

MINUTES

OSCR BOARD MEETING

Held on 25 July 2006 @ 11.00 am

- Present:** John Naylor, Chair
Frank Kirwan, Board Member
Lindsay Montgomery, Board Member
Martin Crewe, Board Member
Annie Gunner, Board Member
- Apologies:** Iris McMillan, Board Member.
(IM provided written comments in respect of Agenda Item 7)
- In attendance:** Jane Ryder, Chief Executive
Kirsty Gray, Head of Monitoring and Investigation
Judith Hayhow, Head of Resource Management

ACTION

1. Minutes from previous meeting

It was agreed that the minute from the Board meeting of 12.06.06 should be amended to reflect the fact that although Lindsay Montgomery had not been present, he had submitted written comments to the Chair for specific Agenda items. The Chair reminded Board Members that should they be unable to attend any Board meeting, written comments on Agenda items should be provided to him in advance.

2. Matters Arising

- 2.1 Following the invitation extended after the Board meeting in June, the Deputy Minister had met the OSCR Board and SMT prior to the Board meeting. This had been a

ACTION

very useful discussion across a range of issues including the importance of resolving Trustee Indemnity Insurance and the need to progress with outstanding Regulations.

- 2.2 It was noted that signing of the Framework Agreement between OSCR and the Scottish Executive had been delayed whilst minor amendments requested by the Scottish Executive Finance Department were discussed. The Board agreed the amendments. It is anticipated that the document will be signed prior to the next Board meeting.
- 2.3 Following a meeting between the Chief Executive, Frank Kirwan and SE Audit Services, the proposed Service Level Agreement between the parties had been agreed.

3. Chief Executive's Report

- 3.1 It was noted that HMRC are proposing a technical amendment to the English Charity Bill which will extend to Scotland. Given the nature of the issue, OSCR consider that it would be more appropriately dealt with under a Finance Bill, and this has been advised to VIU who are progressing the legislative issues with HMRC. It was noted that a tripartite meeting between the Charity Commission, HMRC and OSCR is to be held towards the end of August, and feedback will be given at the next Board meeting.
- 3.2 The Board requested that electronic copies of draft Concordats between OSCR and other regulators be circulated to all members, with any sensitivities highlighted.
- 3.3 It was noted that the Chief Executive had been contacted by the Home Office in respect of an enquiry into 'Terrorist financing and the charitable sector, and that a meeting has been arranged for the end of July.
- 3.4 The Chief Executive advised that OSCR had issued its first Direction to a Charity. If the charity does not adequately respond to the Direction within a three month period the 2005 Act requires the charity to be removed from the Register.

ACTION

- 3.5 The Board was pleased to note that hard copies of Guidance on the new Accounting Regulations and Guidance for Charity Trustees will be sent to all charities in August.
- 3.6 The Board confirmed that they found the monthly performance statistics which accompany the Board papers very useful, particularly given that they cover such a broad range of OSCR's activities. It was noted that these statistics will be posted on the OSCR website.
- 3.7 The Chief Executive confirmed there were no outstanding action points from earlier Board meetings.

4. Update from Chair

- 4.1 The Chair reported that he had a very useful meeting with the Chairs of the Scottish Social Services Council, and Scottish Commission for the Regulation of Care, these organisations being co-located with OSCR in Quadrant House. The Chair looked forward to future discussions.
- 4.2 The Chair advised that he had met with the Head of Development Department, Nicky Munro, and invited her to attend an OSCR Board Meeting or more informal discussion. The Chief Executive will check on NM's availability for the next board meeting which is scheduled for October. **Chief Executive to invite NM to next meeting**
- 4.3 It was noted that NM is in the process of facilitating opportunities for the Chair and Chief Executive to meet those Scottish Ministers who have an interest in, and whose portfolios indirectly include charities e.g. Peter Peacock.

5. Declarations of Interest

The Chair declared an interest as a member of a Grant Giving Committee within the Scouts (Item 7 –rolling review). It was agreed that this matter did not preclude him from taking part in the Board's discussion, although for additional propriety FK would act as Chair during relevant discussions on that item.

ACTION

6. Chief Executive Recruitment

The Chief Executive and Head of Monitoring and Investigations left the meeting for this item.

The Board considered and agreed the Job Description and critical path associated with this appointment. It was agreed that the Chair would forward the appropriate information to the Head of Development Department to facilitate commencement of the recruitment process.

