

Annual Report and Accounts

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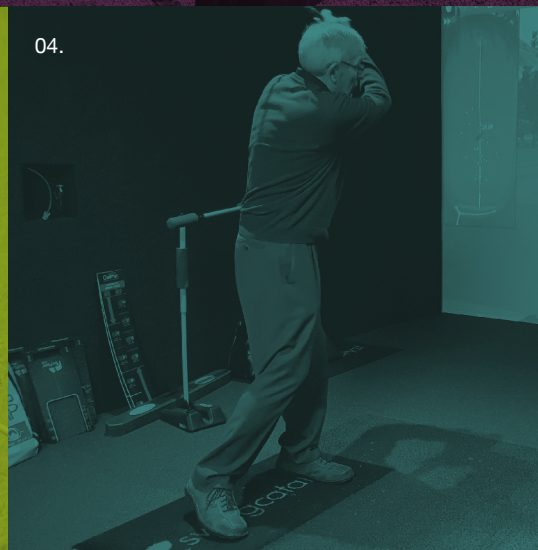
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- 01. Digital Xtra Fund SC047272
- 02. Ceilas Uibhist SC031179
- 03. The Ecology Centre SC028174
- 04. CGLMC Limited SC045236

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Performance Overview and Analysis





Introduction by the Chair

I was delighted to have been appointed as OSCR's chair in February 2019 through the public appointments process. Having previously been a board member since OSCR's inception until 2014, it is wonderful to see the growth and development that has taken place. The increased focus on targeted and risk led regulation is very positive and I would like to thank my predecessor, The Very Reverend Dr Graham Forbes CBE, and also David Robb, former Chief Executive, for the work they have done to ensure that OSCR helps the public to have confidence and trust in Scotland's charities.

There is a great deal still to do and I am delighted to be leading the board to deliver an ambitious business plan and to develop a new corporate strategy that will enable OSCR to take its head well above the parapet to regulate and champion the charity sector in Scotland. We will further develop our strategic partnerships with other national bodies and across Scottish Government to ensure that our intelligence and knowledge of the system is used to influence and effect policy and implementation.

Lindsay Montgomery CBE



Chief Executive's welcome

Welcome to our 2018-19 Annual Report, which is the first I have presented since taking up the post of Chief Executive, in January 2019.

Scotland is a stronger, more aspirational and ethical country as a result of the quality and scale of its 24,500 charities. As the charity regulator, OSCR has a huge role to play in terms of providing advice and support to the sector; and using the vast amounts of information about Scottish charities it collects to help shape policy. This in turn leads to improvements for and in the sector, helping deliver public confidence, and charities you can trust and that provide public benefit.

It is clear to me that OSCR is an organisation which has developed and evolved in the years since it was established, adapting to the changing needs of the sector and overall operating environment and, most importantly, staying relevant. We are committed to ensuring that this legacy continues, particularly at this exciting time when Charity Law Reform is under consideration. I do not underestimate the significance of the potential legislative changes on the work of OSCR and the sector over the coming years, but am confident that the staff team in Dundee have the skills, knowledge and enthusiasm required to seize the opportunities ahead. I have been humbled by the depth of knowledge and passion which the staff at OSCR have for their work, and the manner in which they balance being approachable to the organisations we regulate, whilst also making sure that these same organisations are being held to account.

We look forward to working with partners and with our Board to deliver our ambitious targets for the year ahead.

Maureen Mallon

Purpose and activities of the organisation

OSCR is a Non-Ministerial Department which means that we operate independently of Ministers, and have our strategic direction set by our non-executive Board. We are based in a single office in Dundee, and our day-to-day operations are led by our Chief Executive who is also the Accountable Officer.

We are the Registrar and Regulator of Scotland's charities which means that we grant charitable status to new charities, and monitor all registered charities through an annual reporting framework. We identify and investigate apparent misconduct, and give information and advice to Scottish Ministers on relevant matters. We maintain and publish the Scottish Charity Register on our website, which means that easily accessible information about every Scottish charity is publicly available.

By supporting a thriving and ambitious charity sector in Scotland, OSCR contribute towards delivery of Scottish Government's National Performance Framework outcomes in respect of:

- Economic growth and social capital
- Fair work and Business
- Human Rights
- Environment
- A more healthy and active population.

We strive to provide the highest level of service to all our customers and to be the best organisation that we can, providing maximum public value.

LEAP Project SC024196



To do this, we are committed to ensuring that our activities are



Independent



Proportionate



Accountable



Informed



Consistent



Fair



Transparent

Since we were established, our business model has developed to reflect our changing regulatory approach, and in 2018-19 we began development of our proactive risk-based business model, with delivery and engagement centred around a digital first approach.

