

Minutes of the ninety-seventh meeting of the Board of Management held at 10 am on Wednesday 19 August in Inglis/Livingstone, 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

\* indicates present

**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

97/1 **WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting. Apologies had been received from Mr Edgar, Mr McKay, and Ms Wilkinson.

Mr McVicar attended from the Scottish Government.

97/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

Mrs Walsh declared a conflict of interest in relation to agenda item 12.

There were no other conflicts of interest raised.

97/3 **PREVIOUS MEETING**

i **Minutes of meeting held on 17 June 2015**

The minutes were approved as an accurate record.

ii **Action Grid**

The contents of the action were noted.

iii **Workplan**

The contents of the workplan for 2015 were noted.

97/4 **MATTERS ARISING**

There were no matters arising.

## 97/5 CHAIRMAN'S REMARKS

The Chairman was pleased to inform the Board that the Scottish Government had approved the recruitment of five Board members. Christine Pollock had been appointed as the independent member of the selection panel and the planning process would commence once ministerial approval had been given.

The Chairman also advised that he and the Chief Executive had a meeting scheduled with Paul Johnston, Interim Director-General of Learning and Justice with the view to cover the remit and breadth of SQA's portfolio.

On Results Day, the Chairman and other Board members had attended a Who Cares? Scotland event hosted by SQA as part of its corporate parenting activities. It had been an inspiring event and allowed SQA, staff, and the Board to celebrate these young people's achievements. It had also been attended by Fiona MacLeod, Acting Minister for Children and Young People. It was noted that SQA would develop a stream of work to deliver to SQA's commitment to corporate parenting.

The Board was presented with a copy of a letter recently received by the Chairman from Angela Constance, Cabinet Secretary. As well as offering a note of congratulations on successfully concluding the 2015 Diet, she understandably sought a guarantee that steps would be taken to maintain the integrity of the qualifications system, especially in light of the publicity surrounding the new Higher Maths examination. In response to the letter, the Chairman had written with the Board's assurance that it would consider the findings of the lessons learned exercise that would now be undertaken, and that appropriate scrutiny would take place.

In closing his remarks, and on behalf of the Board, the Chairman recorded members' appreciation of the considerable work and commitment of SQA staff on once again, successfully delivering the Diet, and in a particularly challenging year.

## 97/6 CHIEF EXECUTIVE'S REPORT

The Chief Executive echoed the sentiments of the Board and opened her report by recognising the tremendous hard work and commitment of SQA staff and appointees in successfully delivering a very complex set of qualifications against a backdrop of major resource challenges.

The Chief Executive 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 Ken Cunningham CBE FRSA and Professor Martyn Rouse, Emeritus Professor at the University of Aberdeen. The proposals received the unanimous endorsement of the Board.

The Board noted the contents of the report.

## 97/7 NATIONAL QUALIFICATIONS – SUMMER DIET

The Board received a presentation outlining the activities and delivery of certification at the beginning of August which saw dual running at SCQF levels 4, 5 and 6 which was by far the most complex year that SQA had faced. It was pleased to note that the qualification cycle had been in the main successful, recognising the challenges of introducing new assessment instruments across the entire suite of qualifications.

The Board undertook a discussion on matters arising from Diet 2015, including the new Higher Mathematics examination papers that had attracted a significant amount of media interest and other matters raised by the executive officers.

Each year after August certification, SQA holds a lessons learned workshop with senior staff from across the organisation, which reflected on end-to-end activities of the main diet processes activities over the course of the year. Outputs would include agreed ownership and actions for any activities and processes needing to be improved for future years. This year had presented a different set of challenges, including an increased volume of centres all delivering the qualifications - some for the first time – along with the introduction of the new Advanced Higher for Diet 2016. The lessons learned workshop would also consider these issues and their implications for SQA's plans.

The Board acknowledged the work in hand and welcomed sight of the report on the lessons learned workshop and the associated actions to be undertaken, which would be submitted to and discussed at the Board meeting on 21 October.

## 97/8 NATIONAL QUALIFICATIONS

### i CfE Update

Dr Stewart presented the CfE Update and was delighted to report that the overall programme status had changed to green. She added that consideration of the Reflections Group review and implications of DYW programme planning continued. The Board noted the contents of the report.

### ii Report from the Certification Programme Group

Mrs Blair presented a full update on the Certification Programme Group (CPG) report, and expanded on the particular matters reported at amber status. The Board noted the contents of the report.

## 97/9 FINANCE

### i Annual Statement of Assurance to the Board

In the absence of Mr Edgar, Convenor of the Audit Committee, Mr O'Hare 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 during 2014-15.

