other more pressing priorities, such as reviewing our quality assurance policy for overseas

sites, the review of quality assurance and other activity relating to customer support, such as PC Passport.

To assist in the conduct and quality assurance of assessments, we delivered training of our appointees. Five training sessions for Chief Invigilators were held across the country. These events were then cascaded to their teams. Feedback from participants suggested the events were well received.

A number of improvements were introduced to core processes in the handling and distribution of examination scripts. In partnership with our carrier, we improved security and tracking in handling scripts for centres and markers. This also led to a reduction in cost.

All processes relating to the preparation, print and distribution of the 2003 question papers, marking instructions and contingency papers were completed as planned. In completing these processes, we also had to revise procedures to accommodate the production of contingency question papers alongside those for the main diet. We acknowledge the commitment of our appointees in helping us produce another set of papers for use in case of emergency. Our work has included:

- ◆ producing and distributing Braille and Adapted papers required by centres in support of special assessment arrangements
- ◆ producing 570 contingency question papers
- ◆ producing specimen question papers for major subjects in Phase 1 of the NQ Review

Like other processes supporting the delivery of the August diet of certification, SQA's processing and validating of data with centres ran smoothly during the period. Certification targets in weekly group award and monthly unit only runs were achieved and the performance measure for re-instating this service following certification of the main diet was met for 2003 (see Appendix One Performance Measures for 2003). In addition, the results service provided to UCAS was delivered in line with the Memorandum of Understanding.

The National Qualifications timetable of examinations took account of stakeholder views, feedback on the previous year's version, data from SQA monitoring services, and an analysis of entry trends and uptake patterns.

We continued to see an increase in the number of requests for special assessment arrangements — 9,727 in total for 2003. The outcome of a review into this aspect of our business, including additional guidance to centres on submitting requests, will begin to take effect during 2004–05.

The appeals process was completed on schedule (see Appendix One Performance Measures for 2003). 54,063 appeals were considered in 2003, 26,183 of which were successful. There was an overall reduction of 31,000 requests on the previous year.

#### **1.4 In partnership with the education and training community, enhance SQA's position as the national awarding body for Scotland**

During the period, we have been in discussion with SQMS Scotland on joint SQMS Scotland and SQA monitoring audits and a number have been arranged for the coming year. This will minimise the number of days employers and training providers will have to allocate to audit activity.

We completed an initial review of alternative arrangements (formerly known as Special Assessment Arrangements). A pilot exercise was conducted to trial an electronic means of submitting requests. This form of submission will now be implemented in 2004 for the 2005 diet.

We have developed and made available through a secure website, a suite of online materials for PC Passport. One of our partners, Microsoft, is working on additional online materials for a range of SQA qualifications. These materials have been piloted and are due to be published early 2005.

Online training packages have been developed for a number of National Courses at Higher. These materials have received a positive response from the teachers using them on a pilot basis. We are now planning to extend the range of courses to benefit from these materials.

In October 2003, SQA's Qualifications Committee endorsed the strategy and implementation plan for Computer Assisted Assessment (CAA). We have since followed the strategy to consult with, and to raise awareness amongst, SQA staff and stakeholders on SQA's work in CAA.

During the year, SQA formed a partnership with an agency of the Chinese Centre for Scholarly Exchange (CSCSE), an agency of the Chinese Government, to offer Higher National Qualifications through leading universities in China. A network of Scottish further education colleges is working with SQA to develop support materials for the qualifications being delivered in China. This development has been endorsed by the Scottish Executive.

## **Strategic focus 2: Organisational management and viability**

### **2.1 Communicate and implement SQA's corporate strategy**

SQA hosted its annual public meeting and Annual Awards ceremony in Glasgow's Royal Concert Hall in November with, respectively, 53 and 193 people attending. The awards ceremony, supported by public and private sector companies, gave recognition to 30 award winners in ten award categories.

For the first time, an occasion to recognise the achievement of SQA's staff was hosted — SQA+ Awards — which was staged solely through commercial sponsorship. Nominations for various categories, including individual and team contributions, were suggested and judged by staff. The event in Motherwell's Civic Centre was attended by some 184 staff.