2006	2014	2019
Prescriptive	Framework based	Variable assurance
Interventionist	Targeted	Risk-based approach informed by intelligence
One size fits all	Proportionate	Proactive and preventative
Regulator focussed	Customer focussed	Service focussed based on digital first delivery model
Rules based	Increasingly flexible	Transparent processes and decision making

Our regulatory journey is summarised above.

Our [staff structure](#) has similarly evolved over time, and whilst staff are formally assigned posts within ‘service teams’ we are working to promote a more flexible culture where cross-team working and knowledge sharing are the norm. This will maximise business resilience, and provide clearer career pathways for staff, which we hope will have a positive impact on retention and engagement. Detailed information about staffing is included in the [Remuneration and Staff](#) report section of this document.

The 2018-19 Accounts have been prepared in accordance with a Direction given by the Scottish Ministers in pursuance of the Public Finance and Accountability (Scotland) Act 2000. The Direction is produced as Appendix 1 to these accounts.

This annual report will be laid before the Scottish Parliament and sent to Scottish Ministers for consideration. It will also be published on our [website](#).

Lewis & Harris
Youth Clubs Association SC016425



Key issues and risks affecting OSCR

The key issues faced in 2018-19 fall broadly under the same headings as highlighted in previous years, albeit that the nature of the issues and challenges faced are slightly different from those previously recorded. Specifically, the detail is as follows:

Legislative change

In January 2019, the Scottish Government launched its consultation on proposed changes to Scottish charity law, and specifically modernisation of the Charities and Trustee Investment (Scotland) Act 2005. For several years, we had been aware of a number of areas where the Scottish legislation required updating, and we have highlighted many of these issues in previous Annual Reports. Throughout 2018-19 we worked closely with Scottish Government officials to provide evidence and information to inform development of the ten consultation proposals; and during the January to March consultation period we published [explanatory](#) and background information on our website.

The government plan to publish a full analysis of responses in early summer 2019, at which time we will begin discussions with them in respect of how best to progress any legislative update, including the likely timescales; so that the Minister can make a decision on Charity legislation informed by sound analysis and evidence. Each of the consultation proposals has resource implications for OSCR, albeit that some of the proposals have greater resource implications than others, so planning to enable delivery of the Minister's preferred option will be a priority.

Insufficient Funding

OSCR is funded solely from the Scottish Block; and we do not charge for any of the services we provide. Our greatest area of expenditure is our staff, all of whom are civil servants on standard terms and conditions, and as part of the Scottish Government Main (SGM) bargaining unit, the determination of pay policy is outwith our control. The fact that our largest expenditure is in respect of an area over which we have very little input, is challenging from a budget setting and planning perspective, and the lifting of the 1% pay cap in 2018-19 prompted significant resource discussions by our Board and staff, focussed around delivery of key business drivers for change. This exercise informed development of a number of financial scenarios which our Chair and Chief Executive presented to Aileen Campbell, Cabinet Secretary for Communities and Local Government in November 2018. [The Budget](#)

(Scotland) Bill 2019-20 confirmed a £3.3m allocation for OSCR for the coming year, which is an increase on the £3.0m cash budget which we have operated within since 2013-14. This will enable us to continue our work towards implementing a more risk-based approach to regulation, through the introduction of a central risk assessment triage function into our casework activity. To inform this work, a pilot project, focussed on external concerns, Notifiable Events and consents began in April 2019, and its impact will be evaluated at the end of June 2019. The evaluation will include consideration around the resource implications associated with rolling out the project, together with details of any associated delivery tools and process modifications required. Until such times as the 2020-21 draft Budget is published, however, we cannot be sure that we will have sufficient resources to facilitate change delivery at the pace which we would hope for.

Staff engagement and retention

Our staff are our primary and most costly resource and we are committed to their support, development and wellbeing. Given the financial uncertainties which we faced until the 2019-20 Budget Bill was published, and our work in respect of process streamlining to support more targeted regulation, when vacancies arose in 2018-19, we did not automatically backfill posts. This approach enabled us to take a more strategic overview of resourcing, and to fill posts on a more generic basis than had previously been the case; however permanent staff headcount levels had dropped to forty five at the end of the year, which ultimately created delivery pressures at a personal level, in some business areas.

