Minutes: Scottish Charity Regulator (OSCR)
Board meeting, 21st June 2023

Board Members Present: Marieke Dwarshuis (Chair)
Jill Vickerman (Vice-Chair)
Jessica Wade
Lynn Bradley (left after item 6)
Kirsten Howie
Neil MacKay
William Maxwell
Robin Strang

OSCR attendance: Maureen Mallon - CEO
Judith Hayhow - Head of Corporate
Martin Tyson - Head of Regulation & Improvement
Finance Governance & Business Manager
HR & Learning Coordinator
Senior Manager, Higher Risk Cases & Quality Assurance
Senior Manager, Communications & Digital
Senior Legal Advisor

Board Secretary: Executive Assistant

Private Business		
Item	**Area**	**Action**
1, 2 & 3	**Chair's introduction, welcome, declaration of interest, minutes from previous meeting and Action log** 1. Apologies - none 2. Declarations of interest – None 3. Minutes of previous meeting – Agreed. Action log – Amendments were discussed and agreed and are to be adopted. There was a discussion around the full comms strategy, and it was noted that this is on the planner for discussion at the September meeting.	

4.	**Chair update**	
	MD provided a verbal update regarding her recent activity.	
	MD highlighted she had a discussion with SG Director of Covid Recovery and Public Service Reform around OSCR's budget, and a follow up meeting would be held in July which will also include MM.	
	MD, along with MM, held a meeting with the external auditors in relation to the Annual Report and Accounts	
	MD confirmed Board Appraisals have been finalised.	
	A Board effectiveness questionnaire will be issued to members over the next few weeks for completion and the results will be reviewed at the August strategy day.	
5.	**CEO update**	
	MM gave a verbal update. She thanked the Board and staff for their work over the challenging time of Internal Audit (IA) and External Audit (EA) at the same time as normal business.	
	MM updated the Board on the changes to ELT meetings. ELT will now meet fortnightly alternating between a meeting discussing risk register, workforce planning etc and a Spotlight meeting.	
	Confirmed that the lease has now been signed and the office improvements are moving along. There will be a meeting with the senior leaders of the other tenants in the building to discuss working together as a hub.	
	Action - SMT will organise meeting with other tenants.	**SMT**
	MM will meet with SG Director of Covid Recovery and Public Service Reform on 22nd June to have a discussion around the additional funding needed for the work required following the new legislation and what would be required for a business case.	
	The Board then discussed a question around accounts and confirmed that now the lease is signed, a post balance sheet adjustment may be required prior to signing of the accounts.	
	Action – JH will check the actions required in relation to the provision for the dilapidations with Audit before accounts signed.	**JH**
	The Board discussed public service reform noting this is not the same as public body reform. This will be discussed with DG Communities who is visiting following the Board meeting. The agenda for that discussion also includes our planned priorities based on the new	

	Corporate Strategy and questions around how we can be more proactive.	
6.	**ARAC Annual report to Board** LB presented the ARAC annual report highlighting the "substantial assurance" outcome from Internal Audit and that a 'clean' audit outcome was provided by External Auditors. LB acknowledged the work of OSCR staff in putting together the Annual Report and Accounts within such a tight timescale. A further discussion was held around the post balance sheet amendments to the accounts now that the lease for Quadrant House had been signed. LB noted that a recommendation for further medium-term financial planning was included by the External Auditors, this is carried forward from last year and that the recommendations have been accepted. LB talked Board Members through the effectiveness review which ARAC had conducted. A questionnaire was used, and the committee agreed they were "effective". Some improvements for the future were identified including the use of a common format for the cover report and requested any feedback from the Board or Accountable Officer in relation to the effectiveness of the committee. MM as Accountable Officer thanked ARAC for its work over the last year. There was a discussion around the pressures associated with such an early submission date for the Annual Report and Accounts, albeit that the rationale for early completion is understood. **Action – Annual Report and Accounts submission date to be considered as part of the review of annual ARAC business scheduling.** MD summarised noting that ARAC recommended the approval and signing of the accounts. She congratulated staff on doing work early and the excellent "substantive assurance" and clean audit outcome. There is no change proposed to ARAC TORs.	Finance Governance & Business Manager
7.	**Casework Committee annual report to Board and Cases Committee to Board** JV introduced the annual report sharing the minute from April and advising the May minutes were still to be agreed. The next meeting would be on 23 June. The Board discussed the 22nd May draft annual report and the structured assessment giving views on how the Committee have been	

