

BOARD OF MANAGEMENT – 10 MAY 2017

For approval

Minutes of the one hundred and eighth meeting of the Board of Management held at 11 am on Friday 17 March 2017 in Esk/Forth, Optima.

Members

- * Mr G Houston (Chairman)
- * Dr J Brown (Chief Executive)
- * Ms E Craig
- Mr S Hagney
- * Mrs J Handley
- * Dr W Mayne
- * Mr H McKay
- Mr R O'Hare
- * Mr R Stewart
- * Dr P Thomson
- * Ms C Wilkinson

Officers

- * Ms J Blair
- * Ms M Cahill
- Mr S Davidson
- * Ms L Ellison
- * Mr J McMorris
- * Ms J Ross
- * Dr G Stewart

* indicates present

108/1 **WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting. Apologies were received from Mr Hagney and Mr O'Hare.

There was no representation from the Scottish Government.

108/2 **DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no conflicts of interest raised.

108/3 **PREVIOUS MEETING**i **Minutes of meeting held on 25 January 2017**B107/8 v SQA Framework Document

It was proposed and approved by the Board to amend the minute to include the specific action that had been taken in order to achieve clarification on risk management reporting. The amended minute would read:

The version before the Board reflected the outputs of those discussions, including *that the final two sentences of paragraph 42 would be removed in order to provide a clarity on risk management reporting arrangements to the Scottish Government.*

It was also noted that the Framework Document was before the Sponsor Team for approval, before submission to Ministers.

Subject to the above amendment, the minutes were approved as an accurate record.

ii **Action Grid**

The contents of the action grid were noted.

108/4 **MATTERS ARISING**

There were no matters arising.

108/5 **CHAIRMAN'S REMARKS**

The Chairman reported on his various meetings and telephone calls with the Chief Executive, and that he had a meeting scheduled with Fiona Robertson, Director of Learning, in the following week.

He also advised that work was underway to progress the SQA Chair vacancy, and that it was intended to re-advertise the post as soon as possible. The Board noted its disappointment in the slow progress to date.

108/6 **CHIEF EXECUTIVE'S REPORT**

The Chief Executive presented an update on her recent engagements. In particular, she drew to the Board's attention current activity in relation to the revision of construction qualifications that was under discussion. She assured the Board that SQA Awarding Body continued to work in partnership with the Construction Industry Training Board to achieve an acceptable outcome to satisfy regulatory requirements.

The Board noted with positivity that an agreement had recently been signed by representatives of Unite, Unison and the Chief Executive (on behalf of SQA). The Joint Negotiating and Consultative Committee (JNCC) agreement defined how SQA would engage with Unions and staff representatives.

108/7 **QUALIFICATIONS**

i **CfE Programme Closure Report**

Dr Stewart, Director of Qualifications, presented the final report on the CfE Programme, which had included an outline of the original project objectives, additional activities outwith the initial scope, any deliverables that had not been met, and arrangements for post Programme work such as thematic reviews and fieldwork to assess on implementation and inform further activity going forward.

The Board had also been provided with a summary of the financial reconciliation and movements over the period 2008-16, the detail of which had been provided to the Scottish Government. As previously understood by the Board, the variance had, in the main, been attributable to additional activities required or savings not achieved as a result of anticipated benefits not being achievable. SQA's ongoing baseline costs had also increased to reflect the costs of supporting delivery of CfE and the increased grant in aid requirement for this was noted by the Board, who fully supported the actions taken by SQA to support the wider education system and ensure the safe implementation of the qualifications.

Looking forward, SQA would continue to review marking models and assess the most reliable and quality assured approach by subject type in line with the expectations of stakeholders.

In closing the discussion, the Board noted that the Audit Committee would soon receive an audit review on the governance of SQA's CfE Programme.

ii **Revised National Qualifications (RNQ) Update**

Dr Stewart, Director of Qualifications, presented an update on the RNQ Programme reporting that the status of the overall programme was reported at red. SQA continued to attempt to identify business requirements and impacts, but in the absence of a firm high-level policy decision, SQA had not been in a position to understand, evaluate or test operational viability.

The Board reviewed in detail the risks and issues being addressed by SQA, noting that:

- the concerns around pathways in the Senior Phase had been reported into the All Partners Risk Register;
- work was on track for the revised National 5s, despite the aggressive timelines; and
- a review of SQA's approach to communications - both content and process - was underway.

Discussion moved on to the necessity for the Board to be assured that the critical dependencies of the overall programme of work were being monitored and managed. It was clarified that as part of the Executive's remit, the programme plan was monitored very regularly and any points of concern were, as a matter of course, escalated to the Scottish Government Implementation Group. Regular meetings of the Scottish Government's Resilience Group also took place to discuss the overarching implementation and requirements for key dependencies to be identified and addressed. It was agreed that the current management process was appropriate and that the risk - as recorded in the Corporate Risk Register - was sufficiently robust to reflect the concerns of the Board in SQA delivering its RNQ commitments. It was agreed that given the importance of this activity, further discussion would be taking place during the Board's strategic discussion in May.

iii **Report from the NQ Certification Programme Group**

Ms Blair, Director of Operations, presented a full update on the National Qualifications Certification Programme Group and was pleased to report, that overall the programme for certification 2017 was on track.