In October we also hosted, for the first time, the annual conference of the Joint Council of Qualifications in Edinburgh with 93 delegates in attendance. SQA has since been invited to join this influential council which includes all the major awarding bodies in the United Kingdom.

In March 2004, we hosted our third Annual Conference for Principal Assessors in Edinburgh. The aims of this conference were to share information and seek views from Principal Assessors on another of our key objectives — the quality assurance review of external assessment — and to acknowledge the critical role of these appointees in contributing to our work.

We continue to work with our partners to implement an SCQF communication strategy, raising awareness amongst our stakeholders and customers on the merits and meaning of a credit framework for Scotland. (See 3.4 for more detail.)

SQA has continued to conduct market research to inform past and forthcoming marketing campaigns. Product and brand promotions have taken place — for example, for PC Passport and SVQs. We continue to review the use and layout of our website, and a number of improvements, including more online materials, have been introduced this year.

All legislative developments were tracked by our legal team and communicated to the business as necessary. For significant legislative developments, such as Freedom of Information and Disability Discrimination, we established working groups with staff from business areas to ensure that SQA's operations will comply with the legislation and appropriate policies are implemented.

### **2.2 Become a learning organisation**

During 2003–04, SQA revised its customer care standards prior to developing a customer care training programme for all its staff and management. Whilst it was intended that some of the training programme could have commenced during the financial year, it was considered more essential to ensure that the appropriate customer care standards would be in place to use as a foundation to devise the training programme.

SQA completed a Training Needs Analysis and Skills Audit and we have met the initial priority needs of this exercise, including the launch of management development programmes for Business Managers and new managers.

SQA continues with its efforts to align itself to European Foundation for Quality Management (EFQM). Another self-assessment survey was carried out in 2003 and evidence continues to be gathered for an award submission.

## **2.3 Promote effective management**

SQA undertook an extensive equal pay audit, and work was undertaken on a new pay and grading structure. An element of performance-related pay was introduced in 2003–04 which is linked to a three-tier performance management review process. These developments have had the close involvement of SQA's trade unions.

Examples of good practice in risk management have been identified by SQA's internal auditors. Work commenced on an organisation-wide risk management strategy and policy to ensure that all significant operational and strategic risks have been identified and are being managed.

In the last quarter of the year, SQA took steps to address aged debt and a related matter of invoicing difficulties experienced by our customers.

Whilst progress in these areas of financial control is being recognised in early 2004, our efforts have been acknowledged by Audit Scotland as part of its review of the annual accounts for 2003–04. We continue to monitor progress on these issues as part of monthly management team meetings.

A further staff opinion survey was conducted and there was evidence of positive progress across the indicators. A steering group, which includes trade union representatives, oversees an action plan addressing staff concerns. Progress is reported via the SQA intranet and staff briefings.

In terms of rewards and recognition for staff, we have embedded performance review which includes an aspect of performance related pay. We did host an awards ceremony for staff — SQA+ Awards — which recognises the efforts and commitment of our staff, including awards for long-service.

During the year, our monthly meetings looked at a report, the Monthly Management Review, which contained financial and other management information on key business areas, including Human Resources, internal audit, entries and awards, and customer relations data.

## **2.4 Become an employer of choice**

All our needs for the recruitment of appointees were met for 2003–04, including markers and moderators. However, SQA must ensure that appointees' terms and conditions remain competitive, and although some limited work has been carried out in the areas of contracts, the recruitment process, and the preparation of a handbook for appointees, a more extensive project is planned for 2004–05.

During 2003–04, a planned maintenance programme of our buildings was developed and is being taken forward. Upgrades were made to accommodate staff on floors 5 and 6 of

the Hanover House building in Glasgow, and the meeting facilities and toilets were refurbished.

Management and SQA's trade unions have adopted a partnership style of working, and a number of working groups — for example performance management, pay review and job evaluation — include trade union representatives as key partners in developments affecting staff terms and conditions.

## **2.5 Improve business efficiency**

Phase One of a major upgrade to SQA's financial management and human resources management systems has been completed. Further developments to CYBORG software, which supports these systems, have commenced.

