

MINUTES

OSCR BOARD MEETING

Held on 15 March 2006 @ 10.00 am

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

In attendance: Jane Ryder, Chief Executive
Judith Hayhow, Head of Resource Management
Marieke Dwarshuis, Head of Charities

Apologies: Kirsty Gray, Head of Monitoring & Investigation

ACTION

1. Minutes of Previous Meeting

The draft minutes from the previous meeting were discussed, and the format for future minutes agreed. Some amendments to the minute will be undertaken by the Chief Executive, who will then arrange for the document to be re-circulated to Board Members.

**Chief Executive
to circulate**

2. Registration and Declarations of Interest

Iris McMillan declared an interest in item 6 as she was a Board Member of Learning & Teaching Scotland.

ACTION

3. Matters Arising

3.1 OSCR Indicators of Success/Objectives.

Board members discussed what the OSCR indicators of success and Objectives might be for 2006/07. It was agreed that the flip chart notes from the discussion would be typed up and circulated to Board Members. The Chief Executive confirmed that the objectives would be embedded in OSCR's 2006/7 Corporate Plan.

Chief Executive to progress Corporate Plan

3.2 OSCR Communication Channels.

The Board considered paper Board 16. The content was agreed in principle, subject to minor amendment of detail, to be reviewed by the Chief Executive and Annie Gunner.

Chief Executive and Annie Gunner to discuss

3.3 Board Delegation

The Board considered paper Board/9. Some minor amendments to the wording of the Chief Executive's delegated powers were suggested, and these will be undertaken by the Chief Executive. Reviews and appeals would be agreed in May. For clarity, it was noted that the Chief Executive will alert the Board to sensitive regulatory decisions, but regulatory decision making is delegated to staff. The paper was approved subject to the amendments being undertaken, and it was agreed that a review would be undertaken in 1 year's time.

Chief Executive

Lindsay Montgomery left the meeting at this point.

4. Risk Management Presentation

The Chief Executive gave a brief presentation which outlined OSCR's approach to Risk Management, and the role which the Board could play in relation to OSCR's overall risk strategy. As previously agreed, the Chief Executive would meet with Deputy Chair to agree Terms of Reference for the Audit Committee, to discuss the Audit Committee's relationship with the Board, and to give thought to the aspects of risk which this committee might address.

Chief Executive to meet Deputy Chair re Audit Committee and wider issues of risk

ACTION

5. The Charity Test

5.1 Transition Arrangements

The Head of Charities gave a presentation which outlined the work done to date in establishing an accurate Charity Register.

She then detailed the transition arrangements which had been agreed with HMRC for processing new applications for Charitable Status. She also have an assessment of the risks in delaying any activity until 24 April. If the Board agreed the guidance at this meeting, OSCR staff could commence the detailed consideration of applications originally submitted to HMRC. The Board agreed that, subject to approval of the guidance, OSCR staff could contact applicants to request outstanding information/clarify matters in respect of ongoing applications, with immediate effect. This should help minimise any backlog that may arise during the transition.

Head of Charities

5.2 'Meeting the Charity Test' Consultation

The Board noted that OSCR has a statutory duty to consult on Meeting the Charity Test. The Board noted there had been extensive consultation over the past four months, with the independent evaluation of the consultation responses included in the Board papers. In addition these had been considered on 13 March by the Reference Group, which included appropriate representatives from the voluntary sector. The Reference Group recommendations were also considered by the Board. Furthermore OSCR had sought and received satisfactory legal advice in relation to the process. The Board also took into account all the relevant risk factors, including noting that the issue of guidance meets OSCR's statutory function of enhancing and facilitating compliance. The Board therefore formally concluded that it was appropriate for the Board of the new Non Ministerial Department to proceed to consider the issue of guidance.

ACTION

5.3 Decision Making Process

The Head of Charities confirmed, and the Board noted, that to ensure consistency a Quality Assurance system had been built in to the decision making and that the proposed process took account of the requirements for potential third party review of decisions.

The Head of Charities will circulate to Board Members a flow diagram which outlines the decision making processes.

Head of Charities

5.4 Rolling Review

With regard to the timing and structure of Rolling Review of existing charities, it was noted that further consultation with the sector will be required to facilitate decision making of a programme of activity. It was agreed that the principles relating to the Rolling Review would be discussed at the May Board meeting, with a view to identifying key discussion points/decisions which would require to be considered by the Board at its meeting in July, when the Rolling Review is likely to be a substantive Agenda item. Discussions at this point will be supplemented by information on any new applications which might have strategic or reputational issues for OSCR.

Chief Executive

5.5 Meeting the Charity Test Initial Guidance

The Board considered the guidance (Paper Board 13) in great detail. It was noted that at times the language from the legislation has to be used in order to avoid misinterpretation. Subject to agreed amendments, the Board endorsed the Guidance as Issue 1.

On this basis, the Board confirmed the decision making process in relation to applications for Charitable Status on 24 April 2006 should begin immediately.

Guidance to be published for launch on 24 April

Frank Kirwan left the meeting at this point.

ACTION

5.6 Draft Trustee Declaration

The Board considered and approved the proposed Trustee Declaration Form (Board Paper/14) subject to colour changes to make the text more readable.

Head of Charities

Iris McMillan left the meeting at this point.

6. **Charity Test Challenges**

Paper Board/15 was considered. It was recognised that the Tax dimension would be the responsibility of HMRC, and therefore outwith OSCR's jurisdiction.

The Board agreed the policy that where staff determined charities failed the charity test owing to Ministerial powers the failed group of charities concerned should be removed from the Register at an early stage.

7. **Consents and Notifications**

The Board noted the changes proposed from the original guidance. It was agreed to circulate it to Board Members for their comment and, if satisfied, for written Agreement. Such timely agreement would mean that processing of applications could begin in March, although formal decisions could not be made until April when OSCR received its full powers.

**Chief Executive
to circulate to
Board members**

8. **Board Meetings**

The Board agreed, after reviewing the volume of future business, to a Board meeting in June in addition to those already scheduled for 26 May and 25 July.

The meeting closed at 5.15 pm