

## BOARD OF MANAGEMENT – 18 JUNE 2014

For approval

Minutes of the eighty-eighth meeting of the Board of Management held at 10:30 am on Wednesday 07 May 2014 in Arrol, Lowden.

**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 M Cahill
- \* Mr S Davidson
- \* Ms L Ellison
- Mr E Martinez
- \* Mr J McMorris
- \* Ms F MacGregor
- Dr G Stewart

**In Attendance**

- \* Ms SJ McArthur (Item 88/11/ii only)

**Observers**

- \* Mr M McVicar

\* indicates present

**88/1 WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting. Apologies were noted from Mr McKay and Eric Martinez.

**88/2 DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no conflicts of interest declared.

**88/3 PREVIOUS MEETING****i Minutes of meeting held on 21 March 2014**

The minutes were approved as an accurate record.

**ii Action Grid**

It was noted that there were no actions outstanding.

**iii Workplan**

The Board noted the contents of workplan

**88/4 MATTERS ARISING**

Any matters arising would be covered in the course of the agenda.

## 88/5 CHAIRMAN'S REMARKS

The Chairman advised that he had met with Fiona Robertson, Director of Learning and had quarterly meetings confirmed in the diary until the end of the year. Mr Houston had also attended the Scottish Colleges Parliamentary Reception 2014 hosted by Liam McArthur MSP.

The Chairman and the Chief Executive had met with Trevor Carson the Chair of the Council for the Curriculum, Examinations and Assessment, Northern Ireland (CCEA). This had been a constructive meeting covering the structure and governance of SQA and the Scottish Education system.

On enquiry around progress with the recruitment of new Board members, the Chairman advised that he had been in conversation with Scottish Government officials about the future structure of the Board and would discuss this further with Fiona Robertson to finalise a timetable for recruitment.

## 88/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive referred to the contents of her report and highlighted specific areas of work. She noted the significant progress made over the last year in the creation of question papers using an item based approach and highlighted that all 2014 question papers for National 5 had been created using this approach. The Chief Executive outlined the benefits of this approach, including increased flexibility in assessment creation and availability.

The Chief Executive referred to the recent publication by UCAS of its proposed new system to replace the current tariff and highlighted that, under the new tariff, the status of both Highers and Advanced Highers had improved in comparison with A Levels and the AS Level. She emphasised that UCAS remained fully confident in the Scottish examinations system.

With regard to her recent engagements, the Chief Executive advised that:

- She had participated in the EIS National Head Teachers' Conference at the beginning of May with Bill Maxwell, Chief Executive of Education Scotland and Larry Flanagan, General Secretary of the EIS. This had provided the opportunity for a wide ranging and constructive conversation on the experience of assessment within schools for the first year of the new examinations.
- She would attend the SSTA Annual Conference dinner on 9 May.
- The recent staff engagement sessions, 'tea with Janet', had highlighted SQA's staff commitment to ensure the successful delivery of the 2014 diet, taking on board the changes associated with this as well as maintaining a focus on 'business as usual'. Staff recognised that this year would have unique challenges, and were delivering extremely well despite the high levels of pressure. It was noted that Organisational Development was considering options to help staff manage the current pressures. The Board also discussed the current media focus on SQA and the impact of this on staff.

The Board noted the CE Update.

## 88/7 CfE UPDATE

Dr Stewart presented a detailed Update on SQA's progress against CfE milestones, based on SQA's highlight report for March 2014.

The status of the programme remained at Amber, due to implementation related issues in a number of SQA programmes on which CfE had dependencies. Dr Stewart assured the Board that these were being closely managed.

Quality Assurance activity to support internal assessment of the new qualifications continued. In response to requests from Local Authorities for subject specific CPD on the back of verification reports, SQA had held approximately 260 events to date, which had been well received.

SQA would hold events in mid-May for Admissions and Faculty Staff at Higher Education Institutions in preparation for the introduction of the new Highers.

Dr Stewart also updated the Board that the Scottish Government had created a new CfE working group, chaired by Ken Muir, Chief Executive of the General Teaching Council Scotland, to reflect upon the first year of the new examinations. Dr Stewart would represent SQA on this group, which was due to report by 17 June.

The Board noted the contents of the Report.

#### 88/8 **REPORT FROM CERTIFICATION PROGRAMME GROUP**

Dr Stewart presented the Certification Programme Report and advised that activities continued to progress well. Work was on-going to complete required developments for Post Results Services and contingency arrangements were being put in place to ensure successful delivery if required.

In response to a request of the Board, SQA agreed to review weblinks to Post Results Services and Exceptional Circumstances on the SQA website, and work towards clearer signposting.

With regard to the quality assurance of internal assessment, Dr Stewart provided an update on Centres with "Not Accepted" decisions following verification activity. She advised that this was being closely monitored and that the majority of the original "Not Accepted" decisions had been resolved. Dr Stewart assured the Board that SQA had clear and robust processes in place to support Centres work towards having "Not Accepted" decisions lifted.

The Board noted the content of the Report.

#### 89/9 **CORPORATE RISK REGISTER**

Ms Cahill presented the current status of the Corporate Risk Register and advised that a recommendation to de-escalate four risks and add one new risk, would be presented for consideration to the next meeting of Audit Committee.

The Board noted the update and the contents of the Corporate Risk Register.