Results from the Cabinet Office run annual UK Civil Service People Survey showed an overall staff engagement level of 57% for 2018, which was the lowest level ever recorded at OSCR. Our performance in each of the nine engagement

themed areas had decreased from the previous year, prompting the appointment of organisational development consultants in December 2018. The consultants have worked with us to identify five action themes to affect positive change, and during 2019-20 a priority will be to provide staff with the clarity, skills and opportunities required to maximise their personal effectiveness and engagement.

Delivering our Digital ambition

We recognise that failure to deliver a further programme of digital enhancements could impact on the services we are able to provide to stakeholders in the future, and on our effectiveness and reputation as Scotland's charity regulator. The absence of a Digital Strategy meant that discussing and planning our digital aspirations was challenging, so in January 2019 we began developing one. Recognising that our capacity to have significant digital change was impacted by staff and resource constraints, we requested consultancy support from SG Digital Directorate. They have the experience and skills required to help us determine the most efficient way to improve system interoperability, and enhance the online and web-based services we provide to our stakeholders. We are confident that by late summer 2019, we will have developed a comprehensive Digital Strategy and Action Plan, together with indicative cost information. We do not underestimate the potential scale of this exercise, and our Board will be holding a strategy day in June, at which consideration in respect of the prioritisation and resourcing of corporate priorities, will be discussed.

Going Concern

OSCR has no reason to believe that Scottish Ministers intend to withdraw support to the organisation, and funding for 2019-20 has been confirmed in the 2019 Budget (Scotland) Bill. It is therefore considered appropriate to prepare the accounts on a going concern basis.

506
concerns received
(same level as 17/18)

24,536
registered Scottish charities
(24,382 in 17/18)

Performance Summary

In addition to the more strategic work outlined within the Key Issues section of this report, the operational trends and key activities and outputs which are summarised below help present a holistic overview of our performance and achievements during the year.

- As in previous years, the number of registered charities increased during 2018-19, with the total number of charities on the Scottish Charity Register at the end of March 2019 sitting at 24,536, compared with 24,382 in 2018. The total number of applications for charitable status we received at 1,120 was slightly lower than in 2017-18 (1,184), as too were requests for consent to change or to re-organise, which totalled 804 and 141 respectively in 2018-19, compared with 921 and 158 in the previous year. We met our statutory response time target for 100% of consents; and 99% of re-organisation cases, and although our decision times in respect of status applications rose by one day to 69 days from 2017-18, we managed to conclude 76% of status applications within 90 days of receipt, which is our internal target. Looking to 2019-20, we anticipate that our online status application process will reduce the time we spend considering applications, on the basis that detailed guidance has been incorporated into the Online system, to provide additional clarity and support for applicants and help ensure that their applications are right first time.
- The number of concerns about charities received stayed the same as in 2017-18 at 506, although following initial assessment in accordance with our Inquiry Policy we determined that it was appropriate for us to act in only 124 cases. This was a slightly lower level than in 2017-18, when 174 of the concerns reported resulted in follow up activity by us. In instances such as these,

100%



of consents responded to within the statutory response time
(same level as 17/18)

one of our greatest challenges is managing the expectations of the individuals who raise concerns with us and ensuring that they understand why we have decided not to open an inquiry. This can be a hard message to receive, and the majority of the 12 complaints about OSCR's procedures or service standards which we received in 2018-19, (compared to 7 in 2017-18) related to decisions taken not to progress inquiries. All complaints were responded to in accordance with our complaints handling procedure, which has been approved by the Scottish Public Services Ombudsman.

- Engaging with stakeholders is a critical part of what we do, and whilst our website is our key delivery channel, during the year we made increasing use of Twitter and Facebook to deliver key messages and provide general and specific information and guidance to a diverse range of stakeholders. Website visitor numbers increased by just over 300,000 to 3,164,063, during the year, with our Register and guidance sections receiving the most visitor numbers. We continued our programme of face-to-face meetings through the six Meet the Regulator Events we hosted, and in order to further our reach and accessibility, one event was filmed, subtitled and translated into BSL (British Sign Language) and is accessible through our website. Five issues of our newsletter, the OSCR Reporter, were published during the year, with subscriber numbers having increased slightly during the year. Copies of this [publication](#) are available through our website.

