

ENTERPRISE AND LIFELONG LEARNING COMMITTEE

Wednesday 4 October 2000
(Morning)

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ENTERPRISE AND LIFELONG LEARNING COMMITTEE 23rd Meeting 2000, Session 1

CONVENER

*Alex Neil (Central Scotland) (SNP)

DEPUTY CONVENER

*Miss Annabel Goldie (West of Scotland) (Con)

COMMITTEE MEMBERS

*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

*Nick Johnston (Mid Scotland and Fife) (Con)

*Marilyn Livingstone (Kirkcaldy) (Lab)

*George Lyon (Argyll and Bute) (LD)

*Ms Margo MacDonald (Lothians) (SNP)

*Mr Duncan McNeil (Greenock and Inverclyde) (Lab)

*Dr Elaine Murray (Dumfries) (Lab)

*Elaine Thomson (Aberdeen North) (Lab)

*Allan Wilson (Cunninghame North) (Lab)

*attended

WITNESSES

Mr Sam Galbraith (Minister for Children and Education)

Henry McLeish (Minister for Enterprise and Lifelong Learning)

THE FOLLOWING ALSO ATTENDED:

Cathy Peattie (Falkirk East) (Lab)

CLERK TO THE COMMITTEE

Simon Watkins

SENIOR ASSISTANT CLERK

David McLaren

ASSISTANT CLERK

Linda Orton

LOCATION

The Chamber

Scottish Parliament

Enterprise and Lifelong Learning Committee

Wednesday 4 October 2000

(Morning)

[THE DEPUTY CONVENER *opened the meeting at 09:04*]

The Deputy Convener (Miss Annabel Goldie): Good morning. Welcome to the 23rd meeting of the Enterprise and Lifelong Learning Committee—the fourth meeting in our inquiry into the governance of the Scottish Qualifications Authority. Cathy Peattie might join us during the meeting as the reporter from the Education, Culture and Sport Committee. I extend a warm welcome to the Minister for Children and Education, Mr Galbraith.

Convener

The Deputy Convener: Item 1 on the agenda is the choice of convener—I will try to stop the grin from spreading too broadly across my face. As John Swinney has resigned from the committee, we have lost our convener, so it falls to members to choose a new convener. By virtue of standing orders, it is necessary that the convener be chosen from the members of the committee who represent the Scottish National Party. I ask for nominations for the position of convener.

Nick Johnston (Mid Scotland and Fife) (Con): I nominate Alex Neil.

The Deputy Convener: Is that nomination seconded?

George Lyon (Argyll and Bute) (LD): I second the nomination.

Allan Wilson (Cunninghame North) (Lab): I second it.

The Deputy Convener: That was a rush of popular assent. I think that Mr Lyon got there by a hair, Mr Wilson, so Mr Lyon is the seconder. Are there any other nominations for the position? There is none. Is it the popular and acclaimed will of the committee that Mr Neil be our convener?

Alex Neil was chosen as convener.

The Deputy Convener: With much pleasure, I hand the chair to Mr Neil.

The Convener (Alex Neil): I thank the committee for choosing me as convener and I thank Annabel Goldie for standing in as convener

for the past week or so. I am sure that I speak on behalf of the whole committee in thanking John Swinney for his period as convener. I also thank the clerks for the assistance that they have given me in the lead-up to today.

This is my first meeting as convener of the committee. I will do my best to take a fair and balanced approach to the job. I want to make every member feel that they have the opportunity to put in their tuppenceworth and I will take a constructive approach to the committee's work.

Item in Private

The Convener: I propose that we take item 5 in private, which is the draft timetable and work programme for stage 1 of the Education (Graduate Endowment and Student Support) (Scotland) Bill. Is that agreed?

Members *indicated agreement.*

Scottish Qualifications Authority

The Convener: Item 3 is the inquiry into the governance of the SQA. We have two witnesses this morning. First, as Annabel Goldie said, we welcome Sam Galbraith, the Minister for Children and Education, who will be here for about an hour. Henry McLeish, the Minister for Enterprise and Lifelong Learning, will join us thereafter.

Again, I welcome the minister. Would the minister like to make a short opening statement?

The Minister for Children and Education (Mr Sam Galbraith): No.

The Convener: Fine. We will move straight to questions.

I will lead with a couple of questions. I was not involved in the committee's previous meetings, but I will follow on from events of the past week or so. Has the minister had an opportunity to consider the request from the Education, Culture and Sport Committee concerning the disclosure of information to Deloitte & Touche—which is undertaking the consultancy work—and to members of this committee and the Education, Culture and Sport Committee?

Mr Galbraith: I have not had a formal request for information. However, as Alex Neil raised the issue, I must say first that I do not think that we have anything to hide. We are not trying to cover anything up. However, the issue is wide and spans the nature of government in this country—it is not about only me. It is fair to say that every freedom of information system allows for ministers to receive advice from their officials in confidence. That is protected in every system, including those of Ireland, Canada, New Zealand and Australia. What we do is not unusual and is an important part of government. It enables us to receive open, honest, decent and robust advice. Before they consider asking for such advice to be made available, members must consider how removal of that protection would undermine the whole system of government. The issue is broad and relates not just to us.

However, as members know, the Executive is always keen to be as helpful as possible. I am certainly willing to consider some way in which I can try to accommodate the committees without undermining the whole process of government. I stress again that the nature of the advice—its confidentiality—is a feature of all systems of government and that confidentiality is always protected. Before we undermine that, we should realise the serious implications that that could have. I want to see whether we can find some mechanism to accommodate the wishes of the committee. I want to be as fair and open as

possible without undermining the whole system of government.

The Convener: How is the Deloitte & Touche investigation progressing? When is it expected to report?

Mr Galbraith: It will report by the end of this month. Deloitte & Touche has become an extension of the civil service. It is carrying out an investigation for us, which we do not have the expertise to do. It will adhere to the Official Secrets Act 1989 and will not be allowed to publish or say anything in the report about the advice. It is working under strict constraints that have been laid down by us and which it would be improper for us to try to impose on the Parliament. There is therefore a difference.

George Lyon: I wanted clarification on inquiries. I believe that the SQA internal inquiry is on-going. When will that information be made available to the committees?

Mr Galbraith: That is a matter for the SQA. I understand that it is giving all the information to Deloitte & Touche for its consideration, but the committee will have to take that up with the SQA. I do not know whether Bill Morton will appear before the committee.

George Lyon: Convener, I ask that we write formally to the SQA requesting that the results of its internal inquiry be made available to both committees.

The Convener: Is that agreed?

Members indicated agreement.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I want to raise the provisions of the code of practice. Part I of the code of practice states:

“The approach to release of information should in all cases be based on the assumption that information should be released except where disclosure would not be in the public interest, as specified in Part II of the Code.”

Paragraph 2 of part II of the code makes it clear that it is perfectly open to ministers to disclose internal discussion and advice where the public interest outweighs the harm of disclosure of internal advice.

Is not it the case that the Executive has chosen to keep the information secret from elected MSPs? It is quite open to the minister to decide that the public interest in the matter, which has surely never been greater, mitigates for all of the information being made available to elected members of the Parliament, as it has been to a private firm of consultants.

Mr Galbraith: I hope that I have explained the position of that private firm of consultants, which is that it is acting as an extension of the civil service

and doing a job for the Executive within the constraints of the Official Secrets Act 1989.

Such matters can be examined case by case, which is also considered in the code. The point that I was trying to make is that there is nothing to hide—we are not covering anything up. The idea that there is a great big bombshell that would be of great interest to the committee is not accurate. The issue at stake is that when civil servants give advice to ministers, they do so on the basis that that advice is confidential; the advice is robust and powerful. Once that confidentiality loses protection such as it has in every other system, we undermine the system of government. To undermine the system of government is not in the public interest.

Fergus Ewing: With respect, my point was that it is your decision—yours alone—whether to make the information public or to keep it secret. Is that correct?

Mr Galbraith: Yes, but let me explain. The question does not relate only to me, to the committee or to its investigation. It is a broad issue about the nature of good government and about protecting the confidentiality of the advice that is given to ministers, which is a feature of all freedom of information regimes.

Fergus Ewing: With respect, minister—

Mr Galbraith: Just a minute. With respect—to use Fergus Ewing's phrase—please let me finish. Once we start to allow that protection to be broken in one area, there is no reason to prevent its being broken in another. Is it in the interest of good government and in the public interest to allow such advice to become universally available? My strong contention is that it is not. The committee must consider the matter carefully in pursuing the information. I have said that we want to be as open, honest and helpful as possible and that I am willing to consider ways in which we might be able to accommodate both the committees' wishes without undermining the process of government and, therefore, the public interest.

Fergus Ewing: I thank you for that answer, minister, and for admitting that it was your choice to withhold the information from Parliament. May I read from part II of the code? It states that

"information should be disclosed unless the harm likely to arise from disclosure would outweigh the public interest in making the information available."

Surely, in this case—perhaps the most important investigation that Parliament has conducted, into why so many students throughout Scotland have suffered—the public interest justifies not only full and open disclosure, but that the pledge that you made to Parliament on 6 September should be redeemed and all relevant and necessary documents should be made available to

parliamentary committees?

09:15

Mr Galbraith: I am sorry to have to keep repeating this, but the public interest is not served if confidential advice to ministers is made freely available. Part of the code goes on to cite confidential advice to ministers. We would undermine the public interest—that is the point that I am making.

You seem to think that this is about just this issue, me, this committee and the investigation. It is not. A wider interest—the public interest in good government—would be undermined. I have said that confidentiality is a feature of regimes throughout the world. We consider such matters case by case, as the code also states. I am willing to consider how we can try to accommodate the wishes of the committees without undermining the public interest. We should consider the matter very carefully before we undermine the public interest. There is a short-term issue and a wider public interest. With respect, that is the important point that Fergus Ewing must grasp.

