

## MINUTES

### OSCR BOARD MEETING

Held on 17 November 2010 @ 9.45 am

Quadrant House, Dundee

- Present:** John Naylor, Chair  
 Lindsay Montgomery, Deputy Chair  
 David Hughes Hallett, Board Member  
 Annie Gunner Logan, Board Member  
 Oscar Mendoza, Board Member  
 David Harrison, Board Member  
 Kaliani Lyle, Board Member
- Apologies:** Fiona Ballantyne, Board Member
- In attendance:** Jane Ryder, Chief Executive  
 Judith Hayhow, Head of Corporate Services  
 Quentin Fisher, Head of Policy & Development  
 Martin Tyson, Head of Charity Services  
 Laura Anderson, Head of Enquiry & Investigation

		<b>ACTION</b>
1.	<p><b>Declarations of interest</b></p> <p>As Chair of the Scotland Committee of the Equality and Human Rights Commission, Kaliani Lyle declared a non financial interest in the Equalities Planning paper.</p> <p>David Harrison confirmed that as an employee of Edinburgh University, he had a non financial interest in that part of the Chief Executive's Report which mentioned the Edinburgh University Settlement.</p> <p>Lindsay Montgomery declared a non financial interest in the Integrated Reporting project, as the chair of the CGCope Supervisory Board, and a Member of the Scottish Government Procurement Reform Board.</p>	

2.	<p><b>Chairman's introduction</b></p> <p>The Chair opened the meeting by welcoming all present.</p> <p>He advised that interviews in respect of the appointment of a new Chair of the OSCR Board had now been held; adding that to the best of his knowledge, a recommendation regarding the appointment had now been made to the Minister.</p> <p>There was some discussion around the appointments process, and particularly the length of time it took. All agreed that the delays could potentially impact on the eventual availability of applicants.</p>	
3.	<p><b>Minutes of the meeting of 2 September 2010 and matters arising</b></p> <p>The Minutes from the previous meeting were agreed as a true and fair reflection of the discussions which had taken place.</p> <p>In terms of Matters arising, Board Members were provided with an information sheet which included details of the Cabinet Office training on Information Security.</p> <p>Re Integrated reporting, Members noted that the tender receipt date was 18.11.10, and that indications were that a number of tender submissions would be made. There was discussion around the timing of the financing of the project, and on the split of project costs between Capital and resource budgets. It was noted that where possible Capital expenditure should be minimised.</p> <p>With regard to the Communications Strategy, members re-iterated their desire to consider the Risk Register at the same meeting as that which they would next consider Communications, since a number of risks are mitigated by the Communications Strategy.</p>	
4.	<p><b>Corporate planning 2011- 2014</b></p> <p>Paper 248 on Corporate Planning was introduced by the Chief Executive, who outlined</p>	

that the discussion held and decisions taken would inform the 2011-14 OSCR Corporate Plan.

**a. 2011-14 assumptions and priorities**

It was agreed that OSCR's Vision was still appropriate for the Plan period.

Members considered OSCR's 6 current strategic objectives. They considered that the objectives relating to public confidence and transparency could be amalgamated; and agreed proposed wording changes to others. Moving forward, there will therefore be 5 Strategic Objectives. Members confirmed that the core values as presented were appropriate, but requested that specific reference be added to the recent Equalities legislation.

There was considerable discussion around the key assumptions for charities and OSCR during the Plan period, and members requested that the likely increased volumes of applications in respect of mergers and acquisitions, and also closures resulting from the current economic downturn, be added to the strategic assumptions for OSCR. Looking at the risks during the period, members requested that the possibility of increased fraud and abuse be added as a risk for both charities and OSCR. Subject to the above amendments, it was agreed that the Strategic Context as proposed was acceptable.

Looking next at the Direction of Travel to 2015, Members considered all areas of OSCR business, and discussed whether volumes were likely to increase reduce or stay the same. It was agreed that the volume assumptions outlined in the paper were correct, as was the direction of travel in general. However, it was suggested that narrative outlining what was and was not within OSCR's statutory remit be added, in order to dispel any incorrect assumptions in respect of our role, for example in the provision of tailored advice to individual charities.