3,164,063

website visitors
(2,856,458 in 17/18)





- The General Data Protection Regulations (GDPR) became applicable on 25 May 2018, and we received a total of 10 subject access requests during the year, which although an increase on the two Data Protection Act requests received in 2017-18, was lower than we had anticipated. Requests for Information under the Freedom of Information (Scotland) Act (FOISA) decreased from 50 in 2017-18 to 39 in 2018-19, although the complexity and scale of these requests meant that no staff time savings were achieved. We welcome the Scottish Parliament's consultation into possible revision of FOISA, and have submitted a comprehensive response to the consultation document, based on our experiences in respect of requests received.
- In June, following a review exercise, we published details of our updated **Risk Framework for 2018-19** which outlined and prioritised the key risk areas that we would be using to target our engagement, registration and enforcement work over the year. Our review was informed by analysis of internal and external information, and resulted in consolidation of the ten former risk areas into six. By being open and transparent about risk, we hope that charities will have a clearer understanding of the context for our work, and be better able to prioritise their own activities around prevention.
- As a member of Scotland's Third Sector Governance Forum, we were involved in the development of a Governance Code for the Third Sector, which was published in November 2018 and sets out the five core principles which charities, voluntary organisations and social enterprises should follow. This will play a significant role in facilitating better understanding and improved transparency of governance matters, and together with information on the Risk Framework were highlighted to stakeholders at the six Meet the Regulator events held across Scotland in 2018-19. An **evaluation** of the events found that 97% of attendees considered that the event had met their reasons for attending.
- Security and cyber resilience are critical to the effective delivery of digital services, and prior to the introduction of our Online Status Application Form in February 2019, we were assessed and secured Cyber Essential Plus accreditation. Cyber Essentials is a UK Government backed, industry supported scheme, which provides advice and help to organisations to enable them to protect themselves against common online threats. Securing accreditation demonstrates that OSCR has used this advice to put appropriate technical security systems in place in respect, providing assurance and reassurance to our online service users. Throughout the year we have promoted the importance of cyber security and resilience to stakeholders, through website articles and discussion at events, and in March we highlighted the availability of **SCVO grants** for the third sector to enable them to pursue accreditation.



39
Freedom of Information requests
(50 in 17/18)

Financial Review Summary

The Government Financial Reporting Manual, FReM 2018-19, issued by HM Treasury, sets out the format for the preparation of annual accounts. The revenue resource expenditure, or net operating cost for the year ended 31 March 2019 was £2.940m as shown in the Statement of Comprehensive Net Expenditure; compared to a revenue Budget of £3.035m resulting in an underspend of £0.095m for the year.

As stated in the statement of comprehensive net expenditure, the main operating costs were incurred in relation to staff, at £2.115m (£2.148m in 2017-18); with other expenditure at £0.815m (£0.814m in 2018-19) and depreciation and amortisation at £0.010m (£0.023m in 2017-18). There was no capital resource expenditure for the year ended 31 March 2019.

124



of the concerns reported to
OSCR resulted in follow up activity
(174 in 17/18)

Payment Practice Code

In line with Scottish Government policy, OSCR requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. OSCR aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in these terms. During the year ended 31 March 2019, OSCR paid 98.2% of its invoices within these terms, which was consistent with our 2018-19 performance (98%). A second target requiring payment to be with suppliers within 10 working days of the receipt of a valid and undisputed invoice also exists, and during 2018-19 OSCR paid 84.3% of its invoices within these terms. This is a downturn on previous year's performance (91.5%) and stems primarily from an unusually high number of late payments in Quarter 1, which impacted on the overall performance level. Following a review of operational procedures at that time, performance has improved significantly.

Performance Analysis

How we measure performance

Our 2018-19 **Business Plan** provides an overview of the activities which we will carry out to support delivery of our strategic aims; and is supported by an operational plan which lists the detailed activities which our staff will carry out to facilitate delivery. An analysis of our performance in respect of business plan delivery is compiled and published annually.

We also publish detailed **performance information** in respect of 26 areas of our activity, on our website each month, and this information provides us with the quantitative data which we use to monitor how we are performing. Monthly **expenditure reports** which are required under the Public Services Reform (Scotland) Act 2010 are also prepared.

Our **Annual Review**, which is usually published on our website in late summer, gives a high level retrospective summary of our activities during the preceding year, together with a financial overview prepared using information from our accounts.

The Annual Report and Accounts is Laid before Parliament and published on our website; and contains a wide range of corporate information in respect of our activities, performance, governance and finances over a one year period.



6

Meet the
Regulator
Events
(same as 17/18)

Sustainability Report 2018-19

OSCR is committed to meeting our environmental responsibilities as a public body, and to helping the government to attain its 'value, enjoy, protect and enhance our environment' outcome, in any way we can.

The [Climate Change \(Scotland\) Act 2009](#) is the key driver for our improved environmental and sustainability performance, and commitment to reducing our CO2 emissions annually. Despite being a relatively small organisation we have achieved fairly significant emission reductions, historically, and the challenge we face is maintaining and improving on these. We have published an [Environmental Strategy](#), and monitor and report emissions to the Scottish Government on an annual basis, via the returns we make via [Keep Scotland Beautiful](#) website. We are also a member of the [Sustainable Scotland Network](#).