Allan Wilson: On that point, what is the status of the code of practice on access to Scottish Executive information and where does it fit into the partnership's stated public commitment to an effective freedom of information regime? How will such a regime be effected in the Parliament?

Mr Galbraith: Parliament will make the final decision on freedom of information legislation. In every legislature and organisation in the countries that I cited, confidentiality of ministerial advice is preserved. That is not done to cover up or to hide anything, but to protect good government, which is in the public interest. If we undermine that, we undermine the nature of government, which would not be in the public interest.

Allan Wilson: Will the code of practice be subject to parliamentary scrutiny?

Mr Galbraith: I am being asked about what the freedom of information bill will include. It would be totally inappropriate for me to go into that.

George Lyon: You have stated that in this instance you are willing to consider ways of developing a mechanism whereby the committees—this committee and the Education, Culture and Sport Committee—can gain access to the information. Can you be more specific?

Mr Galbraith: I cannot be more specific at this stage, but I am sure that there are discussions that we could have to resolve the matter. I am not here to cover up. There is nothing to cover up. There is nothing wonderful waiting. We are involved with a principle. It is not an issue that is particular to me, to this committee or to what is contained in the

confidential information. It is a principle about the nature of government and the principle of good government in the public interest. I believe that we can have discussions about that and about how we might try to satisfy people.

George Lyon: You are willing to enter into discussions on how that might happen.

The Convener: Other members have requested to speak. I will take first members who have questions on this specific issue, which we will exhaust before we move on.

I welcome Cathy Peattie to the meeting. Cathy is the reporter from the Education, Culture and Sport Committee.

Cathy Peattie (Falkirk East) (Lab): Thank you, convener.

Following the point that was raised by George Lyon, you said, minister, that you are willing to accommodate some way of giving the committees information. I am sure that you appreciate the fact that we are not simply examining the advice that was given to ministers. The inquiry is examining the Scottish Qualifications Authority, and both the Enterprise and Lifelong Learning Committee and the Education, Culture and Sport Committee are involved in carrying out investigations.

It is clear that we need for our report to know about things that are happening, or have happened, in the SQA. It will be helpful for the committees to know about the consultants' ideas. Could we speak to the consultants to get that information from them? If not, I do not think that we will be able to carry out our inquiry properly.

Mr Galbraith: The consultants' report will be published and therefore it will be available publicly.

The Convener: On a point of clarification, will the whole consultants' report, including all the findings, be published?

Mr Galbraith: Yes. It will be published on 31 October.

Cathy Peattie: Will the consultants be able to pinpoint where things went wrong in the departments and so on? To be honest, minister, we are not getting the information that we are asking for. Members are quite frustrated about that—they want to have an open inquiry.

Mr Galbraith: The consultants will produce the report of their independent inquiry. Although they are writing that report for the Executive, they are conducting an independent inquiry. Their full report will be published on 31 October.

Cathy Peattie: In that case, how will you be able to accommodate the committees' requests for information?

Mr Galbraith: That is for us to try to resolve in discussion.

Cathy Peattie: Can we have that discussion quite soon?

Mr Galbraith: Yes.

Cathy Peattie: We are halfway through our inquiries, and members are concerned—

Mr Galbraith: Things that go on at the SQA are matters for the SQA—you will have to discuss those issues with the SQA. The information that we have has been given to the committees already.

The Convener: Can I make what I hope is a helpful suggestion? It might be helpful if the convener of the Education, Culture and Sport Committee and I held a meeting with the minister to go through this issue, following which we could report back to our respective committees. Such a meeting would ensure that the committees are getting the information that they think they need. It would also ensure that the minister is satisfied that adequate information is available.

Mr Galbraith: I am more than happy to do that.

The Convener: Is that agreed?

Members indicated agreement.

Fergus Ewing: Can we establish as a matter of principle that any material that is released to the committee will also be released to the public? Why is availability of information being dealt with only now, when we have almost concluded the evidence-taking part of our inquiry? Should not the Executive have addressed that matter at the outset?

Mr Galbraith: The Enterprise and Lifelong Learning Committee did not submit to me a request for information.

George Lyon: On the internal SQA inquiry, it is important that we receive its conclusions as quickly as possible. That will allow the Education, Culture and Sport Committee and the Enterprise and Lifelong Learning Committee to move towards their conclusions. We cannot do that until the results of the SQA inquiry and the consultants' report are in our possession and we have had time to consider and digest them. Otherwise, we will be unable to come up with any solutions or recommendations.

The Convener: Shall we have a tripartite meeting and then report back to the committees, to try to ensure that everyone is satisfied?

Members indicated agreement.

The Convener: Unless any member has a final point to make on disclosure of information, I will move on to the other issues that relate to the

governance of the SQA.

Miss Annabel Goldie (West of Scotland) (Con): In the course of taking evidence from the SQA board, it emerged that there appeared to be deficiencies in communication between the SQA and the education department. The representatives of the board from whom we took evidence indicated a willingness to consider communication and to try to improve it.

Communication is a two-way process. Did the department recognise that communications were inadequate?

Mr Galbraith: As you know, my officials attended regular liaison meetings between the SQA and the department, as well as a number of ad hoc meetings and a large number of sub-committee meetings, such as the qualifications committee and so on, where policy matters were developed. There was a huge amount of communication, not only in formal committees but in ad hoc and other committees. If members looked through all the documents, they would see that our liaison with the SQA was fairly extensive.

However, I am not saying that that liaison could not be improved. The committee might want to consider that. We will consider a number of suggestions that have been made by the SQA, for example on attendance at board meetings and so on.

The problem with attending board meetings is that once you get there, you tend to be seen as giving approval to the matters that are being discussed, when, in fact, you are only observing. Independent bodies must maintain their independence and make their own decisions, rather than constantly looking to the Scottish Executive to check whether we approve of those decisions. In considering governance, the committee might want also to consider communication, on which I have no fixed position.

Miss Goldie: Do you think that it is possible that dual ministerial involvement in enterprise and lifelong learning and education is a weakness in the structure, as far as the SQA is concerned?

Mr Galbraith: No, not at all. It is important to realise that the Executive works across boundaries. One of the great problems for previous Governments was that people worked in silos. We do not do that; we work together very closely. I do not think that dual ministerial involvement had any effect on the governance of the SQA.

Miss Goldie: Given that the SQA was set up by an act of Parliament that preceded devolution, do you consider that the relationship between Government and the SQA should have been revisited following the arrival in Scotland of a

devolved Parliament, with all that that implies?

Mr Galbraith: That much wider matter encompasses not only the SQA but all non-departmental public bodies and other such organisations, although tough questions are being asked about the SQA in particular.

As far as I understand it, the SQA is unique as an NDPB. First, unlike most other NDPBs, we provide very little of the SQA's funding—85 per cent of its funding is self-generated, which is very unusual. In most meetings that I have with NDPBs, they ask for more money.

Secondly, the SQA is unique because it is partly an assessor of Government. It sets exam standards and examines how we are doing in relation to the provision of education. Therefore, ministers have to keep very far away from the SQA so that we do not interfere in the exam process. To an extent, we are customers of the SQA.

That is not to say that the relationship between ministers and the SQA cannot change—it is obvious that the relationship will have to change. However, there is a wider issue for all NDPBs. What should be done to that relationship? What changes should be made? How much closer should the relationship be? Those are issues of governance.

Miss Goldie: Following on from that answer, I understand the minister's instinctive reluctance to become enmeshed in the operational activities of the SQA. However, when a disaster happens, as it did in this case, the minister must explain to the public at large what on earth is going on. More importantly, the minister must explain how the situation is to be remedied.

I am slightly unclear about how the public can have confidence in such assertions and assurances if, at the end of the day, the minister feels that he has a hands-off role and that he should keep his distance.

Mr Galbraith: I think that I have explained why it is important that ministers should keep far away from the SQA. We could take back the work and start running it for ourselves; we would not need to change the structure much, as the same people would still be needed to run the organisation. However, that would mean that the minister who was responsible for exams would be interfering with the organisation of exams, setting pass marks and so on. That is where the situation becomes tricky. The committee might want to consider how that could be done.

It is true that whatever happens, the minister gets it. The question that is often asked is: "If ministers are going to get it, why don't they just take responsibility for the organisation?"

Miss Goldie: Surely there is a distinction between having a close strategic involvement in and awareness of the work in which the SQA is engaged, and getting mixed up in the operational activities of the SQA.

Mr Galbraith: Are you asking whether a line should be drawn? I agree with that approach. The question is where that line should be drawn.

Miss Goldie: Do you think that there might be a need to redefine that line?

Mr Galbraith: That might be the case, or it might be necessary to install some other mechanisms. However, that does not apply only to the SQA—it applies to all NDPBs. Annabel Goldie is absolutely right about that. She understands the problem and agrees that there must be a line somewhere. The question is where and how that line should be drawn, and what can be done to improve the governance of the SQA.

There are a number of options for minor and more substantial issues. Should some other body—which would be responsible for directing the SQA—be interposed between the SQA and the Executive? Should there be a commissioner who would look at quality assurance and some of the other governance mechanisms?

I understand that those issues were considered before the SQA was set up, and, after wide consultation, it was decided to go for just one body, rather than having separate bodies. The option that was considered was that there could be an operational body and a quality control body or commission that would report on quality control to the minister. The committee might want to consider that approach.

09:30

Dr Elaine Murray (Dumfries) (Lab): I want to ask some questions about the power of direction that is conferred on the minister under section 9(1) of the Education (Scotland) Act 1996. That power allows the minister to

“give SQA directions of a general or specific character with regard to the discharge of its functions and it shall be the duty of SQA to comply with such directions.”

When, on 20 September, I asked officials from the education department about that power of direction, Mr Foulis told the committee that it had not been used. The only example that officials could remember of a power of direction being used was when the Conservative Government ordered Caledonian MacBrayne to sell off one of its vessels.

