

2009-05-14/BOARD/165

MINUTES

OSCR BOARD MEETING

Held on 18 March 2009 @ 9.45 am

Sheraton Hotel, Edinburgh

Present: John Naylor, Chair
Lindsay Montgomery, Deputy Chair
Martin Crewe, Board Member
Annie Gunner Logan, Board Member
David Hughes Hallett, Board Member
Iris McMillan, Board Member
Fiona Ballantyne, Board Member
Oscar Mendoza, Board Member

In attendance: Jane Ryder, Chief Executive
Judith Hayhow, Head of Resource Management
Kirsty Gray, Head of Monitoring & Investigation

		ACTION
1.	Minutes and Declarations of Interest The Board considered the Minutes of the meeting of 3 February 2009 and subject to minor amendment, approved them. No declarations of Interest were made by members.	

2.	Matters Arising	
2.1	<p>It was noted that Fiona Hyslop MSP had written to John Naylor in respect of the Ministerial Control of Colleges, identified as an issue by the Rolling Review. (John Wheatley College). A Modification Order had now been approved by Parliament in respect of the Further and Higher Education (Scotland) Act 1992, thereby allowing incorporated colleges of further education to maintain their Charitable Status. The Chair advised that he had sent a reply to Fiona Hyslop noting that John Wheatley College now met the Charity test, but advising that there were still Ministerial Control issues in respect of the General Teaching Council for Scotland.</p>	
2.2	<p>At its previous meeting, the Board had considered the situation in respect of the General Teaching Council for Scotland, and specifically what action to take given the time period which had lapsed since OSCR issued it with a Direction. Given that no formal restructuring proposals had been announced (post Crerar) it was agreed that OSCR would approach the Scottish Government directly, explaining the situation, and seeking clarity on what action and timescales the SG were working to in respect of the GTCS restructuring.</p> <p>Following the Board meeting, however, the Chair had met with Scottish Government officials, and discussed the situation, As a result of these discussions it was agreed that officials would consider the most appropriate actions and method for securing a resolution. The Board agreed that such an informal approach would be appropriate at this stage, but agreed that if there has been no response of feedback from Ministers by the May Board meeting, then a formal written briefing to Ministers, as proposed in February would be prepared.</p>	
2.3	<p>As a result of previous discussions in respect of Charities in financial difficulties, it was noted that the possibility of a 'Toolkit' referred to at the previous Board meeting, would be the subject of discussion between the Chair and Chief Executive, when they meet their counterparts from the Charity Commission later in the month. It was also noted that the Chief Executive will raise this at the next Charity Regulators Forum which is scheduled for</p>	

	the end of March.	
3.	Annual Report 2008/09	
3.1	The Board agreed that reporting in respect of 2008/09 should be by means of a both an Annual Report and Accounts, and a separate Annual Review Document. This format is consistent with previous practice.	
3.2	The Annual Report and Accounts offers a public forum in which to promote recommendation to Ministers, and is an appropriate platform for seeking non party political support. In light of this the Board considered a paper which had been prepared by the Senior Management Team and Senior Legal Officer following analysis of the CTI(S), which outlined recommendations in respect of (a) Removing Technical Difficulties to create a better operating environment for charities and for OSCR, and (b) improving public confidence by strengthening certain powers and closing loopholes. Following considerable discussions, the recommendations were prioritised, and agreement reached that the presentational format should be amended to provide more context/background information for each recommendation. The Chief Executive is to redraft the proposals for consideration by the Board in May.	Chief Executive
4.	<p>Audit Committee Minutes</p> <p>The Audit Committee Chair presented the minutes from the most recent Audit Committee to the Board, and gave an overview of the work carried out by the Committee over the past few months. Board Members noted that the Scottish Government had recently published comprehensive Audit Committee Guidance together with a self assessment checklist, which had been completed in respect of the OSCR committee. The outcome of that exercise had been favourable, and this will be reflected in the formal Audit Committee Review Paper which will be presented to the Board at its July meeting.</p> <p>The Audit Chair highlighted the fact that as a result of the recent Internal Audit visit, OSCR had been awarded an assurance category of substantial, the highest category, in respect of risk management, control and governance arrangements.</p> <p>Other points to note stemming from the Audit Committee related to Quality Assurance and Terms of Reference. The Board noted that the Audit</p>	

