

Scottish Charity Regulator Annual Review 2017-2018



The Scottish Charity Regulator (OSCR) has had a very productive year. Being the registrar and regulator for over 24,000 Scottish charities is a challenging task, but it is a rewarding one.

As always, a major focus for us is helping charity trustees meet their responsibilities. We have produced a range of additional guidance for Scottish charities, covering topics including: Trading, Fundraising and the Trustees' Annual Report. Feedback on our guidance has been positive, which is great to hear because OSCR aims to make its new materials as clear and easy to understand as possible.

In the media this year, there have been concerns raised around failures to protect vulnerable beneficiaries from abuse and about the use of finances. These were serious matters and we've taken steps to support charities in both of these areas. We have produced new guidance on safeguarding which we hope will help charity trustees understand their responsibilities and contribute to keeping everyone safe, at home and overseas. We have also published new guidance to help combat fraud. Whilst it is right that charities are held to account when they

fall short of the standards expected of them, and that is a key part of our role as regulator, it is also important to keep these incidents in perspective and set the small number of transgressions against the wider backdrop of fantastic work going on in the sector.

Registration and giving consents remain a significant part of our work. During the year our team assessed over 1,100 applications for charitable status in line with our policies, and dealt with 1,079 consent and reorganisation requests, 15% up on last year. Our regulation has continued to be more risk based, targeting our resources to the areas that need it most.

In 2017-2018 we've continued our journey to improve the way we operate and deliver our services. Our website has been updated to make it easier to navigate, we've held successful 'Meet the Regulator' events across the country to explain areas of interest for trustees and we've continued to use new ways of communicating, like social media, to help keep everyone up to date.



Ultimately, all of this work contributes towards public trust. We are pleased to see evidence from our recent charity surveys that trust levels have remained the same. However, we should not be complacent. Charities should always be as transparent as possible when both positive and negative things happen. OSCR would like to stress how important it is for charities to share their stories – let everyone know about the great work you do, and if things go wrong, be candid with your supporters and the wider public to maintain their confidence.

We would like to recognise the efforts of OSCR staff. They have continued to work hard to oversee Scotland's charities in a progressive, preventative and proportionate way. This is also an opportunity to thank Professor David Harrison who completed two terms of office on OSCR's Board in February 2018, contributing significantly to our decision making and helping steer us towards being a forward thinking, risk-led

regulator. Pat Armstrong became Vice Chair, and Stuart Cross Chair of the Audit Committee. Recent Board departures have opened the door for two new Board members, Stephanie Fraser and Jill Vickerman, who are already bringing their own unique insights to our collective thinking.

Finally, we would like to pay tribute to the dedicated, selfless work of tens of thousands of charity trustees across Scotland. It is their commitment to delivering inspirational charitable work that lies at the core of this wonderful sector, and we feel privileged to be able to support them.



**The Very Reverend
Dr Graham Forbes CBE**
Chair



David Robb
Chief Executive

About us

Our vision is of charities you can trust and that provide public benefit.

We are the independent regulator and registrar for over 24,000 Scottish charities including community groups, religious charities, schools, universities, grant-giving charities and major care providers. Our work as Regulator ultimately supports public confidence in charities and their work.

Our core functions are:



Registration

We are Scotland's independent registrar of charities. We publish the definitive Scottish Charity Register at www.oscr.org.uk enabling the public to check charitable status and view financial and other information about charities – over 50,000 searches a month are made on the online register. We consider over 1,000 new charity applications a year and give our consent to around 1,000 existing charities to make changes.



Engagement

We undertake outreach work with charity trustees and advisors through our own events and speaking at events organised by others, meeting around 2,000 charity trustees face-to-face each year. We publish a wide range of guidance material to assist all charity trustees in meeting legal and accounting requirements.



Enforcement

While we strive to be a supportive, preventative regulator, public confidence in charities demands that we take decisive, robust action where required. We handle any concerns in line with our inquiry policy which is designed to protect public confidence.

This review summarises our work in the financial year 1 April 2017 to 31 March 2018.

Risk-based regulation

OSCR takes a targeted approach to its regulation.

This involves making sure that we understand how best we can focus our energy and resources on the issues and charities that are most likely to undermine public trust and confidence.

The key risks we are currently concentrating on are:



Deliberate mismanagement of charities



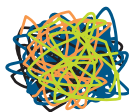
Criminal activity (including safeguarding issues)



Charity trustees' lack of knowledge



Attempts to gain charitable status for private benefit



Lack of clarity of the charity brand



Charities that don't provide public benefit

These risks will be kept under review as we work to improve our intelligence on the risk areas, and to mitigate them where possible.

