

## BOARD OF MANAGEMENT – 7 MAY 2014

For approval

Minutes of the eighty-seventh meeting of the Board of Management held at 10 am on Friday 21 March 2014 in Arrol, Lowden.

**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 M Cahill
- \* Mr S Davidson
- \* Ms L Ellison
- Mr E Martinez
- \* Mr J McMorris
- \* Ms J Ross (part meeting only)
- Dr G Stewart
- \* Mr R Quinn

**Observers**

- \* Mr M McVicar

**87/1 WELCOME AND APOLOGIES**

The Chairman welcomed members to the meeting, including Mr McVicar, Scottish Government, and introduced Mr Stuart Davidson, Director of Business Systems. The Chair also advised that Mr Robert Quinn, Head of Humanities, Art and Business, was attending the meeting to represent Dr Stewart.

Apologies were noted from Mr Edgar, Mr McKay, Ms Cahill, Mr Martinez and Dr Stewart.

**87/2 DECLARATION OF ANY CONFLICTS OF INTEREST**

There were no conflicts of interest declared.

**87/3 PREVIOUS MEETING****i Minutes of meeting held on 29 January 2014**

The minutes were approved as accurate.

**ii Action Grid**

It was noted that there were no actions outstanding.

**iii Workplan**

The Board noted the contents of workplan and that the update in relation to SQA's Equality Strategy and Mainstreaming Report, which had been published in April 2013, was not due for publication again until 2015.

In the interim, an Equality Update had been provided to the Board as a PFN.

#### 87/4 **MATTERS ARISING**

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

#### 87/5 **CHAIRMAN'S REMARKS**

The Chairman advised that he had attended the Qualifications Committee at the beginning of the month. The meeting had been well chaired by Mrs Walsh and had generated valuable discussion and constructive challenge.

The Chairman had also been a guest at the Glasgow Clyde Fellowship Dinner held at House for an Art Lover. The event had recognised the work of Ms Linda McTavish and the guest speaker, Dame Ruth Silver provided interesting and challenging views on education.

The Chairman assured the Board that he would commence discussions with the Scottish Government on the recruitment to the two Board vacancies as soon as possible.

#### 87/6 **CHIEF EXECUTIVE'S REPORT**

The Chief Executive referred to the contents of her report and highlighted specific areas of work. She had attended, and provided evidence to, the Education and Culture Committee together with representatives from Education Scotland (ES), SSTA and EIS.

The Chief Executive referred to the press interest in the departure of a senior manager from SQA to take up a promoted post with another organisation, and advised the Board on the steps being taken to recruitment a replacement to the post. In line with the qualifications development process, responsibility for the new qualifications had transferred to those Senior Managers and Teams within SQA charged with implementation and ongoing management.

The Board noted that there had been very positive discussions on the new qualifications at a recent NES event that had considered the implications of CfE for the NHS. The Chief Executive advised that wider education partners were also engaged in discussions.

The Chief Executive advised that she had a forthcoming meeting with Scottish Government officials to facilitate SQA engagement in the work on the Wood Commission.

#### 87/7 **CfE UPDATE**

In the absence of Dr Stewart, Mr Quinn presented the CfE Update on SQA's progress against milestones, based on SQA's highlight reports for January and February 2014.

During the presentation, he highlighted:

- Recent publication of new units and materials at National 1 had been well received. Higher specimen papers and support packs were on track, with two having been published; a further three would be published imminently.

- 143 Higher events had been held, and experience gained would inform the scheduling and content of events for Advanced Higher.
- Implementation for this year's examination cycle was on schedule with all papers finalised for National 5 and responsibility passed from the CfE Team to Qualifications Development.

In further discussions on activities and status of CfE, the Chief Executive advised that the Corporate Risk Register reflected any potential risks escalated from the CfE Programme and the Board noted that the Corporate Risk Register was reviewed in detail at the Audit Committee meetings. The Board noted the contents of the report.

## 87/8 **REPORT FROM CERTIFICATION PROGRAMME GROUP**

In the absence of Mr Martinez and Dr Stewart, Mr Quinn presented the Certification Programme Report and advised that activities were progressing well. There were a number of activities showing an amber risk rating which were being managed and had contingency arrangements in place. The Board noted the contents of the report.

## 87/9 **CORPORATE RISK REGISTER**

The Chief Executive presented the current status of the Corporate Risk Register, and reiterated the rigid, robust and discursive process by which risks were escalated through Project Board and operational risk registers. This process enabled the organisation to effectively manage its activities.

The Board noted that the Scottish Government was aware of the constraints of staff capacity being faced by SQA. The Board was assured that collective mechanisms were in place to handle any potential for further requests for additional activity.

The Board noted the update and the contents of the Corporate Risk Register.