	<p>Committee had considered the OSCR Quality Assurance framework, and made suggestions which would be incorporated as part of the annual review process. Consequently, in 2009/10 is proposed that Board members receive information on the results of assurance checking, every six months. The Terms of Reference for the Audit Committee had been reviewed in accordance with the SG recommendations, and some minor amendments, primarily in relation to membership and lengths of appointment, had been made to the Terms. These were noted and approved by the Board.</p> <p>Looking ahead, the Board noted that the Audit Committee will consider the Annual Report and Accounts and Statement of Internal Control at its meeting in June. Following these considerations recommendations regarding the approval of both these items will be forwarded from the Audit Committee to the Board for consideration in July. (Together with the Audit Committee Review paper previously outlined).</p>	
5.	<p>Cross Border Monitoring</p> <p>The Board noted that the results from the consultation and pilot study into monitoring of dual registered charities had been very positive. There was considerable discussion on the Information Return form which we will be asking dual registered charities to complete, and subject to minor modification the Board agreed that the proposed monitoring regime be implemented from May 1st. (thereby picking up those charities with a 31st March year end date).</p> <p>It was noted that of the circa 530 cross border charities, there were 38 whose income was under £25,000, and who therefore do not receive any form of accounts check from the Charity Commission - this group will be required to submit accounts to OSCR. It was agreed the names of the charities that made up this grouping would be circulated to Board Members.</p> <p>Finally, the Board noted that all cross border charities would be advised of the dual monitoring requirements by letter, and that the OSCR website would be updated to advise on implementation. Appropriate Guidance for these charities would also</p>	Head of Monitoring & Investigations

	be prepared and published on the website in May.	
6.	<p>Integrated Reporting</p> <p>The Chief executive introduced the update paper which was a progress report on the project. The objectives for the project were confirmed as:</p> <ul style="list-style-type: none"> • Public: providing assurance and information that they wish to access • Charities: streamlining reporting and providing a rationale for what OSCR is doing • OSCR: determining the information that we will need, maximise what we have, examining the cost criteria and telling people what we do <p>A recent all staff meeting had provided valuable input to the options development phase, looking at improvements to both the Annual and Supplementary Monitoring returns; on line notifications. This had been supplemented by a pop up survey on the website, with encouraging participation levels and feedback.</p> <p>The Board agreed that any simplification would be good and commended the involvement of all staff in the process as they will ultimately be responsible for the delivery of any revised system. The publication of accounts could highlight some difficulties for smaller charities and it was felt that charities should be doing more to publish their report and accounts on their own websites. The Board viewed an on line facility as a likely probability and noted OSCR would needed to be alert to transitional arrangements.</p> <p>The appointment of a charities reference group to support the process was welcomed.</p>	
7.	<p>Chief Executives Report</p> <p>The Chief Executives report was noted and the performance statistics reviewed.</p> <p>The Chief Executive updated the Board that the fundraising regulations were anticipated to be laid in Parliament imminently. The Board were also provided with an update on developments within the Fundraising Standards Board.</p>	

8.	<p>Board schedule 2009</p> <p>The items for inclusion in forthcoming Board agendas include:</p> <p>May: Quality Assurance reporting Staffing Open meeting venue Public and charities surveys</p> <p>July: Omnibus of audit matters Advice and regulation Rolling Review progress report</p> <p>Nov: Quality assurance IT strategy SCIOs</p> <p>Updates on the impact on the 2010/11 budget allocation to OSCR would be factored in depending on the Scottish Government timetable</p> <p>Board member agreed to keep the day before the November meeting free for an informal day to cover training and update matters.</p>	
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