OSCR Management

OSCR Board

Our Board is responsible for our strategy, future direction, oversight and governance. Our Board Members act as ambassadors for OSCR, promoting our policies and values and bringing their specialist knowledge to the organisation.



**The Very Reverend
Dr Graham Forbes CBE**
Chair



Pat Armstrong OBE
Deputy Chair



Professor Stuart Cross



Shona Ulrichsen



Dr Sophie Flemig



Jess Wade



Jill Vickerman



Stephanie Fraser

OSCR Senior Management Team

The Board is supported by approximately 50 staff working at our office in Dundee. Corporate decision-making that affects our daily operations is delegated to the Senior Management Team led by David Robb, our Chief Executive.



David Robb
Chief Executive



Laura Anderson
Head of Professional
Advice and Intelligence



Judith Hayhow
Head of Support Services



Dr Jude Turbyne
Head of Engagement



Martin Tyson
Head of Casework

Our performance



Registration of Scottish charities

1,184
applications to become a charity

64%
of new charities are SCIOs

76%
of applications for charitable status processed within 90 days

24,391
Scottish charities

100%
of consent applications concluded within the deadline



Increased transparency

8,840
charities with accounts viewed on the Scottish Charity Register

50,000+
register searches a month

96%
of charities submitted their online annual return within twelve months

65,102
views of charity accounts on the Register

11,275
downloads of the OSCR Registration logo



OSCR's enforcement

506
concerns about charities from external sources

174
cases in which we used our formal powers

157
more concerns than 2016-17

45%
increase in concerns reported from external sources

23%
of concerns we've acted on that were resolved in 2017-18 involved general governance issues



Our engagement

398
delegates came to our 'Meet the Regulator' events

2.8m
page views on www.oscr.org.uk

18,616
phone calls and emails handled by our staff

34
external events contributed to

10
guidance publications

A full breakdown of our performance can be found in our Annual Report and Accounts, available at www.oscr.org.uk

The year at a glance

Here are some key moments from the past year. Visit our website and follow us on social media to be kept up-to-date with all of our latest news.

April 2017

Aboyne Canoe Club (Scottish charity number SC047329) became the 10,000th charity registered by OSCR since we began operating.

April
2017

May 2017

We worked with sector partners to provide an online hub for organisations looking to incorporate.

May
2017

June 2017

We launched our personalised registration logo to support Scottish charities publicise their charitable status.

June
2017

July 2017

We updated the guidance section of our website to make it even easier to find documentation.

July
2017

August 2017

We held an all-inclusive 'Meet the Regulator' event in Glasgow that provided BSL interpreters. A recording is available on our YouTube channel.

August
2017

September 2017

We worked with Police Scotland to provide a factsheet on Fraud and Cybercrime for Scottish charities.

September
2017

October 2017

The recruitment process for two new OSCR Board members commenced: over 200 applications were received.

October
2017

November 2017

We produced a joint publication with other UK charity regulators on reporting by auditors and independent examiners of relevant matters of interest.

November
2017

December 2017

We published guidance on Trustees' Annual Reports.

December
2017

January 2018

We started gathering information for our 2018 survey on Scottish charities.

January
2018

February 2018

We wrote to every charity highlighting two key issues, Safeguarding and Notifiable Events, providing clear suggestions on how to manage both.

February
2018

March 2018

We published new guidance on trading.

March
2018

Being a Charity guidance

Our most popular guidance over the year has been the ‘Being a Charity in Scotland’ guide, first released in early 2017. It uses simple graphics and straightforward language to explain the basics of charity law, helping those who run Scottish charities understand their responsibilities.

Here are the top ten key points to running a charity properly from the guide. The full version is available at www.oscr.org.uk/guidance-and-forms/being-a-charity-in-scotland

1 Always do what is best for your charity

As a charity trustee you have a legal responsibility to put the interests of your charity above your own interests. All the charity trustees are collectively responsible for making sure that the charity is run properly and lawfully.

2 Act with care and diligence

You have to protect your charity including its beneficiaries, assets and reputation.

3 Understand your charity's legal responsibilities

Make sure your charity is meeting its legal duties under charity law and other relevant laws.

4 Declare and manage conflicts of interest

All charity trustees have a collective responsibility to manage conflicts of interest and to act in the charity's interests.

5 Know and understand your charitable purpose(s)

Everything you do should be directed at achieving only the purposes set out in your governing document.

6 Have a copy of your governing document

Know what it says, understand what it means, and what you have to do.

