

BOARD OF MANAGEMENT – 7 DECEMBER 2011

For approval

Minutes of the seventy first meeting of the Board of Management held at 10.00 am on Wednesday 19 October 2011 in Spey/Tay, the Optima Building, Glasgow.

Members

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

* indicates present

Officers

- * Ms M Cahill
- * Ms L Ellison
- * Mr R Gibson
- * Ms K McCallum
- * Mr J McMorris
- * Ms J Ross
- Dr G Stewart
- Ms L McGrath (item 71/12 only)
- Mr N MacGowan (item 71/14 only)

Observers

Mr M McVicar

71/1 **WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting, including Mr McVicar from the Scottish Government. Apologies were received from Mr Edgar, Mr Gallagher, Mr O'Hare and Dr Stewart.

71/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no conflicts of interest declared.

71/3 **PREVIOUS MEETING**i **Minutes of meeting held on 17 August 2011**

The minutes were approved as an accurate record subject.

ii **Action Grid**

The contents of the action grid were noted.

It was agreed that SQA would draft a letter of invitation to the Minister for Learning and Skills to attend a future meeting of the Board.

71/4 **MATTERS ARISING**70/6 **Chief Executive's Report – Single Application**

The Chairman passed on thanks to the Board for their input and speedy turnaround on the communications relating to the Development of a Single

Application for contract. It was formally recorded that Board approval had been given to support this contract from funds allocated against the existing capital budget. The Chief Executive was pleased to report that the submission had also been approved by the Scottish Government.

There were no other matters raised.

71/5 CHAIRMAN'S REMARKS

The Chairman provided an update on his engagements since the previous meeting.

71/6 CHIEF EXECUTIVE'S REPORT

Dr Brown referred to the contents of her report and highlighted specific areas of interest and progress. The Board was advised that proactive engagement was in place with Scottish Government officials in Lifelong Learning and Education to discuss the implications of the Post 16 Review. The Scottish vocational qualifications Board had been charged to undertake a stream of work to map current vocational qualification provision across Scotland and provide recommendations to the Scottish Government on the role of these qualifications in the post-16 education sector. An aspect of this work was a specific action to consider and make recommendations on regulated provision in Scotland.

Dr Brown also advised that the Scottish Government had established a Scottish Studies Working Group, chaired by the Minister for Learning and Skills, Dr Alasdair Allan. This group would provide strategic advice and direction to support its implementation and she was pleased to report that SQA was represented on this group. Further updates would be provided through the Qualifications Committee. As part of the discussions, it was noted that the work of the Monitoring Standard group would also be reported through the Qualifications Committee.

Ms Cahill asked the Board to consider a proposal to grant staff an additional day's paid leave to mark the Queen's Diamond Jubilee on 5 June 2012. There was not a comprehensive picture of the position in other Non Departmental Public Bodies but it was anticipated that most would likely agree the same arrangements as for the Royal Wedding in 2011. It was noted that the Scottish Government had announced that it would take the extra bank holiday. Ms McCallum advised that arrangements had been put in place to manage the 2012 examination table, which had been adjusted to accommodate this additional holiday. Having regard to the points considered, the Board supported the proposal.

71/7 FINANCIAL POSITION 2011-12

i Quarter 2 Update

The Board considered the current financial position that took into account the completion of the Q2 forecasting process. During the discussion, clarification was provided on the adverse position within other operational expenditure, which could be attributed to the acceleration of IT projects.

Mr McVicar left the meeting, and a private discussion of the Board took place on SQA's financial position.

Mr McVicar rejoined the meeting. The Board was pleased to note the £500k that had been generated from cost savings and a small net increase in income. Members supported the proposal to apply this available funding to reduce the additional income target from £1.3m to £0.8m. It was confirmed that this did not require Scottish Government approval.

The Board was assured that the Executive Management Team would complete a comprehensive assessment of income, investment and expenditure to determine the actions required to address the £0.8m funding gap and identify the profile going forward to secure future income targets.

It was noted that Ms Ellison would take forward discussions with Mr Edgar, as Convenor of the Audit Committee, around the future presentation of financial information to the Board.

The Board had before them a tabled paper outlining a late adjustment request to the Annual Accounts 2010-11. This related to a significant reduction in the value of the Ironmills Road premises from the estimate that had been included in the accounts and would require a change to the book value of the assets in the Annual Accounts. Mr McVicar reported that the advice of the Scottish Government Property Office stated that SQA should apply general policy, namely to sell the premises regardless of property value.

Noting the recommendation of Audit Scotland, and that reserves were available in-year to cover the adjustment, the Board approved the revision to the Annual Accounts.

ii **Corporate Risk Register**

The Corporate Risk Register had been included in draft form to inform discussions around the Q2 position.

71/8 **BUSINESS DEVELOPMENT**

i **Business Development Report**

Mr McMorris opened the discussion with an update on progress with the Trading Subsidiary. The Directors of the company had now been confirmed, with further discussion underway around the possibility of appointing additional members. The remit and scope of activities of the Trading Subsidiary had been recently discussed at the International and Commercial Committee, when members had expressed an eagerness for the Trading Subsidiary to be operationalised as soon as possible. The International and Commercial Committee would be reviewing further aspects at their meeting in December.

The Business Development Report to 30 September 2011 was considered as part of item 71/8 ii below.

ii **Income Pipeline Model**

Mr McMorris presented the income pipeline model, offered to the Board to provide a confidence and assurance around SQA's financial projections. Very much a work in progress, the model was based on existing systems for gathering business/market intelligence. In time, this intelligence would be

further populated by the Divisional and Regional Business Development Managers.

