

# **The Office of the Scottish Charity Regulator**

Annual Report and Accounts

for the year ended 31 March 2014

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The Accountable Officer authorised these financial statements for issue on 30 June 2014.

## **ANNUAL REPORT**

### **MANAGEMENT COMMENTARY**

#### **STRATEGIC REPORT**

##### **ORGANISATIONAL BACKGROUND AND GOVERNANCE STATUS**

The Office of the Scottish Charity Regulator (OSCR) is a Non-Ministerial Department (NMD) established in April 2006 following Royal Assent of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act). As an NMD, OSCR is an independent body and part of the Scottish Administration, not the Scottish Government.

The Corporate Body is headed by a Board of up to eight Members, appointed by Scottish Ministers following a public appointments process. The Board is responsible for strategic direction, oversight and governance and Members also act as ambassadors for OSCR, promoting policies and values and bringing specialist knowledge to the Board.

This Annual Report and Accounts gives a brief account of our activities in 2013-14 including general recommendations which have arisen from the exercise of our functions during the year. The report will be laid before the Scottish Parliament and sent to Scottish Ministers for consideration. In common with all other materials produced by OSCR, including our Annual Review document which is aimed at a more general readership, this Report and Accounts is also published on our website, and is available in a range of formats, on request.

The 2013-14 Accounts have been prepared in accordance with a Direction given by the Scottish Ministers in pursuance of the Public Finance and Accountability (Scotland) Act 2000. The Direction is produced as an appendix to these accounts.

As a public body, OSCR has a general responsibility to deliver public value, to operate in accordance with best value principles and to take account of relevant policy priorities of the Scottish Government.

## STATEMENT OF ACTIVITY

We are the Scottish Charity Regulator (OSCR) and are responsible for the regulation and registration of all of Scotland's 23,000 charities. Our vision is of **charities you can trust and that provide public benefit**.

Scottish charities form a diverse group which are based and operate throughout the country, and include community groups, religious charities, schools, universities, museums, grant giving charities and major care providers.

Charities contribute directly as a major economic force to the Scottish economy, and the range of activities carried out by the charitable sector link directly to the Scottish Government Strategic Objectives, and facilitate delivery of the National Outcomes.

As a publicly funded organisation, OSCR has a role to play in ensuring that the services we provide are high quality, continually improving, efficient and responsive to stakeholder needs.

## CORPORATE OBJECTIVES AND REVIEW OF PRINCIPAL ACTIVITIES FOR 2013-14

The Charity and Trustee Investment (Scotland) Act 2005 states that OSCR is responsible for:

- granting charitable status;
- maintaining a public register of charities;
- encouraging, facilitating and monitoring compliance by charities with the Charity and Trustee Investment (Scotland) Act 2005;
- identifying and investigating apparent misconduct in the administration of charities; and
- providing information or advice, including proposals, to Scottish Ministers on matters relating to OSCR's functions.

Having met the initial challenges of setting up the organisation and establishing a new regulatory regime to implement the above, during 2013-14 our focus has been on developing our regulatory approach and the services we deliver to ensure that we maintain public focus whilst providing support and encouragement to the enormous number of people who as trustees, act as stewards of Scotland's charities. In doing this, we will encourage charities to be more transparent, thereby protecting the public's interest in the integrity of charity.



Our 2011-14 Corporate Plan outlined the following as our Strategic Objectives for the year:

- increase public confidence in charities through effective regulation;
- increase transparency and public accountability of charities;
- increase charity trustees' awareness of and compliance with their statutory responsibilities;
- establish and maintain OSCR as a trusted, effective and innovative regulator;
- minimise the burden of regulation on charities wherever possible, with particular emphasis on reducing multiple reporting; and
- operate effectively and efficiently, demonstrating a commitment to the principles and practice of Best Value.

These objectives are long-term in nature, and much of our outcome reporting is in the form of longitudinal studies which show trends over time.

In accordance with the requirements of the Public Services Reform (Scotland) Act 2010, we publish information on our website relating to certain expenditure and to the exercise of our functions. We also publish monthly performance statistics tracking our efficiency as a public body, and how charities are responding to the regulatory regime.

## **ACTIVITIES AND OUTCOMES IN 2013-14**

On a monthly basis we collate management information from across the organisation, which we publish on our website. Appendix 2 of this document provides information in respect of some of these measures, together with additional commentary in respect of other key business activities as detailed in our Business Plan. In accordance with the Public Services Reform (Scotland) Act 2010 we also publish monthly information in respect of certain areas of expenditure on our website. We also publish quarterly statistics in respect of requests made under the Freedom of Information (Scotland) Act 2002.

The information below supplements that provided in Appendix 2, and gives an overview of our key activities during 2013-14.

### Online services

- Following the introduction of OSCR Online in June 2012, the number of charities with an online user account increased to 17,533 or 74 per cent. OSCR Online allows charities to receive, complete and submit their Annual Monitoring Return and Accounts to us electronically, thereby generating considerable time and resource savings for all parties. During 2013-14, in response to user feedback, and to meeting stakeholder digital expectations, system enhancements designed to ease operability were implemented.  
OSCR fully supports the Scottish Government's digital delivery agenda, and as part of consideration around meeting digital expectations of both the public and charities in respect of OSCR, have considered at Board level, and with a charity reference group, the feasibility of publishing Charity Accounts and developing a Register of Trustees. A decision in respect of both work streams will be taken in 2014-15.

### Casework

- At the end of March 2014 there were 23,827 charities listed on the Register, which is broadly in line with the 23,634 level at March 2013. Of the new applications for charitable status received, the number of applications to become a Scottish Charitable Incorporated Organisation (SCIO) has continued to be high, making up just over a third of those received, and representing a slight increase on the previous year's level. The 1000<sup>th</sup> SCIO, the Bright Starts Under Fives Playgroup, which is based in Galashiels was granted charitable status on 3 April 2014.
- Other areas of casework, for example in respect of applications for consent to make changes and charity reorganisation schemes, increased considerably from 141 in 2012-13 to 422 in 2013-14. The increase in reorganisation applications was primarily because local authorities have been seeking to significantly reduce the number of charitable trusts they administer in order to minimise audit fees. As in previous years, we have also found that the cases we have been asked to consider are increasingly complex.
- The proportion of decisions we were requested to review remained low with the actual number, at seven, being consistent with the 2012-13 level. Three appeals were heard by The Scottish Charity Appeals Panel (SCAP) during the year. One of these was withdrawn prior to the hearing; in another case relating to the Tayside Foundation for the Conservation of Resources our decision to suspend a trustee was confirmed; and finally our decision to issue a Direction to the St Margaret's Children and Family Care Society was quashed.



### **Charity Compliance**

- The levels of charity accounts which meet the legislative requirements remained high, with 81 per cent of accounts submitted being acceptable, and only 5 per cent of charities being required to resubmit 'failed' accounts. As in 2012-13, over 90 per cent of charities filed their returns and accounts with us within 12 months of their year end, and the slight increase in filing rates may be attributable to the introduction of online services.
- On average 22 new concerns about charities were received each month, which is a slight reduction on the previous year's figure. In total, six inquiry reports were published on our website, details of which can be accessed using the following link <http://www.oscr.org.uk/managing-your-charity/how-to-complain-about-a-charity/inquiry-reports>
- In January 2014 we issued decisions on the final large batch of fee-charging schools which had been subject to review in respect of compliance with the Charity Test. This largely concludes this review exercise, leaving only those fee-charging schools where the majority of fees are paid on behalf of individuals by local or central government, on the basis of need, to be determined. These assessments will be undertaken in 2014-15.

