

MINUTES

OSCR BOARD MEETING

Held on 3 October 2007 @ 09.30 am

Quadrant House, Dundee

Present: John Naylor, Chair
 Martin Crewe, Board Member
 Lindsay Montgomery, Board Member
 Iris McMillan, Board Member
 Annie Gunner, Board Member

Apologies: Frank Kirwan, Deputy Chair

In attendance: Jane Ryder, Chief Executive
 Marieke Dwarshuis, Head of Charities
 Kirsty Gray, Head of Monitoring & Investigation
 Judith Hayhow, Head of Resources

		ACTION
1	<p>Minutes from previous meeting</p> <p>The minutes of the 5 July 2007 meeting were approved. .</p>	
2	<p>Declarations of Interest</p> <p>Declarations of interest are as those indicated previously. There were no interests relevant to specific items for discussion.</p>	
3	<p>Matters Arising</p> <p>Annual report and Accounts: The next Audit Committee will take place on 21 November, and will consider the timetable and process for approval of annual report and accounts. Proposals from the Audit Committee to be agreed by the Board meeting on 27</p>	

	to confirm formally the previous policy regarding Trustee Indemnity Insurance.	
5	<p>Reporting and Audit</p> <p>The Board discussed the different audiences for and purposes of the Annual review, Annual Report and Annual Accounts.</p> <p>It was agreed that the Annual Review is a key communication tool with the sector and the wider public, whereas the Annual report is primarily a tool for communication with Parliament and Ministers. The documents should be tailored accordingly, and may focus therefore on different messages, but should be developed and published in tandem.</p> <p>The Board wishes to have an input into the Annual Review, but content for this to be signed off by Chair and CEO, whereas the Report which is laid before Parliament should be signed off by the Board.</p> <p>It was agreed that a plan should be drawn up that proposes the cycle for development and publication of the Annual review, and an Annual Report and Annual Accounts. There was discussion about the format of the Annual Report and how much discretion OSCR has, and how far the Accounts Direction to OSCR is prescriptive. The plan should also include consideration of the need and timetable for an annual update of the Corporate Plan (setting out more detail as required for yr 2 and yr3 of the three year plan at the start of these years).</p> <p>The Audit Committee will consider this plan at its meeting on 21 November, and discuss with Auditor, who is expected to be present at the meeting, whether proposals meet requirements. Any conclusion from the Audit Committee will be considered at the Board meeting on 27 November.</p>	<p>Head of Resource Management</p>
6	<p>Board matters</p> <p>Register of Interests: The Board agreed that the Register of Interests should reflect current interests, and previous interests which they, or members of the public, may still consider relevant in relation to their responsibilities as OSCR Board members. By way of guidance this is likely to include interests within the last 5 years but not before</p> <p>The Board agreed that all information provided may be</p>	<p>Head of</p>

	<p>published and it is assumed that permission from connected persons has been sought by Board members where relevant.</p> <p>Board Recruitment: Members were asked to provide comment to the Chair on the role and person specifications for new Board members. It is expected that the matter of remuneration for Board members will be resolved (one way or another) prior to the start of recruitment for new board members. The outline timetable for Board recruitment would see new Board members taking on responsibilities around March 2008.</p> <p>Future Board Appraisal: Board members agreed the appraisal format, and timetable, as circulated by the Chair. The Chair will now take this forward.</p> <p>Future Board meetings:</p> <p>The Board discussed the outline for Board meetings for the remainder of 2007, and for 2008. In addition to the issues set out in the outline in Board paper 94, it was agreed that time should be made to cover:</p> <ul style="list-style-type: none"> ○ Communications ○ Board training, in particular on the charity landscape ○ Regulations if there are major policy issues ○ Discussion of OSCR's regulatory role in relation to effectiveness and efficiency ○ The Crerar report <p>It was agreed there would be a meeting on the evening of 26 November, in Edinburgh. The Chair, after consultation, would consider what would be the exact topics for discussion.</p>	<p>Resource Management</p> <p>Board members</p> <p>Chair</p> <p>Chair</p>
7	<p>Chief Executive's Report</p> <p>The Board noted the changes in personnel and structure within the Scottish Government, and welcomed the fact that the Chair and Chief Executive had now met with most key personnel there. It was noted that a meeting would shortly be held between the Chief Executive and the Head of the Social Enterprise Team, at which the re-use of public sector information would be discussed.</p> <p>The procedure outlined in respect of the preparation and circulation of responses to Third party</p>	