	performing. Items highlighted in the report include the ongoing sense of still improving and developing, the role of committee, reputational risks, and the input to new Inquiry Policy. JV thanked Board colleagues who are members of the casework committee for their work. The assurance given at the end of the annual report was discussed, highlighting that the committee is functioning well and no suggested changes to TORS. Casework Committee meeting dates to be reviewed to ensure they are suitable for all members and for relevant OSCR staff to attend. MT – gave an update on process changes discussed at recent meetings including the decision making at beginning and end of cases, and how to implement other lessons learned from recent cases. There was a discussion around the scenario where a trustee offers undertakings never to serve as a trustee again. MT set out the assurance provided to the Committee that the practice of other regulators had been looked at and the reputational risks involved in such offers considered. MD - thanked MT and JV for report.	
8.	**Cyber security update** Senior Manager, Communications & Digital presented the update advising we are on course to secure Cyber Essentials Plus accreditation within the next few weeks, and that there are no significant concerns. JH Confirmed OSCR updated digital strategy for 2023-26 will be included at the September Board Meeting for discussion and that cyber security will be reflected in the document as a key priority.	
9.	**OSCR's regulatory priorities** MT introduced the paper and stressed that this is not a replacement for the Risk Framework but sets out Regulatory Priorities for the whole of OSCR's work as opposed to just casework or inquiries. There was a discussion around the order of the priorities. It was confirmed that in many cases regulation is best taken forward through OSCR's functions of providing guidance on duties and the law and explaining what appropriate levels of care and diligence look like for charity trustees as well as, or instead of enforcement. The Board discussed that in preparing the priorities for public discussion we need to frame them carefully to make clear that the regulatory priorities span improvement work and all the work of the regulator, not just casework.	

	The Board confirmed they are content with Regulatory Priorities but would like to see greater clarity on how these may shape the various aspects of OSCR's work. **Action - further draft of the Regulatory Priorities document to be shared with the Board prior to publication.** The Board discussed the need for engagement with key stakeholders on these priorities and were informed that a stakeholder event is planned for later in the summer. **Action - Priorities to be reviewed annually by Board (and twice a year by ELT). Executive Assistant to add to Board Schedule of Business.**	**MT** Executive Assistant
10.	**Annual Report and Accounts** The Finance Governance & Business Manager introduced the papers that had been circulated before the meeting for comments. The Finance Governance & Business Manager also highlighted the "substantial" assurance opinion from Internal Audit. **Action – The Finance Governance & Business Manager to share final version of the Annual Report and Accounts once finalised**. The Board discussed signing off the final auditor's report and the recommendations to Scottish ministers. It was discussed that the narrative of the Annual Report works well. Conversations re Regulatory Priorities are important, and it may be useful to make brief reference to these in the report. **Action – The Finance Governance & Business Manager is to include brief reference to regulatory priorities within the Annual Report.** The Board approved the Accountable officer signing the accounts once the action required around the post balance sheet events was confirmed and relevant updates made. MM as accountable officer confirmed she is content to sign the accounts.	The Finance Governance & Business Manager The Finance Governance & Business Manager
11.	**Budget Allocation and scenario planning** The Finance Governance & Business Manager gave an overview of the paper confirming the last meeting where the Board recommended budget planning based on the allocation of £3.3m. The main costs are staffing at 76% of budget which is further complicated by the protracted pay negotiations. The Board discussed potential risks around a pay agreement which increases the paybill by over 3% and the vacancy rate assumptions	

