

BOARD OF MANAGEMENT – 7 OCTOBER 2020

Minutes of the one hundred and thirty first meeting of the Board of Management held at 9.30am on Wednesday 26 August 2020, by video conference.

Members

- * Mr D Middleton (Chair)
- * Ms F Robertson (Chief Executive)
- * Ms E Craig
- * Ms A Davis
- * Mr S Hagney
- * Mrs J Handley
- * Dr W Mayne
- * Mr H McKay
- * Mr G Smith
- * Mr R Stewart
- * Dr K Thomson

Officers

- * Ms J Blair
- * Mrs D Mahmoud
- * Mr L Downie
- * Mr M Baxter
- * Mr J McMorris
- * Ms J Ross
- * Dr G Stewart

Observers

- * Ms A Kerr, SQA

* indicates present

The Chair opened the meeting with a brief introductory discussion of being joined by members of the Qualifications Committee to take stock of recent events given this was the Board's first meeting since SQA had been given the Ministerial direction. The chair noted that the First Minister and the Deputy First Minister had continued to express their support of for colleagues and emphasise that SQA had produced results for 4 August as it had been commissioned to do. Before handing over to the Chief Executive, he intimated his intention of calling more frequent meetings over the coming weeks, the dates of which would be forthcoming from the Corporate Office in due course.

The Chief Executive referred the Board to the opening statement to the Education and Skills Committee on 12 August, which reflected her reflection of events as Chief Examiner. Since her appearance before the Committee colleagues had been working to attend to issues and processes as required by the Ministerial Direction. These had been taken forward very effectively and with pace.

She went on to update the Board on the two ongoing reviews being undertaken by Professor Mark Priestly and OECD, noting the latter would look in more detail at the future of assessment. A draft report is anticipated to be submitted to the Scottish Government by Professor Priestly by the end of September.

2020 NQ CERTIFICATION PRESENTATION

The Board were joined in the MS Teams call by members of the Qualifications Committee to receive a presentation on the national qualifications, courses, and award results for 2020.

The Chief Executive led on the presentation, giving an overview of the process that had been undertaken following the cancellation of the 2020 examination diet, and the subsequent changes made following the Ministerial Direction issued on 11 August 2020.

In closing, the Chief Executive noted that intense engagement was ongoing in relation to the 2021 examination diet, with consultations on changes to 2021 course assessments and timetabling currently live and already garnering a high level of response. She noted the

intention of bringing the results of these consultations to an exceptional meeting of the Qualifications Committee once the consultations had closed, for review and discussion.

Alongside full cooperation with the reviews being conducted by Mark Priestley and OECD, the Chief Executive noted that scenario and contingency planning for 2021 would continue, including, where possible, further investment in systems redesign, organisational capacity, resilience, and digitisation.

The Board and Qualifications Committee noted the presentation and discussed the changes in the post certification review services following the Ministerial Direction. The Chief Executive clarified that the revised appeals process had been agreed with Scottish Government and would now stand for consideration of administrative error or evidence of bias or discrimination. The Appeals Sub Committee would still consider any cases that are not resolved through this process.

The Board and Qualifications Committee thanked the Chief Executive for her presentation and for all the work undertaken by SQA, in truly exceptional circumstances. SQA would engage positively in the review processes.

Members of the Board and Qualifications Committee discussed the more limited appeals process and the need for ongoing communication at a time of continuing uncertainty. It was also noted that, although great focus and scrutiny had been on SQA, there were issues for the wider system to consider.

The Chief Executive and the Chair thanked Qualifications Committee and Board members for their comments and valuable discussion.

Qualifications Committee members then left the meeting.

131/1 **OPENING REMARKS**

1.1 **Welcome and Apologies**

The Chair extended a welcome to all members of the Board.

1.11 **Declaration of Any Conflicts of Interest**

There were no conflicts of interest declared on the agenda.

1.12 **Minutes of meeting held on 30 July 2020**

The minutes of the meeting held on 30 July 2020 were approved as an accurate record subject to a textual addition.

1.13 **Matters Arising**

There were no other matters arising that would not be covered in the course of the agenda.

1.14 **Action Grid**

The contents of the action grid were noted.

1.15 **Workplan 2020**

The Board noted the contents of the workplan.

1.2 CHAIR'S REPORT

The Chair noted that his update had been covered off in the opening discussion.

1.3 CHIEF EXECUTIVE'S REPORT

The Chief Executive noted that her update had been covered off in the opening discussion.

131/2 PAPERS FOR DISCUSSION

2.1 Financial Performance Report

Mr Baxter presented the 2020-21 financial position, noting that the reported figures remained the same as previously reported to the Board on 9 July, and included contingencies discussed to address issues relating to COVID-19. A further substantive review would be completed by end of September.

