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MINUTES

OSCR Board meeting

**Held on Wednesday 7 May at 10am at OSCR Offices, 9 Riverside Drive
Quadrant House, Dundee**

Present: The Very Rev Dr Graham Forbes, Chair
Prof. David Harrison, Vice Chair
Fiona Ballantyne, Board Member
David Hughes Hallett, Board Member
Kaliani Lyle, Board Member
Pat Armstrong, Board Member
Stuart Cross, Board Member
Shona Ulrichsen, Board Member

In attendance: David Robb, Chief Executive
Martin Tyson, Head of Registration
Laura Anderson, Head of Enforcement
Judith Turbyne, Head of Engagement
Judith Hayhow, Head of Support Services
Nicola McBain, Board Secretary
Claire Stuart, Accounting Adviser

	Stakeholder Survey Results Sarah Ainsworth and Alex Belcher from Progressive Partnership presented a summary of the findings from the 2014 Stakeholder surveys. The Board welcomed and noted the generally positive results of the surveys and thanks were noted to the Engagement Team, specifically Louise Meikleham for managing the work. The Board also wished to commend staff for the high and improved approval ratings from charities and other stakeholders.	
		ACTION
1.	Apologies No apologies were noted.	
2.	Declarations of interest	

	No declarations of interest were noted.	
3.	<p>Agenda item 1: Minutes of previous meetings</p> <ul style="list-style-type: none"> • 4 February 2014 • 12 March 2014 <p>The minutes of both meetings were approved and all matter arising are dealt with in the Board papers presented.</p> <p>It was confirmed that Board members and staff should not generally be identified in the minutes and they should only record the main discussion and decisions made.</p>	NM
4.	<p>Agenda Item 2: Chief Executive's Report</p> <p>The Chief Executive introduced paper 383.</p> <p>The Chief Executive highlighted the management information for March 2014, as well as the annual statistics for 2013-14. This information was noted by the Board.</p> <p>An update was given on cases, appeals and reviews. Specifically it was advised that Scottish Animal Welfare and Highland Titles Charitable Trust for Scotland have sought reviews of the original decisions. It was also noted that information would be published on the reasons for the decision taken to give Raeburn Place Foundation charitable status.</p> <p>In relation to Engagement it was advised that good progress was being made with the redevelopment of the website and the launch is expected in July 2014.</p> <p>Planning is also underway in respect of the next round of Meet the Charity Regulator Events expected in late summer. Board Members will be invited to attend and will be advised of the final dates/locations as soon as they are confirmed.</p> <p>Work is also beginning on the review of our two major pieces of guidance 'Meeting the Charity Test' and 'Charity Trustee Guidance'. To support the development of the guidance it is planned to identify some board Members willing to help. Notes of interest from Board members are sought.</p>	<p>Board Members</p> <p>Board Members</p>
5.	<p>Agenda Item 3: Risk-led Regulation: Proposals for annual reporting</p> <p>The Head of Enforcement introduced paper 384.</p>	

The Board has previously been updated on the Risk-led Regulation (RLR) programme in previous CEO Reports and David Hughes Hallet has been a member of the Programme Board.

A key feature of the RLR programme is the development of a Risk Framework (RF). The RF would be critical in enabling OSCR to focus on the areas of greatest regulatory risk. Staff and the Charities Reference Group have influenced the development of the draft RF and a draft was presented for Board comment.

The Board asked how the risks identified were collated, and it was noted that through staff workshops a much longer list of risk indicators had initially been collated and these were then refined and prioritised. It was also noted that the RF would be a dynamic document and the number and risk issues may change as the sector and OSCR develops.

It was agreed that an additional risk relating to cross-border charities be added, taking account of the independence referendum later this year.

Finally there was some discussion about continual non-submitting charities, and it was asked if there was any specific profile to these types of charities. The Head of Enforcement advised that profile analysis has been conducted, but no specific trends emerged. However, where it has been noted that a specific group structure were having difficulties in this area, we have engaged with the umbrella organisation to resolve these issues.

The Head of Enforcement took note of the Board's comments and these will be incorporated into the final draft of the RF.

The Head of Enforcement moved onto to outline the planned changes to the annual monitoring regime. As a result of the development of the RF and the intention to focus more on key risks in our work, changes are proposed to the structure and content of the annual monitoring regime.

