

**Minutes: Scottish Charity Regulator (OSCR) Board  
meeting, 26 June 2024. Quadrant House, Dundee**



Board Members Present: Marieke Dwarshuis (Chair)  
Jill Vickerman (Vice-Chair)  
Lynn Bradley  
Kirsten Howie  
Neil MacKay (from 11.00)  
Robin Strang  
Bill Maxwell

OSCR attendance: Maureen Mallon – CEO  
Judith Hayhow – Head of Corporate  
Martin Tyson – Head of Regulation & Improvement  
Senior Manager, Higher Risk Cases & Quality Assurance  
HR & Learning Coordinator  
Finance Governance & Business Manager  
Senior Manager Policy and Sector Improvement  
Katriona Carmichael – Incoming CEO

Private Business		
Item	Area	Action
1	<b>Chair's introduction, welcome and apologies</b>  MD welcomed everyone to the meeting including Katriona Carmichael. OSCR's new CEO who was attending as an observer.  There were no apologies.	
2	<b>Declaration of interests</b>  There were no declarations of interest.	
3	<b>Minutes of previous meeting and Action log</b>  The minutes from the previous meeting were agreed.  Action log  The contents of the action were agreed as accurate. Following review at the end of the meeting it was agreed that those items listed as "proposed closed" could be closed.	

4	<p><b>Chair update</b></p> <p>MD provided an update on her activities over the past 2 months,</p> <ul style="list-style-type: none"> <li>• All Board appraisals have been completed.</li> <li>• A meeting with External Auditors and the CEO had been held.</li> <li>• Various conversations relating to the Annual Accounts had taken place.</li> <li>• OSCR provided evidence at the Social Justice and Social Security Committee on 6<sup>th</sup> June. The Chair commented on the excellent support provided by MT and the Senior Manager Policy and Sector Improvement in preparing for this.</li> <li>• An OSCR Parliamentary Reception is in the planning stage with sponsorship from the convener of the Social Justice and Social Security Committee, but a date for the event has not yet been confirmed.</li> <li>• Considerable work planning for the arrival of the new CEO, KC had been undertaken.</li> <li>• Work on the agenda and plans for the Board Strategy Day in August had taken place.</li> <li>• The Chair has been asked to sit on the Chair Recruitment Panel for Environmental Standards Scotland.</li> </ul>	
5	<p><b>CEO update</b></p> <p>MM updated</p> <ul style="list-style-type: none"> <li>• She was not in attendance at the Social Justice and Social Security Committee as she would not be accountable for OSCR for much longer. There had been several follow up requests for information as a result of the information provided at the Committee. There will likely be a follow up appearance in a year's time.</li> <li>• Appraisals have been completed within the organisation, and MM highlighted the thoughtfulness which had gone into these conversations.</li> <li>• External Audit discussions took up a lot of time, but this has been resolved and the Annual Report and Accounts now contain an accurate reflection of OSCR's financial position for 2023-24.</li> <li>• MM has been assisting the Scottish Housing Regulator with the recruitment of a new Board Member.</li> <li>• MM highlighted the current process for engagement with Scottish Government will have to remain a focus after her retirement. There have been only 2 meetings with the relevant Deputy Director in the past year, although there is regular engagement with Third Sector Unit.</li> </ul>	Finance Governance

	<b>Action – SPICe briefing to be provided to the Board.</b>	& Business Manager
6	<p><b>Performance Update (including Financial Report)</b></p> <p>The Finance Governance &amp; Business Manager introduced this paper highlighting the progress updates in relation to the 2024-25 Business Plan. The Board were also asked to consider and approve changes to the proposed Budget split for 2024-25.</p> <p>A discussion was held around the KPI's and members suggested that adding a short narrative to the dashboard would be helpful</p> <p><b>Action – Narrative to be added to KPI Dashboard.</b></p> <p>It was noted that the overall performance was positive.</p> <p>It was confirmed that the budget split for 2024-25 had been revised in conjunction with finance colleagues within Care Inspectorate. The revised split takes account of the application of IFRS16 in relation to treatment of OSCR's lease of Quadrant House and will balance at the end of the year. It was agreed that a management note around the application of IFRS16 would be circulated to the Board.</p> <p><b>Action – Management note in relation to IFRS16 to be shared with the Board.</b></p> <p>There was discussion in respect of the specific proposed changes, and it was noted that the reduction in legal fees related specifically to waivers for disqualifications of trustees and senior charity staff, which as a result of timings for commencement of the relevant sections of the 2023 Act, will not reach the point of appealable decisions during this financial year. The number of appeals is also unlikely to be as high as forecast and hence is not expected to have a significant impact on 2025-26 budget.</p> <p>Board Members noted that staff costs in relation to the Act had risen as the original successful candidates for the engagement posts, one of which was part time, had declined the post. The two replacements are full time. The costs associated with the project manager role were significantly higher than forecast due to the market rate for this type of post, which was recruited using Scottish Government Frameworks.</p> <p><b>The Board approved the revised 2024-25 budget split.</b></p> <p>The staff costs breakdown was discussed and it was confirmed this was useful information for the Board.</p>	<p>Finance Governance &amp; Business Manager</p> <p>Finance Governance &amp; Business Manager</p>