### **Communication with Stakeholders**

- We actively supported Trustees Week 2013, which ran from 4 to 10 November, by developing and posting video clips showing a range of charity trustees explaining what the role involves, their experience, and providing advice to potential trustees. We also launched our Blog site <http://www.oscr.org.uk/blog> where practical information in respect of a number of items, including being a trustee, has been published. Looking ahead to 2014-15, publishing more Blogs will be a priority for us.
- As in 2012-13, we held a number of 'Meet the Regulator' events throughout Scotland, at which OSCR staff and Board Members met and shared information, and responded to charity concerns. Institute of Fundraising and Equalities and Human Rights Commission staff made presentations at several of the events, and this joint approach is something which will be continued at the series of meetings we have planned for 2014-15.
- In February 2014, following a competitive procurement exercise, we awarded a contract for the redesign of our website. The new site will 'go live' in July and will provide visitors with more accessible information, better search functionality, and an increased range of relevant content. The site will meet all industry standard accessibility criteria.

- The Scottish Charity and Public Attitude survey was commissioned in January 2014, and provides a detailed analysis of how charities and the public perceive each other and OSCR, based on survey evidence. A summary of the results will be published on the OSCR website following consideration by the OSCR Board in early May 2014.

### **Changes at OSCR**

- Two of our Board members' appointments, Lindsay Montgomery and Annie Gunner Logan, came to an end on 31 March 2014. Following a public appointments process, on 21 March, the Cabinet Secretary for Finance, Employment and Sustainable Growth announced the appointment of Patricia Armstrong, Stuart Cross and Shona Ulrichsen to the Board, with their appointments commencing on 1 April 2014.

### **GENDER BREAKDOWN OF STAFF**

The table below details the gender breakdown of permanent staff, at 31<sup>st</sup> March 2014.

<b>Role within OSCR</b>	<b>Female</b>	<b>Male</b>
Directors	3	2
Employees	30	17
All staff	<b>33</b>	<b>19</b>

### **EXPENDITURE FOR THE YEAR**

The revenue resource expenditure for the year ended 31 March 2014 was £2.873 million as shown in the Statement of Comprehensive Net Expenditure, compared to a revenue budget of £2.950 million. The capital resource expenditure for the year ended 31 March 2014 was £0.061 million compared to a capital budget of £0.050 million. Non-current assets to the value of £0.061 million were acquired during the year, resulting in a total outflow of £2.934 million.

### **PAYMENT PRACTICE CODE**

In line with Scottish Government policy, OSCR requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. OSCR aims to pay 100 per cent of invoices, including disputed invoices once the dispute has been settled, on time in these terms. During the year ended 31 March 2014, OSCR paid 98.7 per cent of its invoices within these terms (99.1 per cent in 2012-13).



Following the Scottish Ministers' announcement to reduce the time taken to make payments to suppliers in October 2008, OSCR has set a second target requiring payment to be with suppliers within 10 working days of the receipt of a valid and undisputed invoice. During the year ended 31 March 2014, OSCR paid 92.7 per cent of its invoices within these terms (96.6 per cent in 2012-13).

## **PROVISION OF RELEVANT INFORMATION**

So far as the Accountable Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accountable Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that OSCR's auditors are aware of that information.

## **AUDITOR**

The Auditor General for Scotland has appointed Audit Scotland as auditor. Details of the audit fee for the year to 31 March 2014 are disclosed in note 7 to the accounts.

## **ENVIRONMENTAL, SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES**

OSCR remains committed to meeting its environmental responsibilities as a public body. We adhere to environmental requirements in areas such as procurement, business travel and buildings management. We also recognise the importance of consistent environmental reporting across public sector bodies and our full Sustainability Report, which is published on our website, conforms to the public sector sustainability reporting guidance produced by the Scottish Government.

Our Carbon Management Plan 2011-14 sets a target of a 10% reduction in our CO<sub>2</sub> emissions, which we believe is realistic given that we are a relatively small organisation occupying a building already accredited as *Very Good* under the Buildings Research Establishment Environmental Assessment Methodology. We have worked to achieve our target through the implementation of specific projects, both on a standalone basis and in co-operation with the other bodies occupying Quadrant House.

OSCR's equality duties arise from two main sources: The Equality Act 2010 (the 2010 Act) and the Charities and Trustee Investment (Scotland) Act 2005. Section 1 (8) of the Act requires OSCR to perform its functions in a manner that encourages equal opportunities and in particular the observance of the equal opportunities requirements.

The main provisions of the 2010 Act came into force on 1 October 2010, requiring OSCR to deliver its functions in a manner that encourages equal opportunities, aims to eliminate unlawful discrimination and other conduct prohibited by equality legislation and foster good relations between people who share a protected characteristic and those who do not.

We recognise that staff have a key role to play in ensuring that those with whom we come into contact are dealt with in a manner consistent with our equality duties; and that OSCR services and information must be as accessible as possible. We follow W3C's Website Accessibility Initiative (WAI) guidelines, and our site is Speak IT Plus enabled. We are also a member of Happy to Translate.

As an employer, OSCR adopts the Scottish Government policies on equal opportunities and diversity. The policy on equal opportunity states that all staff should be treated equally irrespective of their sex, marital status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working pattern, employment status, gender identity, caring responsibility or trade union membership. A significant number of our staff are employed on a part time working pattern, demonstrated by the fact that of the 52 permanent staff employed at 31 March, 11 worked on a part time basis.

OSCR undertakes to develop all staff and positively values the different perspectives and skills each brings to our work.

#### **EVENTS AFTER THE REPORTING PERIOD**

There were no events after the end of the reporting period (31 March 2014) that require disclosure.

#### **PROVISION OF RELEVANT INFORMATION**

So far as the Accountable Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accountable Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that OSCR's auditors are aware of that information.

#### **Advice to Ministers**

The 2005 Act provides that the Scottish Charity Regulator has the function of advising Ministers on matters relating to its functions, and that its Annual Report may include general recommendations arising from the exercise of its functions.

Since our establishment in 2006 we have made a number of recommendations to Scottish Ministers on a variety of subjects. We have welcomed Ministers' willingness to act on previous recommendations, the aims of which have been either:



- to increase public confidence in charities;
- to reduce the regulatory burden on charities;
- to improve our effectiveness as a regulator; or
- to address unintended consequences, confusion or lack of consistency in the 2005 Act, or other legislation which impacts on charities.

This year we invite Scottish Ministers to consider the following specific recommendations which would enhance our operational effectiveness and help us to realise our vision of '*charities you can trust and that provide public benefit*'.

- *The publication of charity accounts and data protection*

We have been examining the practicalities and legalities of publishing charity accounts on the Scottish Charity Register to aid transparency and provide a helpful public resource (this already happens for larger charities on the Charity Commission website). We have discovered that the current provisions in the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 – the latter requiring a signed copy of accounts to be filed with OSCR – present difficulties in terms of data protection (publishing names and signatures is problematic). Although we are proceeding with other options (including redaction, which is labour-intensive and therefore expensive), it is our view that the best long-term solution would be a change in law, probably by introducing a duty on OSCR to make the accounts available on the register. This concern has also been drawn to the attention of the Scottish Government.

- *Previous recommendations to Ministers*

We would ask that Ministers give consideration to those previous recommendations which we have made, and which still remain unresolved. Specifically these relate to the following:

- removal of unresponsive charities from the Register (addressing risks to charitable assets and public confidence)
- registration – geographical or other links to Scotland (addressing risks to public confidence)
- protecting and recovering charitable assets (addressing risks to charitable assets and public confidence)
- technical legal matters (addressing a range of regulatory risks)

We have also provided comment on the operation of the Scottish Charity Appeals Panel (SCAP), as part of the review of the Tribunals System.

- *Technical legal issues*

There are a number of areas of technical concern concerning Chapter 5 (Charity Reorganisations) of the 2005 Act, where we would wish to see clearer wording, to reduce bureaucracy and give charities more certainty about the routes for reorganisation open to them.