The proposal is a redesigned Annual Return that would obtain more information about areas of risk that we are concerned about or specific issues that arise. An illustrative example was provided, however further consultation is planned with the Charities Reference Group

LA

<p>and other stakeholders to finalise the questions.</p> <p>Many of the Board members welcomed the change in questions noting that most would be easily answerable by charity trustees and highlighted key governance issues all charities should be considering.</p> <p>There was a question about how the proposals fitted with OSCR being a 'light touch regulator' and the discussion moved on to consider possible income thresholds that could be introduced, that for example, could involve groups of charities not completing the form, or completing only specific parts.</p> <p>In relation to thresholds there was a discussion on the appropriateness of using an income level to determine these. Income is a figure OSCR holds for all charities and is useful in terms of assessing impact of risk. However it was acknowledged that other thresholds could be determined</p> <p>It was agreed in refining the proposals further that a specific set of questions should be agreed for completion by all charities and a steer given that the existing income threshold of £25,000 would be appropriate for more complex/detailed questions.</p> <p>It was also agreed that the final refined proposals would be presented to the Board's next meeting on 24 June 2014, following which a planned external consultation would begin.</p> <p>The Board moved onto discuss the introduction of 'Serious Incident Reporting' (SIR). The Head of Enforcement advised that this was a recommendation of the original 'Review of Monitoring' and initial scoping of the idea had begun. The Board agreed that further exploration should be carried out on whether OSCR should introduce a similar regime.</p> <p>Finally the Head of Registration updated the Board on progress made with the exploration of how OSCR could publish accounts on the Scottish Charity Register. The Board in November 2013 (Board Paper 367) had been told of the complex legal issues (publishing of personal information) making the publishing of charity accounts difficult and having discussed the options asked OSCR to further explore the option of consent.</p> <p>The Head of Registration has reviewed the consent option</p>	<p>LA</p> <p>LA</p>
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	<p>further but it has proved to be very complex both in terms of data protection and IT/business change.</p> <p>Following this conclusion the option of redaction of personal information was revisited. Analysing the resource required to support this against the business benefits expected from publishing accounts, it was recommended to the Board that accounts be redacted and published for those charities with an income of £25,000 or more and for all SCIO's.</p> <p>The Chief Executive added that this is an interim solution and legislative change will be sought to make publishing accounts more feasible in the future.</p> <p>The Board agreed the recommendation.</p>	<p>MT</p>
<p>6.</p>	<p>Agenda item 4: ALEOs</p> <p>The Accounts Advisor introduced Paper 385. Arms's Length External Organisations (ALEO's) were flagged as a regulatory interest from the Board previously, and it was outlined in the Annual Report that targeted work in this area would be undertaken.</p> <p>Analysis was conducted of the Register information and information provided from Audit Scotland to establish a definitive list of 63 charitable ALEO's. A detailed constitutional and accounts analysis of each was undertaken so as to identify trends and risk factors. Discussions with Audit Scotland had also taken place.</p> <p>To allow further exploration of the risk factors it is proposed that a sample of 11 charitable ALEO's be contacted and reviewed in greater detail.</p> <p>A discussion took place on how the work of this project is communicated, and it was noted that there will be a number of stakeholders including Scottish Government and Scottish Council for Voluntary Organisations that will have an interest. The Board advised that a sensitive and well managed communications approach will be required.</p> <p>There was also discussion about further action that might be taken if there was misconduct identified within any of the sample charities. It was agreed that this fits with the Risk-led Regulation as we will focus on certain charities/samples and as such this approach was agreed</p>	<p>MT/JT</p>

	<p>by the Board.</p> <p>The Board agreed the recommendation to undertake the further analysis of the stated 11 charitable ALEO's.</p>	MT
7.	<p>Agenda item 5: OSCR Scheme of Delegation and Review and Appeal procedures</p> <p>The Head of Registration introduced Paper 386. It was noted that the Scheme of Delegation and Appeal procedures have been discussed previously by the Board, and amendments were advised in November 2013.</p> <p>Following the recommendation made by SCAP in the St Margaret's Children and Family Care decision in respect of OSCR's the review procedures, it was agreed to re-submit the proposals set out in November as it was felt these offered the best means of addressing those issues raised by SCAP, while retaining the flexibility required for the organisation.</p> <p>After discussion, the recommendation was accepted, with the Board agreeing that they would not take first-instance decisions in future, but would maintain their role in review decisions.</p>	MT
8.	<p>Agenda item 6: Annual Recommendations to Ministers</p> <p>The Chief Executive introduced Paper 387. It was noted that every year within the Annual Report and Accounts, recommendations were made to Scottish Ministers.</p> <p>It was proposed that certain new recommendations be made to Ministers together with a reminder to highlight recommendations previously made and not addressed by Ministers. Board members approved the approach to engagement on matters of concern and the recommendations for the 2014 report. They asked however that the recommendations be categorised according to risk, to flag more clearly to Ministers their importance.</p>	DR
9.	<p>Any other business</p> <p>No other business was noted.</p>	