

OSCR

Scottish Charity Regulator

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OSCR Reporter - June 2015

Welcome from David Robb

Amazingly, we are now half way through 2015 – how on earth did that happen? And when is Summer going to get under way? I know many charities are especially busy over the summer months: there's been a flurry of activity here too since the last issue of OSCR Reporter – and you can read all about it right here!



Just after our last edition, we again played a prominent part at SCVO's The Gathering – again a vibrant, well-supported event that draws together charities of every size and purpose. I found it hugely informative, not least because it gave me a chance to meet so many charity representatives face to face. We also hosted an event on Celebrating Diversity – and considering relevant issues such as recruiting a diverse Board. That's crucial – ensuring that you have a diverse and truly representative body of charity trustees with the right skills to take you forward. That's a theme we'll be repeating for Trustees' Week later this year – and we look forward to hearing from you about your experiences and challenges through the survey we've launched in this edition.

Nor is that the only survey you'll notice in these (electronic) pages – you can see that we've commissioned research on risk and resilience **and** we want to hear your views if you're involved in running a village hall, or have been involved in recruiting new trustees. Please take part, as this really helps us to inform our thinking and develop sound procedures and guidance, so you'll be contributing to the benefit of the sector overall.

You'll also read about our latest speaking events, developments in our proposed new working methods and a guest blog from the

Institute of Fundraising Scotland. On that topic, among the latest developments to our website is **a new Blog section**, and we're always looking for contributions, so please get in touch!

Speaking about getting in touch, please sign up to our Twitter feed **@ScotCharityReg** to keep up with the latest news and views from the Regulator – and if you need to contact me, the best email to use is **info@oscr.org.uk**

Best wishes with your endeavours,

David

And the winner is ...



Once again, the **SCVO Scottish Charity Awards** produced a memorable and moving celebration of the work of charities and voluntary groups across the country. Following our first involvement last

year, we again sponsored the Charity Champion of the Year category, with our Chair, Dr Graham Forbes, announcing the winner.

Several hundred representatives from charities of all sizes took part, coming together to mark their achievements and impact, share their experiences and make new contacts. We were proud to be there and to play our part in supporting such a great event.

In particular, we're very happy to be associated with such a notable winner of this year's Charity Champion category. From a very strong field of finalists, Matthew McVarish gave a warm and emotional acceptable speech which visibly moved many in the audience. A wonderful night all round – and congratulations to all those nominated and accepting trophies on the night.

Surveying charities – risk and resilience

You may have received an email from us recently, asking for your help with some research we've sponsored in partnership with the University of Stirling. If you haven't yet completed the



survey, please do so – your views count!

Charities in Scotland operate in dynamic organisational, political and social environments. Their capacity to be resilient is crucial to ensuring they continue to deliver public benefit, meet the needs of beneficiaries and remain accountable to relevant stakeholders. The use of various risk management practices is promoted as a means for charities to be resilient in uncertain times, but not much is known about the sector's understanding of and response to risk.

Our research, carried out by **Diarmuid McDonnell**, a doctoral researcher at the University of Stirling, is part of a three-year study and explores Scottish charities' understanding of risk, their risk management practices, and what risks they face as a result of their activities.

The results will be published in due course, and is aimed at informing the sector, policy makers, and OSCR as Regulator. So, please complete the survey if you've been invited to do so, and thanks again!

You can bank on it



We've had a busy few weeks' worth of speaking engagements. We're pleased to play our part, as not only does it provide us with a platform to put our point of view across, it also allows us to hear a wide range of views and in form our thinking as Regulator.

On 3 June, our Head of Engagement Dr

Judith Turbyne, spoke at the RBS Charity Conference held at the bank's HQ at Gogarburn near Edinburgh. The topic of the event was 'staying charitable in a challenging climate'. Over 200 charity representatives took part – charity trustees, staff and sector advisors heard a range of interesting presentations that examined issues such as charity investments and how to work with corporate organisations to raise funds.

Easily the most unnerving presentation of the day was one on internet security, which revealed how easy it could be to defraud an organisation that didn't have the right safeguards in place. Make sure you have reviewed your security and financial procedures!

Jude's 'view from the Regulator' gave an update on our new ways of working, under Targeted Regulation. Throughout the day, some of the challenges charities were facing in terms of banking came up. This was good for us, as we are currently looking at how we can best encourage an improved relationship between charities and their banks.

The event made it clear that charities still faced challenges from banks not necessarily grasping what they required and how they could make their processes easier to support the sector in its work. This was all useful input for us, as we are currently considering such financial practicalities for charities, as set out recently in Third Force News, and intend to report in this topic in the near future.

Still on the topic of speaking engagements, our Chief Executive David Robb spoke on 'trust and confidence in the charity sector' at the Coalition of Care and Support Providers' meeting in Dundee on 11 June, setting out governance issues around charity running costs and how our work underpins public confidence in the sector.