## **KEY PRIORITIES FOR 2014-15**

The referendum on whether Scotland should be an independent country will take place in September 2014 and, whilst charity regulation is already devolved, we recognise that for some charities Scottish Independence or other changes to the devolution settlement may affect their ability to work towards their charitable purposes. In the run up to the referendum, we will continue to draw Charities' attention to our guidance – *Charities and the independence referendum*, which sets out the legal principles, explains the key issues that charities must consider, and provides examples to illustrate some situations that charities may encounter.

Following stakeholder consultation, we aim to publish our 2014-17 Corporate Plan in June 2014. Our focus during the plan period is on developing our regulatory approach and the services we deliver, to become a more outward facing and engaged regulator, focussing resources on those areas we believe require our attention, and minimising reporting requirements for the majority of charities. The Corporate Plan, which will be published on our website [www.oscr.org.uk](http://www.oscr.org.uk), will detail our four strategic Objectives for the plan period, together with information about what success would look like, and how we intend to measure it.

Our Risk- Led Regulation Programme, an integral part of the new approach, is the work being undertaken to facilitate more targeted charity monitoring. We aim to consult on a proposed Risk Framework and an amended Annual Return form, between June and September 2014, and also to seek feedback on our plans to enhance the information we publish about charities on the Register. Following analysis of responses, we will consider the most appropriate and efficient technical solution to our requirements, which is likely to involve consideration of whether the Scottish Wide Area Network (SWAN) can be utilised.

2014-15 will see us consolidating and building on previous engagement work with key stakeholders by implementing a planned programme of communication and engagement activities throughout the year. Our refreshed website will 'go live' in July 2014 and, in addition to improved search functionality and updated content, will have mobile functionality, and in time online application forms and online training material. A series of outreach events aimed at charity trustees and advisors are planned throughout



Scotland, and will complement those other speaking events to which we are invited.

We have also identified the following priorities for 2014-15:

- Revising and implementing our policy in respect of those charities which fail to submit returns and accounts to us.
- Updating our 'Meeting the Charity Test' and 'Trustee Guidance Duties' publications.
- Implementing the Charities SORP 2015.
- Assessing and addressing status and governance issues in charitable local authority Arm's Length External Organisations (ALEOs).
- Improving the take up of OSCR Online to 90 per cent of all charities by the end of 2014-15.
- Developing and enhancing the accessibility of our Inquiry Reports, including the preparation of case studies and other learning materials based on our inquiry work.



David Robb  
Chief Executive and Accountable Officer  
30 June 2014

## **DIRECTORS' REPORT**

The Directors' Report sets out the key aspects of the internal organisation change and development within OSCR over the course of the year to 31 March 2014. The senior officers are:

- David Robb, Chief Executive
- Laura Anderson, Head of Enforcement
- Judith Hayhow, Head of Support Services
- Judith Turbyne, Head of Engagement (from 16 September 2013)
- Martin Tyson, Head of Registration

## **THE STATUS OF, AND PROVISION OF, INFORMATION TO EMPLOYEES**

OSCR staff are employed by Scottish Ministers as Home Civil Servants. At a practical level, this means they have the same terms and conditions as staff within the Scottish Government, and have access to the civil service pension arrangements. OSCR's HR and payroll functions are carried out by the Scottish Government Human Resource and Finance Divisions on a shared service basis.

OSCR is committed to ensuring that all staff have a full understanding of the objectives and role of the organisation, together with the legislative context within which we operate as a NMD. Our staff have participated in Corporate Planning and Business Planning events during the course of the year, designed to reinforce the linkages between day to day delivery and achievement of corporate strategic objectives.

We have a comprehensive staff induction programme for all new staff which includes a series of one-to-one induction sessions between the new employee, representatives from each of the OSCR teams, members of the Senior Management Team and the Chief Executive.

As in previous years, in October 2013, OSCR took part in the UK Civil Service People's Survey. The results from this Cabinet Office co-ordinated survey provided information about staff engagement levels at OSCR, as well as high level comparator data for the other participating organisations. The survey results, which were published on our website in January 2014, were positive, and have already been used to inform staff learning and development. This was reflected by the fact that in March 2014 we retained our Investors in People status, following a re-accreditation assessment.

## PENSIONS

OSCR staff members are eligible to be members of the Principal Civil Service Pension Scheme (PCSPS). As at 31 March 2014 all 52 permanent members of staff were PCSPS scheme members (2012-13 52 PCSPS members). In accordance with the Government Financial Reporting Manual (FReM) the PCSPS is accounted for as if it were a defined contribution scheme. Accounting policy note 1.9 (page 38) provides further information and details of the scheme are included in note 6 to the accounts. Details of the pension entitlements of OSCR's senior management team are given in the Remuneration Report.

## SICKNESS ABSENCE

The total number of days lost and the average number of days lost per full time equivalent (FTE) to sickness absence decreased considerably in 2013-14. Of note is the fact that there were no long term absences (periods of absence of over 20 days) during the plan period, and that short term absence levels had decreased by 37 per cent from the 2012-13 levels. The average work days lost/FTE at 2.46 days, compare favourably with the Scottish Government Core figure of 6.63 days.

	2013-14	2012-13
Days sickness absence		
Short term	115	183
Long term	0	238
Total	115	421
Average per FTE member of staff	2.46	8.6

## PERSONAL DATA SECURITY

There were no known incidents of personal data breaches in 2013-14 (nil 2012-13).



David Robb  
Chief Executive and Accountable Officer  
30 June 2014



## REMUNERATION REPORT

### INTRODUCTION

This report provides information on the remuneration of OSCR Board members and senior managers. The senior managers are:

- David Robb, Chief Executive
- Laura Anderson, Head of Enforcement
- Judith Hayhow, Head of Support Services
- Judith Turbyne, Head of Engagement
- Martin Tyson, Head of Registration

This report contains audited information and also information which is not subject to audit.

### REMUNERATION POLICY

Board members are not employees of OSCR or part of the Civil Service. Board members' remuneration is determined in accordance with the 'Public Sector Pay Policy for Senior Appointments 2013-14'. Further information about the policy may be found at [www.scotland.gov.uk/Publications](http://www.scotland.gov.uk/Publications)

The remuneration of senior civil servants is set in accordance with the Civil Service Management Code (available at [www.civilservice.gov.uk](http://www.civilservice.gov.uk)) and with independent advice from the Senior Salaries Review Body.

Staff employed below senior civil service level are part of the Scottish Government main collective bargaining unit for the determination of salary. Remuneration is determined by the Scottish Government and, in determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and motivation of staff. Also taken into account are the Government's policies on the Civil Service and public sector pay and the need to observe public spending controls.

### SERVICE CONTRACTS

#### Board Members

Board members are appointed for a period determined by Scottish Ministers. Board members are eligible to be re-appointed following the end of their first period of Board membership. Either party may terminate early by giving notice. Normally there is no payment available in the event of early termination of the contract. However, where special circumstances exist, Scottish Ministers may decide that compensation for early termination is appropriate and instruct OSCR to make a payment. The amount of the payment would also be decided by Scottish Ministers.

Details of the service contracts for Board members serving during the year are detailed below:



		Current term	Date of initial appointment	Date of termination of appointment
The Very Reverend Dr Graham Forbes CBE	Chair	1 <sup>st</sup>	March 11	February 15
Lindsay Montgomery CBE	Deputy Chair	2 <sup>nd</sup>	March 06	March 14*
Fiona Ballantyne	Member	2 <sup>nd</sup>	June 08	February 16
Annie Gunner Logan	Member	2 <sup>nd</sup>	March 06	March 14*
Professor David Harrison	Member	2 <sup>nd</sup>	March 10	February 18
David Hughes Hallett	Member	2 <sup>nd</sup>	June 08	February 16
Kaliani Lyle	Member	2 <sup>nd</sup>	March 10	February 18

\* On 30<sup>th</sup> January 2014, the Cabinet Secretary for Finance, Employment and Sustainable growth extended the Board appointments of these members from the end of February 2014 to 31<sup>st</sup> March 2014.

