Minutes: Scottish Charity Regulator (OSCR) Board meeting, 19 February 2025. Quadrant House, Dundee

Board Members Present:
Marieke Dwarshuis (MD) – Chair
Jill Vickerman (JV) – Vice-Chair
Kirsten Howie (KH)
Neil MacKay (NM)
Robin Strang (RS)
Bill Maxwell (BM)
Lynn Bradley (LB)

OSCR attendance:
Katriona Carmichael (KC) – CEO
Martin Tyson (MT) – Head of Regulation & Improvement
Judith Hayhow (JH) – Head of Corporate
Senior Manager, Higher Risk Cases & Quality Assurance
Finance Governance & Business Manager
Senior Manager Policy and Sector Improvement
Senior Legal Advisor
Senior Manager Digital and Comms
HR & Learning Coordinator

Item	Area	Action
1	**Chair's introduction, welcome and apologies** MD welcomed everyone to the meeting. MD welcomed KC back after a period of illness.	
2	**Declaration of interests** There were no declarations of interest.	
3	**Minutes of previous meeting and Action Log** The minutes from the 20 November 2024 meeting were agreed as a true record. There was an update to the CEO report at the 20 November 2024 meeting. An email regarding the tender for the network support contract was issued to Board members on 18 February 2025. Board members are to provide comments and if appropriate, approve via correspondence.	

	Action – Tender for the network support contract email issued on 18 February 2025 – Board members to provide comments and if appropriate, approve via correspondence Board members asked if there was anything concerning regarding the Corporate Function Data that had been published by SG. It was confirmed there was not and there were no media requests for information. The Action Log was reviewed. Items marked closed or open were agreed. Actions listed as "proposed closed" would be reviewed at the end of the meeting. JH gave an update on action B129. A letter has been received from the Information Commissioners Office (ICO). They were happy with the steps taken by OSCR and no action will be taken by the ICO.	**Board**
4	**Chair update** MD thanked MT and JH for their outstanding efforts from August – December 2024 during the CEO's absence. MD noted: - SG were supportive during this absence, which has strengthened relationships. - The contingency plans for covering the CEO absence were no longer required. The Board then formally agreed the proposals in the paper number 855 Provision of support for OSCR CEO – January-March 2025. MD also gave updates on her work - MD sat on the interviewing panel for the Chair of Environmental Standards Scotland. - The Scottish Government's Third Sector Unit (TSU) has moved to a new directorate led by the Director for Tackling Child Poverty and Social Justice. There have been good communications between Julie and OSCR. - Next year's budget indications are as good as can be expected. - MD and KC have been holding routine meetings. - A Public Service Reform meeting regarding clusters was missed due to MD illness. MD provided feedback on her attendance at a Public Service Reform Summit on 17 February 2025. LB said the Audit Scotland report in relation to Public Service Reform was hard hitting. This will be shared with the Board	

	Action – Send Audit Scotland report in relation to Public Service Reform to the Board. MD concluded her update by thanking the HR & Learning Coordinator and JV for their support during the CEO's absence. The Board thanked MD and all who stepped in with support during this time.	Finance Governance & Business Manager
5	**CEO update** KC thanked MD, the Board and staff for support during her absence and return to work. KC updated on the following - KC had a good introductory meeting with the Director for Tackling Child Poverty and Social Justice. - Action B146 update on the Wider Review of Charity Regulation: Advice has been received this week that the consultation report analysis is due to be published. An embargoed copy will be shared when available. KC invited members of ELT to update on the following: MT updated on discussions around the multi-year funding pilot at The Gathering. It is unknown how the pilot will be assessed. MT, the Senior Manager, Higher Risk Cases & Quality Assurance and the Senior Legal Advisor gave an update of discussions at the International Regulators meeting they attended on 28 January 2025. There was a focus on the use of AI by CCEW who are using it to make algorithmic decisions on Status Applications and to assist with FOI requests. It was agreed it would be useful to invite a person from CCEW to the August Strategy Day to talk about their use of AI and to have a separate training session on the uses of AI (already included on the Board Schedule of Business). The Senior Manager, Higher Risk Cases & Quality Assurance noted that a further aspect of the international regulators' discussion related to the decolonisation of monies and moves being made by some charities that work internationally to simply distribute money in overseas territories as opposed to working with partners on the ground and monitoring the end use of charitable funds. This appears to be growing in popularity but needs to be carefully considered in the	