Mr O'Hare reported on the headway made by SQA, both in closing outstanding actions from previous years and in implementing audit recommendations, which clearly demonstrated an improved level of overall control and excellent progress.

The Board noted the encouraging content of the statement and the recommendation to approve the Annual Report and Accounts for the year ended 31 March 2015.

ii **Annual Report and Accounts for Year Ending 31 March 2015**

Ms Cahill introduced the Annual Report, which presented a high level and factual account of SQA's progress and achievements against its strategic goals during 2014-15. Ms Ellison continued with an overview of the Annual Accounts. The Annual Report and Accounts had been scrutinised and formally approved by the Audit Committee on 3 August 2015, and there were no issues to report.

In discussion, the Board noted both the impact of the significant increase in liabilities arising from the pension fund valuation, and the £2.7m increase in staff costs as a consequence of moving out of CfE implementation into business as usual.

The Board formally endorsed the Annual Report and Accounts for remit to the Scottish Government and the Scottish Parliament. For the purposes of complete approval, it was recorded that Mr Edgar and Ms Wilkinson had approved the Annual Report and Accounts in absentia.

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

iii **Financial Performance to 31 July 2015**

Ms Ellison, Director of Finance tabled and presented the current financial report to the end of July 2015 and reported a year to date surplus of £8m, which was £1.6m favourable to forecast. The surplus could be attributed to timing of income and expenditure and would reduce as the financial year progressed.

In discussion, the Board noted the reduction in funding of £135k for Accreditation in 2015-16. Dialogue was in place with the Scottish Government, and SQA was reviewing what activities could be stopped

The Board noted the contents of the report.

97/10 **BUSINESS DEVELOPMENT REPORT**

Mr McMorris, Director of Business Development provided the Board with a full and comprehensive update on the performance of business development in all key markets to the end of June 2015.

The Board noted the very encouraging progress.

97/11 **CORPORATE RISK REGISTER**

Ms Cahill, Director of Corporate Services, presented the current status of the risk register. Following on from the recent Audit Committee meeting, she advised of the addition of one risk, and removal of two.

The Board noted the contents of the risk register and endorsed the proposal to add a reference to the risk associated to the reduction in programme grant funding for Accreditation.

## 97/12 SPEND APPROVAL – LEGAL SERVICES

Mrs Walsh declared a conflict of interest and left the meeting.

The Board considered the Tender Evaluation Report and contract award for legal services. Those Board members present supported the award of the contract to Brodies for Lot 1, which covered Public and Commercial Law. The contract would be for a period of three years with the possibility of a further extension period of up to two years. In the absence of a quorum, virtual approval would be sought from absent members.

The tender evaluation team had yet to reach a conclusion on the evaluation of the tender responses for Lot 2 covering Employment Law. Virtual approval would be sought from the Board on completion of the exercise. *Later:* This was completed and approval from those members absent was secured.

Mrs Walsh returned to the meeting.

## 97/13 COMMITTEE REPORTS

### i / ii **Qualifications Committee – 20 May and 8 July**

Mrs Walsh had reported on the business of the meeting of 20 May at the last meeting of the Board, and members noted the minutes.

Mrs Walsh updated members on the business covered at the more recent meeting of 8 July, which had included consideration of the next steps in monitoring and evaluating the new National Courses. The Committee had also received a full update on recent CfE activities, and Mrs Walsh took the opportunity to commend SQA in the tremendous work that had been achieved.

### iii / iv **Audit Committee – 25 May and 3 August**

Mr Edgar had reported on the business of the meeting of 25 May at the last meeting of the Board, and members noted the minutes. In the absence of Mr Edgar, Mr O'Hare provided an update on the business covered at the meeting earlier that month, which had included consideration of the external audit report and the Board was pleased to note that KPMG had proposed to issue an unqualified audit report.

The Board noted the update.

### v / vi **International & Commercial Committee – 25 May and 3 August**

Mr McMorris had reported on the business of the meeting of 25 May at the last meeting of the Board, and members noted the minutes.

Mr O'Hare provided an update on the business covered at the meeting earlier that month, which had included the usual review of the Sales and Pipeline report. The Committee had also considered the key developments and activities taking place in SQA as part of Developing the Young Workforce, and there had been much discussion around both foundation apprenticeships and the lack of a budget allocation for DYW to progress this work. The Board noted the update.

vii **Advisory Council – 3 June**

Dr Thomson had reported on the business of the meeting of 3 June at the last meeting of the Board, and members noted the minutes.

viii **Accreditation Committee – 4 June**

The Chief Executive had reported on the business of the meeting of 4 June at the last meeting of the Board, and members noted the minutes.

97/14 **ANY OTHER BUSINESS**

There were no matters raised.

97/15 **DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 21 October 2015.