Were you advised that there could be problems with the management of the SQA? What sort of advice would have prompted you to use that power of direction? If you had known then what

you know now, would you have considered using your power of direction? If so, what would you have done, and when?

Mr Galbraith: There were a lot of questions there; I will go through them. I have been reading through the notes that went with the clauses in the education bill. The note on clause 9 says:

“This is a standard clause for NDPBs. It is generally regarded as a power of last resort to ensure the body concerned discharges its statutory duties.”

So, the power is a “power of last resort” that you do not want to use. I understand that the phrase “nuclear option” has been used to describe it, and that is exactly how we would describe it. We have always known that the option existed.

Would I ever have used the power? In many ways, that question is a red herring. I do not know for what purpose I could have used the power. The power is strictly limited. To use the nuclear option, you have to consult the board, you have to allow the board a reasonable time to consider, you have to take everything into consideration, and you have to be reasonable. Looking back through all these events, I cannot see anything that I could have done that would have necessitated using the power. No one has been able to come up with a suggestion on that. It is not as if there was another SQA sitting on the sidelines waiting to come in. So I do not know when the question would ever have arisen.

Dr Murray: I presume that you would have used the power under advice from officials, because to interfere and use the power is not something that you, as minister, would have decided to do off the top of your head, even if—as it appears it may have been—it was a management issue within the SQA.

It has been suggested that you were not getting the quality of advice that was required because Executive officials were no longer attending board meetings. Was that a factor?

Mr Galbraith: No, absolutely not. We were in close contact all the time. The nature of these things is that there is always close contact between officials and NDPBs—that would be especially true in this case, with the development of a new body and new systems. There were formal liaison meetings, constant ad hoc meetings, telephone and other conversations, and attendance at sub-committee meetings. A minister can take advice, but in the end the decision is the minister's.

Dr Murray: Do you feel that you received appropriate advice about, for example, the problems that were being encountered in the development of the awards processing system?

Mr Galbraith: Yes.

Mr Duncan McNeil (Greenock and Inverclyde)

(Lab): Minister, you have said that your officials were engaged on a day-to-day basis—

Mr Galbraith: Not quite a day-to-day basis—from day to day.

Mr McNeil: They had regular contact and ad hoc committees. It would seem that they were all over the place, doing everything other than running the SQA. In briefing you, what onus is on officials, and what criteria do you expect them to follow? What were they telling you that prevented you from using your powers of direction?

Mr Galbraith: Officials always keep ministers up to date on any issues that arise, serious or otherwise. Ministers are kept well informed. As for using my powers, let me explain again that ministers do not have powers just to walk in at any time and do anything, to interfere or to take over functions. They have a nuclear option, at the end, which they would have to have very good reason to use. It has never been used before. I still find it difficult to conceive of any situation in which I could have used it.

Mr McNeil: If the minister cannot get involved, in the way that you describe, with a body of that type is that a sustainable position? How can we improve the supply of accurate information from such bodies to ministers?

Mr Galbraith: It is clear that we will need to consider some things to do with governance. The SQA has a number of strictures in its corporate plan that are related to financial control. Management systems need to be part of that. We have to consider giving NDPBs a number of things; I have already suggested that they might have a commissioner. There are other suggestions too. We need to give those bodies some guidance on risk management, management structures and plans, leadership, and flow of information.

Mr McNeil: Do you believe that the split in responsibilities between you and the Minister for Enterprise and Lifelong Learning contributed in any way—

Mr Galbraith: No, in no way whatsoever.

Allan Wilson: I want to raise a couple of issues, one of which has been raised by a number of colleagues, and by Annabel Goldie in particular. You are accountable to Parliament for the performance of the SQA, but the SQA is not under your direct control. Is that a sustainable position—given that we are considering future governance?

Mr Galbraith: That is for the committee to decide—I can work only within the powers that I have been given by the act. We are accountable for the annual report and for the SQA's function, but just because we are accountable, it does not

necessarily follow that we should run the organisation. One option would be to take all NDPBs back, to run them from the centre, and to be accountable for everything. That produces problems, as anyone who considers it will be aware. Annabel Goldie talked about that. The problems lie in deciding where the lines should be drawn. That applies not only in this case, but in all cases. The issue is a live one for the Parliament to consider.

Allan Wilson: The evidence that we have received delineates clearly between the responsibility of the board and the responsibility of ministers. When the extent of the crisis in the SQA became clear to you, why did you not act to sack the board, or the chairman, or—

Mr Galbraith: Would that have helped? Would that have served some useful function? It was on 26 June that the great issues arose and the extent of the problems became clear. We were then locked into a process of trying to resolve those problems. Sacking the board or the chairman would have had no practical effect.

Allan Wilson: But the board is required, to ensure that it provides ministers with advice relating to the SQA's functions. Did the board ever advise you of problems that it felt existed in the organisation?

Mr Galbraith: You and I have heard the evidence: the chairman did not know about the problems, the chief executive did not know, and the board did not know—how could I know? They were unaware and could not provide me with information. Whether they were failing in their duty is a matter for the committee to decide. However, sacking the board at that time would not have resolved the problem.

Allan Wilson: Would the imposition of a commissioner have made any difference?

Mr Galbraith: It might have. It is important not just to fight the battles of yesterday and not just to look backwards. I know that the committee will look at what we will do. The important thing is that we prevent such events from happening again. Is there a mechanism for doing that? I have suggested some, and the committee will have its own suggestions.

Is it possible to have someone who can separate the processing function from the quality assurance function? At the SQA at the moment, quality assurance runs parallel with the handling and processing of awards. My understanding is that after wide consultation, the view was taken that those roles should be together in one body, along with the accreditation role which, as members know, relates to other award bodies. The question is whether quality assurance should always remain with the SQA or whether it should

rest with a commissioner or another body. Saints preserve us from another body, but you understand the point that I am trying to make. That is an area that you can explore to take the matter forward.

The Convener: At the time the situation arose, obviously the priority was not to sack the board, but given its performance and that of the chairman, and the fact that they are responsible for the management of the SQA, is not there now a case for considering the board membership? A member of the board who was at the Education, Culture and Sport Committee meeting on Monday was advising on how to sue the SQA for what has happened. Is not it time that the membership of the board was considered?

Mr Galbraith: That is a live issue that we will return to.

The Convener: Does that mean that you are considering the membership of the board now?

Mr Galbraith: As you know, we are engaged in trying to resolve all the problems and get all the information and inquiries. Action will be taken then, but you are right to highlight the position of the board.

The Convener: So the sacking of the board between now and Christmas is an option.

Mr Galbraith: It is always an option for ministers.

Nick Johnston: Like all good conveners, Alex Neil has just stolen a question; I was about to ask about governance. Who would take the decision to sack the board? Would it be you or Henry McLeish, the Minister for Enterprise and Lifelong Learning?

Mr Galbraith: Technically, Henry McLeish would make that decision, but he would do it in close consultation with me.

Nick Johnston: Let me return to the chairman, David Miller, who gave evidence to the Education, Culture and Sport Committee on Monday. With regard to officials sitting on the board, he said:

"We asked—and I asked fairly aggressively—for their continued presence on the SQA board, but I was turned off that idea by an official who believed that the Executive had to cut costs".—[*Official Report, Education, Culture and Sport Committee*, 2 October 2000; c 1474.]

Where was that official from? Was he or she from the Scottish Executive education department?

Mr Galbraith: We have no idea. We have looked into that matter and have been unable to find an official who said that, although I am not saying that someone did not say it. It would be an odd thing to say, given that my officials are in and out of the SQA and attend qualifications committee meetings when addressing matters of

policy. We are involved.

Once officials sit on boards, the areas of responsibility are blurred, because the board is a statutory constituted body. Once our officials sit on that board, are they involved? Do we give approval to the board's decisions because we sit on it? From practical experience, I know that board members keep looking at officials and asking, "Is that okay or not?" That blurs the areas of responsibility, but it is a live area for us to discuss. It used to be almost universal that officials sat on boards, but it is not now, for those reasons.

Nick Johnston: So you are saying that you have tried to discover who the official was, but you cannot find them?

Mr Galbraith: I am not saying that nobody said it, but we have not found them yet.

Nick Johnston: You also made the point that in the past, before the SQA was set up, things worked well when officials went to board meetings, but we will not linger on that.

David Miller also spoke about meetings with ministers. Was the number of meetings that you or your colleagues had with the SQA sufficient?

Mr Galbraith: You have a list of the meetings that we had. More meetings would be desirable, and would not be a problem; I would encourage them. Other quangos and NDPBs have more meetings, virtually every one of which takes place because the NDPB is asking for more money. The SQA is unique in that it generates most of its income. We give it money—£1.2 million—for its accreditation function. We gave it some money for specific projects on the development of higher still. To a large extent the SQA is self-financing, so there is less need for meetings, but additional meetings would not be inappropriate and they would be helpful.

Marilyn Livingstone (Kirkcaldy) (Lab): Do you feel that the make-up of the SQA board is appropriate? I want to concentrate on how board members are appointed as individuals, so that major stakeholders, for example, do not feel that they have any input to the board. There have been focus groups, but should there be a more formal mechanism, such that major stakeholders could feed back through the board?

09:45

Mr Galbraith: Many liaison groups are involved. This issue was discussed at length during the committee stage of the Education (Scotland) Bill. In the past, the Scottish Examination Board had 38 board members, because all the stakeholders demanded a place. That led to a huge and unwieldy board.

I spoke in the debate on the second reading of the bill. I remind everyone that the SQA was welcomed widely. The only issue that was at stake was the board's structure. I remember commenting that the method by which the board membership was arrived at was extremely complex, and that there was some work to be done on that, but I did not get involved in who should be on the board. However, there were bids for the Convention of Scottish Local Authorities and other folk to be represented. Once you start doing that, the board becomes large because the stakeholders are numerous.

