

BOARD OF MANAGEMENT – 9 OCTOBER 2008

Minutes of the fifty first meeting of the Board of Management held at 10 am on Wednesday 13 August 2008 in the Boardroom, Ironmills Road, Dalkeith.

Members

- * Mr J McCormick (Chairman)
- * Dr J Brown
- * Mr A Cassidy
- * Mrs J Gillespie
- * Prof A MacLennan
- * Mrs L McKay
- * Mr J Mitchell
- * Mrs M Nicol
- Mr G Rodgers
- * Prof J Simmons

* indicates present

Officers

- Ms M Cahill
- * Ms K McCallum
- * Mr J McDonald
- * Ms J Ross
- * Dr G Stewart
- * Mr R Sylvester
- Mr J Young

Observers

Ms C Carlin, Scottish Government

In attendance

Ms J Blair (item 51/8 only)
Ms K Dinwoodie (item 51/8 only)
Mr D Douglas (item 51/6 only)

51/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting. Apologies were received from Ms Cahill, Mr Rodgers and Mr Young.

The Chairman noted formally that this would be Ms Carlin's final meeting of the Board. On behalf of the Board, he acknowledged Ms Carlin's commitment to SQA and wished her good fortune in her new role. In response, Ms Carlin recorded that she had enjoyed her time working with the SQA Board and that she looked forward to the challenges ahead.

There were no conflicts of interest declared.

51/2 PREVIOUS MEETING**i Minutes of meeting held on 2 July 2008**

The minutes were approved as an accurate record of the meeting.

ii Action Grid

The contents of the action grid were noted.

51/3 MATTERS ARISING**49/9 iii ICC Committee held on 7 May – Trading Subsidiary**

Dr Brown reported that encouraging dialogue had taken place with Mr Colin MacLean, Director Schools. The business case would be progressed for presentation to the Minister soon.

51/4 CHAIRMAN'S REMARKS

Board appointments

The advertisement for the Chair had been published, with the closing date for applications that week, Saturday 16 August. The interviews had been scheduled to take place during the first week of October and the timetable was on target for an appointment to be in place before the end of the Chairman's tenure.

Ministerial approval had been given on the appointment of two new Board members and it was expected that the appointments would be announced shortly.

51/5 CHIEF EXECUTIVE'S REPORT

Dr Brown presented an overview of the headline issues since the previous meeting of the Board. Further to the contents of the report, she reported:

SQA Fellowship

The Chief Executive presented consideration of the award of SQA's Honorary Fellowship, which recognised sustained contribution to education and training in Scotland. It was proposed to award the fellowship to Mrs Linda McKay and Mr Bill Gold, in recognition of the time, commitment and expertise they had offered to the SQA.

The proposal received the enthusiastic endorsement of the Board.

Continuous Improvement Update

Work continued to progress according to schedule, and was currently focused on the imminent staffing changes that would become operational from October 2008. The Board was assured that the HR department was working closely with all staff and a considerable amount of work was being directed to ensure a smooth transition period for all involved. It was reiterated that the changes to structure had been driven by identified enhancements to SQA's processes that would be delivered within existing headcount.

Dalkeith Business Case

The business case was due for submission to the Minister shortly, and a decision was anticipated for September. It was stressed that the timeframe for relocation was critical to ensure SQA's operations were embedded in preparation for the delivery of new qualifications in 2012-13. Officers were working closely with colleagues at the Scottish Government and work was progressing towards the next stage of evaluation on the suitability of each of the options. An update would be reported to the next meeting of the Board.

Board Away Day

Mr McDonald suggested that the Board hold an event that illustrated how SQA was responding to the needs of employers in a vocational sector, and it was proposed to focus on the NHS, which would also serve to demonstrate more broadly, SQA's response to the Skills Strategy. A half day event was suggested for 8 October, with an update on recommendations being reported to the Board in December.

Stakeholder involvement could include delegates from a variety of sectors and with specialisms in the Health sector, for example key representatives from NHS Scotland, SDS, and colleges. The format was proposed as a series of short presentations, to provide an overview of policy drivers and the work currently underway at SQA. This would be followed by workshop discussion groups to discuss how SQA could improve planning processes across the sector and better meet the needs of the NHS.

The Board fully supported the proposal as presented and it was agreed to contact members as more details emerged.

51/6 MAIN DIET

The Chairman welcomed Mr Douglas to the meeting.

i **Update and Report from Certification Planning Group**

Ms McCallum was pleased to report a smooth and successful certification - with a total of 158,627 candidates having received their results. This success could be attributed to clear ownership of tasks and more robust planning processes across the business. FCS and UCAS had received their information ahead of schedule, and it was intended to build on this success and explore the opportunity for bringing this forward by another day next year.