#### Employees (including the Senior Management Team)

The Constitutional Reform and Governance Act 2010 require Civil Service appointments to be on merit on the basis of open and fair competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk).

## AUDITED INFORMATION

### BOARD REMUNERATION

Board Members received remuneration in the following bands:

	2013-14	2012-13
	£'000	£'000
Graham Forbes CBE (Chair)	5-10	5-10
Lindsay Montgomery CBE (Deputy Chair)	Nil	Nil
Fiona Ballantyne	0-5	0-5
Annie Gunner Logan	0-5	0-5
David Harrison	Nil	Nil
David Hughes Hallett	0-5	0-5
Kaliani Lyle	0-5	0-5
Oscar Mendoza	N/A	0-5

Lindsay Montgomery and David Harrison have elected not to claim remuneration for their work as OSCR Board Members. Graham Forbes and Annie Gunner Logan have passed on their remuneration to their employers (St Mary's Cathedral, Edinburgh and CCPS Coalition of Care and Support Providers in Scotland). All members are eligible to claim out of pocket expenses relating to their work as OSCR Board Members.

There was no increase in the daily rate in 2013-14 in accordance with the UK and Scottish Government policy on pay restraint.

## Salary, Benefits in Kind and Pensions

The following table provides remuneration information in respect of each senior officer.

Official	Salary (£'000)		Bonus Payments		Benefits in Kind (to nearest £'000)		Pension Benefits (£'000)		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
David Robb	75-80	75-80	Nil	Nil	Nil	Nil	3	Nil	80-85	75-80
Laura Anderson	45-50	45-50	Nil	Nil	Nil	Nil	20	19	65-70	65-70
Judith Hayhow	60-65	60-65	Nil	Nil	Nil	Nil	11	23	70-75	85-90
Judith Turbyne (From 16.09.13)	25-30**	N/A	Nil	N/A	Nil	N/A	11	N/A	35-40	N/A
Martin Tyson	50-55	50-55	Nil	Nil	Nil	Nil	43	28	95-100	75-80

\*\* 45-50 full year equivalent

### Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by OSCR and as recorded in these accounts.

### Bonus

No bonuses were paid in 2013-14 or 2012-13.

### Benefits in kind

There were no benefits in kind in 2013-14 or 2012-13.

### Highest paid employee

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid employee in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

	2013-14	2012-13
<b>Band of highest paid employee</b>	£75-80,000	£75-80,000
<b>Median salary</b>	£26,883	£28,227
<b>Remuneration ratio</b>	2.88	2.75

### PENSION BENEFITS

	Accrued pension at pension age as at 31-3-14 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31-3-14	CETV at 31-3-13	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<b>Chief Executive</b>					
David Robb	20-25 Lump sum 60-65	0-2.5 Lump sum 0-2.5	350	326	1
<b>Senior Management Team</b>					
Laura Anderson	5-10	0-2.5	52	41	6
Judith Hayhow	15-20 Lump sum 55-60	0-2.5 Lump sum 0-2.5	308	282	6
Martin Tyson	15-20 Lump sum 15-20	0-2.5 Lump sum 0-2.5	240	197	28
Judith Turbyne	0-5	0-2.5	7	0	5



### **Accrued Pension**

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos. (See note 6 to the accounts for further details).

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked in accordance with The Occupational Pension Scheme (Transfer Values) (Amendment) regulations 2008 and do not take into account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Compensation for loss of office**

No Board Member or senior manager left under voluntary or compulsory exit schemes in 2013-14 (nil in 2012-13).

## Statement of Accountable Officer's Responsibilities

In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, Scottish Ministers have directed the Office of the Scottish Charity Regulator (OSCR) to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction issued by the Scottish Ministers.

The accounts are prepared on an accruals basis and must give a true and fair view of OSCR's state of affairs at the period end and of its operating costs, recognised gains and losses and cash flows for the financial period.

In preparing the accounts, the Accountable Officer is required to:

- Observe the Accounts Direction issued by Scottish Ministers including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.

The Permanent Secretary of the Scottish Administration has appointed the Chief Executive as the Accountable Officer for OSCR.

As Accountable Officer, I am responsible for the regularity and propriety of the public finances for which I am answerable, for keeping proper records and for safeguarding OSCR's assets, as set out in the Accountable Officer's Memorandum issued by Scottish Ministers.



David Robb  
Chief Executive and Accountable Officer  
30 June 2014



## **GOVERNANCE STATEMENT**

### **SCOPE OF RESPONSIBILITY**

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Office of the Scottish Charity Regulator's policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The Office of the Scottish Charity Regulator (OSCR) is a Non-Ministerial Department which, while part of the Scottish Administration, is not formally part of the Scottish Government. Whilst our accounts are not consolidated, we liaise with Scottish Government finance colleagues on a monthly basis, providing them with information relating to our expenditure and anticipated outturn. During 2013-14 I held meetings with the Scottish Government Director for Local Government and Communities, who oversees the Local Government and Third Sector Team, which has policy responsibility for the third sector as a whole. Work in respect of our Framework Agreement with the Scottish Government continued in 2013-14, and the final document should be signed early in 2014-15.

### **THE PURPOSE OF THE GOVERNANCE STATEMENT**

The Governance Framework accords with the guidance from the Scottish Government provided in the Scottish Public Finance Manual (SPFM) and section 2 of 'On Board: A Guide for Board Members of Public Bodies in Scotland'.

The system of internal control we have developed is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve corporate policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

At OSCR our internal control system is based on an ongoing process designed to identify and prioritise the risks to the achievement of OSCR's policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically.

OSCR relies upon core Scottish Government Divisions for the provision of certain business critical areas of functionality; in particular aspects of core services relating to transactional finance and human resources. Internal control is addressed by the respective Divisions and I am provided with Annual Certificates of Assurance by the Scottish Government Director of Corporate Services and also the Director of Finance.

## OUR BOARD

OSCR is headed by a Board consisting of a Chair, a Deputy Chair and up to six Board Members. The appointments are made by Scottish Ministers and overseen by the Scottish Public Appointments Commissioner.

In June 2012, Oscar Mendoza resigned from the Board, and following consideration, Members decided to carry the vacancy until the next significant round of Member recruitment. This commenced in late 2013, with the Cabinet Secretary for Finance, Employment and Sustainable Growth announcing the appointment of Patricia Armstrong, Stuart Cross and Shona Ulrichsen to the Board, in March 2014. The new members will take up their appointments on 1 April 2014.

Each Board Member is subject to an annual appraisal by the Chair, and Board Members participate in training and briefings as required. In June 2013, Members completed a retrospective annual self assessment checklist in respect of overall Board performance, and this exercise will be repeated annually.

Membership of the Board and their roles during the period to the date of this report are given below:

The Very Reverend Dr Graham Forbes CBE	Chair
Lindsay Montgomery CBE	Deputy Chair
Fiona Ballantyne	Member
Annie Gunner Logan	Member
Professor David Harrison	Member
David Hughes Hallett	Member
Kaliani Lyle	Member
Oscar Mendoza	Member until June 2012

The Board is responsible for providing strategic direction, oversight and governance and for monitoring expenditure and operations. The Board met regularly throughout the period to fulfil this role.

Members of the Board also serve on the Audit Committee, which under its terms of reference meets a minimum of three times a year. Membership of the Audit Committee is given below:

Lindsay Montgomery CBE	Chair
David Hughes Hallett	Member
Oscar Mendoza	Member until June 2012
Professor David Harrison	Member from June 2012

Minutes of Board meetings, brief biographies and the Register of Interest of Board Members are available on our website.



## Chief Executive

The Chief Executive of OSCR is appointed by the Permanent Secretary as the Accountable Officer of OSCR, and is accountable to the Board for the day-to-day running of the organisation. David Robb was appointed as Chief Executive in October 2011, and is a member of the Senior Civil Service.

## Senior Management Team

OSCR has an internal management structure which is headed by the Senior Management Team who are responsible for day-to-day operations.

