

BOARD OF MANAGEMENT – 25 MARCH 2015

For approval

Minutes of the ninety-second meeting of the Board of Management held at 10 am on Wednesday 28 January 2015 in the Optima Building.

**Members**

- \* Mr G Houston (Chairman)
- \* Dr J Brown (Chief Executive)
- \* Mr J Edgar
- Mr K McKay
- \* Mr R O'Hare
- \* Mr R Stewart
- \* Dr P Thomson
- \* Mrs S Walsh
- \* Ms C Wilkinson

**Officers**

- \* Ms J Blair
- \* Ms M Cahill
- \* Mr S Davidson
- \* Ms L Ellison
- \* Mr J McMorris
- \* Ms J Ross
- Dr G Stewart
- \* Ms S Bonilla (item 93/8 i only)

\* indicates present

93/1 **WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting.

Apologies were received from Mr McKay, Dr Stewart and Mr McVicar from the Scottish Government.

93/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no conflicts of interest declared.

93/3 **PREVIOUS MEETING**

i **Minutes of meeting held on 3 December 2014**

The minutes were approved as an accurate record.

ii **Action Grid**

The contents of the action were noted.

93/11 With reference to seeking a sponsor department policy lead for SQA Accreditation, the Chief Executive advised that following a recent reorganisation at the Scottish Government, it had been necessary to issue another letter to the new Director.

iii **Workplan**

The contents of the workplan for 2015 action were noted.

93/4 **MATTERS ARISING**

There were no matters arising.

## 93/5 CHAIRMAN'S REMARKS

The Chairman advised that he and the Chief Executive had separate telephone calls scheduled with the new Cabinet Secretary for Education and Lifelong Learning that afternoon; it was hoped that a meeting would be arranged soon.

An invitation had also been extended to the Cabinet Secretary to attend the March meeting of the Board.

## 93/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive reported that she had been invited to attend an oral evidence session on the Curriculum for Excellence at the Education and Culture Committee (ECC) meeting on 3 February 2015. The written submission required in advance of the meeting had been completed and issued to the ECC that day, and had included a direct response for information relating to the new Higher versus old Higher.

Press coverage covering the Cabinet Secretary's recent visit to Craigroyston Community High School was circulated to the Board. The Chief Executive had also attended and was pleased to report on the positive comments around the new qualifications, specifically the flexibility they provided in learner choices, and how they allowed for progression through the senior phase.

## 93/7 DELIVERING SCHOOL QUALIFICATIONS

### i CfE Update

Ms Blair presented the update on SQA's progress against CfE milestones, based on SQA's highlight reports for November and December 2014.

The Board was content to note that steps were being taken to manage the issues that contributed to the overall programme status of amber. These were mainly attributed to the conflicting demand on resources for additional activities not included in the original plan. The Board emphasised the importance of continuing to monitor staff workload in light of the heightened and sustained levels of pressure on SQA.

In response to the Board, it was confirmed that the potential risk around centres incorrectly entering candidates for the wrong Higher Units or Course during the period of dual running had been raised to the CfE Implementation Group. SQA was actively managing the risk, undertaking additional activities to minimise the risk to candidates, and working closely with Education Scotland.

The Board was also informed that actual entry levels would not be finalised until the end of March 2015, and so it was not yet possible to identify any shifts in uptake patterns. SQA monitored entry figures on a regular basis and would take any necessary action to deal with the implications if final entries were significantly higher than projected.

The Board noted the current position.

ii **Report from the Certification Programme Group**

Ms Blair presented the Certification Programme Group report, and expanded on the particular matters reported at amber status. It was noted that as a result of a decision to simplify the markers fees structure, the e-Marking project had moved to amber status in the time since publication of the report.

The Board was assured that all issues were being carefully managed.

93/8 **CORPORATE**

i **Risk Appetite**

Ms Bonilla, Corporate Planning Manager, joined the meeting.

Ms Cahill introduced the discussion with a brief presentation that outlined the purpose of the discussion. She explained that following a positive audit on SQA's risk management process, it had been recommended that the Board should formally articulate the levels and types of risk it was willing for SQA to take in achieving its objectives. To facilitate the discussion, the Board had been presented with 'strawman' risk appetite classifications. After a lengthy and robust debate, the Board successfully developed risk appetites for National Courses and Competitive markets.