Mr Baxter reported confidence in the stability of the financial position, commenting that preliminary discussions around 2021/22 had indicated a starting position based on baseline budgetary planning for 2020-21.

The Board discussed the Financial Performance Report, noting that following discussions with COSLA and the Scottish Government, the clear message indicated no appetite to revisit the qualifications levy in the coming financial year.

131/3 PAPERS FOR APPROVAL

3.1 Reports and Accounts

3.11 Public Services Reform Act 2010 2019-20

The Public Services Reform Act (PSRA) requires public bodies to publish financial information as soon as practical following the end of each financial year. The report before the Board had been presented to, and considered by, the Audit Committee at the end of July.

The Board noted and approved the contents of the report and that, as part of the public reporting framework, it would be published concurrently with the Annual Report and Accounts.

3.12 Audit Scotland Annual Report 2019-2020

Mr David Richardson, Senior Audit Manager and Mr Brian Gillespie, Lead Auditor, both of Audit Scotland, joined the meeting to observe the presentation of the Annual Report and Accounts.

The Board was presented with Audit Scotland's proposed Annual Audit Report based on their audit covering 2019-20. The report from Audit Scotland serves to provide the Board and the Auditor General with an assurance on SQA's financial statements and governance matters. Noting an addendum had been provided to incorporate proposed wording to deal with the late issuing of updated pension fund estimates and recognition of the Ministerial Direction issued on 11 August which would be incorporated into the final version of the Annual Audit Report.

The Board noted the Audit Scotland Annual Report, expressing that they were content.

3.13 SQA Audit Committee Annual Report 2019-20

Annually, the Convenor of the Audit Committee reports to the Board on the discharge of the Committee's duties during the previous financial year. This was presented as an annual report, prepared in accordance with the Audit Committee Handbook guidance and compliant with Scottish Government requirements. The report was offered to the Board in support of both the previous Accountable Officer's letter of representation, and the Board's consideration of the Annual Accounts.

Mr McKay, as Convenor of the Audit Committee, advised that the Audit Committee at its last meeting had formally considered the report, which clearly validated the scrutiny and rigour of the auditing function. He went on to detail the various reports and assurances that had been considered by the Committee during 2019-20 and that members had been satisfied with the professional integrity of SQA's staff deployed to undertake internal audits and had drawn similar validation of the outsourced internal audit service and the external audit function.

The Board acknowledged the encouraging and positive assurances in relation to SQA's governance, risk management and control environment and duly noted the report. The Chair was content to accept the Audit Committee Annual Report as assurance to the Board.

3.14 Letter of Representation

As part of its annual audit, Audit Scotland seeks written assurances from SQA's Accountable Officer on the Annual Report and Accounts. The various assurances required of SQA were presented in the form of a letter of representation to Audit Scotland from the chief exec as accountable officer during the 2019/20 financial year. The assurances contained in the letter of representation allowed Fiona Robertson to sign the Annual Report and Accounts for 2019/20. The Board noted that arrangements had been made for the Annual Report and Accounts to be signed electronically following the meeting.

The Board noted that an addition had been agreed with Audit Scotland colleagues to reflect the issue of the Ministerial Direction as a matter to be brought to the Auditor General's attention post the date of the Statement of Financial Position, the nature of the direction and record of SQA's compliance with no further issues.

The Board accepted these assurances and noted the letter of representation.

3.15 Annual Report and Accounts

Mr Baxter, Director of Finance and Corporate Services, introduced the final draft of the Annual Report and Accounts 2019-20, which presented a high level and factual account of SQA's progress and achievements against its strategic and financial goals during 2019/20. He noted that the report had gone through required due diligence with both the Audit and Performance Committees.

Mr Baxter continued with an overview of the accounts, highlighting those points of note post Audit Committee Consideration of 27 July, particularly the Ministerial Direction issued to SQA on 11 August 2020 and pension liability implications of the government announcement on 14 August in relation to the McLeod case which had been updated in the accounts following engagement with Audit Scotland.

Mr McKay, as Convenor of the Audit Committee, indicated that the Committee had considered and undertaken an extensive review of the accounts at its last meeting and that he had reviewed the subsequent amendments made after the meeting, and could commend the accounts for approval.

The Board approved the Annual Report and Accounts 2019-20 for electronic signature and submission to Ministers and Parliament.

At this juncture, Mr Richardson and Mr Gillespie left the meeting.