<b>Senior Management Team</b>	
David Robb	Chief Executive
Laura Anderson	Head of Enforcement
Judith Hayhow	Head of Support Services
Judith Turbyne	Head of Engagement
Martin Tyson	Head of Registration

Details of the salaries and pensions entitlements of the Senior Management Team can be found in the Remuneration Report. No performance pay is currently being awarded in the civil service.

In terms of corporate staffing levels, at the end of 2013-14 the overall permanent staff headcount number was 52 with 11 staff members working on a part time basis.

## THE RISK AND CONTROL FRAMEWORK

All bodies to which the Scottish Public Finance Manual (SPFM) is directly applicable must operate a risk management strategy in accordance with key principles specified and these have been adopted by OSCR.

The OSCR Board regularly considers risk in respect of specific issues. Our Audit Committee considered all of the risks associated with our activities at each of its meetings, and the Senior Management Team formally considers risk every twelve weeks.

At OSCR, risk management is embedded in our operational activities in the following ways:

- The Audit Committee considers and reviews the risk register at every one of its meetings, and reports on this exercise to the Board, who also undertake one annual formal review of the register. OSCR staff consider risks at their regular team meetings, and this information feeds in to the Senior Management Team risk considerations, which take place on a bi-monthly basis.

- In accordance with Scottish Government Guidance, OSCR's Audit Committee uses the self assessment checklist to consider and evaluate its performance, annually. The Audit Committee Chair provides a formal annual update of activities to the Board, around June each year.
- Since June 2013, at the recommendation of the Audit Committee, a retrospective self assessment checklist has been completed by the Board in respect of its performance.

In addition to these formal Risk Management practices, we have:

- A comprehensive induction programme for all staff and Board Members which covers governance, accountability and risk management. Included in this programme is training in respect of secure data handling and awareness sessions to clarify the roles and responsibilities associated with each staff team.
- A number of all-staff meetings throughout the year at which topical policy and procedural matters are presented and discussed with staff.
- A Best Value Plan 2011-14 which complies with Scottish Government guidance in particular taking account of the National Performance Framework and Audit Scotland's Best Value Toolkits and is reviewed by the Audit Committee annually.
- A UK Government Security Policy Framework Document which contains the mandatory requirements for all Public Bodies for the security of electronic and paper records.
- An Information Asset Register, which was introduced in 2013 on the recommendation of Internal Audit.

OSCR staff participate in the Annual Cabinet Office survey, which takes place around November each year, and is usually participated in by around 100 publicly funded organisations. The results from this give us a clear indication of staff engagement levels, and are used to identify learning requirements for the year ahead.

## **REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL**

As Accountable Officer, I have responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. My review of the effectiveness of the system is informed by the work of the internal auditors and the OSCR Senior Management Team, who meet informally on a weekly basis, and formally every six weeks. The Senior Management Team have responsibility for the development and maintenance of the internal control framework, and for considering and responding to comments made by the external auditors in their management letter and other reports. The Senior Management Team also receive and consider Management Accounts on a monthly basis, and either meet with, or hold an email exchange with the Head of Support Services in respect of incurred and projected expenditure, approximately every six weeks. We have a Business



Continuity Plan which is subject to annual review, and we commission an Independent IT Security Review every two years.

The wider system of internal control is based on ongoing identification of the principal risks in achieving OSCR policies, aims and objectives as outlined in our Corporate Plan. Following identification, the nature and extent of those risks are considered, and a decision taken as to how to manage them effectively, economically and efficiently.

The OSCR Board meets at least every two months, with meetings attended by myself and Senior Management Team members.

The OSCR Audit Committee, which the Head of Support Services and I attend, alongside representatives from both Internal and External Audit, meets at least three times a year. The Audit Committee has responsibility for reviewing OSCR's financial statements prior to publication, and for ensuring that risk is properly identified and mitigated against in the Risk Register. The Audit Committee considers the scope of internal and external audit plans, receives audit reports and makes recommendations where appropriate.

Internal Audit services are provided by the Scottish Government's Internal Audit Division, who, based on the work undertaken during their 2013/14 review, awarded substantial assurance on the adequacy of risk management, control and governance arrangements in place over the systems reviewed.

In addition to the above, I have individual monthly meetings with each of the Heads of Service to discuss operational and performance activities and risk associated with their service area. I also receive end of year Certificates of Assurance from them in respect of their individual service area.



David Robb  
Chief Executive and Accountable Officer  
30 June 2014

## **Independent Auditor's Report**

### **Independent auditor's report to the Office of the Scottish Charity Regulator, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of the Office of the Scottish Charity Regulator for the year ended 31 March 2014 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity, the Statement of Operating Costs by Departmental Strategic Objective and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2013/14 Government Financial Reporting Manual (the 2013/14 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

#### **Respective responsibilities of Accountable Officer and auditor**

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining



evidence about the regularity of expenditure and income. In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements, irregularities, or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2014 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2013/14 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### **Opinion on regularity**

In my opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

### **Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I am required to report by exception**

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.



David McConnell, MA, CPFA  
Assistant Director of Audit  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
GLASGOW  
G2 1BT

1 July 2014



**Statement of Comprehensive Net Expenditure**  
for the year ended 31 March 2014

	<b>Note</b>	<b>2013-14</b> <b>£'000</b>	<b>2012-13</b> <b>£'000</b>
<b>Operating costs</b>			
Staff costs	4	1,968	2,030
Other administration costs	7	827	682
Depreciation and Impairment	8,9	78	94
<b>Net operating cost</b>		<b>2,873</b>	<b>2,806</b>

The notes on pages 36 to 50 form part of these accounts

**Statement of Financial Position**  
as at 31 March 2014

	Note	2013-14 £'000	2012-13 £'000
<b>Non-current assets:</b>			
Property, plant and equipment	8	82	94
Intangible assets	9	185	190
<b>Total non-current assets</b>		<b>267</b>	<b>284</b>
<b>Current assets:</b>			
Trade and other receivables	11	0	0
Other current assets	11	61	65
<b>Total current assets</b>		<b>61</b>	<b>65</b>
<b>Total assets</b>		<b>328</b>	<b>349</b>
<b>Current liabilities:</b>			
Trade and other payables	12	204	193
<b>Total current liabilities</b>		<b>204</b>	<b>193</b>
<b>Non-current assets less net liabilities</b>		<b>124</b>	<b>156</b>
<b>Non-current liabilities:</b>			
Provisions	13	0	3
<b>Total non-current liabilities</b>		<b>0</b>	<b>3</b>
<b>Assets less liabilities</b>		<b>124</b>	<b>153</b>
<b>Taxpayers' equity:</b>			
General fund		124	153

DAVID ROBB  
Chief Executive and Accountable Officer  
30 June 2014

The notes on pages 36 to 50 form part of these accounts.



**Statement of Cash Flows**  
for the year ended 31 March 2014

	Note	2013-14 £'000	2012-13 £'000
<b>Cash flows from operating activities</b>			
Net operating cost	SCNE	(2,873)	(2,806)
Adjustments for non cash transactions:			
Depreciation and Impairment	8,9	78	94
Audit fee	7	12	12
Movements in working capital:			
(Increase)/decrease in trade and other receivables	11	4	(17)
Increase/(decrease) in trade and other payables	12	11	(10)
Use of provisions	13	(3)	(2)
<b>Net cash outflow from operating activities</b>		<u>(2,771)</u>	<u>(2,729)</u>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment	8	(17)	(8)
Purchase of intangible assets	9	(44)	(42)
<b>Net cash flow from investing activities</b>		<u>(61)</u>	<u>(50)</u>
<b>Cash flows from financing activities</b>			
Net funding	3	2,832	2,779
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the period		0	0
Cash and cash equivalents at the end of the period		0	0

The notes on pages 36 to 50 form part of these accounts.