Further refinements would be made to the model to better reflect confidence levels for all markets.

The Board welcomed sight of the model and was reassured to find that a mechanism was in place to track and manage achievement against income targets.

71/9 NQ CERTIFICATION 2011 – REPORT ON EARLY ISSUE OF TEXT RESULTS

Dr Brown advised that the action plans were now in place and being actively addressed in order to ensure a more enhanced control framework in the future. It was noted that SQA's Internal Auditor, Scott-Moncrieff, had also reviewed similar data transaction processes, and that all actions would be monitored through the Audit Committee, as per governance arrangements.

The Board acknowledged the work that had been completed.

71/10 REPORT FROM CERTIFICATION PLANNING GROUP (CPG)

The Board noted the contents of the report, and that critical dates and milestones for the delivery of text messaging would be monitored through the CPG.

71/11 CFE UPDATE

Ms McCallum presented the update on CfE activities against plan, making reference to the improved format of the report, prompted on the feedback from members of the Board. She was pleased to advise that work was on track to deliver up and coming key milestones of the baselined programme plan, and highlighted the significant achievements during August and September, specifically around the publication of draft unit and course specifications on the website.

It was noted that the Quality Assurance (QA) Model for internal assessment had been approved by the Qualifications Committee and work was underway to develop an engagement plan to take this work forward.

It was recognised that the release of staff for QA was fundamental in supporting this activity, and that SQA was actively working to address this issue, having raised awareness at the Senior Accountable Officers meetings. It was also noted that SQA continued to escalate to CfE programme level, the risks associated with SQA's dependencies on external partners.

Dr Brown advised that the CfE Management Board had recently debated their future governance arrangements, concluding in a proposal to establish an Implementation Group, led by Education Scotland, and for the Management Board to retain an oversight position. This would be discussed further at the next meeting of the CfE Management Board.

The Board noted SQA's Highlight Report along with the composite CfE Programme Highlight Report.

71/12 **OFQUAL QUALIFICATIONS UPDATE**

Ms McGrath, Head of Qualifications Portfolio Management, joined the meeting, and summarised the work underway to address the new regulatory conditions introduced by Ofqual in May 2011. All approved Awarding Bodies would be expected to sign up to these conditions by May 2012, and as part of this, Ofqual would visit Awarding Bodies to discuss at Board level, the implementation of these new arrangements. It was proposed that in line with the Board Standing Orders, this responsibility could be delegated to the Board members of the Qualifications Committee. This approach was endorsed by the Board, and it was noted that the Ofqual meeting would take place following the Board of Management meeting on 7 December 2011.

Ms McGrath left the meeting.

71/13 **DRAFT STRATEGIC GOALS 2012-15**

Ms Cahill presented the draft strategic goals for 2012-15, which took into account both the strategic direction of SQA and the current economic environment. These draft goals had been considered and reviewed by SQA's wider management team, and work was now underway to develop directorate level plans to articulate clearly SQA's delivery against the corporate plan.

Subject to one minor amendment, the Board approved the draft goals, noting that further discussion would take place at the December meeting of the Board.

71/14 **SHAWFAIR RELOCATION PROJECT UPDATE**

Mr MacGowan, Head of Corporate Affairs, joined the meeting.

Having reached a critical stage of the project, it had been deemed appropriate to provide the Board with a more detailed update than usual. Ms McCallum was pleased to report that the project had been delivered under budget, and that the project plan was on schedule for the new Shawfair site to be fully operational from January 2012. A detailed relocation plan, with associated risk management arrangements had been developed to support the relocation of staff and operations. The Board noted that following input from staff, the new building would be named Lowden, old Scots for Lothian.

The Board endorsed the proposal to delegate approval of the fit out invoice to the Chief Executive, on the understanding that the Shawfair Relocation Board would ratify the invoice for processing.

The Board recognised the substantial input and engagement of staff during the entire project, and commended Mr MacGowan, and staff, on the achievement of meeting this significant milestone. Mr MacGowan left the meeting.

71/15 **COMMITTEE REPORTS**

i **Accreditation Committee – 7 June 2011**

The Board had received a verbal update at the last meeting. The approved minutes were enclosed and noted by the Board.

ii **Accreditation Committee – 6 September 2011**

The draft minutes of the meeting were noted. Ms Wilkinson provided a supporting verbal update on the work that had been covered.

iii **Advisory Council – 29 August 2011**

The approved minutes of the meeting were noted. Prof Simmons highlighted to the Board the very significant and useful discussion that had taken place around Recognition of Prior Learning.

iv **Advisory Council – 10 October 2011**

The minutes of the meeting had not been available and would be included as part of the next Board papers.

Prof Simmons provided an overview of the business covered, which had included a useful insight into the international work of SQA, and a very useful debate on the implications of the Post 16 Review.

v **Audit Committee – 27 July 2011**

A verbal update had been provided at the previous meeting of the Board. The draft minutes were enclosed and noted by the Board.

vi **International and Commercial Committee – 17 August 2011**

The approved minutes were noted by the Board.

vii **International and Commercial Committee – 7 October 2011**

The minutes of the meeting had not been available and would be included as part of the next Board papers.

viii **Qualifications Committee – 22 August 2011**

The approved minutes were noted by the Board.

ix **Qualifications Committee – 28 September 2011**

The minutes of the meeting had not been available and would be included as part of the next Board papers.

71/16 ANY OTHER BUSINESS

There were no other matters raised for consideration.

71/17 DATE OF NEXT MEETING

The next meeting of the Board would be held on Wednesday 7 December 2011, in Esk/Forth, the Optima Building, Glasgow.