	<p><b>Action – Information around the impact of the 35 hour working week which will be introduced in October is to be brought to the Board once available.</b></p>	HR & Learning Coordinator
7	<p><b>ARAC update and Annual Report to the Board</b></p> <p>LB provided an overview on ARAC assurance activities over the year and the work in relation to the Annual Report and Accounts which was made more complex due to the application of IFRS16.</p> <p>The highest level of assurance was awarded by Internal audit, similarly External Audit had nothing significant to highlight and all of their dashboard indicators were 'green', which is rare.</p> <p><b>Action – Internal and External Audit reports to be shared with the Board.</b></p> <p><b>The Board were content to take assurance from the ARAC report.</b></p>	Finance Governance & Business Manager
8	<p><b>Cases committee report and annual report</b></p> <p>This item was brought forward on the agenda to provide assurance to the Board prior to review of the Annual Report and Accounts.</p> <p>JV introduced the paper and highlighted there had been 2 meetings since the previous Board Meeting. Detail of ongoing cases are highlighted in the paper. JV stated the committee were focussing on how to improve the way they operate and are to introduce deep dives into specific areas.</p> <p>JV referenced the Cases Committee Annual report and confirmed the committee were content with assurances provided throughout the year.</p> <p><b>The Board were content to take assurance from the Cases Committee report.</b></p>	
9	<p><b>Annual report and accounts</b></p> <p>JH introduced the Annual Report and accounts and highlighted the issues around the application of the lease incentive and the impact of timings on the final accounts. JH noted the accounts were assessed by the External Auditor as unmodified. The final outturn was £7k over the £3.3m budget, this was well within the parameters agreed with Scottish</p>	

	<p>Government. JH highlighted the Annual Report and Accounts had been considered by ARAC twice and that they had recommended the accounts for approval pending the receipt of pension information. Since ARAC met, further guidance in respect of pension information had been issued by Scottish Government by way of an update to the FReM, and an exemption has been applied to OSCR's 2023-24 accounts in line with the revised guidance. External Audit have confirmed that this approach is acceptable.</p> <p>The Board provided feedback on some aspects of the KPI's table, and various wording and proofing suggestions which will be incorporated into the final version.</p> <p><b>Action – Finance Governance &amp; Business Manager to update the document based on Board Feedback.</b></p> <p>The Board noted the increase in taxpayers' equity due to the proper application of accounting standards for the lease of the office building. They are aware that this does not affect OSCR's ability to report on a going concern basis and the external auditors have raised no matters of concern in relation to the annual accounts or future liabilities.</p> <p><b>The Board approved the Annual Report and Accounts pending the updates noted above.</b></p> <p><b>The Board approved the Annual Governance Statement.</b></p> <p><b>The Board approved the Letter of Representation.</b></p>	<p>Finance Governance &amp; Business Manager</p>
10	<p><b>Quality Assurance report</b></p> <p>The Senior Manager, Higher Risk Cases &amp; Quality Assurance introduced the paper and highlighted that staff continue to learn and improve as part of the approach to quality assurance adopted across the organisation. A focus at the moment is ensuring the policies and processes that are needed to implement the new duties and powers from the 2023 Act are developed with a focus on quality.</p> <p>The Board highlighted the good report and that it may be better to change the title to 'quality improvement' rather than 'quality assurance'.</p> <p>Members felt it would be helpful to have clearer links between the activities in the report and the assurance map, so as to highlight any gaps.</p>	

	<p><b>Action – Add improvements arising from the work of the Cases Committee and ARAC to the process.</b></p> <p><b>Action – Reformat report in line with assurance map and be clear about links between assurance map and quality assurance.</b></p>	<p>Senior Manager, Higher Risk Cases &amp; Quality Assurance</p> <p>Senior Manager, Higher Risk Cases &amp; Quality Assurance / Finance Governance &amp; Business Manager</p>
	<p><b>Lunchtime “Show and tell”</b></p> <p>Walkthrough of the use of inquiry powers (including new powers in the 2023 Act).</p>	
11	<p><b>OSCR 2023 Charities Act Programme Board update</b></p> <p>MT introduced the paper and confirmed there had been a further meeting on 25 June 2024, the focus of this meeting had been talking through the options evaluation. The decision was made balancing factors including costs and benefit realisation from different options. The costs for the implementation have yet to be determined.</p> <p>MT confirmed option 3C had been confirmed as the preferred option. The next steps are an invitation to tender.</p> <p>The Programme Board risk register has been reviewed and now contains more granular risks, the timescale for procurement for example.</p> <p>MT confirmed that cyber security was a consideration during the options appraisal and that a DPIA was in place as part of the requirements. Discussion had also been held with Scottish Government Procurement and Care Inspectorate for external view on the process and potential requirements. The procurement process is expected to be completed by October.</p> <p><b>The Board took assurance that the Programme Board reviewed the options appraisal with rigour.</b></p>	

12	<p><b>Review of Board papers and agreement of Action Log</b></p> <p>Board members were content with the papers for the meeting, and to close all actions marked 'proposed closed'.</p>	
13	<p><b>Thanks to Maureen Mallon</b></p> <p>The Chair and Vice Chair led thanks to the outgoing CEO Maureen Mallon, thanking her for the significant contribution she had made to leading significant transformational change in OSCR over the past 6 years. Maureen's enthusiastic, calm and measured approach was commended, as was her resilience and willingness to take difficult decisions with honesty. Previous Chairs with whom Maureen had worked had been asked to reflect on their time with Maureen, and had been similarly effusive about her impact on OSCR. The Chair thanked Maureen for her work in supporting Board Members and herself to work effectively as a cohesive team, and for the warmth and enthusiasm with which she consistently interacted with non-executive members. A presentation from the Board followed.</p> <p><b>MD closed the meeting</b></p>	