**Statement of Changes in Taxpayers' Equity**  
for the year ended 31 March 2014

	Note	General fund £'000
<b>Balance at 1 April 2012</b>		<b>168</b>
<b>Changes in taxpayers' equity for 2012-13</b>		
Non cash charges – auditor's remuneration	7	12
Net operating cost for the year	SCNE	(2,806)
<b>Total recognised income and expenditure for 2012-13</b>		<b>(2,794)</b>
Net funding	SCF	2,779
<b>Balance at 31 March 2013</b>		<b>153</b>
<b>Changes in taxpayers' equity for 2013-14</b>		
Non cash charges – auditor's remuneration	7	12
Net operating cost for the year	SCNE	(2,873)
<b>Total recognised income and expenditure for 2013-14</b>		<b>(2,861)</b>
Net funding	3	2,832
<b>Balance at 31 March 2014</b>		<b>124</b>

The notes on pages 36 to 50 form part of these accounts.



**Statement of Operating Costs by Departmental Strategic Objective**

for the year ended 31 March 2014

	2013-14 £'000	2012-13 £'000
<b>Strategic objective</b>		
To develop a flourishing charity sector in Scotland in which the public has confidence, underpinned by OSCR's effective delivery of its regulatory role.		
<b>Allocation of resources and assets:</b>		
Net expenditure	2,873	2,806
Total assets	328	349

The notes on pages 36 to 50 form part of these accounts.

## Notes to the Accounts

### 1. Statement of accounting policies

#### 1.1 Basis of accounts

In accordance with the accounts direction issued by Scottish Ministers (reproduced at Appendix 1), the accounts have been prepared in accordance with the 2013-14 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The particular policies adopted by OSCR are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The accounts are prepared using accounting policies and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8 (IAS 8): Accounting Policies, Changes in Accounting Estimates and Errors.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare additional statements and notes. These include the Statement of Operating Cost by Departmental Strategic Objectives and supporting notes to show outturn against budget in terms of the net resource requirement.

#### 1.2 Accounting convention

The accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets where material at their value to the organisation by reference to their current cost.

#### 1.3 Accounting standards issued not yet effective

In accordance with IAS 8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. No significant impact on future periods' financial statements is anticipated as a result of this review.

#### 1.4 Going concern

The accounts have been prepared on the going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future.

#### 1.5 Property, plant and equipment

OSCR occupies a leasehold building under a 17 year operating lease with five year rent reviews. Leaseholder improvements to the building are capitalised at the cost of construction. Plant and equipment and information technology are capitalised at cost. Generally, leasehold improvements over £10,000 and plant and equipment and information technology over £5,000 are capitalised.



Furniture and fittings are not capitalised and the full cost is charged to the operating costs in the year of acquisition.

As required under International Accounting Standard (IAS) 16 all non-current assets are valued at fair value. Depreciated historic cost is used as a proxy for fair value as the assets held under this category have a short life and are low value.

Depreciation is provided on a straight line basis, to write off the cost of the asset over its estimated useful life. The depreciation periods which normally apply to the categories of assets are:

Leasehold improvements	5-11 years
Plant and machinery	5 years
Information technology	3-5 years

Assets in the course of construction are not depreciated until the asset is brought into use.

#### 1.6 Intangible assets

Intangible assets are valued initially at cost and subsequently at fair value using the revaluation model. Where an active market does not exist, income generating assets are valued at the lower of depreciated replacement cost and value in use. Non income generating assets are carried at depreciated historic cost. These valuations are considered to be a proxy for fair value.

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 where assets do not generate income. IAS 38 defines future economic benefit as, 'revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity'.

The main category of intangible asset is software and its associated development. These assets have an estimated useful life of three to five years and are amortised over this period.

Intangible assets in the course of construction are not amortised until the asset is brought into use.

#### 1.7 Impairment of tangible and intangible assets

All tangible and intangible non-current assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' when there are indications that the carrying value may not be recoverable. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell, and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Whenever there is an indication that an asset may be impaired, any losses/gains arising on the disposal of the asset are posted to the Statement of Comprehensive Net Expenditure.

#### 1.8 Value Added Tax

OSCR is registered for VAT and where applicable will recover VAT on expenditure incurred. Where VAT is not recoverable, expenditure is charged including VAT, to operating costs or included in the cost of property, plant and equipment and intangible assets.

#### 1.9 Pension

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependents' benefits. OSCR recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of defined contribution schemes, OSCR recognises the contributions payable for the year.

#### 1.10 Leasing

Rentals applicable to operating leases are charged to operating costs as they are incurred in accordance with IAS17.

#### 1.11 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS37, OSCR discloses for parliamentary reporting and accountability purposes certain statutory and non statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but have been reported to Parliament in accordance with the requirements of the Scottish Public Finance Manual.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS37 are stated at the amounts reported to Parliament.

#### 1.12 Short term employee benefits

OSCR permits the carry forward of unused annual leave entitlement and accumulated flexible working hours scheme balances, in accordance with Scottish Government resourcing policies. Entitlement to annual leave and flexible working hours are recognised in the accounts at the time the employee renders the service and not when the annual leave and accumulated hours balances are actually used.



1.13 Financial instruments

OSCR does not hold any complex financial instruments. The only financial instruments included in the accounts are financial assets in the form of trade receivables and other current assets and financial liabilities in the form of trade payables and other current liabilities.

1.14 Trade receivables and other current assets

All material amounts due at 31 March 2014 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

1.15 Trade payables and other current liabilities

All material amounts outstanding at 31 March 2014 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

1.16 Grant-in-aid

OSCR receives grant-in-aid from the Scottish Government to finance its net expenditure. In accordance with financial reporting guidance, grant-in-aid is credited to the General Reserve and net expenditure on activities funded by grant-in-aid is charged to this fund.

1.17 Segmental Reporting

Financial reporting to senior decision makers is at an organisation wide level and therefore segmental reporting under IFRS 8 is not required.

**2. Outturn against budget**

	<b>Budget £'000</b>	<b>2013-14 Outturn £'000</b>	<b>2012-13 Outturn £'000</b>
Gross budget	3,000	2,934	2,856

**3. Reconciliation of net resource outturn to net cash requirement in 2013-14**

	<b>Note</b>	<b>Budget £'000</b>	<b>Outturn £'000</b>	<b>Variance £'000</b>
Resource outturn		2,950	2,873	77
Capital				
Acquisition of property, plant and equipment	8	15	17	(2)
Acquisition of intangible assets	9	35	44	(9)
		<u>50</u>	<u>61</u>	<u>(11)</u>
Total Resource Requirement		<u>3,000</u>	<u>2,934</u>	<u>66</u>
Accruals adjustments:				
Non cash items			(90)	
Changes in working capital other than cash			(12)	
<b>Net cash requirement</b>			<u>2,832</u>	

#### 4. Staff numbers and related costs

Staff costs comprise

	£'000	£'000	2013-14 £'000	2012-13 £'000
	Permanently employed staff	Others	Total	Total
Wages and salaries	1,494		1,494	1,496
Social security costs	113		113	113
Other pension costs	284		284	281
Inward secondments		24	24	60
Agency staff costs		53	53	68
Exit packages				12
<b>Total</b>	<b>1,891</b>	<b>77</b>	<b>1,968</b>	<b>2,030</b>

Average number of permanent persons employed was 48.

The average number of whole-time equivalent persons employed during the year was as follows:

	2013-14 WTE	2012-13 WTE
Senior management	4.54	4.25
Other permanent staff	43.30	45.76
Inward secondments	0.45	1.22
Agency staff	1.85	2.24
<b>Total</b>	<b>50.14</b>	<b>53.47</b>

#### 5. Reporting of voluntary early severance/voluntary early retirement scheme

Early retirement and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where OSCR has agreed early retirements, the additional costs are met by OSCR and not by the Civil Service pension scheme. Ill health retirement costs are met by the pension scheme.