#### 89/10 **FINANCE**

##### i **Current Financial Performance**

Ms Ellison tabled the draft year to date financial performance for the period ending 31 March 2014. The financial position at the end of 2013-14 had

matched very closely with the deficit position that had been projected at the start of the financial year. The finance report indicated a full year deficit of £0.6 million against a Quarter 3 full year accruals deficit forecast of £3.0 million - £2.4 million favourable to forecast.

Additional Grant in Aid of £2 million received from Scottish Government had reduced the projected £3million deficit to £0.6 million. Ms Ellison advised that, once adjusting items had been allowed for, a year end cash balanced position had been achieved and stressed that this was prior to further financial adjustments, including income accrual.

The Programme Grant income for the period was £0.4 million adverse to forecast; however, this was due to an identified reduction in funding requirement prior to final submission to Scottish Government.

The Board commented positively on the way in which the organisation had monitored the financial position during the course of the year and expressed their gratitude to Scottish Government for ongoing discussions as to the budget position throughout the year.

ii **Quarter 0 Forecast Update 2014-15**

Ms Ellison referred to the Budget discussion for 2014-15 that had taken place in January and the budget range that had been presented for consideration and approval. She advised that a similar approach had been taken with regard to the Q0 forecast.

For the Q0 forecast, Heads of Service had reviewed their original forecasts for the period and these reviews had shown minimal movement against the figures from January.

**Programme Grant**

The Q0 forecast for programme Grant for 2014-15 also used a budget range and this indicated an increase in expenditure from that presented in the budget in January. The increase in requirement was attributable to additional forecast costs of CfE to reflect the higher levels of activity for CfE.

The Board expressed some concern regarding the potential financial shortfalls SQA faced in the coming year. Ms Ellison assured the Board that SQA and the Scottish Government were working closely together to achieve an early satisfactory settlement.

The Board noted the financial position and update.

89/11 **BUSINESS DEVELOPMENT REPORT**

Ms McArthur from Brodies LLP joined the meeting, and the Board agreed to consider agenda item 89/10 ii earlier in the agenda.

ii **SQA International Consultancy**

Mr McMorris detailed the reasons and background to the requirement for SQA to establish a branch office in Oman.

In discussion, the Board sought assurances that:

- All necessary checks and balances would be in place to ensure robust governance arrangements for the Oman office. The Chief Executive, Director of Finance and Director of Business Development assured the Board that appropriate provisions had been introduced.
- The Director of Business Development was fully aware of any legal implications of the Power of Attorney being conferred upon him. Mr McMorris confirmed that he was clear on the requirements and responsibilities of the role.

Based on these reassurances, the Board approved the proposal to set up a branch office of SQA in Oman, and to confer the Power of Attorney to act as Resident Manager for the Branch, to the SQA Director of Business Development. In the presence of the Board, the Chairman and Director of Business Development duly signed the Power of Attorney document. The Chairman also notarised the official minute of the discussion, as recorded by Ms McArthur, Brodies LLP.

Ms McArthur left the meeting

#### **i Business Development Report**

Mr McMorris provided the Board with a detailed update of the performance of business development in all key markets to the end of March 2014 against the full year Q3 forecast and highlighted:

- Strong performance across awarding with billed income ahead of Q3 forecast.
- Strong growth in Scotland.
- Small deficit in International due to a timing issue relating to invoices; that income would be reflected in Period 1 reporting.

The Board noted the contents of the report and congratulated Mr McMorris on the strong performance.

### **89/12 NETWORK INFRASTRUCTURE MAINTENANCE AND SUPPORT – IT**

Mr Davidson presented the Tender Evaluation Report, for which the tender exercise had been conducted prior to his appointment to SQA. Mr Davidson had reviewed the report and fully supported the proposal before the Board.

The Board approved the recommendation to award the Network Infrastructure Maintenance and Support contract to Capita IT Services. Given that the tender had been conducted via a Scottish Government Framework, no further authorisation was required from the Scottish Government.

### **89/13 COMMITTEE REPORTS**

#### **i Advisory Council – 3 February 2014**

The business of the Advisory Council had been reported to the last meeting of the Board, and the minutes were formally noted.

ii **Audit Committee – 24 February 2014**

The business of the Audit Committee had been reported to the last meeting of the Board, and the minutes were formally noted.

iii **Accreditation Committee – 4 March 2014**

The business of the Accreditation Committee had been reported to the last meeting of the Board, and the minutes were formally noted.

iv **Qualifications Committee – 5 March 2014**

The business of the Qualifications Committee had been reported to the last meeting of the Board, and the minutes were formally noted.

v **Advisory Council – 31 March 2014**

Dr Thomson provided an update of the business covered at the meeting and noted that he had met with the Chief Executive to review the role of the Council post 2014.

The Board noted the contents of the draft minutes.

vi **International and Commercial Committee – 30 April 2014**

The Committee had last met the week before, on 30 April and so the minutes of the meeting were not available for inclusion in the Board Papers.

Mr O'Hare again congratulated Mr McMorris on the performance of the Business Development Directorate and acknowledged the challenges for the year ahead. He drew attention to three key areas:

- The necessity for the clear positioning of SQA's financial position as articulated by the Director of Finance, Ms Ellison.
- UK disruption had become a standing agenda item at ICC meetings, and was proving useful in stimulating robust discussions and clarification of risks and opportunities.
- Key Stage 2 Testing Bid offered a huge opportunity for SQA and required significant investment. The cost / benefit ratio had been robustly discussed.

The Board noted the update.

**88/14 ANY OTHER BUSINESS**

There were no matters raised.

**88/15 DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 18 June 2014 in Spey / Tay, the Optima Building, Glasgow.