context of charity trustee duties to act in the interests of the charity and with due care and diligence. LB asked whether the recent changes in the USA regarding diversity, equality and inclusion (DEI) could cause issues for charities in the UK. The Senior Manager, Higher Risk Cases & Quality Assurance noted that this had not come up in the international regulators' discussion with MT noting that the change had occurred very close to the regulators' meeting and consideration of it at that point was probably not feasible.

JH gave an update on Oracle implementation
- Oracle is an SG led project which was 18 months in development and is designed to provide better strategic resource planning and consolidated financial procedures
- In OSCR, 3 staff were affected by their HR account not transferring correctly. This has now been rectified.
- Changes to the finance processes have been less straightforward
- 8 staff involved in finance work have undertaken extensive training which had many gaps.
- There have been issues with data migration which have mainly been resolved
- Some organisations with complex finance set ups are facing larger challenges and there are concerns Oracle was introduced too soon.
- The development and roll out of system reporting tools has been delayed and is expected from April 2025.
- External Audit (Deloitte) is progressing a number of issues around system resilience and assurance directly with SG to inform their audit work in relation to a number of public bodies including OSCR.

KC thanked the HR & Learning Coordinator for her work during the Oracle implementation.

KC updated on her induction programme which has been going well and has included meeting the CEO from SCVO, with further introductory meetings planned. KC noted it was helpful to have the assistance from the former CEO and thanked the Board for arranging this.

6	**Performance Update (including Financial Report)**	
	The Finance Governance & Business Manager introduced this item highlighting	

- Budget – OSCR has received a letter of comfort from SG relating to the Judicial Factor fee.
- Overall, we expect to outturn on budget at year end.

The Senior Manager Policy and Sector Improvement gave an update on OSCR's activities at The Gathering. He highlighted:

- OSCR held 1 event each day. Both were very well attended. This has raised awareness of the actions that charities need to take to comply with the upcoming changes.
- After one of the events MT spent 30 minutes answering questions from the audience.
- OSCR staff were able to directly engage with umbrella bodies such as Girl Guiding Scotland.
- Given this interest and reach, there is a need to consider how best to be involved in next year's The Gathering. For example, through having a stand or another permanent site. Board members suggested that OSCR is providing a service to SCVO by attending. MD said there are more discussions to be had around planning next year's events.

The Senior Manager, Higher Risk Cases & Quality Assurance provided an update on Statements of Recommended Practice (SORP) for accounting and reporting by charities. A draft was issued on Monday 17 February. Feedback is expected from Financial Reporting Council (FRC) over the next 3 weeks. This is on track to start consulting at the end of March. OSCR will take part in the process of consultation in reviewing the training offering. The Senior Manager, Higher Risk Cases & Quality Assurance confirmed there will be training with fact sheets and recorded webinars. MT highlighted the resource demand of this work noting that it is probably not sustainable on its current basis.

There were no questions regarding the People Update.

KPI progress –

There was a discussion about the indicator on MoUs and the challenges in updating these. The team have been focusing on updating those MoUs which are most often used. There is a risk of having out of date MoUs on the website, and it may be worth considering which should simply be deleted.