A new Legal and Administrative Services team was created to ensure that the organisation complies with all legal provisions, including EU procurement regulations and contracting processes. To this end, comprehensive procurement procedures were developed during 2003 and have been introduced with effect from April 2004.

We introduced revised charges in 2003–04 for our qualifications. The charges were agreed with the Scottish Executive before they were applied. Our work on activity-based costing will be used to inform our charging structure.

We had intended to centralise our accommodation in Glasgow and Dalkeith, taking advantage of lease breaks in contracts for existing rented accommodation. In the event, staff were relocated from rented accommodation at Epic House in Glasgow to Hanover House. This reduced office space by 3%.

We postponed the implementation of a revised travel and subsistence policy pending the completion of the pay and grading review. The review of travel and subsistence is due to be concluded by September 2004.

We devised and implemented flexible working arrangements to make better use of our accommodation, and a number of staff now make use of these arrangements. Improvements in IS facilities were required to support this initiative.

We implemented more rigorous budgeting and forecasting procedures, along with management reporting and accountability for expenditure. These improvements have been acknowledged by Audit Scotland in its annual audit for 2003–04.

## **2.6 Ensure sustainability**

SQA's IS department has ensured that the technical infrastructure is appropriate for existing and future business needs. Functional and end-to-end testing were carried out under the overall testing plan to ensure that any software changes are implemented as specified.

We are committed to developing business continuity plans to ensure that our business can recover in the event of an incident. We have piloted business continuity planning in four business areas and phase two of this development will address the remaining business areas in 2004–05. SQA achieved the Information Systems Security standard BS7799 for some aspects of its business relating to Question Papers and the Street Works Register, and this helps to consolidate our business continuity plans.

The review of the SVQ portfolio to update, add or divest, as required, has continued throughout the year. Due to the cyclical nature of the review, this process will continue to feature in SQA future plans and objectives as SVQs are due to be revised.

SQA also developed a policy for addressing low uptake in new and existing National Courses. The low uptake policy was agreed by Qualifications Committee. SQA's management structure has been amended in line with its changing business needs. Middle management was restructured to introduce Business Managers to the organisation. There has also been restructuring within the Senior Management Team, with a smaller Executive Team now in place to improve accountability and governance. In August 2003, a full review of the use of fixed term employees was carried out, resulting in some staff changing to substantive contracts. This had no impact on the staffing budget. We have been taking steps to manage our staffing levels with managers having to make robust cases to replace staff or fill posts by external recruitment.

SQA introduced a model of activity-based costing to identify the cost of products and delivering services to customers. This model has been helpful in understanding the cost of running SVQs and establishing the break-even levels. The model will be further refined during the course of 2004–05.

SQA continues to run its existing commercial contracts in line with established obligations and service level agreements. The planning and testing of Street Works Register systems has taken place, but these cannot be implemented until we have been given approval by the Department of Transport.

## **Strategic focus 3: External activities**

### **3.1 Identify and respond to customer needs**

A number of improvements to customer care have been introduced during the reporting period, including the introduction of a Customer Contact Centre, how we handle customer feedback and complaints, and revisions to our customer care standards to support training of staff.

A Customer Contact Centre was introduced in 2003 and is now fully operational, handling all incoming telephone calls and e-mails. Work has started on developing and implementing a customer charter statement. This depends on revisions to SQA's customer care standards and core values.

For the first time, a customer satisfaction survey and mirror survey for staff was conducted to provide data on satisfaction with SQA's products and services amongst schools, colleges, employers and training providers. The ratings recorded this year will be used as a benchmark in future years. An action plan has been developed to address customer concerns and to promote awareness of, and improvement in, customer care among staff.

All statistical reports — monthly, quarterly and annual updates — concerning the management of SQA's qualifications portfolio, assessments and results have been produced on time for staff and stakeholders. Further statistics on the uptake and certification of SQA's qualifications can be found in the Annual Statistical Digest and the Annual Statistical Report for 2003. Copies can be obtained from SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)), where the data can be downloaded as Excel spreadsheets or pdfs.

### **3.2 Promote continuous improvement**

SQA expanded the uptake of SQA.net which enables centres to view and check the accuracy of their data. The majority of centres now submit their data electronically, and this minimises the risk of incurring errors in data transmission and input. SQA intends to develop and encourage further internet-based services as part of its programme of transforming service delivery.