My personal preference is for people to be appointed to boards based on the input, skills and expertise that they can bring, rather than because they are stakeholders. By the nature of those criteria, the majority of stakeholders will be on the board, but I do not like them coming on to a board to represent a group or special interest; I like them to be there as individual members giving their expertise. Of course you would expect an organisation such as COSLA to be on the board, because it has expertise on local authorities, and of course you would expect teachers to have a representative. You would expect business to have a representative, and other groups also. That is the system that I prefer.

Marilyn Livingstone: The reason I asked the question is that there are two principals on the SQA board, and we are trying to explore how information could get from colleges to the board. There was no formal mechanism for that. I do not expect all stakeholders to be on the board, but do you think that there should be a more formal mechanism for information flow between the board and its stakeholders?

Mr Galbraith: The board had various liaison groups with schools, colleges and qualifications authorities, so the flow of information was reasonable, but whether it could be made more formal is another issue. That need not be done through the board, although you will see that every one of the stakeholders that you talked about had someone on the board. The current president of the Educational Institute of Scotland was on the board. Stakeholders had people on the board, and they had access through the various higher still development bodies. There were many mechanisms for bringing up issues.

We might want to consider a mechanism that is lower down the management structure. My view is that a board should have people with expertise. Stakeholders can be accommodated within that, but people should be appointed to the board because of their expertise rather than because of who they represent.

Marilyn Livingstone: How can we improve the supply of accurate information on the performance

of arm's-length organisations?

Mr Galbraith: We have to build that into their corporate plans and give them guidance on how the supply of information can be managed better. This situation has highlighted the constant flow of information that is required to let everyone know what is happening. That will have to be built in to corporate plans.

Cathy Peattie: We have heard that the SQA board lacks clarity, that it is unaccountable, out of touch and does not listen to people, that the minutes of its meetings are never accurate because they do not record everything that was discussed—I found that amazing—and that there is no real flow of information between the ad hoc groups and the liaison groups. Do you accept that the structure of the SQA board needs to be addressed?

Mr Galbraith: Absolutely. Look at the number of folk on the board—it is unwieldy. However, we must bear in mind that the number is lower than the 38 who were on the old Scottish Examination Board. We must not look to the past as a paragon of virtue. There were 38 members then. We must consider who should be on the board, and its structure. I saw the pictures of all the folk on the board. It is a huge, unwieldy body.

Cathy Peattie: As the convener said, a member of the SQA board is now advocating that parents take legal action. That person is appointed. Is this an opportunity to examine the appointments procedure? Perhaps there is an argument for allowing stakeholders to select the people on the board.

Mr Galbraith: There is an argument for that, but I do not necessarily agree with it. People are not accountable after they have been appointed.

Cathy Peattie: That is my point. I do not think that that board member is accountable to anyone other than herself.

Mr Galbraith: That member is accountable to the chairman and, through him, to the ministers.

Cathy Peattie: Would you consider allowing stakeholders to choose representatives, rather than having Government appointments?

Mr Galbraith: No. I do not like that system for boards. I am giving a personal view. Other people will have other views. I speak from my experience of government in the past three years. I do not think that such a system is a good idea, because it means that board members are accountable to their stakeholders and not to ministers or Parliament.

Cathy Peattie: You have said several times that you felt that the relationship with the SQA board was not financial, that it did not come cap in hand

looking for more money and that it generated much of its own money. Is that an issue? Was the board so busy generating money that it took its eye off the core work of the SQA?

Mr Galbraith: From reading through various minutes and documents, and having discussions, I see that the issue of money came up. However, that would come up with anyone, and the board must work within constraints. Money comes up with every body to which we give grant in aid. That is a fact of life. I doubt that the board took its eye off the ball, but you might like to quiz the board about its attitude. I think that the board's eye was on the ball of delivering higher still and the new processing system.

Fergus Ewing: In your statement to Parliament on 6 September, you said:

"In March, I was concerned by reports that I received from schools and colleges that told me of problems with electronic transfer of information to the SQA."—[*Official Report*, 6 September 2000; Vol 8, c 21.]

Am I right in saying that the details of those reports have not yet been provided to this committee or to the Education, Culture and Sport Committee?

Mr Galbraith: That is because there are no written reports.

Fergus Ewing: I am asking for details. If there were verbal reports, will details be passed to both committees?

Mr Galbraith: The reports were anecdotal. As we visited schools, I and others picked up that there was some trouble with the transfer of information. There is nothing more to it.

Fergus Ewing: I wonder about that. On Friday, we heard evidence from Professor Stringer of the Committee of Scottish Higher Education Principals, who said:

"There were data problems with the intakes last autumn".—[*Official Report, Enterprise and Lifelong Learning Committee*, 29 September 2000; c 1173.]

Those data problems were an early warning system last autumn, not in March. Do you accept that you should have acted on them last autumn?

Mr Galbraith: I am not sure what Professor Stringer meant about data problems with early intakes. We have no information about that from her. We have no written correspondence or reports on that. I am sorry, Fergus.

Fergus Ewing: I pursued that line with Professor Stringer. You have just said that you have no written statement from her, but she said that she made her representations to the SQA. They were presumably passed on to the liaison committee, on which your officials sit.

Mr Galbraith: Not necessarily.

Fergus Ewing: It follows from the warnings that were given by Professor Stringer and many other people, according to the anecdotal evidence that I have received from colleges, that colleges were unable to cope with data problems in the system for registering students last autumn. That process is similar to that for issuing data to students. Civil servants must have advised you that unless the data problems relating to the intake were properly addressed, there might be serious ramifications.

Mr Galbraith: I think that you should address that question to Mr McLeish, who deals with the colleges. I was talking about the information that I had from schools, which are part of my responsibility. I had anecdotal information that related to problems that we dealt with reasonably effectively in March.

Fergus Ewing: I find it difficult to believe that the problems that schools and colleges reported regarding data transmission to the SQA were intimated to you and your department only in March this year, because it seems to have been in the public domain that many schools and colleges were complaining about the problems from at least October 1999. Your civil servants must have made you aware of the problems. They must have given you advice, which you have decided not to share with us, that unless those problems were addressed, there could be serious ramifications.

Mr Galbraith: I understand that you are trying to run with that theory, but I am afraid that it has no basis.

Fergus Ewing: Would not you prove that by releasing the civil servants' advice, which you say will show that you are blameless?

Mr Galbraith: We have already been through that issue.

Fergus Ewing: This morning, you repeated what you said on 6 September about the Deloitte & Touche report. You said that all findings would be made public and that the full report would be made public. How do you explain the discrepancy between what you said this morning and Mr Aitken's letter to the committee on 26 September, which says that the

"final report will not make public any material which is covered by Part II of the Code of Practice"?

Mr Galbraith: That is correct.

Fergus Ewing: With respect, you said that the full report would be made public. Mr Aitken said that only part of it would be made public.

Mr Galbraith: That is correct—the full report will be made public.

Fergus Ewing: Have you not misled Parliament?

Mr Galbraith: For goodness' sake, what a bore. The two statements are not incompatible. The final and full report will be made public to the committee. The full report will not contain information that is covered by the Official Secrets Act 1989.

Elaine Thomson (Aberdeen North) (Lab): One of the features of the evidence of many of the people who have appeared before this committee and the Education, Culture and Sport Committee has been that it was late in the day before it became obvious that there were serious problems. When the committee questioned Mr Ron Tuck, he still seemed slightly confused about what went wrong and why. He knew that things had gone nastily wrong, but he was not clear why. If the chief executive is not clear about what happened, that suggests that there is no way that either the board or the minister and his officials can be clear.

Are the current model of governance between the minister and the SQA and the model of management in the SQA adequate for their purposes? The SQA appears to have been trying to do many new things at once. The minister mentioned risk management. I do not think that the SQA had adequate expertise or experience to judge properly what it was trying to do and what the risks were, or to take appropriate action to deal with them. I suggest that that is one reason why things went nastily wrong at the end of the process and why many of the risks were not identified up front.

Mr Galbraith: That would not be an unfair assessment of the position, although we do not know the facts, which is part of the problem. We will need to wait until all the investigations are complete, particularly the Deloitte & Touche report and the internal inquiry, so that we know what the problems are.

You identified management as an important issue. We will need to wait for the results of the inquiry, but there was clearly a failure of management. The question for the committee is whether any form of governance could have prevented or dealt with that. There are two ways of looking at that. The first is that it was a completely unforeseen problem that was impossible to predict and that no form of governance could have prevented it. That would be a difficult line to pursue, but it is one end of the spectrum. The other way of considering it is that, when something goes wrong, there must be a system of governance that can prevent such problems, which gives rise to the question of what that system of governance should be.

To get at the answer, we must wait to find out what went wrong. However, I find it difficult to believe that there is no form of governance that could not ensure that that does not happen. I am

not inclined to the view that the situation was something that no form of governance could ever have prevented. It might have been, and we shall have to wait for the results of the inquiry to find out exactly what went wrong, but I would be surprised if we came to that conclusion.

10:00

George Lyon: Going back to the issue of line management and the management style of Ron Tuck, the implementation of higher still and the installation of a brand new IT system all in one year was clearly a high-risk project. The note from Ron Tuck indicates that he believed the risk assessment that was done on the project might have been flawed. People certainly underestimated the risk that they were taking on in trying to implement both things in the same year.

Given that your officials were in constant contact with SQA officials, did any of them at any time report back to you concerns among staff further down the system about Ron Tuck's management style? David Miller told us that he had been alerted to concerns by a senior official in the organisation. You have said a number of times that your officials were engaged, by telephone, by meetings or by written correspondence, with SQA officials. Were you, at any time before you discovered how serious the problem was, getting advice from those officials on concerns about Ron Tuck's management of the SQA?