	Action – The complete list of MoUs is to be brought to the April or June 2025 Board meeting for review and decision on which to update. Board members discussed future KPIs looking at different models. There will be further discussion at the Strategy Day in March, in the context of the development of the new Corporate Plan. An updated set of KPIs will also be developed for the 2025-26 Business plan, however, these will largely build on the existing indicator set and KPIs for the 2025-26 Business Plan will be agreed through correspondence. **Action – Initial Board feedback on 2025-26 KPIs to be held by correspondence, with further discussion at strategy day if required.** Board members asked questions around the change in the number of views and downloads of our guidance and tools. It was explained this has been caused by many factors including • A change in the way that stats are gathered following an update to Google analytics. • Guidance being provided during the annual return process rather than users searching for it.	Senior Manager Policy and Sector Improvement Finance Governance & Business Manager
7	**Annual return data used to target regulatory work – update** The Senior Manager, Higher Risk Cases & Quality Assurance introduced this item noting the rich data set now being collected, which allows an understanding of the function and structure of charities and how they interact with our offerings. She noted that many charities are getting in touch to tell us what they have done. Findings include that many charities do not understand who their trustees are and many trustees do not receive a trustee induction. There was then a discussion around charities not carrying out trustee inductions and the possible reasons for this. Board members also asked what OSCR was doing to manage the issue that some charities have reported not taking certain required action. It was noted that following the introduction of the trustee database, OSCR could contact all trustees directly to make them aware of responsibilities in clear language. There will be regular updates on the annual return data. There was a discussion around large income charities with no staff and those with no income and expenditure. MT said this will be picked up	

	in the Operational plan. This work overlaps in some aspects with the work on revitalising trusts.	
8	**Initial Draft of 2025–26 Business plan and next steps** KC introduced this item. There has been an inclusive team approach taken to develop the business plan priorities across the organisation, with work being done at an all-staff day following which the priorities were updated. In this final year of the Corporate Plan, there will be two main changes in focus: 1. A focus on 2023 Act implementation 2. Using the new data from the annual return and feedback to prioritise preventative, proactive action. There is also a focus on People with the changed emphasis on supporting progression and development, in line with people survey feedback. The Finance Governance & Business Manager explained the next steps – The revised KPIs will be discussed at the ELT meeting on 20 February and then sent to the Board by email for consideration. They will then be briefly discussed at the March Strategy Day and the final Business Plan 2025–26 will be signed off at the April Board meeting. Board members then shared their reflections. There were different views expressed on the extent to which priorities should be made more specific. MD acknowledged that being at the end of the Corporate Plan period the approach has changed to being more proactive where possible. KC said the Operational Plan will provide further detail on the business priorities, and the team would consider whether some of this detail could be reflected in the business priorities to help provide further clarity. The Operational Planning process will consider "must do" and "nice to do" actions, and there will be a need to think about activity which may need to stop to release resource. JH noted there will be tough choices to be made and it will be linked to the Risk Register once work has been completed.	

9	**Initial Draft 2025–26 Budget split**	
	The Finance Governance & Business Manager introduced this item. He said OSCR has been allocated a cash budget of £3.66m. Most of this is allocated to People and Resource Management. The Finance Governance & Business Manager invited feedback or potential risks that the Board have identified.	
	There was a discussion about the possibilities of AI tool efficiencies, the focus of the comms team, succession planning and future planning, particularly in relation to staff costs.	
	Board members questioned if the April National Insurance increase had been built into the budget. It was confirmed that it had, and that confirmation is awaited from SG as to whether and how much they might contribute towards this increased cost.	
	The Board confirmed they were content with the draft budget.	
10	**People survey action update**	
	The HR & Learning Coordinator introduced this item saying that there were positive results from the survey noting the changes made have had a meaningful impact.	
	The HR & Learning Coordinator updated on • an upcoming line manager event • work to factor staff in at early stages of decisions. • using flex within resources due to the changes in regulations	
	KC noted that looking ahead, the People Strategy is due to be refreshed and the proposal is that this will be developed to align with the new corporate plan.	
	A People Plan for 2025–26 will be brought to the April Board meeting for assurance.	
	Action – People Plan 2025–26 to be brought to the April Board meeting.	HR & Learning Coordinator
	Board members then discussed the People Survey offering congratulations on the strong results especially in the leadership and managing change areas.	
	Board members asked about hybrid working. It was confirmed that OSCR staff report that they feel supported when working from home,	