During our review of moderation, a number of improvements to our model of moderation have been identified and are in the process of being implemented. In addition, a review of other quality assurance processes relating to approval, quality audit and systems verification will lead to further improvements in both the quality of our service to customers and the processes used to support quality assurance activities. It has been clear from the data gathered to date that further consultation on the nature and status of quality auditing, and our relationship to other auditing bodies, such as HMIE, is required before any changes can be introduced to the way we deal with existing or potential customers, including any extension of quality audits to local authorities.

### **3.3 Achieve streamlined processes**

As part of SQA's contribution to Phase 1 of the Pass-IT project, we developed ICT-based assessments for Higher and Advanced Higher level National Courses in Mathematics and Chemistry. Such materials were also produced for HNC Computing. Phase 2 is well

underway. At the request of the Scottish Executive, no assessments were developed in 5–14 Mathematics pending the outcome of the 3–18 Curriculum Review.

To streamline processes, we developed a business case to fund a secure e-mail and online forum for the production of question papers. Piloting systems will form part of this development.

Further improvements to the quality and quantity of assessment material being made available in print and online includes new arrangements with our contractor responsible for publishing past question papers. As part of the contract-tendering process during 2003–04, the company will be required to increase in the number of titles available and to investigate greater use of web publishing.

The 5–14 team has worked closely with the Scottish Executive to develop new assessment materials both for the Assessment and Achievement Programme (AAP) survey and the new online bank of National Assessments. The new bank went live in 2003. By the end of the reporting year, preparations for the 2004 AAP survey were well advanced.

Evaluation of an additional 5–14 online assessment pilot project was undertaken to inform a bid for further funding to the Scottish Executive. The results indicated that the online system offered benefits to teachers and candidates. We await confirmation on future funding.

Significant upgrades to software for the processing of Scottish Group Award and Standard Grade results were implemented successfully in time for August certification in 2003. An upgrade to software supporting moderation processes also took effect during the period, and this will lead to efficiencies in how we organise moderation events and record moderation results for each centre. This will enable us to target our resources more effectively to areas most in need, for example new centres or new qualifications.

Another major development during 2003–04, known as REO (Registrations and Entries Online), was launched in September 2004 to simplify and enhance electronic data transfer and data processing. 96% of our registrations and entries data is received electronically.

A project looking at access to remote and virtual learning for mechatronics is progressing. The learning platform is being developed by a Scottish college.

### **3.4 Undertake a proactive role in partnership working**

We are continuing to work closely with other national agencies, such as Scottish Enterprise, Learning and Teaching Scotland, SFEFC, SFEU, HIE, and other educational bodies and professional associations in Scotland.

In conjunction with our SCQF partners, we have developed a fully-costed plan to underpin the national implementation plan, including detailed sectoral plans.

During the year, work commenced on drafting a Memorandum of Understanding with Sector Skills Development Agency and rolling out protocols to work with each Sector Skills Council. SQA now has observer status on the Sector Skills Alliance Scotland (SSASCOT), and a joint action plan has also been developed.

### **3.5 Achieve mutual benefit through joint working arrangements**

Following consultation with colleges, who are our main partners in the delivery of qualifications overseas, we hosted a workshop to consider whether SQA should amend its policy on quality assuring qualifications delivered overseas. In the light of experience, we were advised that the policy was proving difficult to implement, and an alternative model was proposed, along with guidance to support its implementation.

SQA continues to work with ScotXed on a joint project looking at an extension of the Scottish Candidate Number to facilitate accurate data exchange between national agencies, including schools.

### **3.6 Manage SQA's accreditation function**

All audit and monitoring activities were undertaken as planned, including audits of awarding bodies and visits to centres.

In total, 39 new Scottish Vocational Qualifications have been accredited for SQA acting alone, and 43 for SQA in a joint awarding arrangement.