Mr Galbraith: No, not at all, but the internal management of an organisation is not an area that we would tend to be quite so concerned with. It is really for the heads of organisations to run and manage their organisations. All I can say is that I met Ron Tuck on a number of occasions and found him to be an extremely decent, straightforward man and a pleasant individual to deal with. The question of management problems within the SQA is an internal management issue that ministers would not usually want to get involved in.

George Lyon: Given the implications for ministers if everything went wrong, surely your officials would report back to you any concerns that they picked up in their day-to-day contacts with the organisation, because you are ultimately responsible.

Mr Galbraith: Yes, but we never picked up any of those issues.

George Lyon: Why do you think that is, given that there were concerns further down the organisation? In fact, David Miller said that he had been told by a senior official in the organisation that the SQA was not going to get much more than 80 per cent of the exam results right.

Mr Galbraith: That was in July.

George Lyon: Obviously those concerns had been around, or they would not have been coming to light.

Mr Galbraith: I think that he first knew of any concerns in July, by which time we were also aware of the concerns and surrounding issues.

The Convener: Does not that show up a lack of management information?

Mr Galbraith: Yes. That is the issue that we are talking about. One issue that has been highlighted is the need for more management information about NDPBs—better management structures, guidance on management duties, risk management and management of the individuals who work there. Those matters have always been the responsibilities of NDPBs across the spectrum. That system is set up by Parliament to keep ministers away from such organisations. It is set up to ensure that the Executive is kept at a great distance.

The Convener: Do you think that in future ministers need to demand from non-departmental public bodies much more hard-core information in their performance reports? The liaison group met quarterly, so there was supposed to be a quarterly performance report. Those reports should throw up any difficulties. As a former management consultant, I should have thought that they would include basic information such as the number of exams to be handled and the turnaround times.

Mr Galbraith: The flow of information needs to be improved greatly. We are at the mercy of the information that we receive from the board and the senior managers. We cannot plonk people all over Dalkeith and Glasgow as spies. However, we can improve the flow of information.

The Convener: Do you think that you put too much pressure on the SQA to deliver higher still?

Mr Galbraith: As you know, when I came into office this process was already in train. Concerns about higher still were expressed by teacher organisations and others, but all of them related to the learning and teaching side. I understand from my predecessors that no one ever raised the possibility of the SQA's not being able to deliver the exam results.

The Convener: In hindsight, do you think that there was a lack of foresight?

Mr Galbraith: As Ron Tuck said, he thought that it was doable. No one ever said that it was not doable.

The Convener: Minister, I know that you have to go. Thank you for giving evidence to the committee. We look forward to further meetings in future.

Mr Galbraith: Thank you very much.

The Convener: Late yesterday, the clerk received some information about evidence that was given on Friday. I have asked him to inform the committee for the record about that change.

Simon Watkins (Clerk): We received a short note from COSHEP in response to issues that were raised when it gave evidence last Friday. I will read it into the record. It states:

"There are two points emerging from the oral evidence given to the Committee at the meeting of 29 September which COSHEP would wish to clarify.

The first relates to monitoring. COSHEP would like to emphasise that it has absolutely no monitoring role in relation to the SQA. No Principal from a higher education institution is a member of the SQA Board. COSHEP does not nominate members of the SQA Board. Members of the SQA Board who are from the higher education sector do not represent COSHEP directly. As there are no COSHEP members of the SQA Board and as none of the Principals who make up COSHEP is on the SQA Board, there are no formal or informal reporting methods through which COSHEP monitors the work of the SQA.

The second point relates to prior knowledge of difficulties and representations regarding this. As was stated at the evidence session, neither COSHEP nor its members have any significant role at the input stage of the SQA. It was at this stage that difficulties had started to manifest themselves, but COSHEP had no direct evidence of such difficulties. Clearly, COSHEP was aware of the significant amount of media reporting of potential difficulties. However, we received oral reassurances from the SQA that this reporting was inaccurate and should be disregarded. As we had no evidence to the contrary, these reassurances were accepted. No representations were made from COSHEP to either the SQA or the Scottish Executive on this subject."

Allan Wilson: It would have been helpful to have had that before Mr Ewing went off at a tangent in his questions to the minister.

The Convener: In future, if we receive any changes to evidence we will put them on record at the beginning of the meeting, so that members are aware of them before they ask questions.

Our next witness is the Minister for Enterprise and Lifelong Learning. Welcome to the committee. Would you like to make a short opening statement?

The Minister for Enterprise and Lifelong Learning (Henry McLeish): I am content to proceed immediately with questions. I am very pleased to appear before the committee to discuss an issue that is of monumental significance for education and the examination system. There has been a great deal of debate so far, both publicly and privately.

A number of reviews are being conducted. We look forward to a constructive relationship with you and the Education, Culture and Sport Committee and, ultimately, some positive suggestions as to what should be done.

I will be delighted to respond as well as I can to the issues that are raised.

The Convener: I will kick off with a couple of questions. First, there has obviously been a change in the relationship between ministers and the SQA since devolution as, before devolution, one minister was responsible for the SQA and now there are two, although you alone are the sponsoring minister. What implications has that change had for the relationship between the Scottish Executive and the SQA? Has it created problems of co-ordination, duplication or overlap?

Secondly, an issue arose at a previous meeting in relation to the "Management Statement and Financial Memorandum". A Scottish Executive official stated that that should have been updated after May 1999. Will you comment on that?

Henry McLeish: When the bodies that now form the SQA were amalgamated under the Conservative Administration, there was an expectation—although it was not clearly worked out—that the new body would give a boost to what we now call lifelong learning. The essential point was that, as well as being an awarding and accreditation agency, the SQA was intended to give people a copy of the achievements in their life after the age of 16. Therefore, when we formed the enterprise and lifelong learning department after devolution, it seemed sensible for me to be the sponsoring minister. That sends a powerful message about the lifelong learning concept.

Two ministers deal with the policy dimensions that are associated with the SQA. The policy guidelines and the remits and areas of responsibility are quite clear. Sam Galbraith deals with policy issues relating to schools qualifications and higher still. I deal with Scottish vocational qualifications and higher national certificates and diplomas. No part of the failure of the SQA could be attributed to the distribution of responsibility on policy or to the fact that the enterprise and lifelong learning department is the lead department for the SQA. The purpose of the committee and others is to find ways in which things can be improved, but I think that the structure has not contributed to any confusion or to any overlap or duplication of ministerial responsibilities or involvement.

The Convener: I have a practical question. Mr Galbraith said that it would not have been right to sack the board at the time of the crisis, but he clearly left open the option of sacking the board, in total or in part, once it is clear what did or did not happen. Is that a decision for you or Mr Galbraith to make? Obviously, whoever made the final decision would consult with the other, but who decides on board membership?

Henry McLeish: As the sponsoring minister, I would make that decision. However, the

appointments to the board are signed off by the First Minister. Previously, they were signed off by the Secretary of State for Scotland. It may be useful to emphasise the extraordinary nature of the SQA. Among the 136 bodies that we could describe as organisations for which we are responsible, the SQA is quite unique. I give it £1.2 million for accreditation, but 85 per cent of its total income comes from public services. It has a unique structure. The "Management Statement and Financial Memorandum" and the Education (Scotland) Act 1996 make very clear distinctions about who does what. The membership of the board is certainly within my preserve.

The Convener: Do you agree with the Minister for Children and Education that now is the time to consider the membership of the SQA board, given what has happened in the past three or four months?

10:15

Henry McLeish: I agree with the Minister for Children and Education. You could ask about the board, but I think that we must look further. The extraordinary situation surrounding the problem has been described in evidence to various committees. The serious failure was within the SQA, and senior officials have reported that they did not know what was going on. The board has nearly 20 members and six committees attached to it, and there are liaison meetings between SQA and Executive officials. The chain of command is clear, and I suspect that consideration of the board would have to be part of this committee's deliberations. However, we need to go further to restore public confidence and ensure that everything possible has been done to avoid such a situation in the future. Perhaps I shall be able to explore that idea with you later.

Allan Wilson: The focus has been on the effect of the situation on schools, but we have heard that its effect on further education colleges has been equally disastrous. You mentioned the importance of year-long accreditation to the whole concept of lifelong learning. How would you improve future governance to give FE colleges—which are important stakeholders, as both customers and contributors to the education service—influence over it?

Henry McLeish: Further education colleges have a vital role to play in this, but there was less drama associated with the colleges, as they are involved in a continuous processing of HNCs and HNDs and the accreditation of a myriad different organisations that are seeking qualifications. The drama occurred on 9 August: that was when the crunch came.

The colleges have done an exceptional job in

dealing with the situation. Because there is not a big bang on one day in the year for them, they have been able to cope. They also took practical measures early to ensure that nobody was given incorrect data. If there was any implication that anybody was going to be sent incorrect data—or no data—those data were not sent. I have nothing but praise for the FE colleges, which face a different kind of problem.

Earlier in the week, I had the privilege of speaking to the new chief executive of the SQA, not just about this, but about the whole series of issues that we share. One of the difficulties that we face concerns the timing of the different inquiries—this committee's deliberations, the Deloitte & Touche inquiry and Bill Morton's review within the SQA. The timing will be crucial, because of the unique nature of the SQA.

There must be accountability; that is an issue that we are discussing this morning. The interesting point about the SQA—it was debated prior to 1996 and has been debated since, although there has been no agreement—is that it carries out both accreditation and awarding. The situation is not the same in England. This committee may want to consider how we can reassure the public, the educational stakeholders, the parliamentarians and ourselves that there is probity and efficiency in the SQA. I suspect that some quality control assurance mechanism could be put in place which need not be lodged within the SQA.

Currently, there is an accreditation committee within the SQA, but that committee considers only SVQs and the college side—it has no locus over the school examinations side, which involves highers and standard grades. We might want to say, "Okay, the governments are responsible," but we might need to consider an intermediary. I think that Sam Galbraith raised that point. We could call them a commissioner or some new organisation. To use a popular soundbite, we could create an examinations tsar, whose job it would be to ensure that the quality control assurance systems covering managing systems, data systems and all of that would be properly focused.