	this is regularly monitored. Teams often have a day a week in the office to enable in person meetings. Board members asked questions around the bullying and harassment scores noting that these scores do not appear to correlate with the leadership scores. It was confirmed that staff are aware of the process to report any issues and these are normally able to be dealt with at an informal stage. KC noted that next year's People Plan includes the theme about providing a safe and welcoming environment, which is the context through which wider action can be developed in response to these scores.	
11	**Cases Committee report** JV and MT gave the update on this month's Cases Committee meeting. • Over the past three years there has been a 37% increase in Status Applications received. The team has been managing this increase through organisational changes. However, there are concerns if this trend continues. The organisation of some teams is currently being reviewed, which also takes into account implementation of the new legislation and the priority to provide further opportunities for progression and development. Board members felt that, where staffing changes are made, these should be recognised as redeployment of resources and the saving as reinvestment. • The Committee reviewed four cases this month. JV noted that many of the big cases being brought to the Committee have been closed. • The King's Foundation case has been closed. There is now an FOI request which has taken considerable resource to respond to. • The Judicial Factor (JF) in the Jericho Benedictine Society case is making good progress. The trustees have appointed a new solicitor. Board members discussed the potential reputational risks for OSCR in this case. JV confirmed that the Cases Committee also discussed the risks. • Good progress and learning is ongoing with the defaulting charities work. The Cases Committee made the decision to let	

	this run until the end of the year. There will then be a deep dive into this work and an options appraisal with recommendations will be brought to the Board. Threshold limits may need to be reviewed.	
12	**ARAC update** LB highlighted that 'substantial assurance' was awarded from the Internal Audit (IA) report on S45a implementation. There was a discussion about the Statutory Instrument in relation to the removal of SCIOs. It was confirmed that there is no further action required from the Board as actions relating to this are owned by the Scottish Government, are on track and cannot be accelerated due to Parliamentary timetables. LB attended a planning meeting with External Audit (EA). Both EA and IA have held site visits to Quadrant House in relation to their work.	
13	**Programme Board update** MT provided an update on: • Solution for the trustee database. User Acceptance Testing is getting underway and expected sign off will be after 6 March. The solution has good functionality, some updates are currently being made. The database will go live around 1 July 2025. The duty to publish the database will begin around end December 2025. The register will not be complete at this point (in relation to trustee details). • SORP – commencement dates on track. • Programme Board said there is a good level of assurance. There was then a discussion about changes to Automatic Disqualification, including the definition of 'senior managers' for disqualification purposes. Members noted the importance of sharing guidance with the sector in time to let charities make any changes they need to make. The guidance is ready for wider sharing, but members wished to see it for comment. Due to limited time the guidance will be shared with the Board by correspondence for any comments. **Action – Auto Disqualification guidance to be shared with Board members for comment.**	**Senior Manager, Higher Risk Cases & Quality Assurance**

14	**Board Strategy Day – initial planning**	
	KC and MD introduced this item and gave an overview of the planned activity for Strategy Day as per the draft agenda.	
	Board members discussed the programme and what they hoped to achieve during the session with Kenneth Pinkerton, from Brodies.	
	It was decided to change the afternoon timing for the Performance Management session and extend the meeting to 3.30pm.	
	Action – Strategy Day agenda afternoon timings to be updated then agenda shared with the Board.	**KC**
15	**Review of Board papers and agreement of Action Log**	
	Board members said the papers were good. Items in the Action Log that were proposed to be closed were agreed as closed after the conclusion on the business of the meeting, with the exception of Action B143 (defaulting charities proposals), which remains open (with a target date to be agreed).	
	Action – Board members asked for a critical plan for the Programme Board work including key dates and milestones.	**MT**
16	**Date of Next Meeting**	
	The next meetings will be:	
	Board Strategy Day Tuesday 25 March 2025	
	Board meeting Wednesday 23 April 2025	
	There was then a discussion around the Board Schedule of Business	
	Lucinda Godfrey ACOSVO CEO will be a speaker at the April Board meeting.	
	Action – Board members to provide questions they would like Lucinda Godfrey to answer by email to MD and KC	**Board**
	Action – Board members to provide ideas for speakers at future Board meetings by email to MD and KC	**Board**

	It was agreed to have a show and tell session on the trustee database in the second half of 2025. **Action – Add a Show and Tell session on the Trustee Database to the Board Schedule of Business for September or November Board meeting.**	**Executive Assistant**
17	**Close** There was no other business and MD closed meeting.	