Board members requested clear priorities for

**Chief Executive**

active compliance monitoring. International charities, because of the high risk of fraud, were regarded as a high priority by some Board members. Private schools should also be considered.

Moving on to resources, Members noted that whilst there did not appear to be any enthusiasm for the introduction of fees or fines by OSCR, this was an important policy issue which should be discussed by the Board in greater detail.

There was considerable debate around the nature and timing of the consultation around the Corporate Plan, particularly in light of the forthcoming Scottish Parliamentary elections, and the impending appointment of a new Chair. All agreed that the most appropriate way to proceed would be for the Board to consider and approve the draft Corporate Plan in February, and to launch a twelve week consultation thereafter. This would enable Members to be updated on any consultation responses at the April Board, and for the final Corporate Plan 2011-14 to be signed off and published in June.

#### **b. Performance Reporting 2011-14**

It was agreed OSCR was the producer body for the purposes of Official Statistics. It was agreed, in light of available NAS guidance that none of the data OSCR produced was an official statistic as envisaged in the Statistics and Registration Service Act 2007.

It was agreed that the KPIs should relate to strategic objectives (and not quantitative measures relating to casework) and would therefore remain essentially qualitative. These will be considered again by the Board as part of the next Corporate Plan discussion February. It was also agreed that the quantitative data that was collected under the current banner of monthly performance indicators was primarily for management and operational purposes and that these were required by the Board on a quarterly basis and by SMT on a monthly basis. Information for 2011 onwards would include information on the uptake of SCIOs. It was



	<p>had been received regarding the progress of the schools, and that a further update would be sought in January 2011.</p> <p>Regarding public benefit developments in England and Wales. Board members noted these and await the outcome with interest. The timing of any decision is currently unknown.</p>	
7.	<p><b>Audit Committee</b></p> <p>There were no particular issues arising from the audit committee meeting on 4 November.</p> <p>Audit Scotland will be OSCR's auditors from 2012.</p> <p>The Audit Committee had noted Audit Scotland's The Role of Boards report for which OSCR provided 2 of the 4 case studies. Feedback had been positive at the time of the Audit Scotland visit. There is no immediate action for the OSCR Board, but this may be a useful basis for discussion by the Board when the new Chair is in place.</p>	
8.	<p><b>Open Meeting issues</b></p> <p>The Board noted the paper and that it had been a positive Open Meeting. Two particular issues had emerged from the meeting:</p> <ul style="list-style-type: none"> <li>• Difficulties over the recruitment of charity trustees</li> <li>• A perceived need for education and guidance on financial reserves (which may affect eligibility for some sources of funding)</li> </ul> <p>Neither of these are directly issues for OSCR as a regulator. The recruitment issue will however be raised at an upcoming meeting with SG Third Sector team. On reserves, this must be an issue for trustees, appropriately advised, since it depends on a charity's activities and context. ICAS guidance may be of some assistance, while the charities SORP requires that trustees make some statement on their reserves policy</p>	

<p>9.</p>	<p><b>Chief Executive's Report</b></p> <p>The Board noted the Chief Executive's report.</p> <p>In respect of SCIOs, a draft response to the SG consultation is to be circulated to the Board on 22 November for comment and agreement.</p> <p>There was some discussion around the Civil Service Code noting the position of OSCR</p> <p>The Head of Enquiry and Investigation explained OSCR's role as part of the joint SORP making body which is responsible to the UK Accounting Standards Board (ASB) for the development of the Charities SORP in line with the ASB's Code of Practice. Work has now commenced on the preparation of the new SORP based on the new three tier accounting framework which is currently being developed by the ASB and which will converge the UK accounting regime with International Financial Reporting Standards.</p> <p>The Board noted that the most recent statistics reflected an increase in complaints about charities. The Head of Enquiry and Investigation explained that there were no discernable patterns or trends in this increase. It was suggested that the increase may simply be a result of an increased awareness of OSCR.</p>	<p><b>Head of Charity Services</b></p>
<p>10.</p>	<p><b>Any other business</b></p> <p>The Chief Executive spoke briefly to two papers provided for the Boards information: A graphic representation of a forward plan for the Board and SG guidance in respect of shared services which may impact on OSCR and other public bodies long term.</p>	