That is one idea. I have two or three other ideas, but that may be the kind of measure that we will want to consider. It is not a novel idea. Over the past few years, there has been debate over the appropriateness of one organisation being responsible for every aspect of examination awarding and accreditation.

Allan Wilson: I take that point. The Minister for Children and Education said something not dissimilar earlier. However, if the college principals, the president of the EIS and the chairman of the Confederation of British Industry were on the board of the SQA—all of whom

brought distinctive qualities to that board—but were unable to foresee or prevent such a crisis, how would the intervention of a commissioner have prevented it?

Henry McLeish: The SQA is unusual in being packed with stakeholders. A lot of the stakeholders are the people who pay for 85 per cent of the SQA's budget. Perhaps there is nothing wrong in that. However, I would like to think that there was a unique set of circumstances.

The SQA had a board of 20 and a huge superstructure of committees, and all the stakeholders insisted on being represented on the SQA at an early date. There was also the Government, with officials and a lot of complicated networks. I am not convinced that the present set-up provides for the sharpest possible transparency and accountability, which—at the end of your deliberations—you will request. I am slightly angry about the current situation.

If we decided to have a completely different set-up, with a commissioner or an intermediary body, it would have to be based on sound thinking. We would have to keep on board the stakeholders, who feel that they have a vested interest, while ensuring that the internal structure of the SQA and its board mechanism was in tune with the wider aspirations that this committee will have.

Allan Wilson: Would you separate the accreditation function from the wider awarding function?

Henry McLeish: With respect, the Executive and this committee will consider that matter. The accreditation concerns only vocational qualifications—SVQs and the college side—because of the nature of qualifications accreditation. A large number of outside organisations also need to get their examinations systems accredited, and the accreditation system may need to look overboard.

In England, a distinction is drawn between the quality control and assurance side—which concerns probity and efficiency—and the awarding agencies, of which there are three in England. At this stage, that is an idea. When we have received all the other reports and details, we will have to wait before we can assess the implications for governance.

Miss Goldie: I want to address the broad issue of governance and ultimate responsibility to the public. I raised the matter with the Minister for Children and Education, concerning where ministerial responsibility stops and where the operational responsibility of the SQA begins. There was agreement that we should consider redefining the line. Do you have a view on what the ministerial role is in relation to a body such as the SQA, concerning public accountability when

something goes drastically wrong?

Henry McLeish: Yes, I do, and I heard the exchange that Sam Galbraith was involved in.

In the NDPB structure, the authority to control comes from the Education (Scotland) Act 1996. There is then the "Management Statement and Financial Memorandum". Then I, as the lead minister, am charged to have one meeting a year with the organisation. At the meeting on March 6, there was no discussion whatever about anything other than forward programmes, qualifications, staffing issues and resources.

That is the current structure. Below that come quarterly liaison meetings; below that comes a series of other meetings with stakeholders. An elaborate process is therefore at work, but the system did not pick up in so far as the collapse within the SQA was not avoided. The chairman and retired chief executive of the SQA have at least had the courage to say that they may have been misinformed, misled or simply lied to by other staff.

I agree with Annabel Goldie that we need to be accountable, but the question is how. Sam Galbraith was asked when and what he knew. If the people at the top of the SQA structure, if we can believe them—and I do—did not know what was happening, and considering the chain of command or line management right through to the top, my anger and fury at the situation is understandable. We are charged with being accountable and responsible but, in a sense, that is difficult.

Annabel Goldie asked whether the terms of engagement need to be reviewed. Yes, I think they do. She asked whether we need to consider new parameters. Yes, we do. However, I return to a point that I made in response to Allan Wilson: that, in doing that, it may be that the governance issues as I have described them did not have a great deal—or anything—to do with the serious meltdown in the SQA. Nevertheless, this committee and I have a vested interest in reassuring the public and everyone else concerned that this situation must not happen again. That is one of the urgent issues that we are all trying to deal with.

Miss Goldie: To return to a point that Mr Neil alluded to at the beginning of the meeting, is it possible that confusion does arise out of the dual ministerial involvement? You, minister are the sponsoring minister. As I understand it, that means that if any reorganisation of the SQA board were necessary, that particular buck stops with you. Is that technically the situation?

Henry McLeish *indicated agreement.*

Miss Goldie: The day-to-day awareness of what

is happening in the SQA with particular reference to examination results is, however, very much the responsibility of the Minister for Children and Education.

Henry McLeish *indicated agreement.*

Miss Goldie: The public would be forgiven for asking whether anyone takes responsibility for anything—or is there just an eternal buck-passing? As far as the Government and the parliamentary political process are concerned, the SQA is an autonomous, independent organisation; as far as the SQA is concerned, it is merely charged with doing the work that is laid upon it by Government policy.

Henry McLeish: The divorce or distinction between policy areas is very clear. As Annabel Goldie rightly said, the lead minister is me. Therefore, the changes in the structure of the SQA—most of which will require parliamentary approval, so the Parliament will be involved—rest with me. The day-to-day work activity, however, is based on policy areas. This is crystal clear. I do not deal with anything in schools—although some higher stills and other certificates cross boundaries. I deal with the further education side. In that sense, there is no confusion whatever, and I do not think that that distinction in responsibilities had anything to do with what happened within the SQA.

Annabel Goldie also asked about redrawing some of the lines. In my view, there is no confusion at ministerial level, nor is there confusion as to the sponsoring department and lead minister. Without buck-passing, Annabel—this is a serious issue and we need to get it resolved for the public—we must, if we want real accountability within this Parliament and the Executive, look further at the chain of command that I described, to see whether a number of things have to be done.

In the future, some other people—God forbid—might be sitting in our positions. It is enormously frustrating to sit in the Executive and see something that some people have described as catastrophic happening in the SQA. The system did not pick that up earlier to enable—even at that late hour—remedial action to be carried out that might have mitigated some of what has happened.

10:30

Dr Murray: Who has the power of direction over the SQA? Is it you, Sam Galbraith, or both?

Henry McLeish: It is both. There is a Cabinet and an Executive, so other ministers would be involved, but in respect of directions under section 9 and other sections of the Education (Scotland) Act 1996, Sam Galbraith and I would discuss it

first.

In respect of what Sam Galbraith said to the committee about what someone described on the radio this morning as the nuclear option—I think that Sam took it up—it requires an extraordinary set of circumstances and an extraordinary set of consultations and discussions for it to be used. I think that it has been used on only one occasion, in relation to CalMac. The non-departmental public body involved has recourse to a set of legal measures to resist. It is very complex. It is ministers who would activate it if it was required.

Dr Murray: In order to expand our information on the processes, we took evidence last Friday from the Scottish Higher Education Funding Council and the Scottish Further Education Funding Council. Those are also NDPBs under your jurisdiction. There seemed to be much greater clarity of direction contained within their financial memorandums and in the management statements in respect of what ministers require of the organisation and what information is required to be supplied to the Executive. Evidence was given of four letters of guidance from yourself to the SHEFC in regard to several policy areas.

You mentioned that the SQA is unique as it is 85 per cent funded by other public services, whereas the SHEFC disburses a large amount of public money that is provided directly by the Executive. I assume that that is part of the reason why things are different. Would the SQA—and/or whatever alternative quality assurance body may be set up as a result of what happened—benefit from clear directions about the information with which ministers should be supplied? Should harder information on performance be required more regularly?

Henry McLeish: Collectively, I will say yes to most of Elaine Murray's questions.

The SQA has fallen down in three ways. First, it deals with a sensitive matter on which there is a crunch day once a year, and the risk management issues had not been dealt with effectively. Secondly, within any organisation, there is the issue of leadership. It is difficult for us, but it is about performance targets and outputs. Thirdly, there is the issue of management information and data processing.

I have a budget of £2 billion; this committee oversees all of that. It goes to four or five organisations: the SFEFC; the SHEFC; Scottish Enterprise; Highlands and Islands Enterprise; and the Scottish Tourist Board. Those are huge organisations. The SHEFC spends £700 million of public funds. My concern is that there could be a catastrophic meltdown in any of those organisations, God forbid. I am keen to encourage the committee to examine the SQA, because that

is in its remit, but there are bigger implications for the way in which the Executive deals with big spending agencies, some of which are more tied in to what we are doing than others through detailed information and guidelines.

In responding with a yes to Elaine Murray on those issues, I will say that I think that the matter relates to Annabel Goldie's point about redrawing, redrafting and redefining. Committees want ministers to be openly and transparently accountable; I agree entirely. However, I am afraid that the systems that are in place do not provide for the clear edge that the committee wants and which, as a minister, I certainly want. I will still finish by saying yes to most of the questions that you posed.

Dr Murray: Do you feel that a commissioner role would assist in clarifying those directions? The SHEFC said that it had clarity in the management structures as well, which seemed to be a result of the way in which they were set up. How do you see the commissioner role helping that?

Henry McLeish: The idea is not to delegate any absolute responsibilities to anybody else. At the end of the day, the buck stops with all of us: the Parliament that we fought for and the Executive. However, I come back to the distinction of roles. The SQA is a complex organisation, which performs a number of functions. I am not convinced—especially in view of the serious failure—that we have systems that can track those functions at present. We need some person, body or organisation—whatever we want to call it—to consider the quality assurance side.

If that were in place—not the 500 people employed by the SQA, the 20 members of the board or the six committees—it would report directly to ministers; it would not undermine the independence of the SQA as the examinations authority. We would be saying that a certain person is charged with enormous responsibility to deliver. There would be a more direct link to the Executive. No absolute responsibility would be delegated; however, it would ensure that we were getting some check from experts on what was happening, while at the same time, we hope, helping to reinforce public confidence in the system, which is what worries me.

