

BOARD OF MANAGEMENT – 31 OCTOBER 2012

For approval

Minutes of the seventy-seventh meeting of the Board of Management held at 10 am on Wednesday 15 August 2012 in Arrol, Lowden, Midlothian.

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
- * Mr D Douglas, item 77/7 only
- * Mr D Lee, item 77/7 only

Observers

- * Mr K McKenzie

77/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting, including Mr McKenzie from the Scottish Government. Apologies were noted from Mr Gallagher and Mr McKay.

77/2 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest declared.

77/3 PREVIOUS MEETING**i Minutes of meeting held on 13 June 2012**

The minutes were approved as an accurate record.

ii Action Grid

The contents of the action grid were noted.

It was agreed to stipulate a date for presentation of the longer term vision on Information Systems.

iii Workplan

The contents of the action grid were noted.

It was noted that the draft workplan for 2013 would be presented to the next meeting of the Board.

77/4 MATTERS ARISING

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

77/5 CHAIRMAN'S REMARKS

The Chairman reported that he had recently met with Sarah Smith, Director of Learning, and had reiterated the invitation for her to attend the Board meeting in October, to discuss SQA's future direction and strategy and ensure alignment with the Programme for Scottish Government.

The Board was advised that the process for the recruitment of two new Board members had commenced; it was hoped to conduct interviews during January 2013.

The Chairman took the opportunity to acknowledge Board members for their time and involvement in the recent appraisal meetings and discussions around Board effectiveness.

77/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive referred to the contents of her report and highlighted specific areas of interest and progress. She presented consideration of the award of SQA's Honorary Fellowship, which recognised sustained outstanding work and commitment to education and training in Scotland. It was proposed to award the fellowship to Mr Brian Lister OBE, Principal and Chief Executive Officer of Stevenson College. The proposal received the unanimous endorsement of the Board.

The Chief Executive was pleased to report that SQA had formally completed the outputs of the TranSETT project – Transforming Scottish Education Through Technology. Part funded by the European Social Fund, this work supported SQA's e-enablement agenda to increase the availability of interactive, web-based learning and teaching resources. The Board commented on the benefits of the CPD opportunities in the college sector, and also highlighted that unintended consequences were equally positive, with the e-learning materials in the Care Sector being shared with NHS Scotland.

77/7 NQ CERTIFICATION

Mr Douglas and Mr Lee were welcomed to the meeting. Mr Lee had been recently appointed as SQA's Media Consultant, and had been working alongside Mr Douglas over the past few months. The Chairman welcomed Mr Lee on board.

i NQ Certification 2012

Ms McCallum opened the discussion with an overview of NQ Certification activity in 2012. Dr Stewart went on to provide an update on uptake and pass rates, followed by Mr Douglas who concluded with a summary of the media activity. During the course of the presentation, it was confirmed that SQA had rigorous processes in place to manage pass rates, with statistical analysis and professional judgement to support all decisions. The Board noted that the evolving social media landscape presented SQA with a number of issues and challenges, and fully supported the proposal for the Executive to consider and implement robust procedures to manage this activity.

The Chief Executive updated the Board on matters relating to the breaches of the 2012 Examination Results embargo, and advised that the significance and seriousness of the matter had been clearly articulated to the relevant universities and UCAS.

The Board was assured that SQA had requested a formal response from the Universities, which should detail the cause of the process failure and actions that would be put in place to ensure any reoccurrences.

The Board expressed its concern around the wider implications and agreed with the opinion that SQA must engage directly with universities to ensure that results data was handled securely. It was noted that SQA intended to meet with UCAS to take forward discussions and emphasise the importance of maintaining the credibility of the results system in Scotland.

ii Report from Certification Programme Group

Ms McCallum opened the report by extending her thanks to all staff for their support and high levels of commitment in the delivery of the Diet. This was fully endorsed by the Board, who commented on the time and effort invested by staff and appointees.

The Board noted the contents of the report.

The Chairman concluded with a note of thanks to Mr Douglas for his support and professionalism during his time with SQA, and wished him every success in his future. Mr Douglas and Mr Lee left the meeting.

77/8 CfE UPDATE

Dr Stewart presented the update on SQA's progress against milestones, the status of the overall CfE programme.

The Board noted the report.

77/9 FINANCE

i Annual Statement of Assurance to the Board

Mr Edgar, as Convenor of the Audit Committee, presented the annual statement of assurance, which was offered to the Board in support of its consideration of the Annual Accounts.