As was the case with the RNQ Programme, there were ongoing challenges around sufficient Appointee resource and steps were being taken to address this. It was also reported that in the time since publication, a small number of the factors had changed in RAG status, and the Board was provided with a comprehensive explanation of these.

The Board noted the contents of the report, and was reassured that contingency arrangements were in place to manage areas of risk.

iv **Report from HN, Vocational and International (HNV/Int) Certification Programme Group**

For the first time, the Board was presented with a report from the HNV/Int Certification Programme Group. This report monitored SQA's delivery of HNs, VQs and international work, and would become a standing item at Board meetings.

Ms Blair, Director of Operations, presented the report in detail, providing updates on each factor rated at amber or red.

The Board noted the contents of the report and mitigating actions.

108/8 **CORPORATE RISK REGISTER**

Ms Cahill, Director of Corporate Services, presented the current status of the Corporate Risk Register, highlighting those changes as a result of deliberations at the recent meeting of the Audit Committee. This had included the addition of a risk around the delivery of RNQ, as requested by the Board at its January meeting.

The process for escalation and removal of risks was clarified to new Board members, and it was also noted that SQA's risks were ordered by their nature rather than their scoring.

The Board noted the contents of the Corporate Risk Register and requested a minor change to the presentation style for new risks.

108/9 **FINANCE**

i **Financial Performance Report**

Mrs Ellison, Director of Finance, tabled the financial performance for the period ending 28 February 2017. The Scottish Government had been advised of the position. Mrs Ellison also advised that negotiations were ongoing with a key supplier.

The Board noted the financial position as presented.

ii **Cash Position**

Mrs Ellison tabled an updated cashflow position, which included a revision to the narrative to correct the total cash funding requirement to year end.

The Board noted the cashflow position for the year based on the 2016-17 Q2 accruals forecast adjusted for full year variance.

108/10 **BUSINESS DEVELOPMENT REPORT**

Mr McMorris, Director of Business Development, presented the business development activity in all key markets as at end January 2017 and against Q2 forecasts.

The Board noted the contents of the report.

108/11 **SQA CHANGE PROGRAMME REPORT**

In the absence of Mr Davidson, the Chief Executive presented the update on progress against the various workstreams of the SQA Change Programme.

She was pleased to report that overall the programme was on track, with a slight shift in spend trend between capital and revenue. Presenting an update on each strand, it was noted that a significant amount of work was appropriately focussed around engagement with customers.

The Board noted the contents of the report.

108/12 **SQA EQUALITY MAINSTREAMING REPORT 2015-17 AND DRAFT REVISED EQUALITY OUTCOMES 2017-21**

Ms Cahill, Director of Corporate Services, presented the two reports, adding that the Audit Committee had considered both at their recent meeting.

The Board was impressed by the reports, commenting that they clearly reflected a substantial amount of progress that had been made. This was evidenced itself in the fact that the number of outcomes had been reduced for 2017-21, as a result of successfully mainstreaming equality into SQA's BaU. The Board, both in relation to presentation and content, suggested a number of very helpful additions and it was agreed to factor these recommendations into the final report.

The Board approved the equality outcomes, which would form part of a refreshed Equality Strategy. This was scheduled for publication on the website at the end of April.

108/13 **COMMITTEE REPORTS**

i **Accreditation Committee – 10 January 2017**

The Chief Executive had reported on the business of the Accreditation Committee at the last meeting of the Board and members now noted the minutes.

ii **Qualifications Committee – 1 February 2017**

Dr Thomson provided a summary of the business covered, including a very useful update on the recent work being undertaken around the review of the UCAS Tariff system, and the impact for SQA qualifications. The Committee had noted with interest that UCAS would not use the tariff for the purposes of making candidate offers. Naturally, the Committee had also held a discussion on the planned revisions to National Qualifications.

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

iii **Audit Committee – 1 March 2017**

Mr McKay provided a summary of the business covered, commenting that the Committee had received and was content with the new format of the QPR. In relation to the follow up on internal audit recommendations, it had been

agreed that going forward, internal auditors would attend quarterly Directorate team meetings to prompt on and ensure the timely follow-up of management actions.

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

A risk workshop had taken place following the Committee meeting, when it was agreed to engage the Board in a brainstorming session around SQA's more fundamental strategic issues. The Board endorsed the continuing need for external challenge that would take place during their strategic day in May.

iv **International and Commercial Committee – 1 March 2017**

In the absence of Mr O'Hare, Ms Craig provided an update on the considerations of the Committee, which had included a very instructive and helpful discussion on the Rest of the UK markets.

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

v **Advisory Council 13 March 2017**

Mr Stewart updated the Board on the business of the Advisory Council who had met that week and received a very informative presentation covering SQA's fieldwork during the last year. The Advisory Council views had indicated that however successful internal research is, it did not necessarily have the desired impact or credibility that could perhaps be exposed through external research.

The Advisory Council had also received an overview of the changes to National Qualifications, when it had been made clear by members on the need for a timely and clear communication following a formal decision by the Scottish Government.

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

108/14 ANY OTHER BUSINESS

There were no further matters raised.

The Board noted the draft budget 2017-18 as approved virtually by the Board on 30 January 2017.

108/15 DATE OF NEXT MEETING

The next meeting of the Board would take place on Wednesday 10 May 2017.