MySQA

Ms McCallum was pleased to report successful delivery of the text and email service, quoting that 85% of texts had been delivered within the first fifteen minutes.

An analysis of the calls received by the Candidate Advice Line had shown the highest number of calls related to non delivery of certificates in the main because SQA held an out of date addresses as submitted by the centres. There would be a review of this information, and officers would look to identify improvements for the year ahead. It was noted that whilst SQA was reliant on centres to provide personal information such as candidate's address, associated with certification, the launch of the extended MySQA service would serve to address the problem somewhat, when candidates would have access to their personal data and have the facility to alert their centre to any anomalies.

Post Certification

As part of post certification, follow up work with centres had identified a small number of EMC scripts that had not been processed correctly. A reconciliation of all EMC scripts had subsequently resulted in an improvement of award for 29 candidates. The affected candidates and centres had been advised of the outcome, and a full evaluation would feature as part of the Lessons Learned exercise.

Appeals

Initial figures on Stage 1 eligible appeals pointed towards a significant reduction on the previous year, and in particular it had been pleasing to see a 28% drop in potential appeals for Higher English.

Ms McCallum closed by extending her gratitude to all staff for their support and high levels of commitment in the delivery of the Diet.

Entries and Results

Dr Stewart reported that it had been a hugely positive year for Scotland's learners and SQA. It had been pleasing to see pass rates increase at a steady and appropriate pace, reflecting the mature and well bedded Scottish education system.

Key features of the Scottish Government's skill strategy were being addressed, with improved candidate performance evident in Mathematics and English, and increased uptake in qualifications relating to Health and Wellbeing.

Dr Stewart clarified the appeals procedure that would be in place to deal with appeals in Higher English. To ensure that no candidates would be disadvantaged as a result of the revised marking scheme that had been introduced for the 2008 Critical Essay paper, SQA would exceptionally accept appeals for candidates where their estimate would not normally fit the criteria for appeal. This was fully supported by the Board.

ii **Media Overview**

Mr Douglas reported that the general tone of the coverage had been largely positive; an anthology of the media activity was made available to members of the Board. A robust and proactive communications plan had underpinned the media activity, and had included ongoing dialogue with the Scottish Government; special recognition was paid to Mr P Hancock for his advice and guidance.

The 'results day' story had featured comprehensively throughout Scotland and further afield; against the background of ongoing issues surrounding SATs results, there had been interest this year from London-based national newspapers. SQA staff had conducted interviews and briefings throughout the afternoon and early evening of 4 August, with 'live' results activity on BBC Good Morning Scotland.

The Board encouraged the proposal to conduct a media audit of SQA as a huge opportunity to expose the breadth of SQA's business beyond only Results Day coverage. It was agreed to present a media plan to the Board later in the year.

The Board and Dr Brown commended staff and appointees for the time and effort that had been invested to ensure successful delivery of certification in the 2008 Diet.

Mr Douglas left the meeting.

51/7 ***CURRICULUM for EXCELLENCE***

Dr Stewart reported that the past weeks had seen continued planning around the financial implications of CfE on SQA. A number of scenarios had been developed for

presentation to the Scottish Government, and it was intended to report back on the outputs of this to the next meeting of the Board.

A request to fund a CfE Qualifications Development Team would be submitted that week to the Scottish Government for approval. Initially this team would be responsible for completing preliminary work in advance of the final announcements, and officers were keen to press forward with these preparations. It was intended to front the team with a Business Manager experienced in the delivery of NQs and related assessment approaches. A Programme Board would also be in place to support the work of CfE and the Board found reassurance that any matters of concern would be highlighted through regular updates at Board meetings.

Consultation

It was agreed to provide the Board with the details of consultation focus groups and events that had been arranged for employers, parents and stakeholders during September and October. SQA would have representation at each of these forums, and also on an advisory group that had been established by the Scottish Government to oversee and evaluate the outcomes of the consultation. An interim report was expected from this group in December 2008.

Baccalaureates

Developments for the new Scottish Baccalaureates continued to move along, and SQA was working closely with colleagues in the Scottish Government and key stakeholders to take the work forward. Over the coming months, SQA would be developing the detailed Arrangements, project specifications and assessment support materials, with the overriding aim to ensure that the award was credible, practical and deliverable. In order to raise awareness and gather views and advice on implementation, a phase of engagement with key stakeholders and representative focus groups was underway.

At a strategic level, a Key Partners Group, chaired by Dr Paul Thomson, had been set up to support and advise throughout the development and implementation process.