No staff members retired under voluntary early severance packages in 2013-14. No persons retired on ill-health grounds.



Exit package cost band	2013-14		2012-13	
	Number of departures agreed	Total cost £000	Number of departures agreed	Total cost £000
£10,000 to £25,000	0	0	1	12

## 6. Post Employment Benefits: Pension

International Accounting Standard 19 (IAS 19) "Employee Benefits" sets out the accounting treatment to be followed when accounting for the costs of providing a pension scheme.

### Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme but OSCR is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource account of the Cabinet Office: Civil Superannuation ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)).

For 2013-14, employers' contributions of £283,652 were payable to the PCSPS (2012-13 £281,210) at one of four rates in the range 16.7 to 24.3 per cent of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium, or classic plus); or a 'whole career scheme' (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by the UK Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pension Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

During 2013-14, employee contribution rates were set as follows:

**Classic:**

Full Time Equivalent Annual Pay Range	Contribution rate from 1 April 2013	Contribution rate from 1 April 2012
Up to £15,000	1.5%	1.5%
£15,001 - £21,000	2.7%	2.1%
£21,001 - £30,000	3.88%	2.7%
£30,001 - £50,000	4.67%	3.1%
£50,001 - £60,000	5.46%	3.5%
Over £60,000	6.25%	3.9%

Benefits accrue at the rate of 1/80<sup>th</sup> of the final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement.

**Premium, Classic Plus and Nuvos:**

Full Time Equivalent Annual Pay Range	Contribution rate from 1 April 2013	Contribution rate from 1 April 2012
Up to £15,000	3.5%	3.5%
£15,001 - £21,000	4.7%	4.1%
£21,001 - £30,000	5.88%	4.7%
£30,001 - £50,000	6.67%	5.1%
£50,001 - £60,000	7.46%	5.5%
Over £60,000	8.25%	5.9%

Benefits accrue as follows:

Premium:

Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. There is no automatic lump sum.

Classic Plus:

Benefits in respect of service before 1 October 2002 are calculated broadly as per Classic and benefits for service from October 2002 are worked out as per Premium.

Nuvos

In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is up-rated in line with Pension Increase legislation.

In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.



The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

#### 7. Other administration costs

	2013-14 £'000	2012-13 £'000
Property costs	137	139
Supplies and services	484	367
Staff related costs	70	60
Rentals under operating leases	124	104
<u>Non cash items:</u>		
Auditors' remuneration and expenses	12	12
<b>Total</b>	<b>827</b>	<b>682</b>

Auditor's remuneration is disclosed as a notional charge and relates to fees notified to OSCR by Audit Scotland in respect of the audit work carried out in relation to the year ended 31 March 2014. All audit fees are paid from the Scottish Consolidated Fund.

No other work was carried out by Audit Scotland during the year ended 31 March 2014 (£nil in the year to 31 March 2013).



**8. Property, plant and equipment**

	Leasehold improvements £'000	Information technology £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>				
1 April 2013	191	186	55	432
Additions	0	17	0	17
Disposals	0	(8)	0	(8)
<b>31 March 2014</b>	<b>191</b>	<b>195</b>	<b>55</b>	<b>441</b>
<b>Depreciation</b>				
1 April 2013	154	129	55	338
Charged in year	6	23	0	29
Impairment	0	0	0	0
Disposals	0	(8)	0	(8)
<b>31 March 2014</b>	<b>160</b>	<b>144</b>	<b>55</b>	<b>359</b>
<b>Net book value at</b>				
<b>31 March 2014</b>	<b>31</b>	<b>51</b>	<b>0</b>	<b>82</b>

All assets were owned at 31 March 2014

	Leasehold improvements £'000	Information technology £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>				
1 April 2012	191	222	55	468
Additions	0	8	0	8
Disposals	0	(44)	0	(44)
<b>31 March 2013</b>	<b>191</b>	<b>186</b>	<b>55</b>	<b>432</b>
<b>Depreciation</b>				
1 April 2012	149	143	54	346
Charged in year	5	30	1	36
Impairment	0	0	0	0
Disposals	0	(44)	0	(44)
<b>31 March 2013</b>	<b>154</b>	<b>129</b>	<b>55</b>	<b>338</b>
<b>Net book value at</b>				
<b>31 March 2013</b>	<b>37</b>	<b>57</b>	<b>0</b>	<b>94</b>
<b>31 March 2012</b>	<b>42</b>	<b>79</b>	<b>1</b>	<b>122</b>

All assets were owned at 31 March 2013 and 31 March 2012.

9. Intangible assets

	Software £'000	Assets under construction £'000	Total £'000
<b>Cost</b>			
1 April 2013	833	0	833
Additions	44	0	44
Transfers	0	0	0
Disposals	0	0	0
<b>31 March 2014</b>	<b>877</b>	<b>0</b>	<b>877</b>
<b>Depreciation</b>			
1 April 2013	643	0	643
Charged in year	49	0	49
Disposals	0	0	0
<b>31 March 2014</b>	<b>692</b>	<b>0</b>	<b>692</b>
<b>Net book value at 31 March 2014</b>	<b>185</b>	<b>0</b>	<b>185</b>

	Software £'000	Assets under construction £'000	Total £'000
<b>Cost</b>			
1 April 2012	1,014	134	1,148
Additions	42	0	42
Transfers	134	(134)	0
Disposals	(357)	0	(357)
<b>31 March 2013</b>	<b>833</b>	<b>0</b>	<b>833</b>
<b>Depreciation</b>			
1 April 2012	942	0	942
Charged in year	58	0	58
Disposals	(357)	0	(357)
<b>31 March 2013</b>	<b>643</b>	<b>0</b>	<b>643</b>
<b>Net book value at 31 March 2013</b>	<b>190</b>	<b>0</b>	<b>190</b>
<b>31 March 2012</b>	<b>72</b>	<b>134</b>	<b>206</b>



## 10. Financial instruments

As the cash requirement of the Non-Ministerial Department is met through the spending review process, financial instruments play a more limited role in creating and managing risk than in a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with OSCR's expected purchase and usage requirements and therefore OSCR is exposed to little credit, liquidity or market risk.

## 11. Trade receivables and other current assets

	<b>31 March 2014 £'000</b>	<b>31 March 2013 £'000</b>
Value Added Tax	18	18
Prepayments	43	47
	<hr/> 61	<hr/> 65

Analysis of Trade and other current assets:

	<b>31 March 2014 £'000</b>	<b>31 March 2013 £'000</b>
Balances with other central government bodies	18	18
Balances with bodies external to government	43	47
	<hr/> 61	<hr/> 65

## 12. Trade payables and other current liabilities

	31 March 2014 £'000	31 March 2013 £'000
Trade payables	107	116
Accruals and deferred income	97	77
	<u>204</u>	<u>193</u>

Analysis of trade payables and other current liabilities:

	31 March 2014 £'000	31 March 2013 £'000
Balances with other central government bodies	23	25
Balances with bodies external to government	181	168
	<u>204</u>	<u>193</u>

## 13. Provisions for liabilities and charges

	Early departure costs £'000
<b>Balance at 1 April 2013</b>	3
Provided in the year	0
Released in year	(3)
<b>Balance at 31 March 2014</b>	<u>0</u>
Analysis of expected timing of discounted flows	
Not later than one year	0
Later than one year and not later than five	0
Later than five years	0
<b>Balance at 31 March 2014</b>	<u>0</u>

OSCR meets the additional costs of benefits beyond the normal Approved Early Retirement scheme benefits of employees who retire early by paying the required amounts annually to PCSPS over the period between early departure and normal retirement date, or as required by the scheme. This is provided for in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.5 per cent in real terms.

#### 14. Capital commitments

Contracted capital commitments not otherwise included in these financial statements:

	31 March 2014 £'000	31 March 2013 £'000
Property, plant and equipment	0	0
Intangible assets	0	0

#### 15. Commitments under leases

Total future annual lease payments under operating leases are given in the table below for each of the following periods.