## 87/10 **FINANCE**

### i **Current Financial Performance**

Ms Ellison tabled the year to date financial performance for the period ending 28 February 2014 and presented the Period 11 financial position, which was measured against the Quarter 3 forecast. The report indicated that there was a year to date surplus of £0.2m against a forecast deficit of £0.4m.

Budget holders had identified £0.3m of net funds for release, made up of additional income of £0.4m offset by additional capital expenditure of £0.1m. This release reduced the additional Grant in Aid requirement to £2.0m from the forecast cash deficit of £2.3m.

The Budget Approval and Monitoring letter had been received from Scottish Government (SG), allowing the final tranche of funding to be drawn down for the 2013-14 financial year.

The Board was pleased to note that although the outturn was a deficit position, it was in line with the original budget submission to SG and confirmed the improvement in the accuracy of forecasting by the organisation.

ii **Draft budget 2014-15 update**

Ms Ellison advised that the budget range for 2014-15, as agreed at the January Board meeting, had been submitted to the Scottish Government (SG). This budget reflected the uncertainty around final candidate entry numbers and the impact of the refinement of the Quality Assurance model.

The Quarter 0 position was being reviewed by the organisation and would also be updated for the final entry numbers at the end of the month. SG was aware of this position and was awaiting the Q0 budget revision. Discussions with SG officials had again highlighted the very tight financial constraints in 2014-15 that needed to be considered in arriving at an early agreement and approval of SQA's budget. SG stressed that there would be difficult decisions in allocating budget support and it was critical that SQA provided an accurate estimate of its funding requirement.

The Board noted this update.

87/11 **BUSINESS DEVELOPMENT REPORT**

Mr McMorris presented a detailed overview of business development activity in all key markets as at end January 2014.

The Board noted the contents of the report.

87/12 **SQA GOING FORWARD**

The Chief Executive and Mr McMorris led on a presentation and discussion around SQA's approach to its future work. This included the focus on key markets, the current context with the focus of the organisation on the first years of implementation of the new qualifications for CfE and its implications for the short, medium and long term in SQA. The Board discussed and deliberated the matter in hand, recognising in particular the opportunities and challenges ahead.

The Board welcomed the discussion as an introduction to the focus of its discussions on 7 May.

87/13 **ACCREDITATION COMMITTEE AND ACCREDITATION COORDINATION GROUP STANDING ORDERS**

Ms Wilkinson presented the amendments to the Standing Orders, detailing the reason for review.

The Board approved the revised Standing Orders for the Accreditation Committee and the Accreditation Coordination Group.

87/14 **COMMITTEE REPORTS**

i **Advisory Council – 3 February 2014**

Dr Thomson advised of the business covered. The Board noted the update.

ii **International and Commercial Committee – 5 February 2014**

The minutes of the meeting were included in the Board papers for consideration. Mr O'Hare drew out the main business covered, including:

- Recognition from the Committee on the absolute importance of CfE, but that SQA should not lose sight of maintaining a focus on RoUK and international opportunities.
- The need to drive forward and re-focus on the Digital Transformation goal - a critical area for SQA.
- Support for the focus on prioritisation.
- Recognition of the practical and tangible progress being made with the cost allocation and capacity planning project.

The Board noted the update. The Board also endorsed the recommendation to reappoint Mr Freedman and Mr Kelly as co-opted members of the International and Commercial Committee.

iii **Audit Committee – 18 November 2014**

The revised minutes of the meeting were noted.

iv **Audit Committee – 24 February 2014**

Ms Wilkinson outlined the main business of the meeting, including consideration of the Q3 QPR and a number of internal audit reports. She commented on the positive progress being made with the Strategic Map. The Board noted the update, and that KPMG had appointed a new audit partner, Mr David Watt.

v **Accreditation Committee – 4 March 2014**

Ms Wilkinson highlighted the main business of the meeting including:

- Regulatory Principles. A substantial amount of work had taken place to revise the approach to regulation, in order to simplify but not dilute the quality of delivery. An information and development session with stakeholders would take place the following week.
- Good progress with the Universal Services Project.

The Board noted the update, and that Dr Jenny Rees would join the Accreditation Committee as a representative from the Advisory Council.

vi **Qualifications Committee – 5 March 2014**

Mrs Walsh advised that it had been a very full and busy agenda. She referred to the main business of the meeting that had included:

- Consideration of the revised policies for awarding and reporting results in 2014. This had generated a very robust debate, with some very worthwhile issues raised from an external viewpoint.
- Internal guidance for setting boundaries in 2014. Again a very useful debate, raising the recurrent themes around the lack of trend data, the importance of careful media messaging etc.
- Relating to the N5 presentation, again, the need for careful management on messaging to parents, schools, colleges, media etc.

The Board noted the update.

**87/15 ANY OTHER BUSINESS**

There were no matters raised.

**87/16 DATE OF NEXT MEETING**

The next meeting of the Board would be held on Wednesday 7 May 2014 in Arrol, Lowden. The Board was reminded that this meeting was a full day strategy meeting.