51/8 FINANCE AND CORPORATE GOVERNANCE

i Annual Statement of Assurance to the Board

Mr Cassidy presented the annual statement of assurance, which was offered to the Board in support of its consideration of the Annual Accounts. The statement detailed the various reports and assurances that had been considered by the Audit and Performance Committee, and concluded that the internal control systems operated during the financial year 2007-08 were adequate and effective.

The Board acknowledged the work of the Audit and Performance Committee and noted the favourable content of the statement.

ii Audit Scotland Opinion

The draft report from Audit Scotland, outlining the status of the 2007-08 audit and setting out the findings of their annual review, had been presented to the Audit and Performance Committee on 9 July 2008.

That Committee had duly considered and approved the report, noting that in order to avoid delay in the accounts preparation process, the unaudited results of Awards UK Ltd had been included in lieu of final results. Reference to the use of draft results would be included in the letter of representation from the Accountable Officer.

The Board noted the contents of the report.

iii **Draft Annual Report and Accounts 2007-08**

Accounts

Ms Dinwoodie introduced the draft Annual Report and Accounts for 2007-08, which had been considered at the meeting of the Audit and Performance Committee. She advised that since that meeting, the outstanding information in the Remuneration Report in respect of pension disclosures (a new requirement as a result of SQA's loss of charitable status) had now been incorporated.

Attention was drawn to a change in accounting practice that had been adopted following feedback from Audit Scotland. The first related specifically to the results of Awards UK Ltd, which had increased to a level material to SQA and were now incorporated in the Group Accounts to ensure compliance with Financial Reporting Standards.

Ms Dinwoodie advised that on completion of a consistency check, a small number of formatting changes had been identified at Chapter 8, the Remuneration Report and that these would need to be resolved before the Annual Report and Accounts could be formally submitted to Ministers and Parliament.

Annual Report

Ms Blair advised that members' comments from the meeting of the Audit and Performance Committee had been incorporated in the version now before the Board. She went on to detail the new requirements in reporting style that had been introduced as a result of SQA's loss of charitable status.

The Board received a detailed account of the Annual Report, and after careful scrutiny, several points were suggested for consideration.

Prof Simmons welcomed the formal inclusion and clarity around the work of the accreditation function. A number of further suggestions to improve the narrative of the accreditation function would be discussed offline.

Subject to the amendments required, the Board endorsed the draft Annual Report and Accounts 2007-08 for remit to the Scottish Government and Parliament without further reference to the Board.

iv **Corporate Risk Register Q1 2008-09**

Ms Dinwoodie presented the corporate risk register for quarter one of the financial year 2008-09, advising of one new risk around SQA's approach to reporting information security incidents. Mitigating action had been taken, and formal reporting and escalation procedures would be in place soon.

- v The Board noted the contents of the update.
Update on 2009-12 Corporate Planning

Ms Dinwoodie provided an update on the different approach to the corporate planning process for 2009-10, and outlined the progress that had been made to date:

- Strategic goals had been drafted and mapped to National Outcomes.
- Draft strategic performance measures had been developed.
- Preliminary draft opportunities and risks involved in delivering strategic goals had been identified.

A key event of the corporate planning process was a residential meeting scheduled to take place with all Business Managers at the beginning of September. The purpose of this would be to discuss and finalise the strategic goals, as well as the high level opportunities and risks associated with the goals. Work would then be concentrated on developing actions and performance measures that would achieve these opportunities and mitigate any risks. The outcomes of this residential meeting would inform discussion with members of the Board in October.

Ms Dinwoodie outlined the areas for improvement that had been identified and implemented for the risk framework and assured the Board that areas of best practice would be retained going forward. Complementing this work was a current review of audit activity, which had recommended that the work of the audit function was prioritised in line with business risk.

The framework would be embedded as a management tool across the business, and in order to deliver this effectively, support would be provided through the introduction of templates, and revised guidance and training on the use of the framework.

Noting the corporate planning cycle and integrated engagement plan, the Board was enthused by the proposed revisions to the risk management framework and endorsed the approach that was being taken. Members were invited to provide comment and feedback direct to Ms Dinwoodie.

51/9 **ANY OTHER BUSINESS**

There were no matters raised for discussion.

PAPERS FOR NOTING

The Board noted the contents of the following reports:

- PFN 1** Anti-Fraud Policy and Fraud Response Plan
- PFN 2** Financial Report to 30 June 2008

51/10 **DATE OF NEXT MEETING**

The next meeting of the Board of Management would be held on Wednesday 8 October. Details to be confirmed.

Later: Date and venue confirmed as Thursday 9 October at Cardonald College.