Ms Margo MacDonald (Lothians) (SNP): I am concerned that you would be looking for information from experts, who would check what the experts are already doing. The SQA board is chock-full of experts—experts, rather. *[Laughter.]* Perhaps we should export them, but who would take them in?

Henry McLeish: I deal with exports in the portfolio as well.

Ms MacDonald: Talk to me about that another

day.

Tell me straight: should we infer that you consider that the SQA is clumsy and inefficient?

Henry McLeish: I know that you want a crisp answer to this, Margo, so let me explain. There is no doubt that, since the genesis of this new organisation, there have been tensions. When you refer to the people on the board as exports rather than experts—

Ms MacDonald: I am coming back to that.

Henry McLeish: In a way, they are stakeholders as well. I am not apportioning blame, but I am not convinced that we have got the mix right. I take your general drift—what happened earlier this year is justification for serious concern.

Ms MacDonald: While I am glad that the committee and your department will consider future structures, we have to inquire into the immediate past and what the present structure has achieved or failed to achieve. What I took from your answer was either that the SQA is clumsy and inefficient, or that the stakeholders and the board—because they had such a vested interest to protect—did not use the six committees or all the meetings that they must have had, networking with each other, to voice the fears and to tell the truth about what was happening on the ground.

Although I appreciate that as minister you may not have been given the information by the board that you might have been, other people were saying that the system would not work. The department and the board, therefore, were being informed by other sources that not all was well. Either they were stupid or, as you said, someone was lying. Is the manager to blame because they did not find out that a lie was told, or is it the people who told the lies who should be sacked?

Henry McLeish: Forgive me for being slightly more delicate, but I would rather talk about the systems and the processes involved. I agree with you that, at the end of the day, we need solutions that will take us forward.

There is a question that I often pose myself. We have an NDPB with a structure that allows 85 per cent of the budget to be paid for by other public funders, a board of 20 people who are mainly big stakeholders, and six committees, one of which is an accreditation committee on which I spend £1.2 million to give it a remit over SVQs. We have had the Education (Scotland) Act 1996; we have had the “Management Statement and Financial Memorandum”; we have had countless meetings with stakeholders and quarterly liaison meetings. That system has clearly not worked for the current difficulties.

On the other hand, Margo MacDonald asked a question for which I have some sympathy: have

we managed to get this right since 1996? I firmly believe that we need an independent examination authority that is not corrupted or influenced by Government. What we have just now is simply not working.

George Lyon: We have heard from the SQA board, the ministers and Ron Tuck. The organisation had severe problems right throughout the year. The risk analysis was flawed, because the organisation did not state what its objectives were. However, I find it hard to believe that no one picked up on the concerns in the organisation. As the minister responsible, do you have any concerns about the management style of the former chief executive? If he claims that he has been lied to because the information did not come back up through the system, there has to be some reason why the people below him were either afraid or unwilling to relay those concerns to someone outside the system.

Henry McLeish: Your description is accurate. The Government oversees many bodies, and either the Administration or the organisation appoints someone who is charged by the board to implement particular policies. In discussions with us and other committees, the claim has been, “I did not get information from people further down,” which means that there was something wrong with the organisation’s internal system. I have been in politics for a long time, and have been astonished by that situation.

Let me briefly explain. Until March 2000, it was business as usual. As 9 August approached—which is an important date in the lives of young people and their parents—there were clearly intense discussions and dialogue. However, we did not have a serious indication of the problem until 26 June, because these guys always said that it would be all right on the night. We never considered deploying section 9 of the Education (Scotland) Act 1996, because no one in the system said to me or my officials, “Look, we have a serious problem and need this, that or the other.” I met the SQA people on 6 March and we discussed more money—which they received—qualifications and personnel. As a result, it is easy for me to sit here and say that I am astonished. However, that is not good enough, and I sign up to all the points that you, Margo MacDonald and Annabel Goldie have raised: we must investigate the organisation and the chain of command and whether the guidelines need to be redrafted. That is how desperate the situation within the SQA has been, with all the problems that we now face.

George Lyon: Until the internal inquiry and the Deloitte & Touche report are complete, we will not have all the answers, and the committee will have to take a view on the situation in our discussions.

Meanwhile, thousands of children, including one

of my own, are now in the process of studying for their higher still examinations. Given the complete failure of the system internally last year, what assurances can you give to those children and their parents that action has been taken inside the SQA to deal with the problem of higher still examination results this year?

10:45

Henry McLeish: I am glad that George Lyon has raised that point because, in a curious way, we all have a vested interest in making sure that what happened this year does not happen again. I am concerned that we should rebuild public confidence and reassure the young people who are now starting the process—through my family, I know the pressure that they are under.

The internal review that is being conducted by Bill Morton is at work day in, day out. The organisation needs to move quickly, as time is not on our side. To reinforce public confidence, the issue of the commissioner might have to be considered sooner rather than later—that is not a discourtesy to the committee inquiries and the reviews that are going on.

We are working with all the stakeholders to ensure that all the problems that have been identified are dealt with. A tremendous urgency is caused by the fact that people have already started their courses—it is not just the exams next May that are important. I do not suggest that the committee will be able to get all the answers to all the problems that have been thrown up but, on the other hand, the point about public confidence is crucial. Today's meeting can play a part in sending a message to the community that the committee, the minister and all concerned want to tackle the problems and do not want youngsters to experience the distress that they experienced this year. Everything that the Executive does will be aimed at ensuring that the situation does not arise again. The committee could help us by speeding up consideration of issues that we have discussed today.

George Lyon: Does that mean that Bill Morton is taking action on some of the discoveries that he has made as part of his internal inquiry? Given that the process started in September, will the key issues be addressed?

Henry McLeish: It is important that the committee knows that Bill Morton is a tough guy. I can tell you that big sticks are being wielded in that organisation as he conducts a thorough examination and review of what needs to be done. We are also bringing in as director of operations one of our other people from the enterprise network who knows the business. There is an assurance that the questions that the committee

has raised are being dealt with immediately. I want to reassure the committee and the country that, because many reviews are taking place—Deloitte & Touche and so on—progress is being made hour by hour and day by day to tackle the problems that George Lyon outlined.

Marilyn Livingstone: This morning, we have talked about how we can get accurate information. As George Lyon says, students are already enrolling and further and higher education establishments have a major exam diet in December. What confidence do you have that the information that we will get from the SQA will provide us with an early-warning system if we need one again?

Henry McLeish: Part of the review that Bill Morton is conducting deals with the lines of contact with the colleges, schools and other bodies that are involved. We need early-warning systems but, following the debacle, we first need to ensure that the system is in place that will deal with the material that will come from the schools and colleges.

What is happening is not rocket science. Bill Morton has a good handle on some of the basic things that did not happen. The benefit of having him in the organisation is that he will not be distracted by lofty ideas that call for us to take a long time to look at things carefully. He is in there with a huge broom and he is going to deliver.

We are in close discussions with the further education colleges. They have performed magnificently. Their time scales are often extended and there is no great pressure on them. Our relationship with them will result in the kind of satisfying points that Marilyn Livingstone has described.

Marilyn Livingstone: When we took evidence from the Association of Scottish Colleges last week, one of the things that we talked about was what you described as the "elaborate process" of operations below the level of the SQA board. We talked about some of the stakeholders' liaison meetings. How can that process be strengthened so that information coming into the liaison meetings below board level is passed on to the board? At the moment, that does not seem to be happening.

Henry McLeish: My first answer to that is that there is too much bureaucracy, which gets in the way. If we have an elaborate system that does not work, it clearly needs to be reviewed. We might not need such an elaborate structure if everyone in the system knew what his or her task was. There are two levels. The first is that of the liaison groups between the Scottish Executive, the stakeholders and the SQA. The second level is the myriad other discussions that relate to different

issues.

Data processing between the colleges and the SQA has been a problem. That problem has been coped with, partly because of the enthusiasm of the colleges and partly because they do not have a definite time scale. The colleges have been magnificent. On the other hand, we must ensure that stakeholders are not involved just for the sheer hell of it, or simply to protect their interests. I make no criticism of any board member. However, a structure has been created and members fill certain positions within that structure. It is the structure that is the problem, rather than the personalities that occupy it.

Marilyn Livingstone: One of the things that we asked the ASC was whether it would keep us up to date on the impact on their financial position and student recruitment. Further education colleges are pivotal to the lifelong learning strategy. Are you involved in monitoring the situation and can you give us an update?

Henry McLeish: Yes. When the extent of the problem became clear, I talked to Tom Kelly and had discussions with the universities. At that point, I was keen to reassure them that I did not want any young Scot to be disadvantaged by the extraordinary situation. I have been pursuing that ruthlessly. We gave the universities several things: the cap on the penalties was eased and I said that we would consider financial support for students who were taken on as a result of the debacle. I extended the same opportunities to the colleges. Both organisations were happy to accept that.

Let me be blunt, convener. We will pick up the tab. I was convinced of the fact that we did not need fancy words or qualifications. I expect SHEFC and SFEFC to act sensibly and responsibly and if they do, no young Scot will be disadvantaged. The indications are that the number of Scots in universities in Scotland will be higher, despite what has happened. I want to put on record that that is because of the work that was carried out to ensure that the universities and colleges have not been penalised financially and that they are recompensed if they have had to take any extraordinary steps.

Fergus Ewing: Mr Galbraith told us that he became concerned about reports that he received from schools and colleges in March. Those reports told of problems with the electronic transfer of information to the SQA. Can you advise the committee when you first became aware of the problems with the electronic transfer of the information from schools and colleges to the SQA?

Henry McLeish: I said that, until March, when I met the chief executive and chairman of the SQA, we had very little discussion about anything that is

germane to the current issue. Between March and late June, there was a certain intensification, particularly as August drew closer. Although at that point problems had been thrown up publicly and privately about markers and exam candidates, every time officials discussed that with the SQA, they were told that those problems were being tackled and dealt with. It was only after 26 June that there was an accelerated involvement of Executive officials—at that point it was plain that serious issues were emerging that had to be dealt with.