	<p>Consultations were noted and agreed by Board members. Consequently draft responses to consultations will only be circulated to Board members for consideration if they raise policy issues. Otherwise, responses will be copied to the Board, for information, following submission.</p> <p>In terms of Operational matters, re Designated Religious Charity status, Board Members noted that letters had been issued to the 9 successful and 1 unsuccessful applicants, with a deadline of 2010 having been set for accounting compliance. In terms of investigations, the Board sought and received assurances that any potentially significant cases would be flagged to them at an early stage.</p> <p>The Board noted that a substantial recruitment drive had now been completed as a result of which, OSCR would be operating with an almost full staff compliment by December. It was noted that staff turnover rates have been low to date (below 10%), which is related to the fact that the organisation is relatively new and that there have been a small number of internal promotions.</p> <p>Following discussions on expenditure and reporting arrangements with the Justice Division, it was agreed that a paper would be brought to the November Board meeting which outlined the likely financial outturn position for 2007/08, based on current projections.</p> <p>There was some discussion on the Monthly statistics and the trends which were emerging – Board Members noted with pleasure that OSCR’s performance in terms of dealing with casework related issues was improving, and commented in general terms that they were impressed by the work which the statistics illustrated the organisation was undertaking.</p> <p>It was noted that there have still been no appeals of decisions taken by OSCR, to SCAP. (Scottish Charities Appeal Panel)</p>	
8	<p>Rolling Review</p> <p>The Board commented that media coverage in respect of the Rolling Review Pilot decisions had been largely positive and fair, adding that the Pilot Report seemed to have been well received.</p> <p>Board Paper 96 was considered by members, with the</p>	

	<p>following actions being noted:</p> <ul style="list-style-type: none"> ○ 'Meeting the Charity Test' Guidance is being updated, with a view to being launched for consultation by the end of the calendar year. Board members will receive a draft of the guidance by 10.10. 07 with comments being requested by 19.10.07. The final draft will then be considered by the Board in November, with the 3 month consultation commencing in January. It is hoped that the final version of the Guidance will be published in June. ○ In addition to the comprehensive Guidance on the test, the Board noted that it is also proposed to produce a concise/summary version, which will be issued with application packs; and also a series of Specific Issue examples which will be of interest to charities and practitioners in particular areas, and will, for example contain detailed information on subjects such as the activities of Registered Social Landlords; or the full detail of our interpretation of Ministerial powers. ○ The Board noted that 30 Charities had been selected for consideration under the second phase of the Rolling Review Pilot. It was acknowledged that these charities had been identified using a risk based approach to selection, and that the outcome of the reviews would, as for the first phase, provide some precedents for future Rolling Review considerations. 	
9	<p>Crerar report</p> <p>The Chair proposed that following publication of the Report, the Chief Executive provide an update, followed by Board reaction including Frank Kirwan's written comments, and then consideration of any appropriate OSCR actions at the present time.</p> <p>The Chief Executive updated the Board on discussions with senior staff within the Justice Directorate.</p> <p>The Board and Chief Executive provided individual reactions to the report, which were very much in agreement, and reflected on the issues arising as they affect OSCR.</p> <p>Subject to the conclusions of the parliamentary debate taking place on 3 October and Ministerial reaction to</p>	

the Report, the Board wished to record the following points:

- Agreement with the general thrust of the guiding principles of the report noting that the recommended principles are already included in the 2005 Act, and a number of other recommendations reflect OSCR's approach to regulation. OSCR is open to further development of working relationships with other scrutiny bodies and funding bodies and this is already identified as a key strategic objective
- Recognition that with a new administration and parliamentary session there is need to educate and inform MSPs and Ministers of the role and functions of OSCR and the background and wide support for its formation
- Acceptance that there may be confusion regarding the form and accountability of OSCR as a NMD. However this should not detract the need for OSCR functions, given previous history and indeed in light of Crerar recommendations
- A key OSCR function is the maintenance of the Scottish Charity Register and granting of charitable status which in itself is not a scrutiny matter
- Although OSCR is a public body, OSCRs regulatory role does not include local authority, or NHS public bodies and it was felt that only a limited number of 23,500+ charities in Scotland can be regarded as front line public services .
- OSCR's regulatory role encompasses significant voluntary income streams from the public directly and other non public sector funders, and the public assurance role is important

Agreed that the Chief Executive should keep the Board abreast of developments and that further communication and advocacy on this issue may be required by Board Members in due course.

The meeting closed at 1.15pm

ACTION POINTS:

Item 3	Amended forecast	see Board Paper 104
	Regulations	Programme has been discussed Further with Charity Law Team (see Board Paper CE Report)
Item 5	Planning for Annual Report	see report of Audit Committee 21.11.07
Item 6	Board Register of Interests	This has been published. (see (Board Paper 97)
	Board Appraisal	Chair has agreed dates and Undertaken most (see Board Paper 97)
	Board Agenda	see Board Paper 102
Item 8	Rolling Review	see Board Paper 99-101
Item 9	Crerar Report	see Board Paper 105