

Annual Corporate Governance Review

2022-2023



Introduction

Good governance in the public sector involves governing bodies and individuals working for public sector organisations delivering their corporate objectives while acting in the public interest at all times. Public bodies must act in a manner which is consistent with the requirements of legislation and government policies, avoiding self-interest and, if necessary, overriding a perceived organisational interest.

This document considers how OSCR has delivered against the six Governance principles which are set out in the Good Governance Standards for Public services commission report. Whilst the principles were developed a number of years ago, no updates to the commission report have taken place, as all are still relevant today.

Each of the principles together with supporting evidence in respect of OSCR, is set out in the tables below.

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| 1 | Good governance means focusing on the organisation's purpose and on outcomes for citizens and service users |
| Evidence | <p>Our 2020–23 Corporate Plan sets out our corporate strategic objectives which are aligned to ensuring public trust and confidence in charities. Our annual Business Plan details specific priorities for the year, and performance against this is monitored and reported at year end. Our Board receive Performance information at each meeting which outlines our progress towards delivery of key priorities, and our Extended Leadership Team monitor progress on a monthly basis, considering priorities and taking resourcing decisions to ensure delivery.</p> <p>In 2022 we commissioned a Public and Charity Survey, to better understand key challenges facing the sector; and public perceptions and awareness of charities. Using information from these, together with data on the sector produced by other organisations, we provide information and guidance, signposting to relevant information prepared by other organisations where appropriate, in</p> |



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| | <p>response to challenges facing the sector. We also amend and adapt our internally generated communications and delivery mechanisms eg. social media platforms to maximise impact. We use our knowledge of the sector to influence external policy development, working with SH colleagues, and making recommendations to Ministers through our Annual Report and Accounts.</p> <p>Since March 2021 our staff have worked on a hybrid basis, and all have full and secure access to key corporate systems, irrespective of location. Based on feedback from the People surveys which we undertake annually, we developed a range of new training materials for our staff, and also arranged a number of mandatory learning sessions and programmes to ensure colleagues have the skills and tools available to work and interact effectively and consistently, thereby ensuring that delivery effectiveness is maximised in a manner consistent with our corporate culture.</p> <p>A review of Corporate Governance forms part of the annual Internal and External audit review work, and is reflected in the annual assurance rating which is awarded by Internal Audit. In 2022-23 the level of assurance awarded to OSCR was Substantial.</p> |
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| 2 | Good governance means performing effectively in clearly defined functions and roles |
| Evidence | <p>Although OSCR is a Non Ministerial Office, we work closely with Scottish Government colleagues across a number of areas. Our Framework Agreement details reporting, accountability and service delivery arrangements and reflects how we can work jointly and effectively to deliver our strategic priorities. During 2022-23 we worked closely with a number of new colleagues within SG, to enable them to develop an understating of our role and functions as an NMO, and establish appropriate working practices to ensure that OSCR is appropriately represented and considered in matters related to resourcing etc. We have a number of strategic agreements in place with other key partners, which outline how we work together to maximise impact and efficiency, and minimise</p> |

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| | <p>duplication, particularly where bodies are regulated by more than one regulatory body. In the year ahead, (2023–24) we will be reviewing and updating both our Framework Agreement with SG and a number of strategic agreements, with a view to ensuring that they take appropriate cognisance of the public service reform agenda, and reflect evolving working practices.</p> <p>All OSCR staff have personal workplans which are developed at the start of each year, and link to delivery of corporate strategic priorities. These workplans are monitored formally and informally throughout the year, in accordance with the Scottish Government’s performance management framework, and training requirements are discussed with each staff member during Monthly Conversations between them and their manager. Board Members’ performance is similarly monitored and reviewed by means of a twice yearly performance review by the Chair. The ARAC and Casework committees carry out an annual self evaluation exercise which is formally reported to the Board; and we plan to re-introduce Board self evaluation at the end of the current year.</p> |
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| <p>3</p> | <p>Good governance means promoting values for the whole organisation and demonstrating the vales of good governance through behaviour</p> |
| <p>Evidence</p> | <p>Our Board Members follow the Standards Commission Code of Conduct, (which was revised in 2022–23) and each Board Member completes a Register of Interests form every six months. These are publicly available on our website. Board Members are asked to declare any Interest in Board or committee matters, at the start of each formal meeting.</p> <p>New staff and Board Members joining OSCR are subject to an induction programme, which was comprehensively reviewed at the start of the year, using feedback from Board Members and staff. Looking ahead, induction materials will continue to be reviewed and adapted to ensure they are fit for purpose.</p> |