Following a consultation with stakeholders, a review of SQA's Accreditation Committee has led to a new accreditation process whereby members are no longer required to meet but are still involved in the process. Amendments to the process are intended to reduce the time taken to accredit SVQs, and the changes have been agreed with the Scottish Executive. This has led to, for example, members of SQA's Accreditation Committee being able to focus more on strategic and policy-related issues. One such policy has been agreement on the withdrawal of low-uptake SVQs with awarding and sector bodies.

Following consultation with stakeholders, a project was initiated to identify an extension of SQA's accreditation function. The consultation revealed that awarding bodies would welcome closer links, where possible, with QCA.

# Appendix 1: Performance Measures for 2003

The Scottish Executive and Scottish Qualifications Authority have agreed a series of detailed performance measures that will be used to monitor SQA's performance in 2003. These are divided into three categories: timeliness of issue of results; accuracy of results; and response to queries.

Similar performance measures were prepared in 2001 and 2002. SQA will benchmark its performance in 2003 against these<sup>1</sup>.

In measuring performance against these indicators underlying factors and the contribution made by different stakeholders (eg SQA, centres) to the outcomes will be identified where possible.

## Issue of results

- ◆ Electronic file sent to be sent to UCAS on 7 August (subject to confirmation), in an agreed format, showing the cumulative achievement of all relevant candidates identified by UCAS and notified to SQA.

*Our performance: Achieved, the electronic file was sent by the due date to UCAS.*

- ◆ Electronic file to be sent by 8 August to those centres that submit data electronically. The file format has not changed from last year and details are available from SQA. The file will contain results for all candidates registered by the centre and entered for National Courses and Units associated with these courses in the diet for 2003.

*Our performance: Achieved, electronic files were sent by the due date.*

- ◆ Paper statement of results summary sent by receipted delivery courier to all centres on 8 August for receipt not later than 12 noon on 11 August.

*Our performance: Achieved, paper statements of results were issued on time.*

- ◆ By 12 August, certificates, or letters advising unsuccessful achievement, to be sent to all candidates who are due to receive a certificate in respect of the Summer Diet of National Courses. If SQA is aware of any circumstances that will prevent specific certificates or letters from being issued, SQA will inform the relevant centre(s) by 12 August of the certificates or letters that will be delayed and the reasons for this. It would be responsibility of such centre(s) to advise their candidates accordingly. SQA will notify centres of all cases where a final grade was computed on the basis of partial data (other than where a formal absence has been recorded) by 12 August.

*Our performance: Achieved, certificates were issued on time.*

- ◆ SQA will issue group award certificates weekly throughout the year. However, this will be suspended from 26 July to 8 August to allow certification of the diet of National Courses.

*Our performance: Achieved, Group Award certification resumed on 13 August 2003.*

## **Accuracy**

- ◆ Certificates issued by SQA will be an accurate representation of the data held on SQA's database. This excludes cases where SQA know that the data held on the database is not yet complete or where inaccurate data has been supplied.

*Our performance: Certificates issued were an accurate representation of our database, showing those candidates with incomplete entries and results and where applicable, failure to achieve a pass in the external assessment component of the National Course.*

## **Queries and Appeals**

- ◆ Where a centre reports the non-delivery of a certificate, missing entries or other queries, the SQA:
  - Will acknowledge receipt of the query within 3 working days and will resolve the query within a further 10 working days if possible;
  - If it is not possible to resolve the query within this timescale, SQA will indicate the reason for the delay and give a date by which the query will be resolved.

*Our performance: Achieved, queries were acknowledged and resolved within specified turnaround times.*

- ◆ Appeals clearly marked as 'Urgent', and submitted on time with all necessary information and supporting evidence requested by SQA in the correct format, will be dealt with — and results sent to centres — by 20 September 2003 where the number of urgent appeals does not exceed 3,000.

*Our performance: Achieved, the results of urgent appeals were sent to centres by 20 September.*

## **Definitions**

National Courses are defined as:

- ◆ Intermediate 1 and 2, Higher and Advanced Higher. NB Clusters are certificated weekly as they have no external assessment. Those completed from April onwards with completion dates in the future are held and batched to go out in the main August certification
- ◆ Standard Grade

<sup>i</sup>Performance measures for 2001 related only to the Diet. The measures for 2002 and 2003 also cover other certification such as Group Award and Unit only certificates.