	made as these could have a significant impact on delivering the budget within the allocation. There was a discussion around the potential of setting a deficit budget. MD – summarised that the Board agrees the breakdown of the budget as proposed, on the understanding that in year adjustments will be made to ensure that the spending comes within allocation of £3.3m. The Board can clearly see two areas of risk in relation to coming in on budget: due to uncertainty and the risk around (1) the vacancy assumptions and (2) around the pay uplift. In addition, the funding of activity directly in relation to the Bill is not included in this budget allocation. **Action - The Finance Governance & Business Manager is to include a breakdown of staffing costs in relation to teams and functions in future financial update papers.**	The Finance Governance & Business Manager
12.	**Business Plan** The Finance Governance & Business Manager introduced the business plan advising that this Business Plan was based on the outcomes within the Corporate Strategy 2023-26 - these informed priorities in this year's plan. The Finance Governance & Business Manager asked for feedback on the BP and approval. There was a question around 5% efficiency savings (Page 12) and that the wording should state the reduction relates to existing activities rather than new activities started within the year. There was discussion around the clarity of percentages, in particular about what the baseline is where % increases/decrease are indicated. It was clarified that baseline is 22/23 figures. Need to consider again how to make this clearer. The Board is content to proceed with business plan and the indicators within. It was agreed an addendum will be published to accompany the Business Plans to provide context for the indicators. **Action – Business plan to be published.** **Action – Addendum to the Business Plan to be published to provide context for the indicators within the plan.** MD thanked for work on getting this done so swiftly.	**Finance Governance & Business Manager**
13.	**Performance report** The Finance Governance & Business Manager introduced the performance report that is based on the draft business plan which has been reviewed. Dashboard and narrative section were based on feedback.	

It was discussed that the report needs to show baseline information for targets and a consistency of methodology is required to understand where data is coming from. It is helpful to have more narrative in the report to explain whether areas of work are on target, or if off target what will be done to get them back on track. A discussion was held around the business priorities against indicators, it was agreed this is helpful but there are points to clarify. **Action – The Finance Governance & Business Manager is to review indicators as above and to ensure it is clear on the baseline data where appropriate.** **Action - The Finance Governance & Business Manager is to share definition of indicators on the website along with Business Plan** **Action - Senior Manager, Communications & Digital to share update on progress of surveys to gather feedback on our services** There was a question regarding staff absence. The HR & Learning Coordinator confirmed that short term absence is up. There is no theme to absences, The HR & Learning Coordinator will continue to monitor in case patterns emerge. The Board discussed achieving target under "proportion of concerns not appropriate to OSCR" as the figure appears to have increased. MT - referred members to later pages of reports that give clarity: the new concerns form launched on 1 June 23 (i.e., months 1 and 2 were still under the old policy) and we are awaiting early indicators of results from these changes. The HR & Learning Coordinator confirmed that we are not doing a full 'pulse survey' for staff, as the CS survey will be in September. OSCR will have a separate smaller survey about the Board which links to the Board effectiveness questionnaire. MD Summarised by saying that the Board was very happy with the new look performance report, which is a good combination of numerical information through the dashboard, and narrative on the development priorities. The feedback from the Board over the past months has clearly been taken into account in pulling this report together. The comments made were all on the fine tuning of how the numerical information is presented and can be improved over the next couple of months.	Finance Governance & Business Manager Finance Governance & Business Manager Senior Manager, Communications & Digital	

14.	**QA Framework**	
	The Senior Manager, Higher Risk Cases & Quality introduced the framework and advised the discussion at the April meeting regarding QA was helpful. There were 3 actions from this meeting.	
	1.Looking at assurance maps from December last year	
	2.Preparing framework	
	3.What might update paper look like	
	It would be sensible to leave a reasonable period of time between updates to allow a good amount of information. The Board considered the reporting period and suggested it be annual unless there is a concern.	
	Topics for consideration include priority areas and gaps, and whether there are areas where we can reduce QA activity. Could this framework be combined with the Assurance Map to become one composite document, then take to ARAC or Board as appropriate? Given that Cyber Essentials is a new external assurance, we may need less assurance than we used to in some areas. Areas for development - sometimes might mean move into routine support and supervision.	Senior Manager, Higher Risk Cases & Quality **/** The Finance Governance & Business Manager
	Action – The Senior Manager, Higher Risk Cases & Quality and The Finance Governance & Business Manager is to explore one assurance map document which includes QA.	
	Action – QA to be added to the Board Schedule of Business annually.	Executive Assistant
15.	**Review of Board Papers**	
	The Board stated the papers were appropriate the quality and structure of papers is helping the Board be more strategic.	
16.	**Dates of next meetings**	
	Strategy Day 10am – 4pm 23 August 2023	
	MM updated on the draft agenda for Strategy Day. The morning will cover internal items - Risk Register and assurance mapping, Board effectiveness, succession planning	
	The afternoon will be more outward looking with SG Director of Covid Recovery and Public Service Reform joining to engage in a discursive space.	
	The agenda will be sent out as soon as it is confirmed.	

	Next Board Meetings – 27 September 2023 22 November 2023	