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| | <p>All staff and Board Members undertake mandatory online training in respect of diversity and equality. OSCR operates a zero tolerance policy in respect of bullying and harassment. Our staff take part in the annual cabinet office engagement survey which provides us with information on wellbeing and discrimination. The results are used to populate annual learning and improvement plans, which are monitored and reported on by ELT and SMT. Progress updates in respect of staffing matters, including recruitment and learning were provided to Board Members at each meeting in 2022–23.</p> <p>We expect colleagues in leadership roles in OSCR to demonstrate the behaviours we aspire to, and lead by example. All OSCR staff took part in a 5 week behavioural science training programme during the year, to equip them with an understanding of and the skills required to positively influence corporate behaviours and culture. Our cross organisation Extended Leadership Group which meets weekly, and Line Manager’s Group which meets every 2 months, consider and discuss learning, training and consistent management styles and practices. Our Corporate Strategy sets out the eight values which underpin all of our activities, and the way in which we work. These values outline that we will work in a way which is Transparent; Proportionate; Accountable; Consistent; Fair; Targeted; Informed and Independent.</p> <p>OSCR staff are subject to the Civil Service Code, and each OSCR staff Member completes a Register of Interest form. We have an ICT code of conduct for all staff.</p> |
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| <p>4</p> | <p>Good governance means taking informed, transparent decisions and managing risk</p> |
| <p>Evidence</p> | <p>The role of the Board and Committees are clearly outlined in their Terms of Reference, which are reviewed annually.</p> <p>During 2022–22 we used Scottish Government Risk guidance to comprehensively review our corporate risk register, rationalising and</p> |



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| | <p>focussing the way in which we identify, record and mitigate risk. We also revised risk monitoring and reporting arrangements, taking account of Board feedback, and with a view to ensuring that risk discussion is focussed and relevant. This work was led by our ARAC, with input from Internal Audit colleagues and will continue into 2023-24, when we finalise work on the development of an OSCR Assurance Map, which will be added to the suite of risk management documents and procedures.</p> <p>To provide additional transparency to stakeholders about our activities and decision made in respect of regulatory matters, we committed to publishing an increased number of post inquiry reports, in circumstances where the findings would be of interest to an/or have learning lessons for the wider sector. This ties in with our overall approach to communications, and being increasingly open and transparent about the work we do.</p> <p>During 2022-23, we continued our work with Board Members to review the performance information which we collate and publish, in order to more accurately reflect the changing nature of our work, and provide quantitative and qualitative information which could form the basis of effective management and reporting. As we work towards developing a Corporate Plan for 2023 onwards, we are also exploring ways in which we can most effectively translate our strategic objectives into measurable and reportable stakeholder experiences.</p> |
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| 5 | Good governance means developing the capacity and capability of the governing body to be effective |
| Evidence | <p>Board and Staff members' performance is formally reviewed annually, as part of which learning requirements are identified. These are incorporated into our corporate learning plan, so that implementation can be planned and evaluated.</p> <p>Staff members have a monthly conversation with their manager, at which performance, learning and wellbeing are discussed.</p> |



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| | <p>Board members participate in some corporate training events, and also participate in member training events co-ordinated by the Scottish Government. These events provide an opportunity to share ideas and network with members from other public bodies.</p> <p>During 2022-23 we recruited several new Board Members and a Chair. The recruitment process was informed by a detailed skills analysis exercise, designed to ensure that Board Members bring a diverse range of experience to OSCR, which will enable and support the setting and delivery of current and future Corporate Plan priorities. In addition, the appointment terms for the Board Members have been 'staggered' so that not all member's tenures end at the same time, to ensure continuity and resilience.</p> <p>OSCR staff participate in the annual Civil Service people survey, and improvement activities based on the feedback are incorporated into our annual learning plan. The People Strategy we published in 2022-23 sets out our six strategic priorities for our people over the coming 3 years, and progress towards delivery will be evaluated and reported on an annual basis.</p> |
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| 6 | Good governance means engaging stakeholders and making accountability real |
| Evidence | <p>We conduct stakeholder surveys every two years, most recently in February 2021. The survey results provide us with a range of high quality information about Charities, regulation and the services we provide which we will use to inform and refine the activities we undertake to deliver our strategic objectives.</p> <p>In 2019 we established a Charity Reference Group comprising volunteer members from organisations across the sector and in 2022-23 we consulted with them about proposed changes to legislation; challenges facing the sector, and sought input on our</p> |

charity reporting system, which was incorporated into the D365 Blueprint. By engaging with stakeholders, and listening and acting on feedback, we strive to demonstrate that we take accountability seriously, and we are currently considering group membership, and how we can ensure that membership remains representative of the whole sector.

Our Annual Report and Accounts, which provides an overview of our annual activities and performance in addition to financial information, is laid before the Scottish Parliament, and published on our website. The site also includes key corporate documents and performance information relating to our activities as Scotland's charity regulator, and

We use social media to communicate with stakeholders, and have several thousand followers on twitter and facebook. Our website is our key communication platform, and in addition to written information and guidance, video guides and blogs are available to cater to the variety of stakeholder preferences for receiving information. During 2022-23 we began the process of reviewing and refreshing website content and layout with a view to ensuring that visitors to the site could more easily find the information they sought. We are also working to ensure that the website landing page provides appropriate and up to date information which is of interest to our wide range of stakeholders.

Whilst we do not receive a high volume of service complaints, when any complaints are received we use the feedback to identify where there are procedural changes which could be introduced to improve service and prevent the issue from recurring. In 2022-23, based on analysis of complaints raised in respect of how we considered concerns raised about charities where we have no regulatory locus to act, we have developed and published a new interactive Charity Concern form, which sets out clearly when it is appropriate for OSCR to act, and when it is not. In the latter case, suggestions as to how the matter can be progressed are provided.