

## BOARD OF MANAGEMENT – 17 AUGUST 2016

For approval

Minutes of the one hundred and second meeting of the Board of Management held at 10 am on Wednesday 29 June 2016 in Esk/Forth, Optima.

**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

**Observers**

- \* Mr M McVicar, Scottish Government

\* indicates present

103/1 **WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting, including Mr McVicar, National Qualifications Team Leader, Scottish Government. Apologies were received from Ms Blair, Dr Stewart and Dr Thomson.

103/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no other conflicts of interest raised.

103/3 **PREVIOUS MEETING**i **Minutes of meeting held on 18 May 2016**

The minutes were approved as an accurate record, subject to two minor amendments.

ii **Action Grid**

The contents of the action grid were noted.

iii **Workplan**

The contents of the workplan were noted.

103/4 **MATTERS ARISING**B103/6 Chief Executive's Report

Ms Cahill updated the Board on progress with the Partnership Group. The Board welcomed the constructive progress to-date and fully supported the approach going forward.

There were no other matters arising.

## 103/5 CHAIRMAN'S REMARKS

The Chairman was pleased to report that the Board member interviews had taken place, and that a number of recommended appointments had been identified. The Public Appointments would make a submission to the Cabinet Secretary that week. He assured the Board that the Scottish Government was very aware of the urgency to progress the appointments as a matter of priority.

Along with the Chief Executive, the Chairman had met with the Deputy First Minister, Mr John Swinney. It had been an encouraging discussion and highlighted that Mr Swinney clearly understood the need to manage dependencies across the education piece *and* maintain the integrity of SQA qualifications.

The Board noted the update.

## 103/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive presented a full update on her activities since the last meeting of the Board. She was particularly pleased to report on:

- The extremely positive outcome of the recent HMRC compliance visit. The work of the Finance team was recognised and complimented by the Board.
- The renewal of SQA's Healthy Working Lives Gold Award. The Board noted this as a significant achievement, attributable to the staff of the Make a Change group, who led in promoting health and lifestyle choices to all staff.

Commenting on her recent engagements, the Chief Executive highlighted her recent meeting with Caroline Gardner, Auditor General. She explained that Audit Scotland would replace KPMG as SQA's external auditors in 2016-17, and it had felt appropriate to take the opportunity to summarise SQA's current financial position and the continuing discussions with Scottish Government on funding arrangements. The Chief Executive would also write to the Auditor General. This approach was endorsed by the Board, who agreed that it was important for SQA's external auditors to fully understand SQA's financial position and the approach being taken with the Scottish Government to reduce the funding gap in the medium to long term. It was noted that the Chief Executive had also met with KPMG who had indicated that a full handover would occur during the transition period.

The Chief Executive also mentioned the recent meeting with the Deputy First Minister and Cabinet Secretary for Education and Skills, and was pleased to report that monthly meetings were now scheduled until the end of the calendar year. These would prove important as SQA moved into planning activities in respect of the CfE Post Implementation Review and any actions arising from the Scottish Government Delivering Excellence and Equity in Scottish Education Delivery Plan (as announced in Parliament the previous day).

The Board noted the contents of the report.

## 103/7 NATIONAL QUALIFICATIONS

### i CfE Programme Update

In the absence of Dr Stewart, the Chief Executive presented the CfE Update and reported that the overall programme status continued to remain at amber

due to the ongoing and conflicting demands being placed on SQA staff and Appointee resources.

It was noted that the findings of the Assessment and National Qualifications (ANQ) Group had recently been published, and that a significant amount of work was underway to scope and plan the resultant actions for SQA. The announcement to accelerate the planned NQ Product revisions from 2017-18 into 2016-17 were being costed and would be funded by Scottish Government. Detailed timelines would be set subject to the availability of resource to execute the work. On an encouraging note, it was reported that the National Course Design and Assessment documents recently published on SQA's website had received a considerable amount of positive feedback.

Discussion led onto the recent publication of the Delivery Plan. SQA had been encouraged by - and were fully supportive of - the contents of the Delivery Plan and Scottish Government's commitment to ensure learners were developing the range of skills required to progress smoothly through the BGE and on into the senior phase. A review of the National Qualifications system might result in some significant changes to the overall design of assessments. The Board noted and supported the need to consult on how best to streamline SQA course documentation for the national qualifications. Whist fully supportive of this direction in travel, it was noted that this work would have major implications for SQA, including resource pressures along with organisation-wide process and system changes.

In closing the discussion, the Board noted that the ANQ Group would be reconvened and chaired by the Cabinet Secretary, to explore further what actions could be taken to reduce workload associated with assessment and the new qualifications.

## ii **Report from the Certification Programme Group**

In the absence of Ms Blair, the Chief Executive presented a full update on the Certification Programme Group (CPG), and was pleased to report that overall the programme was running to plan. She expanded on one factor reported at amber status, which referred to outstanding Marker vacancies. This resulted from the need for an increased number of markers required to deliver the new qualifications. The Chief Executive reassured the Board that the matter was being very closely managed throughout the duration of the marking process, with planned contingencies being invoked where required. She also reported that SQA would continue to monitor appointee availability over the next session.

The Board was also provided with an update on the continuing issue associated with travel and events support provided by the Scottish Government contract currently in place. SQA had put in place other processes and would continue to monitor the position.

SQA was in the closing stages of its Quality Assurance process; the status of any remaining 'not accepted' decision was documented and reviewed on a daily basis. Staff had been proactive in following up matters with centres to agree next steps. It was noted that SQA would undertake a review of its approach to Quality Assurance as a result of the recommendations of the ANQ Group report.

The Board noted the contents of the report.