Fergus Ewing: For what it is worth, my own tentative view about where the inquiry should go is that a solution will not be achieved simply by introducing a new structure or a new schedule of meetings. Any solution would include listening more to the practitioners—teachers, lecturers, colleges and schools—than to the bureaucrats and administrators. The practitioners know when things are going wrong, because they have to deal with the system every day. Do you agree that that would be part of a sensible approach to the solution that we seek?

Henry McLeish: It is not often that I agree with Fergus Ewing in other arenas, but he has made a fair point. The current structure plainly does not carry information for a variety of reasons. I have great faith and confidence in teachers and in schools and colleges. The committee might want to consider—ministers will certainly do so—how best to take more seriously the comments of teaching professionals and harness that information and act on it.

Fergus's suggestion is worthy of consideration. We need unity in education. Recent events have been disruptive and have set back public confidence. Perhaps the committee can help us to rebuild confidence, get the people who matter more involved and eventually get a system that we can all take some ownership of and some responsibility for.

Fergus Ewing: If you agree that we should listen more to the practitioners, do you also accept that there was a failure on the part of the Executive to listen last autumn to petitioners who informed the SQA—and, according to Tom Kelly's evidence, the Executive—of problems in compiling the register of students? If you were aware of those warnings, should not you have been concerned? Were not you advised by civil servants that, unless problems in electronic transfer of data were resolved, there would be serious ramifications for the certification process?

Henry McLeish: I was not aware, at that point, of the problems that Fergus Ewing describes. However, for the new set-up towards which the SQA is working, electronic transmission becomes crucial. All that I can say is that colleges have

been working on that for some time and are still working on it—we want to get the system's procedures working again.

Every time we addressed points that were brought to officials, to Sam Galbraith or to me, they were batted straight back to us with the promise that our concerns were being recognised and that everything would be all right on the night. That is what makes me really angry. It was the inability to break that down that resulted in such understandable frustrations about who knew what and when and what they did about it. I share the committee's frustration about that.

Sam Galbraith has been constructive in saying that there is nothing to hide. The proposal that he should meet the convener and clerk of the Education, Culture and Sport Committee to ensure that the information is available illustrates that we are all pushing for the same things.

Mr McNeil: You mentioned the issue of public confidence and political leadership in this situation. This morning you have said that there was no confusion between you and the Minister for Children and Education about the division of responsibilities. Do you accept that there is confusion among the general public, even in the SQA, about who the master is? We have been told that you are both accountable, but that neither has direct control over the SQA. As we move forward, does the question of split responsibility need to be re-examined to improve governance and restore public confidence in political leadership? The current arrangement might be unsustainable.

11:00

Henry McLeish: There is no confusion about policy. The fact that the Enterprise and Lifelong Learning Committee is considering this issue and shadowing my department indicates that the Minister for Enterprise and Lifelong Learning is the lead minister. The ELL department is the sponsor of the SQA. I do not think that there is any confusion. I can imagine that there might be confusion in the SQA, but I want to dispel any concerns. The lines of policy demarcation are very clear. Confusion about that did not contribute in any way to what happened.

At the end of the day, this committee, my department and Parliament will make any necessary changes in the governance of the SQA. That is why governance is the key issue for the committee.

Mr McNeil: If someone in the SQA is in trouble, to whom should they go—the Minister for Education and Lifelong Learning, the Minister for Children and Education or the board of the SQA?

Henry McLeish: The sponsoring department is

the enterprise and lifelong learning department. However, I do not interface with the SQA on schools. I interface with it, if necessary, on further education policy. That is quite clear and there is no dispute. We have different sets of officials who liaise all the time, but at the end of the day I am responsible for FE-related matters in the SQA. Sam Galbraith took the lead on this issue because of the implications for schools and for higher and standard grades. The committee, along with the Parliament and me, will decide on structural or other changes to its governance.

Elaine Thomson: Many of the issues that I wanted to raise have been covered, but I have one question. The SQA was pursuing a high-risk strategy but did not know it and its initial risk management appears to have been very poor. As far as I am aware, everything was done internally. Do you think that there might be value in insisting that, when they are implementing new systems or making organisational changes, NDPBs use standard project management techniques or bring in outside expertise to assist them in identifying risks correctly? That would allow them to plan to implement changes effectively.

Henry McLeish: I agree. One might ask why the organisation did not take such steps in the first place. Data processing and risk assessment are two areas in which we could share more details. That is one possible step forward, along with the idea of having a commissioner. The organisation must have the most up-to-date risk assessment techniques and management information systems. In Scotland and the UK as a whole, there is a great deal of expertise that could be brought on board. That can be deployed in future. These are crucial areas in which we need to make progress.

Nick Johnston: You have spoken about data transmission. It seems clear that data entry, data transmission and, to some extent, incompatibility of systems have led to this problem. Time and again in Great Britain, under administrations of every political hue, we have heard of horrendous problems that have been caused by computer software. Recently, there have been problems in the Ministry of Defence and the Passport Agency. Will the commissioning of the computer system form part of the inquiry that is to be carried out by Deloitte & Touche? Thus far we have not heard much about the suppliers of the system. Will they be named and shamed?

Do you feel that the board exercised sufficient control over the IT project? Secondly, as you are aware, Scottish colleges have extensive contracts abroad. Has your department assessed the damage that has been done to Scotland's examination and education system, and to colleges' overseas contracts?

Henry McLeish: On the latter point, I have done

no assessment, but my judgment is that those contacts have not been damaged. However, we can take another look at that. Clearly, we are concerned with ensuring that the reputation of the examination system, which is integral to education in Scotland, is enhanced. That is a challenge for us all.

I am not an expert on IT systems, but the Deloitte & Touche study will examine the data systems. That is an issue of interest to the committee. You are right that there have been amazing issues regarding Government IT projects ranging from social security to defence but, on the other hand, this is the 21st century and an amazing amount of expertise has been taken on board. Whether we put that expertise in the instructions that we give, it would be second nature—because of the sensitivities that are involved—to have the best systems and to have them tested and use risk management.

The committee might look further into why that did not happen, but from what I gather, we are talking about a failure to assess risk, management failures, and information systems failures, but at the end of the day all the studies that are being done will confirm whether what I say is right or wrong. It is a huge and important problem, and again it throws up the fact that we are becoming so dependent on information systems that we have to get them right. Plainly, in this case we did not.

The Convener: I would like to ask a question about the financial governance of the SQA, because in his evidence to the Education, Culture and Sport Committee on Monday, the chairman—Mr Miller—indicated that the SQA was now over its budget for the exam diet by at least £600,000. I have been told since that the figure might go up to £1 million. When he was asked how he was going to finance that, Mr Miller said that the SQA was going to approach the Scottish Executive. Has the SQA done that? If so, how much has it asked the Executive for and what is your likely response?

Henry McLeish: I cannot answer that question, because I do not know the answer to it, but I can find that information.

There is a curious relationship. We put £1.2 million into the accreditation system, and 85 per cent of the SQA's £27 million comes from other public funders. If there are difficulties, I am sure that the stakeholders will be reluctant to come up with the money. All that I can do is assure the committee that nothing that we do now should hamper that organisation in getting back to some normality. If a request has been received, we will look carefully and sympathetically at it, because I do not want anything to be done now that jeopardises what I hope will be the SQA's recovery.

The Convener: Are you satisfied that the IT systems that are in place can handle future exam results, the processing of accreditation and so on?

Henry McLeish: I will return to a point that I made about the Bill Morton review. Clearly, we value everything that is happening. Many reviews are taking place, but the review inside the SQA will be crucial because we cannot wait for months while we deliberate, discuss and decide. We need to make right what is wrong. Bill Morton is in close contact with the people who are supplying data to get the systems right. I assure the committee that he has undertaken the task with a great deal of vigour. If the broom needs to sweep clean through this organisation, it will.

The Convener: Finally, Mr Miller made the strange comment to the Education, Culture and Sport Committee on Monday that the SQA would not go bankrupt because of its ownership of Hanover House in Glasgow. Can you guarantee that the SQA will not go bankrupt?

Henry McLeish: You have that guarantee.

The Convener: With that we will conclude. I am sorry that we have run over time. Thank you for your evidence this morning.

Henry McLeish: Thank you for the normal courtesies that the committee has extended to me.

Rural Fuel Prices

The Convener: We move to item 4 on the agenda, which is the choice of reporter on the rural fuel price inquiry. The committee must agree on a reporter to replace John Swinney at the meetings for the rural fuel price inquiry. Are there any nominations?

Dr Murray: I was a little confused by this agenda item. It is the Enterprise and Lifelong Learning Committee's inquiry, therefore the Rural Affairs Committee reports to us, rather than the other way round. I am not sure exactly what we are supposed to be doing.

Simon Watkins: I offer my apologies for any confusion in the note. The committee agreed that four members would meet the oil companies and the Petrol Retailers Association in private. While there are issues of commercial confidentiality, the oil companies—following our initial meeting in January—offered to be more forthcoming about the breakdown of prices. John Swinney was one of the four reporters, but he has left the committee; the agenda item is the choice of his replacement and it does not concern the link with the Rural Affairs Committee.

The Convener: Is that satisfactory?

Allan Wilson: It is. A reference to the fact that the inquiry is on the differential in fuel prices would have been helpful—we would then have had a clearer understanding. I expect Alex Neil to take John's place on that inquiry.

The Convener: Is that a nomination?

Allan Wilson: I think it is.

The Convener: Thank you Alan. George, will you second me?

George Lyon: Yes.

The Convener: Are there any other nominations?

Fergus Ewing: What a popular guy.

The Convener: Are you talking about you or me, Fergus?

Allan Wilson: Obviously you are not popular enough.

The Convener: I declare myself appointed to the inquiry.

We move now into private session.

11:11

Meeting continued in private until 12:16.

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