**Chair to liaise
with Head of
Development Dept.**

7. Rolling Review

Referring to the previous Board discussion the Chief Executive introduced the Rolling Review – further proposals paper. The paper addresses how the charity test should be applied to the 21,500 existing charities, the time frame for completion and the 5 key issues to be addressed in implementing the review namely prioritisation, evidence, assessment process, consultation & piloting and communication. The paper outlined the options in detail including recommendations for prioritisation based on the priority areas of risk, legislative direction, groups and random selection.

Each of the 5 key issues was discussed in detail. Iris McMillan's written input was considered as part of the discussion. John Naylor made a declaration of interest regarding the scouts, a possible priority group. Frank Kirwan chaired that part of the discussion re priorities.

It was clarified that for the rolling review the satisfaction of the charity test must include an examination of whether activities are consistent with stated charitable purposes, as well as demonstrating public benefit.

The sources of evidence outlined, including that gathered through the OSCR monitoring programme, were considered. Whilst it was accepted that the rolling review would primarily be an OSCR led desktop activity, it was **agreed** that on some occasions meetings and visits may be required. The Board also proposed a degree of random in depth testing of evidence submitted.

The Board **agreed** that all these aspects should be tested

ACTION

during the pilot phase.

The overall responsibility for the consultation process was debated and it was **agreed** that the responsibility should be with the OSCR Board to consider the results of the written responses, user groups, and pilots directly. It was further agreed that the number of pilots should be increased from 3 to 5 including a small charity.

The proposed prioritisation was debated at length and the Board **concluded** that the emphasis in the first phase should be on risk and legislative direction primarily, whilst retaining an element of random selection. Addressing large numbers was less important than risk. Examination of groups would therefore tend to fall into second phase from March 2009. It was **agreed** the cycle for the first rolling review should be 7 years, or faster if resources allow, and taking into account the period of consultation was scheduled to commence in June 2007.

Chief Executive & Head of Charities to refine the recommendations & circulate for approval with amended resource allocation

The timetable and communications plan with one minor amendment were **approved**.

8. **Corporate Plan 2006/07**

The Corporate plan had been developed from the key Objectives previously set by the Board. A number of additions and amendments to content were **agreed** by the Board. With these adjustments the Plan was **approved** for publishing on the website.

Corporate Plan to be published on website

9. **Corporate Planning 2007/10**

The key matters for discussion were the interaction with stakeholders, and OSCR staff and the time frame for completion.

It was **agreed** that there would be a substantive Board discussion on the Objectives for the 2007/10 Corporate Plan in October, which would also agree the final routes for engagement with stakeholders and staff. In issuing the 2006/07 Corporate Plan the Chief Executive would provide advance notice to key stakeholders of the proposed timetable, highlighting the opportunity after October to contribute to the Plan's development. The

staff would be informed accordingly. It was emphasised

ACTION

that it would be beneficial for the OSCR staff to have the chance to engage with all members of the Board and, that as a potential liP employer, the staff's continuing involvement with the corporate planning process was important.

The 2007/10 OSCR Corporate Plan is intended to be finalised no later than March 2007.

The Board examined the schedule for future meetings in line with known priorities and the Chairman collated other relevant topics from the Board members present to be incorporated into the schedule. It was agreed that the first annual public meeting of OSCR should take place in March or April 2007 to coincide with a full year of operations as a Non Ministerial Department, and to launch the 2007/10 Corporate Plan.

**Agenda item
for October Board
Meeting**

10. Audit Committee Report

The Board noted the report. The Deputy Chair confirmed that he and the Chief Executive had a satisfactory commissioning meeting with internal auditors who are to produce a 3 year plan and priorities for the first year.

11. Scrutiny Overview

The Board noted the overview, including the possible Implications for OSCR of the forthcoming Crerar Scrutiny Review.

12. Monitoring Programme

The Board noted the details of the Monitoring Programme, which had been the subject of Extensive consultation and 2 pilot exercises. The Board **approved** the monitoring policy. The Monitoring Programme was now being rolled out to all registered charities and the first tranche of approximately 10,000 charities with a March year end have now received their 2006 Annual Returns. Board Members expressed an interest in an onsite Demonstration.

**Board Members
to contact Head
of Monitoring &
Investigation to
arrange**

The meeting closed at 3.15pm.