7 Understand your charity's finances

All the charity trustees are responsible for the charity's finances and must have access to the financial records.

8 Send OSCR the correct information, on time

You must send us your accounts, Trustees' Annual Report, External Scrutiny report, and online annual return every year.

9 Make sure your charity's details on the Scottish Charity Register are correct and any changes are made properly

You can update some details using OSCR online. It's a legal requirement for you to make sure Principal Contact details are up to date. If you want to make certain changes to your charity you must ask OSCR for permission first.

10 Give people the correct information

Make sure your charity publicises that it is a charity. Display your charity number.

Charity Surveys

This year, OSCR commissioned two surveys on Scottish charities and their regulation.

Independent research organisation Progressive surveyed over 1,000 members of the public and over 1,200 charity representatives, as well as holding focus groups and in-depth telephone interviews to explore in more detail any issues raised. Both surveys compared views against 2016 and confirmed sustained levels of public trust in charities and support from both the public and charities for OSCR and its work. Please visit our website for the full survey results and reports.

91%
of the public
have given time,
money or goods
in the last year
(91% in 2016)



The best ways of increasing trust were knowing how much of the donation goes to the cause (88%) seeing evidence of what is achieved (88%) and knowing the charity is well run (89%)



Mean trust score
6.14/10
(6.08/10 in 2016)



85%

say OSCR's role
is important
(84% in 2016)

60% of charities
reported funding issues in 2018
compared to **47%** in 2016

46% 
said they would donate if
OSCR's logo is shown

94% 

of charities
said their
charitable
status is
important
(93% in 2016)

54% of those who said
their trust decreased mentioned
negative press stories



Mean trust score
of 7.11/10
for local charities

Knowing a charity is
regulated by an
independent body also
increases trust (86%)



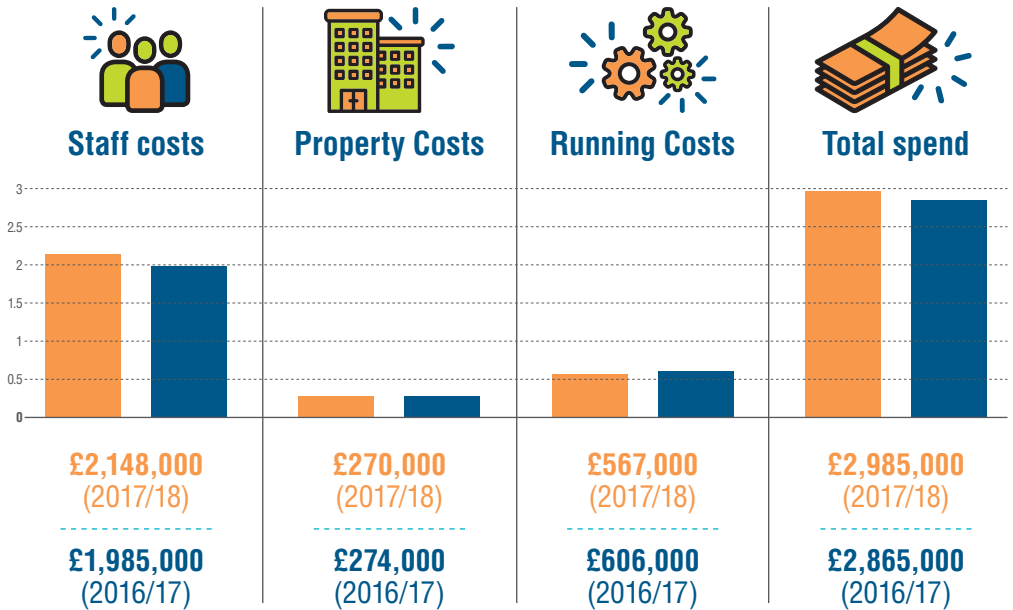
95% trust OSCR to treat
them fairly (93% in 2016)

Financial statement

Here is our income and expenditure for the year to 31 March 2018.

For our full Annual Report and accounts please visit www.oscr.org.uk

Breakdown of annual operating costs



The year ahead

Our work will continue to be progressive, proportionate and preventative.



OSCR's will continue its targeted approach to its work, underpinning trust and confidence.



More guidance will be produced to support trustees, including updated guidance on SCIOs.



The online application for charitable status will go live on our website.



More 'Meet the Regulator' events are planned across the country.



New features will be introduced to our website such as enhancements to the Scottish Charity Register to improve transparency.



Outcomes of significant interest from our inquiry work will be published on our website to spread lessons learned and help prevent further problems.

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