The Board commented on its different interpretations of the classifications when assessing each risk. This would be discussed further at the risk workshop taking place after the Audit Committee in February.

It was noted that a separate risk appetite would be developed for SQA Accreditation by the Accreditation Committee.

In closing, it was noted that the concept of risk appetite was one that the Board had struggled to articulate, however the exercise had been valuable and beneficial in succeeding to establish a boundary of risk that it was prepared to tolerate. The Board too recognised that its risk appetite was likely to shift over time to allow for changes in strategic direction and innovation as SQA continued its operations in a rapidly changing economic, political and commercial arena.

Ms Bonilla left the meeting.

ii **SQA Corporate Risk Register**

Ms Cahill presented the current Corporate Risk Register, which would be reviewed again by the Audit Committee in February. The Board noted the contents of the risk register and was content to see the addition of a reference to the external pressures being placed on SQA staff and appointees.

93/9 **FINANCE**

i **Financial Performance to 31 December 2014**

Ms Ellison presented the financial position for the period ending 31 December 2014, and highlighted a typographical error in paragraph one of section two,

where full year surplus should in fact have read as year to date surplus.  
(*Editor's note: this was amended on the central electronic version of the Board papers.*)

The Board noted the contents of the report, and that the year to date surplus position of £3.3m was due to the timing of income and expenditure. The Quarter 2 outturn deficit remained at £2.1m.

ii **Q3 Forecast Update 2014-15**

Ms Ellison tabled the quarter 3 forecast update as completed by the business during January 2015. The Board noted the contents of the report, and that it reflected again the financial challenges being faced by SQA in 2014-15. It was noted that as a result of the uncertainty around candidate entry patterns, there had been an adverse accruals movement of £300k, with an overall accruals deficit now forecast at £1.7m (£2.4m cash).

The Board recommended that whilst a challenge remained, and there were ongoing demands on resources to secure the safe delivery of CfE, the Executive should continue to strive to achieve the best financial case target - in close dialogue with Scottish Government.

93/10 **BUSINESS DEVELOPMENT REPORT**

Mr McMorris provided the Board with a full and comprehensive update on the performance of business development in all key markets to end December 2014.

The Board noted the encouraging progress.

93/11 **STAFF WELLBEING**

Ms Cahill led on a presentation covering the main findings of the staff survey, ongoing actions to enhance staff wellbeing, and planned activities going forward.

During discussion the Board:

- was encouraged at the 87% response rate to the staff survey;
- pleased to see such positive responses given the current operating environment;
- congratulated management on support being provided for staff;
- suggested it might be worthwhile investigating the possibility of appointing external Dignity at Work Advisors and perhaps look into any quid pro quo with other organisations; and
- fully supported the ambition to attain the Investment in Young People (IiYP) mark, which would demonstrate SQA's commitment to investing in and supporting the development of young people into employment.

The Board had welcomed the update on the range of activities being undertaken and explored to support staff.

93/12 **ANNUAL STATEMENT ON STANDARDS ACTIVITIES**

The Chief Executive introduced the annual update on standards activities for the period 2013-14. This had been considered at the last meeting of the Qualifications

Committee, and had generated a very useful discussion around the different uses, methods, and purposes of surveys.

The Board noted the report.

#### 93/13 **COMMITTEE REPORTS**

##### i **Accreditation Committee – 2 December 2014**

The Board had received a verbal update at the previous meeting and noted the formal minutes of the meeting held on 2 December 2014. Ms Wilkinson added that the Accreditation Committee had also reviewed its standing orders, and no amendments had been made.

##### ii **Qualifications Committee – 19 November 2014**

The Board had received a verbal update at the previous meeting and noted the formal minutes of the meeting held on 19 November 2014.

#### 93/14 **ANY OTHER BUSINESS**

There were no other matters raised.

#### 93/15 **DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 25 March 2015, in Arrol, Lowden.

#### PFN 1 **NON EXECUTIVE DIRECTORS DEVELOPMENT EVENT**

The Board read with interest the update and actions arising from the event. Mr Stewart added that there had been particular support for the development of functional area meetings, with representation from the Executive.