

**BOARD OF MANAGEMENT – 27 MARCH 2019**

Minutes of the one hundred and nineteenth meeting of the Board of Management held at 10.00 am on Wednesday 6 February 2019, in Optima.

**Members**

- \* Mr D Middleton (Chair)
- \* Dr J Brown (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
- \* Ms M Cahill
- \* Mr L Downie
- \* Ms L Ellison
- Mr J McMorris
- \* Ms J Ross
- \* Dr G Stewart

**Observers**

- \* Ms A Kerr, SQA
- \* Ms C MacKenzie, Scottish Government

\* indicates present

**121/1 OPENING REMARKS****1.1 Welcome and Apologies**

The Chair extended a welcome to all members of the Board, including Ms Catriona MacKenzie, Head of Developing the Young Workforce and SQA Sponsorship Team, Scottish Government. He noted apologies had been received from Dr Mayne, Mr Smith and Mr McMorris and that Tracy Weir would be deputising for Mr McMorris for the meeting.

**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 28 November 2018**

The minutes were approved as an accurate record subject to the following amendments:

SQA Accreditation had clarified the requirement for on-site assessment and observation in the workplace from the start of the next session (August 2019).

120/5 - Minor wording change – no **other** matters raised.

120/6 - Location of next meeting to be amended from Lowden to Optima.

### 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 2019**

The Board noted the contents of the workplan.

## 1.2 **Chair's Report**

The Chair opened with an update to the Board on the progress of the recruitment process for the new SQA Chief Executive, informing them that the closing date for applications has been announced and procedural dates set.

The Chair noted that he had been maintaining contact with Lee Downie around the progressing work on SQAs information systems, as reported to the Board last year.

The Chair included that he had met with the Deputy First Minister, John Swinney and with Fiona Robertson, Director of Learning at Scottish Government.

The Chair concluded with his attendance at Forth Valley College to meet with the Principal, Board member Dr Ken Thomson, which he reported to be a very enjoyable and informative visit.

The Board noted the update.

## 1.3 **CHIEF EXECUTIVE'S REPORT**

The Chief Executive presented a full update on her activities since the last meeting of the Board, opening with the outcome of the recent independent evaluation and referencing exercise of SQA's National 5 and Higher ESOL course by UK NARIC. The Chief Executive was pleased to report that, after extensive review of SQA assessments, quality assurance and candidate evidence, UK NARIC confirmed the benchmarking of both National 5 and Higher courses. The Board welcomed and celebrated this update as a positive step in supporting Scotland in the international market. Members also noted that the importance of the qualification in terms of SQAs equality and fairness agenda.

The Chief Executive provided a brief update on progress to the introduction of Business World, SQA's corporate business system, noting that the go live date to launch across the organisation had been announced and was in line with the Corporate Business System project plan timeline.

The Chief Executive went on to update the Board on the findings of the evidence review that SQA had undertaken following the spike in late unit entries at SCQF Level 5 in March 2018. She noted that meetings have been

held with ADES to highlight findings and to discuss the criticality and rationale of changing quality assurance procedures for the 2019 examination diet. Agreed communications have gone out to centres, with their dissemination supported by colleagues at ADES.

The Chief Executive updated that subsequent to SQA Accreditation as the regulator of the qualifications, stipulating that there was a requirement for on-site assessment and observation in the workplace from the start of the next session (August 2019). Colleges Scotland had produced detailed costing associated with implementing these changes and these had now been submitted to Scottish Government. The Board welcomed the update, acknowledging the complexity of the situation while accepting that matters concerning SQA Accreditation are not a matter for the SQA Board.

The Chief Executive handed over to Lee Downie, Director of Business Systems, to provide a brief update on the position concerning SQA's technology platforms. Mr Downie was happy to report that a temporary solution had been successfully put into place to address issues that had arisen in the results processing system. . Mr Downie reported that a new permanent solution would be in place in time for the 2019 main examination diet and that the system was showing good performance under 'main diet load' testing conditions,

The Board noted the content of the Chief Executive's Report.

## 121/2 PAPERS FOR DISCUSSION

### 2.1 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.

The Board discussed the Corporate Risk Register, with suggestions being made to the format and layout of the document in order to make it more comprehensive. Mr Hagney requested a descriptor to clarify the definitions of the words to be included in the document to define risk appetite. It was agreed that the Corporate Office would provide this by email following the meeting.

### 2.2 Assurance Areas

Mrs Ellison, Director of Finance, presented a paper detailing work being undertaken between the Executive Management Team and internal auditors to ensure that effective arrangements are in place to provide assurances on risk. She presented to the Board, assurance areas that will be used to structure an assurance map that is to be established in partnership with Scott Moncrieff.

The establishment of an assurance mapping framework is regarded as best practice and is also in line with the requirements set out in the Scottish Government Audit Manual. Mrs Ellison highlighted that the purpose of bringing the paper to the Board was to explain the process, to set out the areas identified by the EMT where assurance was required, and to discuss any potential gaps identified by the Board.

The Board welcomed the paper and the approach and noted that the assurance framework would be useful in informing future audit work. The Board discussed different possible perspectives to take on the assurance areas including considering the external assurance provided by suppliers.

### **2.3 Financial Performance**

Mrs Ellison went on to present the Financial Performance report, highlighting that the additional grant requirement has risen to £12,274 million. She noted that the largest variance was recorded within the Finance directorate but expressed confidence that this would be managed back.

The Board noted the update, welcoming assurances that all vacancies go through a system of approval with the Executive Management Team to ensure that any associated risks are effectively managed. Mrs Ellison highlighted that the active management of SQA's vacancy position is part of the money saving challenge set to the business every year.