New SORP consultation – share your views

Changes to UK-Irish accounting practice that are due to take effect from 2016 mean that the Charities SORPs (Statements of Recommended Practice) need to be updated. The



Charity Commission for England and Wales and Office of the Scottish charity Regulator, who together are the SORP-making body, have launched a consultation to hear charities' views on the proposed changes.

[Read more, and share your views here.](#)

These proposed changes anticipate the implementation by the Financial Reporting Council (FRC) of its proposed changes to accounting standards in 2016. The consultation documents and draft

schedule of changes, called an Update Bulletin, can be viewed via the dedicated SORP micro-site: www.charitySORP.org

The joint SORP-making body and Charities SORP Committee considered all the available options and these options and the final proposal based on the Charities SORP (FRS 102) are set out in the consultation. The consultation opened on 18 June and closes on 18 September.

Laura Anderson, Head of Enforcement at OSCR and Joint Chair of the SORP Committee said:

‘Our shared aim with the SORPs was to equip the sector to make a smooth transfer to new GAAP in 2015 and to stay compliant with GAAP thereafter. The changes to GAAP from 2016 require a response, and we believe that a single solution based on the Charities SORP (FRS 102) from 2016 on is the best way forward to support the needs of our sector.’

The SORP-making body anticipates that the Update Bulletin would be published on [the SORP microsite](#) in late February or early March 2016 once it has gained the necessary approval from the FRC.

ACIE Conference beckons

It’s fast approaching that time of year for the [Association of Chartered Independent Examiners’ Scottish Conference](#), which again takes place in Perth in August. Details are currently being confirmed, but please keep an eye on the [ACIE website](#) as this popular event will be announced shortly.

We are pleased to support the work of the ACIE, and the Scottish Conference is also a great opportunity for existing and prospective independent examiners to hear about the latest developments in the charity accounting and at OSCR.

Our Chief Executive David Robb will deliver the keynote speech and Claire Stuart, our accounting advisor, will host workshops on the new SORP consultation. We’ll also be developing guidance later this year on the legislative requirement for independent examiners to alert us to apparent matters of concern, and will be hosting a discussion to make sure that we fully understand the perspective of independent examiners in this area.

Charity Fundraising - getting the balance right



*Fraser Hudghton,
National
Manager,
Institute of
Fundraising
Scotland, argues
that transparency
is key*

The tragic case of Mrs Olive Cooke, a lifelong charity donor and poppy seller, has generated significant media attention and

public debate on charity fundraising in Scotland and across the UK. One of the things much talked about following this case is whether the right rules are in place for charity fundraisers to follow.

At **Institute of Fundraising (IOF) Scotland**, we aim to strike the balance between setting robust and clear standards which enable fundraisers to ask for money in a safe and legitimate way, while at the same time respecting and protecting the rights of individuals. Our UK-wide **Code of Fundraising Practice** is the rulebook which all charity fundraisers must adhere to. In Scotland our Standards Committee, whose membership includes representatives from across the charity legislative framework, meets regularly in order to review the Code and recommend changes where necessary, specific to Scotland.

In the next few weeks, the Institute of Fundraising across the UK will be undertaking a review of the Code of Fundraising Practice to ensure that any learning from Mrs Cooke's case, as well as the more general themes and issues on fundraising that have arisen, are properly considered and taken on board. Actions already decided by IOF thus far are to:

- Make it clear that fundraising organisations across the UK must comply with the Code in its entirety by changing all OUGHT requirements to MUST.
- Introduce standardisation in the presentation and wording of 'opt-out' statements for fundraising methods which all charities will be expected to follow.
- Strengthen compliance with the Telephone Preference Service (TPS) based on the latest guidance from the Information Commissioner's Office.

Our UK Standards Committee has also set up four specific task-groups to look at the full range of issues, and each will be expected to ensure it fully considers the needs of vulnerable people in its recommendations. Each task-group will take the lead on looking at:

- The frequency and volume of approaches to individual donors so that donors do not feel 'bombarded' by correspondence or 'pressurised' into giving.
- How individuals can more simply and easily manage their preferences on what fundraising communications they receive from charities.
- What standards charities should have to comply with, over and above legal requirements, in relation to the buying, sharing and selling of data.
- Standards specifically related to telephone fundraising, including the introduction of Telephone Preference Service Certification requirements.

Here in Scotland we have a vibrant, enthusiastic, and vital charity sector. At IOF Scotland, with our fundraiser friends and colleagues across the UK, we are working hard to combat some of the 'anti-charity' soundbites which the tabloid newspapers have tended to run with recently, and which simply don't reflect the reality on the ground. Without our charity fundraising, the services provided to Scotland's most in need would ultimately be affected.

We know from our own members that greater regulation is not what is needed. Ensuring effective disincentives to rule-breaking, and coming down tough on any who stray from industry-set standards is the key. I believe that transparency and openness is crucial to the debate on the future of Scotland's charities. Let's all start telling the positive story about the incredible work fundraisers do.

Guidance consultation – thank you!

Our three-month consultation on our revised Charity Test Guidance closed at the end of May.