	31 March 2014 £'000	31 March 2013 £'000
<u>Land and buildings:</u>		
Not later than one year	124	124
Later than one year and not later than five years	496	496
Later than five years	516	640

#### 16. Related party transactions

OSCR is part of the wider Scottish Administration and it considers that the Scottish Government is a related party within this context. OSCR had significant financial and non-financial transactions with the Scottish Government in the year.

The Board Members and Senior Management Team have not undertaken any material transactions or had a significant involvement with other related parties in the year except as reported in the remuneration report.

#### 17. Contingent liabilities

There were no contingent liabilities at 31 March 2014 (£nil 31 March 2013) which require disclosure under IAS 37 or the Scottish Public Finance Manual.



**18. Post statement of financial position events**

There were no events after the statement of financial position date relating to the 2013-14 financial year.

**Appendix 1**



**OFFICE OF THE SCOTTISH CHARITY REGULATOR**

**DIRECTION BY THE SCOTTISH MINISTERS**

in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2007 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses, and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts.

D A Stewart  
Acting Director of Finance

Signed by the authority of the Scottish Ministers

Dated 12 March 2007

**Performance against Business Objectives.**

<b>Statutory function: to determine whether bodies are charities</b>	
<b>Overview:</b> deciding whether to enter new organisations on the Register as charities; proactively reviewing the status of existing charities and regulating the changes they wish to make to themselves to ensure they continue to pass the charity test	
<b>Objective</b>	<b>2013-14 performance</b>
Undertake casework in the areas set out above, in accordance with statutory timescales, and OSCR Key Performance Indicators	Published monthly statistics demonstrate we are undertaking casework in accordance with statutory timescales
Adopt the Risk Methodology Framework (developed as part of the Monitoring Review) in our approach to these areas of casework	A draft risk framework has been developed & tested internally  An internal 'testing taskforce' was set up to assist the development of the framework. It met throughout the business year
Issue decisions on risk-based reviews of all fee-charging school charities	Decisions in respect of 24 reviews were issued, and published on our website
Engage with individual charities and stakeholders to assess and address status and governance issues in charitable local authority Arm's-Length External Organisations (ALEOs) (also relevant to compliance function)	This objective was only partially achieved, and has been identified as an action in our 2014-15 Business Plan
5. Update our Meeting the Charity Test Guidance where necessary in the light of review or appeal decisions	As above
6. Complete a pilot for online status applications	As above



<b>Statutory function: to keep a public Register of charities</b>	
<b>Overview:</b> ensure that the information published on the Register informs stakeholders and helps promote public trust	
Consider the feasibility of publishing charity accounts	A feasibility study was undertaken, and a recommendation made to the Board
Explore whether or not it is feasible to develop a Register of charity trustees	As above
Review our approach and improve the availability of Scottish Charity data	OSCR website register search functionality has been enhanced, and the whole site will be refreshed /redesigned for July 2014
Review our policy in respect of those charities which fail to submit returns to us	Internal audit has considered this area of work, and our 2014-15 Business Plan contains a timescale for completion of this task
Use Register information to generate informative quarterly reports aimed at a wide, non-technical audience	Register articles appeared in two editions of OSCR Reporter, our newsletter for stakeholders  Statistics and Register information will continue to be used in our Annual Review documents
<b>Statutory function: to encourage, facilitate and monitor compliance with legislation</b>	
<b>Overview:</b> develop and support awareness of and compliance with the requirements of running a charity and being a charity trustee; respond effectively and proportionately to concerns about non-compliance	
Further enhance the OSCR website as an accessible, authoritative source of guidance for charity trustees and advisers	The Register search functionality has been enhanced  A categorisation of publications has been carried out and new features introduced i.e. Top 10 most popular items. A website redesign has been commissioned
Work with Third Sector Interfaces (TSIs) to develop a rolling programme of events for Trustees, throughout Scotland	'Meet the Charity Regulator' (MTCR) road shows were held across Scotland  OSCR staff attended one event targeted at TSIs CEOs  A pilot event for non submitting, and new

	<p>charities was held</p> <p>We participated in and promoted a series of events highlighting Trustees' Week (4-11 Nov)</p>
Explore the potential for providing online training for charity trustees and advisers	A feasibility study has been undertaken and a project plan prepared to deliver this work in 2014-15
Undertake routine statutory monitoring in accordance with OSCR KPIs	Monthly statistics are produced and published on the OSCR website
Develop proposals for a more risk based, intelligence led approach to proactively monitoring compliance	<p>A programme of work was undertaken throughout the year, including:</p> <ul style="list-style-type: none"> <li>• programme Board meetings;</li> <li>• Charities Reference group meetings;</li> <li>• risk scenario workshops;</li> <li>• testing taskforce meetings held</li> </ul>
Update Guidance for Charity Trustees	Not achieved. This objective has been carried forward into 2014-15 Business Plan
Develop and issue referendum guidance	Guidance was written and issued sector-wide in July 2013
Consult on the new SORP <b>And</b> Develop an interactive web-based SORP	<p>We worked with CCEW to produce an interactive SORP website</p> <p>We also consulted on proposed changes to the 2015 SORP as a result of which the SORP was redrafted and a three stage sign off with the Financial Reporting Council is underway</p>
Procure and develop a new OSCR website with added mobile functionality. (completion date in 2014/15 Business Plan)	<p>A contractor was appointed in February 2014 after tender exercise</p> <p>Technical specification and content generation is underway</p> <p>This objective will be completed in 2014-15</p>
<b>Statutory function: to identify and investigate alleged misconduct by charities</b>	
<b>Overview:</b> undertake investigation activity in response to intelligence received from internal and external sources; take decisive action against those who put the reputation of charities at risk by using sanctions under the 2005 Act where appropriate	
Undertake casework in the areas set out above, in accordance with statutory timescales, and OSCR Key Performance Indicators	Monthly statistics
Review and refresh our Inquiry and Intervention Policy	Partially achieved. This objective has been carried forward into our 2014-15 business plan
Enhance the accessibility and impact of	As above



inquiry reports	
Develop case studies, guidance and learning materials based on our inquiry work	Case studies were published in our Annual Review, in October 2013
<b>Statutory function: to give advice and information to Scottish Ministers</b>	
<b>Overview:</b> Draw on the intelligence gathered in the course of work to provide strategic and technical advice to Scottish Ministers about charity regulation	
Make formal recommendations through our Annual Report and Accounts	Our 2012-13 Accounts were Laid in Parliament in September 2013
Contribute to policy development in relation to the Third Sector	We considered 23 external consultations and formally responded to 10 sectoral ones
Comment on the impact of draft legislation on charities, as appropriate	We provided comments in relation to 12 pieces of legislation
<b>Statutory function: to operate effectively and efficiently as a public body</b>	
<b>Overview:</b> Be a Best Value public body and an exemplar employer	
Comply with statutory duties associated with operating as a public body	Our PSRA and Sustainability reporting requirements were met.
Renew our Framework Agreement with the SG	Our draft Framework Agreement was submitted to the Scottish Government and formal sign off is awaited.
Review the performance information we publish, to make it more informative and useful to stakeholders	We scaled back on the performance information published on our website to provide more concise data.
Review our processes in respect of how stakeholders can ask for decisions we have taken to be reconsidered	Not achieved. This objective will be carried forward into our 2014-15 Business Plan
Review our Service Standards and Complaints Handling Procedures	The new Scottish Public Services Ombudsman's (SPSO) model Complaints Handling Procedure was adopted by us in February 2013
Encourage increased take-up of OSCR Online and consider further enhancements	11 per cent of charities signed up during 2013-2014, bringing the total number of charities registered for OSCR Online to 74 per cent
Update OSCR's Business Continuity Plan (BCP)	The Plan was reviewed
Achieve IIP reaccreditation	Reaccreditation was achieved in March 2013