3.16 SQA Framework Document

Mr Borley, Head of Strategic Planning and Governance, was welcomed to the meeting. Mr Borley presented the SQA Framework Document, noting that it had been drawn up by the Scottish Government (SG) in consultation with the Scottish Qualifications Authority (SQA) and sets out the broad framework within which SQA will operate, defining key roles and responsibilities which underpin the relationship between SQA and the SG.

The Board discussed the document and agreed that it would be useful to have sign of a version highlighting the changes that had been made since the previous iteration four years ago. It was concluded that Mr Borley would undertake to produce such a version with annotations of changes and points of information which would be circulated to the Board virtually for comment and approval. It was noted that this was a Scottish Government document and any changes needed agreement from them.

3.17 Annual Procurement Report

Mr Baxter presented the Annual Procurement Report, noting that normally this report would come before the Audit Committee but due to timings of information coming available for inclusion, it would be presented to the Board for approval in order to meet SQA's statutory obligation to publish the report within six months of the financial year end.

The Board noted the report and approved for publication, suggesting that it would be valuable to include in the report a link to evidence that objectives had been reached.

3.18 Risk, Opportunity, and Issues Management Policy

Mr Borley presented the Risk, Opportunity, and Issues Management Policy as an important part of SQA's internal control and corporate governance arrangements. Mr Borley led the Board through the incorporated amendments and planned developments in order to ensure the consistent application of risk management in SQA.

The Board reviewed the revised policy and discussed the implications of signing up to risk appetite in isolation, suggesting that improved clarity of relation to SQA Accreditation may add value. The Board supported the direction of travel, noting that the policy presented a bedrock upon which to moderate and move forward from, and approved it as a live concept with the need to regularly review.

3.2 Standing Orders

3.21 Audit Committee Standing Orders

Mr Baxter presented to the Board the final version of the Audit Committee standing orders noting that they had been considered and amended by the Committee.

The final version now before the Board would reflect the deliberations of the Committee, and also ensure alignment to the Audit Committee Handbook.

The Board noted the standing orders and approved them as final.

3.22 Appeals Sub Committee Standing Orders

Dr Stewart presented the revised standing orders for the Appeals Sub Committee which had been recommended to the Board for approval by Dr Thomson after review and feedback from the Qualifications Committee.

The Board considered the standing orders, noting the intention that point 8.4 under terms of the duties identified, would relate only to 2020 grade awards and would expire following conclusion of any such escalated appeals and removed from the Standing Orders at that point. The Board approved finalisation of the document with the recommendation of the addition of a point to clarify definitively that the Appeals Sub Committee decision is final.

3.3 Procurement

3.31 Legal Services

The current Legal Services Contract would expire in October 2020. A tender exercise had been carried out in line with SQA's Procurement

Policy and the recommendations summarise the process followed and the outcome of the tender. As the Contract value would exceed £500,000, approval from the Board of Management and Scottish Government would be required prior to contract award.

The Board noted the contents of the tender evaluation report and approved the recommended contract award.

3.32 Print Production

The current Print Production Services Contract would expire in October 2020. A tender exercise had been carried out in line with SQA's Procurement Policy and the recommendations summarise the process followed and the outcome of the tender. As the Contract value would exceed £500,000, approval from the Board of Management and Scottish Government would be required prior to contract award.

The Board noted the contents of the tender evaluation report and approved the recommended contract award.

131/4 PAPERS FOR INFORMATION

4.1 Qualifications Delivery

4.11 NQ Certification Programme

The Board noted the contents of the National Qualifications Certification Programme Group report.

4.12 HN, Vocational and International Certification Programme

The Board noted the contents of the HN, Vocational and International Certification Programme Group report.

4.2 Cash Position

The Board noted the position for the year based on the accruals forecast, accepting it as an assurance on the current position.

4.3 Modern Slavery Statement

The Board noted the Modern Slavery and Human Trafficking Statement that would be signed by the Chief Executive and published on the SQA website as per SQA's statutory obligations.

4.4 Committee Reports

4.41 Performance Committee – 20 May 2019

The Performance Committee had met on 20 May 2020. Ms Craig updated the Board on the business covered in the meeting and noted that the minutes of the meeting had been included in the papers of the meeting.

4.42 **Audit Committee 1 June 2020**

The Audit Committee had met on 1 June 2020. Mr McKay updated the Board on the business covered in the meeting, offering assurance to the Board that the Committee had sight of the data lifecycle programme of work as a requested topic. This workstream had been formed into a project to report to the Programme Board in support of the Change Programme.

The Board noted that the minutes of the meeting had been included in the papers of the meeting.

131/5 **ANY OTHER BUSINESS**

There were no other matters raised under any other business.

131/6 **DATE OF NEXT MEETING**

The next meeting of the Board would take place on Wednesday 7 October 2020 at 10am by video conference.