

BOARD OF MANAGEMENT – 9 DECEMBER 2015

For approval

Minutes of the ninety-seventh meeting of the Board of Management held at 10 am on Wednesday 21 October 2015 in Spey/Tay, Optima.

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 (from item 98/7i)
- * Dr G Stewart

Observers

Mr M McVicar, Scottish Government

98/1 **WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting. Apologies had been received from Mr Edgar. There was no attendance from the Scottish Government.

98/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no other conflicts of interest raised.

98/3 **PREVIOUS MEETING**i **Minutes of meeting held on 19 August 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.

98/4 **MATTERS ARISING**

There were no matters arising.

98/5 **CHAIRMAN'S REMARKS**

The Chairman updated the Board on his recent appointments and engagements, which had included two separate and very positive meetings with the Cabinet

Secretary, Angela Constance and Paul Johnston, Interim Director-General of Learning and Justice.

With regard to the recruitment of new Board members, the Chairman had written to the Scottish Government to air his concern over the slow progress. This too had been covered in his meeting with Paul Johnston.

The Board noted the update.

98/6 **CHIEF EXECUTIVE'S REPORT**

The Chief Executive presented a summary of her activities since the last meeting of the Board.

The Board noted the contents of the report.

98/7 **NATIONAL QUALIFICATIONS**

i **CfE Programme Update**

Dr Stewart presented the CfE Update and was delighted to report that the overall programme status had remained at green.

She also advised that SQA was in dialogue with the Scottish Government over recent EIS concerns for teachers across Scotland over the demanding workload implications relating to NQ unit assessments. The Board wholeheartedly supported the work of SQA, and endorsed the approach for written notification on actions to be taken.

The Board noted the contents of the report.

ii **Report from the Certification Programme Group**

Ms Blair presented a full update on the Certification Programme Group (CPG) report, and expanded on the particular matters reported at amber status. She also provided a high level summary on the current status of Post Results requests, along with early indications on shifts from 2014 activity levels.

The Board noted the contents of the report.

iii **Certification 2015 – Lessons Learned**

Dr Brown presented the outcomes of the lessons learned exercise that had been undertaken at the end of that year's certification process.

The Board received a detailed review on the delivery of the the 2015 certification with a focus on lessons that would be learned from the introduction of the new qualifications.

A number of activities were highlighted as having been delivered well in the year. These included the actions taken to ensure SQA met the challenges of dual running and the introduction of the new Highers, particularly those presented by earlier than projected changes in the entries profile, and managing the marker recruitment challenges that resulted.

The main focus of the Board session however, was to understand areas for improvement for diet 2016 and future years. The Board was satisfied with the findings and resultant actions that had been identified both for the coming cycle and the longer term. It was noted that delivery and progress would be monitored closely through the Certification Programme Group (CPG), the outputs of which were reported routinely to the Board. The Qualifications Committee would also retain an oversight, along with the SQA Board who would monitor progress closely at each of its meetings.

The Chairman would write to the Cabinet Secretary outlining the findings of the lessons learned exercise and providing an assurance that a delivery plan was in place to deliver.

98/8 FINANCIAL PERFORMANCE

Ms Ellison, Director of Finance tabled and presented the current financial report that set out the results of the Quarter 2 forecast, and indicated an additional grant in aid (GiA) requirement of £5.7m, which was £0.8m adverse to the approved Q0 forecast. The Executive continued to challenge the business to reduce the required level of additional grant, but recognised a risk that the approved additional GiA requirement of £4.9m might not be achieved. The matter would be tightly managed, and the business would endeavour to reach the end of year target.

The Board noted the contents of the report.

On another matter, Ms Ellison advised that KPMG, the External Auditors had omitted a reference to the Education Scotland Act in their annual Audit Opinion (as part of the Annual Report and Accounts (ARAs)). These Accounts had been approved by the Board at its meeting of August, and consequently, the revised Accounts would require to be signed that day, and in the presence of the Board.

98/9 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 August 2015 against Quarter 2 targets.

The Board noted the encouraging progress.

98/10 CORPORATE

i Risk Register

Ms Cahill, Director of Corporate Services, presented the current status of the risk register. This would be reviewed again by the Audit Committee at the end of November, and the Board endorsed the proposal for that committee to consider the addition of a new risk associated with the reduction in programme grant funding for Accreditation. It was confirmed that actions against the second proposed new risk around the recruitment and retention of staff would be reviewed as part of the annual planning process and in parallel with the Business Change programme.