### 103/8 **FINANCIAL PERFORMANCE REPORT**

Mrs Ellison, Director of Finance tabled and presented the financial performance for the full year ending 31 May 2016, as measured against the Quarter 0 forecast.

The Board noted the draft financial position as presented, and that it did not reflect any costs associated with additional activity relating to the ANQ Group or CfE Post Implementation Review (as referred to earlier).

It was also noted that SQA was awaiting a decision on the Spend to Save proposal that had been submitted to the Scottish Government

### 103/9 **BUSINESS DEVELOPMENT REPORT**

Mr McMorris, Director of Business Development provided the Board with a comprehensive update on business development activity in all key markets as at end 31 May 2016.

During discussion, he took the opportunity to provide an update on the position with the HN Trademark.

The Board fully endorsed the decision taken (following a robust bid analysis) that SQA would not tender for the Scottish Government Standardised Assessments contract.

The Board noted the contents of the report.

### 103/10 **BUSINESS SYSTEMS REPORT**

Mr Davidson, Director of Business Systems, presented the report on the business of the directorate, where recent activity had focussed mainly on supporting delivery of the Diet. It was noted that a number of workstreams arising from the SQA Change Programme could have potential implications on approaches to working within Business Systems, and the Executive was in close engagement with HR to manage carefully any impact on staff.

In response to the Board, it was reported that the IT Operations programme was moving at a stable pace, with no indication of any technical barriers that could hinder progress.

All activities were on track and the Board noted the contents of the report.

### 103/11 **SQA CHANGE PROGRAMME**

Mr Davidson, Director of Business Systems, presented an outline of the project scopes and provided an update on progress with each.

It was reported that a decision had been taken to suspend migration of email from Lotus Notes to Microsoft Outlook, in order to avoid undertaking the move during the crucial period of the summer diet. The migration would be re-planned in the context of business area priorities and the other technology projects that were underway. Once finalised, the new plan and training dates would be communicated to staff.

All other projects were on track.

Ms Ellison, Director of Finance, went on to provide an update on the Corporate Business Systems (CBS) project, which was reported at amber. As previously reported to the Board, a number of challenges had been identified in the early stages of implementation. A revised timetable had been developed for implementation and project managers were working closely with suppliers to reach completion by December 2016. The Board was assured that the Executive was content with the arrangements now in place, and endorsed the approach being taken. It was also noted that the project would take cognisance of change management and impact on staff.

The Board noted the contents of the report.

On the basis that the work of the Business Systems (BS) directorate was firmly embedded in the work of the Change Programme, and progress against performance targets within BS was routinely reported to the Audit Committee through the QPR, it was agreed the work of the Change Programme only would be reported to the Board going forward.

#### 103/12 **CORPORATE RISK REGISTER**

Ms Cahill presented the current status of the Corporate Risk Register.

The Board had already had opportunity to comment on a number of the risks during the meeting, and noted the contents of the Register and the earlier updates provided by the Executive.

#### 103/13 **CORPORATE PLANNING**

##### i **SQA Strategic Goals 2017-20**

Ms Cahill presented the proposed SQA Strategic Goals for 2017-20, which remained broadly consistent with previous years and supported SQA's Corporate Plan. It was noted that Goal 1 had been slightly modified to reflect the language of the SQA Change Programme, and Goal 7 would be revised to read "...to reduce dependency on the public purse".

The Board agreed with the proposed goals in principle, in advance of a fuller discussion in October.

##### ii **Draft Budget 2017-18**

Mrs Ellison, Director of Finance, tabled and presented the status of the draft budget for 2017-18 to support delivery of the corporate plan. Based on the 2016-17 Q0 approved forecast, she outlined the forecast status and assumptions behind the proposal. It was noted that SQA would seek to introduce a 'zero based' approach to the establishment of the draft budget and that the Finance Directorate would work with the business to understand and challenge costs to ensure that the budget was built on the requirements of the business.

The Board noted the indicative 2017-18 forecast position.

## 103/14 COMMITTEE REPORTS

### i **Advisory Council – 20 April 2016**

Dr Thomson had referred to the business of the meeting at the last meeting of the Board, and members now noted the approved minutes.

### ii **Qualifications Committee- 4 May 2016**

Mrs Walsh had referred to the business of the meeting at the last meeting of the Board, and members now noted the approved minutes

### iii **International & Commercial Committee – 23 May 2016**

Mr O'Hare outlined the main areas of business covered and highlighted the discussion on Digital Disruption relating to the contracts landscape. Again, the criticality of SQA's technology readiness became very apparent if SQA was to be in a lucrative position to pursue new opportunity leads.

### iv **Audit Committee – 23 May 2016**

Mr Edgar reported that SQA was operating within a very positive landscape overall, with many internal audit reviews reporting areas of good practice.

### v **Advisory Council – 13 June 2016**

In the absence of Dr Thomson, the Chairman advised that the Advisory Council had engaged in discussions around DYW and the outputs of the ANQ Group. Mr Stewart added comment on the usefulness of the feedback received from this stakeholder group.

### vi **Accreditation Committee – 20 June 2016**

Ms Wilkinson outlined the main areas of business covered, including that NOS had become a standing item for discussion. The minutes would be presented to the next meeting of the Board.

## 103/15 ANY OTHER BUSINESS

### i **Corporate Parenting**

It was noted that the Board would hold another event with Who Cares? Scotland to celebrate the achievements of these young learners. Ms Ross would be contact members separately with the detail.

### ii **Mr McKay**

The Chairman advised that Mr McKay would stand down from the Board in August. He took the opportunity to thank Mr McKay for his contributions and commitment to the Board and its committees over tenure of seven years.

## 103/16 DATE OF NEXT MEETING

The next meeting of the Board would be held on Wednesday 17 August, in Lowden.