A **big thank you** to everyone who responded to the consultation, or who took part in one of our events. In all, over 150 people made the effort to participate and these has really helped to inform our thinking.

Now we're analysing the results from all of the consultation responses and events and we'll publish a summary report and the final version of the guidance later this Summer.

The current guidance (full and brief guides) can still be found [on our website](#) here.

Help us understand Village Hall issues - survey



Do you work in a Third Sector Interface or run a village hall? We're looking for your help in improving our understanding of the issues facing village halls, **through our survey.**

This is with a view to us producing guidance for the several hundred such charities on the Register. Many are seeking to make changes, either to their legal structures or constitutions, only to discover that they don't have the power to do so. So, we're finding that many are having to apply to us for a reorganisation scheme in order to make the changes. Trustees have found this process daunting and difficult.

We're also aware that many village halls were originally constituted by a Deed of Trust that names trustees who hold the heritable property, and provides for the establishment of a management committee responsible for the day-to-day running of the hall. This leads to an unusual two-tier structure which has caused confusion in terms of:

- How the charity is constituted
- What its legal form is (trust or unincorporated association)
- Who the charity trustees are
- Who holds title to the property.

So that we can make sure that our guidance covers the important and most common issues faced by village hall trustees, we are looking for your views. In the case of TSI's, many village hall charities may already have sought your advice on similar issues.

The link to the survey is here - and thanks for taking part!

Targeted Regulation - update

Thank you to everyone who contributed to our consultation on the way we plan to work in the future. It was a fantastic response – 400 submissions giving us views, ideas and feedback, and 350 charity representatives discussing our proposals at a series of consultation events. We **published a summary report** earlier this year and we are now developing the procedures and processes, along with the required IT support, necessary to translate that vision into reality.

Essentially, the process features three main strands:

- **Changes to our reporting mechanisms** to reinforce the principles of good governance, and a drive to more online services to streamline processes for charities
- **Measures to encourage transparency** and support public confidence, including the publication of charity reports and accounts on the Scottish Charity Register and the creation of an internal trustee database
- **A new system of Serious Incident Reporting**, through which charities must alert the Regulator to matters that may damage public trust and confidence in charities.

Naturally, a process of this scale will require careful planning and development, so it will be some months before you'll see the changes. But we'll make sure that you're kept up to date with any developments and new methods of working.

Twitter taking off



Meanwhile, we continue to build our Twitter presence – thanks to all our followers, retweeters and those who favourited us! Congratulations and a big welcome also to **Moving on Inverclyde, @Moving1smartsa** our 2,000th follower!

We find that Twitter is a great way to alert, inform and engage with our followers – if you haven't already done so, please follow us **@ScotCharityReg** and encourage your colleagues to do so as well.

Recent website updates

Thank you for the positive feedback on our new website, which launched at the end of last year. In our recent survey 75% of users described it as excellent or good. But we're determined to keep improving and responding to users' needs!



Since the last issue of OSCR Reporter, we've implemented several refinements and new features on the website which we hope are useful and improve your experience.

- We've set up a **new Blog section** where you can find news, views

and personal experience written in a more informal style. We're always looking for new contributors – so if you have a few hundred words you want to share, please let us know!

- We now feature the option to download **a list of the 300 charities with the highest incomes**, excluding cross-border charities, which is updated on a daily basis.
- The Register entries for charities now categorises charities as 'Standard', Cross-border' and 'Registered Social Landlord' for greater transparency.
- Register entries also now highlight to the public whether annual returns and accounts submissions are on time or overdue by using green or red colour shading.
- We've published **a new Charity Law section** that gathers together relevant legislation and regulations in one place. We're currently planning a Good Governance section with the same aim, containing useful guidance, case studies and sources of help and support.

Remember to keep visiting the website to stay up to date with developments and to check your charity's Register entry – and thanks again for all your feedback!

Trustee recruitment – share your experience

We're conducting a survey to learn from your experience, about the challenges you face in recruiting and keeping charity trustees.

[Complete the survey here.](#)

We know from our day-to-day work that charity trustees face a number of challenges in running their charities. Further feedback from our outreach events and from our partners who support charities indicates that one of these challenges is recruiting and keeping new trustees.

So, we'd like to learn how you deal with that issue, understand your experience and any ideas you have so we can share that information with the wider sector. We're committed to Trustees' Week and this will be a key theme for us in celebrating and highlighting the work of trustees, and in supporting charities as they seek to attract new volunteers for this responsible role.

Please take a few minutes to complete the survey, and feel free to share it with any contacts – thank you!

OSCR back on the Road



We're currently confirming this year's programme of Meet the Charity Regulator events and will announce details shortly. Remember, these events are very popular and places are taken up

quickly. As a subscriber to OSCR Reporter, you will be first to be advised of the new sessions – so please feel free to share or forward this newsletter to any of your contacts and invite them to sign up.

See you next issue!

Scotland's charity regulator: OSCR is the independent registrar and regulator of Scotland's 23,000 charities

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