

BOARD OF MANAGEMENT – 14 MARCH 2012

For approval

Minutes of the seventy-third meeting of the Board of Management held at 10.00 am on Wednesday 25 January 2012 in Arrol, Shawfair

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 G Brown (item 73/11 only)

Observers

- * Mr M McVicar

73/1 WELCOME AND APOLOGIES

The Chairman welcomed members to the meeting, including Mr McVicar from the Scottish Government. Apologies were received from Mr O'Hare, Prof Simmons and Mr Gibson.

73/2 DECLARATION OF ANY CONFLICTS OF INTEREST

There were no conflicts of interest declared.

73/3 PREVIOUS MEETING**i Minutes of meeting held on 7 December 2011**

The minutes were approved as an accurate record, subject to the clarification that the corporate plan and budget would not be submitted for Ministerial approval before budget approval, which was likely to be in March 2012.

ii Action Grid

The contents of the action grid were noted.

73/4 MATTERS ARISING

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

73/5 CHAIRMAN'S REMARKS

The Chairman and Chief Executive had attended a Public Bodies Conference, where there had been discussions around ways to improve engagement and relationships between public bodies and the Scottish Government.

The Chairman also advised that Dr Allan had accepted an invitation to join the Board at its meeting in March.

73/6 CHIEF EXECUTIVE'S REPORT

Dr Brown referred to the contents of her report and highlighted specific areas of interest and progress.

The Board discussed the Post Results Services that had been introduced to replace SQA's existing Appeals Service for National Qualifications. It was noted that SQA was working closely with Education Scotland and liaising directly with Local Authorities to agree the definition of Exceptional Circumstances. Guidance would be issued to centres in May 2013.

Ms Cahill reported on the current position with the Voluntary Release Scheme being offered to all staff. A final update would be provided at the next meeting of the Board in March.

73/7 SAP ENVIRONMENT UPGRADE

Ms Ellison provided an overview of the SAP technology and the functions it supported within SQA business functions. The Board was presented with a proposal to continue with an upgrade of the SAP environment.

The Board debated the matter at length and given the bespoke customisation of SAP and its level of integration with other critical SQA systems, approved the allocation of £261,000 capital expenditure for this work. This approval was provided on the understanding that:

- The potential business and technical risks associated with not undertaking the upgrade were too high.
- The current position was unsustainable.
- The upgrade would ensure external support, on which SQA was dependent for maintenance of the SAP system
- The Board would soon engage in discussion around the IS Strategy and vision going forward.
- The Executive Management Team would undertake a full assessment of the technology platform required going forward and define the strategic direction of this work.
- SQA's risk framework would take cognisance of the support and maintenance of critical software.

In line with the scheme of delegation, the capital expenditure would be submitted to the Scottish Government for approval.

73/8 FINANCIAL POSITION – PERIOD 9 UPDATE

Members had before them a tabled paper on the 2011-12 financial position following the reforecasting exercise at Quarter 3. The Board welcomed the significantly improved position, and formally recognised the successful efforts of SQA to secure increased income and identify cost reductions.

It was noted however, that a number of the savings would not be recurring for future years and that SQA would remain to face financial pressures in 2012-13. Of particular concern also, was the volatility of income levels that came with the challenges of the economic environment in which SQA operated.

Actions going forward included the need for SQA to focus on improvements in budgeting and forecasting accuracy. It was confirmed that progress against this would be monitored and reported to the Audit Committee as part of SQA's internal auditing arrangements in 2012-13.

There was also discussion around pay progression for staff and the importance that SQA align its approach if possible, with that of other NDPBs.

73/9 BUSINESS DEVELOPMENT REPORT

The Board noted the summary of progress for the period to 31 December 2011. It was highlighted that income forecasting remained cautious, and that the upcoming challenge in Scotland would be managing the impact of the Post-16 Review, particularly the uncertainties college regionalisation and funding models.

The Board welcomed the strong performance and achievements in International Consultancy and Contract services, which, despite the challenging economic climate, had both reported increases to full year surplus.

73/10 CFE UPDATE

Dr Stewart was pleased to advise that work was on track to deliver up and coming key milestones of the baselined programme plan; she highlighted the significant achievements during December 2011. It was noted that mitigating actions were in place to address the issues reported for the period ahead.

There had been a Scottish Government announcement the day of the Board meeting of the requirement that Higher English should include compulsory Scottish Text in the assessment. This would be considered by the Qualifications Development Teams, to identify any practical implications of this change. It was noted that the recommendation on the nomenclature of Access qualifications was with the Scottish Government for ministerial consideration, and it was hoped to have a final decision by early February, to ensure SQA could meet publication deadlines.

The Board discussed and noted the uncertainties around qualifications uptake of the new qualifications in the senior phase.

73/11 UPDATE ON POST 16 RESPONSE

Mr Brown, Head of Accreditation, was welcomed to the meeting.

The Chief Executive advised that whilst SQA would not submit a formal response to the consultation, SQA would meet with Scottish Government officials to review the consideration response on the consultation gathered as a result of a series of discussion both internally and with SQA Committees and Board of Management. This feedback would include responses that would address the dual role as the National Awarding and Accreditation Body for Scotland.

After an initial high level overview and discussion around the major themes of the Post 16 consultation, the Board focussed on those aspects that would have direct impact on the SQA and on learners in Scotland. Members highlighted several themes that should be explored further with Scottish Government officials and it was agreed that the executive would continue to monitor this area as the Government response to the consultation is made public. SQA would also continue to engage with partners across the system to support learners during this time of change.

The Chief Executive thanked members for their input and views.

Mr Brown left the meeting.

73/12 REPORT FROM CERTIFICATION PROGRAMME GROUP

The Board noted the contents of the report and that the milestone in relation to e-Marking was now reported at Amber. This was a significant milestone, and the Board was assured that the matter was being managed closely with the supplier and that contingency plans were in place.

73/13 COMMITTEE REPORTS

i Accreditation Committee – 5 December 2011

A verbal update had been provided to the last Board meeting. The draft minutes, which would be approved by the Accreditation Committee at their next meeting in March were noted by the Board. Ms Wilkinson drew attention to the discussions around notifying awarding bodies of centre malpractice and / or de-approval. This would be considered further by the committee, and dependent on the final decision, a formal notification would be communicated to the SQA Awarding Body if necessary.

ii International and Commercial Committee – 7 December

Mr McMorris advised that the committee had welcomed and approved the new format of the sales and pipeline report. There had also been an update on progress to operationalise the Trading Subsidiary. The Board noted the content of the draft minutes.

iii Qualifications Committee – 16 November 2011

A verbal update had been provided to the last Board meeting. The draft minutes, which would be approved by the Qualifications Committee at their next meeting in February, were noted by the Board

iv Ofqual Meeting – 7 December 2011

Members of the Qualifications Committee had recently met with Ofqual and Mrs Walsh provided an overview of the business covered.

73/14 ANY OTHER BUSINESS

There were no matters raised for consideration.

73/15 DATE OF NEXT MEETING

The next meeting of the Board would be held on Wednesday 14 March 2012, in Arrol, Lowden. The Chairman highlighted the change in location, from Optima to Lowden.