

## MINUTES

### OSCR BOARD MEETING

Held on 22 July 2008 @ 09.30 am

Quadrant House, Dundee

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

**Apologies:** Oscar Mendoza, Board Member

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

		Action
1.	Welcome	
	The Chair welcomed Fiona Ballantyne and David Hughes Hallett to their first Board meeting and Lindsay Montgomery in his new role as Deputy Chair.	
2.	Minutes and declarations of interest	
	The minutes of the 31 May meeting were approved.  The Chair, Annie Gunner and Martin Crewe declared an interest in respect of trusteeship of cross border charities.	
3.	Matters arising	
	The Chair reported on a very positive meeting with the Minister at the time of the Board appointments and confirmed	

	<p>that the Minister plans to meet with the Board in the Autumn.</p> <p>The Chief Executive confirmed the Board had agreed (by e-mail) to proceed to stage 2 of the affordability research which should therefore be available for the September Board meeting.</p>	
4.	Chief Executives Report	
	<p>The Board noted the contents of the CE report including progress of Scottish Government guidance on National Performance Framework and possible recommendations for scrutiny bodies. For the benefit of the new Board Members the Chief Executive provided a fuller oral explanation of certain items in Paper 131 including the monthly performance statistics. It was noted that OSCR budgets are considered by the Board approximately every four months.</p>	
5.	Annual Report & Accounts	
	<p>The Head of Resource Management and Chief Executive confirmed both external and internal auditors are very satisfied with OSCR financial reporting and systems. The Directors report was considered a vast improvement on the previous year and the Board agreed to aim to develop the Annual Report further next year.</p> <p>The respective responsibilities of the Board and the Accountable Officer were explained.</p> <p>In respect to recommendation 3 for Ministers it was agreed that Lindsay Montgomery and Judith Hayhow review the wording to reflect Board discussion.</p> <p>Noting the overall quality of the accounts and Directors report, and improved process, the Board approved the accounts and the timetable for signing and laying in Parliament with an appropriate press release.</p>	LM/JH
6.	Open Meeting	
	<p>The Board considered and agreed the format for the OSCR Annual Open Meeting, as well as identifying topics for discussion at the breakout sessions.</p> <p>It was agreed that the event should be held at the Caird Hall in Dundee, and noted that most Board members were available on the 4<sup>th</sup> November – the preferred date.</p> <p>The marketing/promotion strategy for the event was agreed,</p>	

	as was the fact that no more than two individuals from any one organisation be allocated places.	
7.	Monitoring Policy and Programme	
	<p>The Board considered Paper 134 which outlined the current monitoring process for all charities, noting the varying audit thresholds and accounting requirements associated with different annual income levels. The Board was particularly interested in the compliance feedback levels across all charities, and requested that the Head of Monitoring and Investigations provide additional information on this in November, with a particular emphasis on further segregated analysis within the income thresholds both below and above £25,000 per annum.</p> <p>The Board restated its interest in the financial viability of charities, and discussed the most effective methods of ensuring that Trustees were aware of and had capacity to fulfil their responsibilities in respect of financial control.</p> <p>The Board then considered the Revised OSCR Monitoring Policy which had been updated to include the spectrum of policy that is undertaken in addition to the annual monitoring programme. The Policy was approved for publication on the OSCR website.</p>	KG
8.	Under £25k Themed Study	
	<p>The Board noted the contents of Paper 135, and were pleased to note that financial reporting compliance levels by charities with an annual income of under £25 k had demonstrably increased since 2007. Despite this, however, there were still some areas where compliance levels required to improve; principally external scrutiny; differentiation of funds in primary statements and disclosure in relation to trustee remuneration/expenses. The Board agreed that OSCR should continue to provide compliance support and guidance in relation to these areas.</p>	
9.	Cross Border Monitoring	
	<p>Members considered the most appropriate method for gathering information and monitoring those 430 charities who operate in England Wales and Scotland, and are Registered with both the Charity Commission, and OSCR. (At present all 430 UK charities fall into this category). The Head of Monitoring and Investigation has been in discussion with the Charity Commission about the sharing of information for those charities, in order that the burden of regulation may be</p>	

	<p>minimised for the charity, whilst still allowing the Regulators to gather sufficient information to inform their respective monitoring regimes.</p> <p>The Board considered a draft Annual Information Return form which had been developed by OSCR, for completion by UK charities operating in Scotland, and requested operation information specific to the organisation's activities north of the border. Whilst the form was not onerous, and the Board agreed in principle that it would be an effective information gathering mechanism, it was considered that further simplification of the AIR would be beneficial. In addition, the Board requested that additional background analysis be undertaken to profile the 430 'cross border' charities, and to ensure exactly the nature and scope of information currently available about them. Following further consideration of this and the amended AIR form, it is likely that a small pilot roll out of the proposal will take place as part of a 3 month consultation exercise later in the year.</p>	<p>KG</p>
<p>10.</p>	<p>Future meetings: the Board schedule to the end of 2009 was agreed. The next Board meeting will be 5 September in Edinburgh.</p> <p>The meeting closed at 2.15pm</p>	