### **2.4 Medium Term Financial Scenario Planning**

Mrs Ellison then presented a paper outlining the Medium Term Financial Plan for SQA for financial years 2019/20 to 2022/23. The purpose of the plan is to identify the financial implications of known key changes that will occur over this time period. This piece of work had not been undertaken in recent year due to the continued focus of Scottish Government on SQA's annual Corporate Plan and single year budget submissions.

However the Business Change Programme and the Investment Proposal approved by Scottish Government set out programmes of work over a number of years. As such, there is a need for the draft Medium Financial Plan to reflect the longer term financial position. This is intended to be a continually evolving position and will be reported to the Board on annual basis.

The Board discussed planned income levels and the extent to which there is a need for additional government funding. The Board noted that discussions were taking place with Scottish Government on pricing and on sustainable funding model options for the organisation.

Other areas discussed by the Board included workforce planning and future premises requirements.

The Board welcomed sight of the Medium Term Financial Plan and noted that this was the first iteration of the document which would be refined and brought back to the Board for further discussion.

## **121/3 PAPERS FOR APPROVAL**

### **3.1 Draft Budget 2019-20**

This paper set out the draft budget position for 2019/20. As in previous years the final budget position for 2019/20 will be submitted to the Board in April and will reflect the final candidate entry volumes and their impact on costs. As

agreed with Scottish Government the draft budget figures included in this paper would be submitted to them as an interim position in support of the Corporate Plan. The Board noted the assumptions supporting the draft budget, in particular the approach to appointee payments.

In further discussion it was agreed that due to an inconsistency with figures included in the 2018/19 Finance Performance Report that an amended paper would be circulated to members to clarify the position and allow the draft budget for 2019/20 to be submitted to the Scottish Government.

[An amended paper was tabled later in the Board meeting to allow the draft budget to be submitted in the agreed timescale and it was agreed that the final version of the paper should be circulated to all Board members].

### **3.2 Accreditation Committee and Accreditation Coordination Group Standing Orders**

Mr Roger Stewart, Convenor of the Accreditation Committee presented the amended standing orders of the committee to the Board for approval. Mr Stewart highlighted the one minor change that had been made to the standing orders noting that there was no imperative to change anything further. As part of this item the Convenor moved to seek approval from the Board to invite Alastair Clark to join the Accreditation Committee as a new member

The Board approved both the invitation of Mr Clark to join the Committee and the progressing of the standing orders for the Accreditation Committee to publishing. Discussion clarified that the function of a vice convenor who is not a member of the Board allows for a broader perspective in Committee discussion.

## **121/4 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, acknowledging that work to secure markers had been undertaken earlier in this session to close the gap in numbers required.

#### **4.13 RNQ Programme Report**

The Board noted the contents of the RNQ Programme report and that the programme was sitting at green.

### **4.2 Change Programme Highlight Report**

The Board noted the report on progress against the various workstreams of the SQA Change Programme.

Dr Ken Thomson indicated that he would appreciate a separate induction meeting with Mr Downie to discuss the SQA Change Programme, in order to aid further understanding.

#### **4.21 Update on Systems Risk**

Mr Downie, Director of Business Systems provided an update to the Board on Systems Risk issue that had been reported to the Board at their meeting in October 2018.

Mr Downie highlighted that he expected the trends within the report to reflect in a positive way in the coming weeks as work progresses, with the intention of deploying the new RP live system and back-up system across both sites in time for the 2019 diet.

#### **4.22 Grant Offer Letter – Capital Funding for SQA Digital Change Programme**

The Board noted the inclusion of the letter to SQA from Scottish Government, confirming that the additional £700,000 of capital funding had been allocated to SQA to support delivery of the SQA Digital Change Programme. There was recognition by Scottish Government of continued investment in this area.

It was noted that SQA have been, and continue to engage, as directed, with numerous other public bodies to ensure commonality of purpose, reduce overlap and duplication and exploit the opportunities for shared services to help offset the effects the public finance restraints.

#### **4.3 Business Development Report**

The Board noted the Business Development activity in all key markets as at P7 (31 December 2018) against Q2 forecasts.

#### **4.4 Cash Position**

The Board noted the position for the year based on the 2018-19 Q2 accruals forecast, accepting it as an assurance on the current position.

#### **4.5 Committee Reports**

##### **4.51 Advisory Council – 29 October**

Ms Handley noted that an update of the last meeting of the Advisory Council had been reported into the last Board in November and the next meeting is due to take place on Monday 25 February. Ms Handley offered an open invitation to all members of the Board to attend.

##### **4.52 Audit Committee – 5 November**

Mr McKay noted that an update of the previous meeting had been provided to the Board in November and that the Audit Committee was due to meet next on 18 March 2019.

4.53 **Qualifications Committee – 21 November**

Dr Thomson noted that an update of the previous meeting had been provided to the Board in November and that the Qualifications Committee was due to meet next on 20 February 2019.

4.54 **Accreditation Committee – 15 January**

Mr Stewart provided a verbal update to the Board, noting that he was very content with the programme of work that the team have been undertaking, including development of National Occupational Standards. Mr Stewart reported that the Committee had been fully briefed on the CITB issue and are content that the regulator is serving its function.

121/5 **ANY OTHER BUSINESS**

There were no matters raised under any other business.

121/6 **CORPORATE PLANNING ENVIRONMENTAL SCANNING**

The Board then entered a closed session with strategic planning colleagues for discussions around the development of the SQA Corporate Plan.

121/7 **DATE OF NEXT MEETING**

The next meeting of the Board would take place on Wednesday 27 March 2019 at 10am in Optima.