The statement demonstrated to the Board the close scrutiny and rigour of the auditing function, and detailed the various reports and assurances that had been considered by the Audit Committee. Mr Edgar reported that the Audit Committee had engaged in a robust discussion around progress in the implementation of management actions, with reassurances having been provided that the Executive would continue to monitor and improve performance in this area.

It was noted that KPMG was proposing to issue an unqualified audit report.

The Board noted the favourable content of the statement and the recommendation to approve the Annual Report and Accounts for the year ended 31 March 2012.

ii **Draft Annual Report and Accounts 2011-12**

The Chief Executive introduced the Annual Report, which presented a high level and factual account of SQA's progress and achievements against its strategic goals during 2011-12. The report also demonstrated SQA's commitment and contribution to Scottish Government priorities.

The Annual Accounts had been scrutinised and formally approved by the Audit Committee, and there were no issues to report.

The Board formally endorsed the Annual Report and Financial Accounts for remit to the Scottish Government and the Scottish Parliament.

The Chief Executive signed the Accounts in the presence of the Board.

iii **Scottish Government Efficiency Return**

Ms Ellison presented the 2011-12 efficiency return, for noting by the Board before presentation to the Scottish Government.

She was pleased to report that to date, SQA had been able to exceed its efficiency targets through cash savings. However, it should be noted that going forward, it would be increasingly difficult to continue to secure such savings. This had been recognised by the Scottish Government, and a simplified definition of efficiency had been developed.

The Board noted the Scottish Government Efficiency Return for 2011-12.

iv **Quarter 1 Forecast Update**

Ms Ellison reported that the additional budget pressures identified at the Q0 forecast had been absorbed into the Q1 forecast, which reported a deficit of £0.7m. Ms Ellison clarified the detail behind the movements from the original budget, along with the other major assumptions underlying the original budget that remained largely unchanged.

The Board approved the budget for 2012-13 as informed by the Q1 forecasting exercise, and noted that there would be ongoing dialogue with Scottish Government officials on the level of further funding requirements.

77/10 **BUSINESS DEVELOPMENT REPORT**

The Board noted the business development activity in all key markets as at end June 2012.

It was noted that there had been strong performance in Scotland over the first quarter, but that it would be important to monitor this through the year with particular focus on HN and VQ income as a result of college regionalisation and funding pressures being faced by the college sector. There had been continued strong performance in the Rest of the UK.

The Board noted the very comprehensive update, and was pleased to note the potential contract opportunity working in a consortium.

77/11 COMMITTEE REPORTS

i **Qualifications Committee – 27 June 2012**

The Board noted the draft minutes and approved the co-opted appointment of Jo-Anne Baird to the membership of the Qualifications Committee.

ii **Advisory Council – 28 May 2012**

A verbal update had been provided to the last meeting of the Board and the Board noted the contents of the minutes.

iii **Audit Committee – 30 May 2012**

A verbal update had been provided to the last meeting of the Board and the Board noted the contents of the minutes.

iv **Audit Committee – 23 July 2012**

Mr Edgar provided an update on the business covered, which had included a healthy debate on the role of the Audit Committee and the balance between internal control and performance monitoring. This clarification on remit would be addressed in the review of the committee standing orders.

The Board noted the update and that the minutes would be presented to the next meeting of the Board.

v **International and Commercial Committee – 6 June 2012**

A verbal update had been provided to the last meeting of the Board and the Board noted the contents of the minutes.

vi **International and Commercial Committee – 7 August 2012**

The International and Commercial Committee had met in the previous week, so the minutes had not been available for inclusion in the Board papers. Mr O'Hare reported on the main business covered, and that the committee had been reassured by the positive start to the year and the benefits of a broader portfolio. The committee had also been pleased to receive an update on the costing model project and its positive impact on the development of the trading subsidiary. It had been agreed that going forward, the committee would review major contract activities and opportunities. There had also been an informative presentation on the work of the New Ventures Team.

The Board noted the updated and that the minutes would be presented to the next meeting of the Board.

vii **Accreditation Committee – 12 June 2012**

A verbal update had been provided to the last meeting of the Board and the Board noted the contents of the minutes.

77/12 ANY OTHER BUSINESS

There were no matters raised for consideration.

The Board noted the contents of the following reports:

- SQA's Response to the audit on the *Role of Boards*
- An update on the Section 96(7) Equality Act 2010
- Board meeting dates for 2013

77/13 **DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 31 October, in the Optima Building, Glasgow.

Following a short break for lunch, the Board reconvened for a private session to discuss the future direction, opportunities, and risks, for SQA.