The Board noted the contents of the risk register

ii **SQA Corporate Plan 2016-19**

Ms Cahill, Director of Corporate Services referred to the draft corporate plan, which would be presented to each SQA committee for comment and feedback. It was noted that the overarching operational goals were essentially unchanged from previous years, and continued to be set in the context of SQA's vision. The actual delivery of these aspirations would be reflected in the business change programme and operational plans. The former was a programme of work recently implemented to take forward SQA's digital vision, for which the governance arrangements would sit within the Business Systems Directorate. Mr Stuart Davidson would therefore be the Director responsible for coordinating the programme, which would be owned by all members of the Executive.

The Board discussed the draft plan, and made a number of suggestions for review and inclusion.

98/11 **ACCREDITATION AND REGULATION**

Mr George Brown, Head of Accreditation, joined the meeting.

i **SQA Accreditation**

Mr Brown provided an overview of the activities of the SQA Accreditation Unit and the focus for the future. These included the actions currently underway to understand the role the Unit might play as actions to implement the Scottish Government's Developing the Young Workforce come into operation. The Board was reminded that SQA Accreditation had a statutory duty to accredit a number of qualifications and that in 2008, the Unit had been asked by Scottish Government to extend its remit to accredit other qualifications.

The Board was made acutely aware of the considerable challenges that would impact on SQA Accreditation's ability to deliver its statutory function and duties, specifically around the accreditation of qualifications and regulation of awarding bodies.

Next steps would be driven forward by the Accreditation Committee and included discussions with the Scottish Government around the potential financial risk and funding requirements for current and subsequent financial years. That should be followed by a prioritisation exercise with scenario planning, and a legal opinion on the implications of any reduced activity would be sought. This would in turn receive full deliberation by the Accreditation Committee.

The Board registered its concern and noted that it was absolutely critical to address the proposed reduction in funding.

The Board also noted the contents of the SQA Accreditation Annual Report 2014-15.

ii **National Occupational Standards (NOS) Programme**

The Chief Executive provided that Board with a summary of the NOS programme, and its links to SVQ structures and the Modern Apprenticeship framework.

More recent activity had included challenges to the NOS product and its structure. At present, the implication that England might possibly withdraw from the NOS programme was of particular concern. Given Scottish Government's commitment to NOS, there was significant discussion on the potential ways forward and the role that SQA Accreditation might play in the future. As an additional activity over and above SQA Accreditation's current remit, this would require the approval of the SQA Board.

The Board considered the matter in hand, commenting that in the event that NOS was to be devolved, then it was critical that the Scottish Government should undertake a policy discussion on the overall approach.

The Board noted that discussions were underway with the Scottish Government in relation to the risks associated with NOS and the potential impact on SQA. The Board fully endorsed the Chief Executive to progress this dialogue.

Mr George Brown left the meeting.

98/12 **COMMITTEE REPORTS**

i / ii **Qualifications Committee –8 July and 9 October**

Mrs Walsh had reported on the business of the meeting of 8 July at the last meeting of the Board, and members noted the minutes.

The main considerations at the more recent meeting of 9 October had been covered in earlier Board discussions, and the minutes would be presented to the next meeting.

iii **Audit Committee –3 August**

Mr O'Hare had reported on the business of the meeting of 3 August at the last meeting of the Board, and members noted the minutes.

iv **International & Commercial Committee –3 August**

Mr O'Hare had reported on the business of the meeting of 3 August at the last meeting of the Board, and members noted the minutes.

v **Advisory Council – 7 September**

Dr Thomson advised that the meeting had focussed on communications and engagement, and that the minutes would be presented to the next meeting.

vi **Accreditation Committee – 8 September**

The Board noted the minutes.

98/13 **ANY OTHER BUSINESS**

There were no matters raised.

As per minute reference 98/8, the Chairman and the Chief Executive signed the Accounts in the presence of the Board.

98/14 DATE OF NEXT MEETING

The next meeting of the Board would be held on Wednesday 9 December 2015.

The Board meeting was followed by a recognition event to celebrate and acknowledged the great work and achievements carried out by SQA groups in supporting staff, stakeholders and the wider community.