We have actively participated in a number of national and international campaigns including EWWR (European Week for Waste Reduction), Climate Week and Earth Hour, and have issued staff bulletins aimed at encouraging positive sustainable behaviour by staff, both at work and at home, throughout the year.

OSCR is committed to buying goods, services and works in a sustainable manner which not only ensures value for money, but also delivers benefits for society, the economy and the environment. To achieve this we follow the Scottish Sustainable Procurement [Action Plan](#), and use centrally negotiated contracts and frameworks developed using the Scottish procurement [sustainability test](#). OSCR is already committed to using centrally negotiated frameworks and contracts to maximise

efficiencies, so welcomes the additional sustainability benefits which are also delivered.

Human rights and social responsibility

As a public body, we are aware that we must protect individuals and groups against human rights abuses, in terms of the way we act, and as part of our regulatory role.

OSCR welcomes the Scottish Government's Human Rights national outcome, and is committed to ensuring that we treat our stakeholder with dignity and respect.

In support of the national ambition to make Scotland the best place in the world for BSL users to live, work and visit, we worked with a BSL Reference Group, made up of representatives from the BSL community, to develop our [BSL Plan](#) which details the actions we intend to take to promote and support BSL users (including tactile BSL) over the 2018-24 plan period.

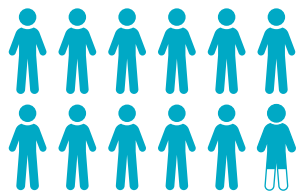
Our website is Speak IT plus enabled, and meets W3C and WCAG guidelines for accessibility. Website development and enhancement is an ongoing process, and as part of our commitment to delivering inclusive digital services, we strive to develop and incorporate features which will enable all of our customers to interact with us, however they are able to.

As a regulator, we strive to ensure that the charities we register, and who report to us, are aware of their obligations in respect of the human rights of their beneficiaries. In addition to the [safeguarding](#) guidance we published, we will work with charities to promote the leadership and culture required to tackle and eliminate human rights abuse.



76%
of status applications concluded within 90 days of receipt (same level as 17/18)

97%



of Meet the Regulator attendees thought that the event had met their reasons for attending

Children in Hospital SCO45436



The Public Interest Disclosure Act 1998 (PIDA)

OSCR is a 'prescribed person' under the **Public Interest Disclosure Act 1998 (PIDA)** which means that we are allowed to accept disclosures from people who carry out paid work for a charity.

Our regulatory priorities are set out in our **Risk Framework**, and when we receive a whistleblowing disclosure we assess it in the light of our Risk Framework and in line with our **Whistleblowing guidance** and our **Inquiry Policy**.

We received seven whistleblowing reports in 2018-19:

- Six of these led to OSCR opening an inquiry using our powers under section 28 of the 2005 Act and using our other statutory powers as appropriate. All of these inquiries are ongoing.
- One of the reports was considered not appropriate for OSCR to take forward as a formal inquiry.



Whistleblowing disclosures help us identify and prevent concerns within the sector and help charities to put things right, supporting OSCR to underpin public trust and confidence in the charity sector. In 2018-19 whistleblowing concerns helped us to:

- Identify regulatory concerns
- Take action to protect charity assets and beneficiaries
- Identify risks to charities and to the charity sector that would not otherwise have come to light without the protection afforded to whistleblowers.

Maureen Mallon
Interim Chief Executive and Accountable Officer
26 June 2019

Accountability report



Directors' Report

The Directors' Report sets out the key aspects of the internal organisational change and development within OSCR over the course of the year to 31 March 2019.

The senior officers are:



Maureen Mallon
Chief Executive (From 28.01.19)



David Robb
Chief Executive (Until 13.01.19)



Laura Anderson
Head of Professional Advice
& Intelligence



Judith Hayhow
Head of Support Services



Judith Turbyne
Head of Engagement



Martin Tyson
Head of Casework

Dumfries & Galloway
Befriending Project SCO24562



Lindsay Montgomery was appointed following a public appointments process which commenced in October 2018.

A short biography of each Board Member, together with their Register of Interests can be accessed on our website using the following link <http://www.oscr.org.uk/about/oscr-management/oscr-board>.

Board Members

The board members are:



Lindsay Montgomery, CBE
Chair (from 1 March 2019)



**The Very Reverend
Dr Graham Forbes, CBE**
Chair (Until 28 Feb 2019)



Patricia Armstrong, OBE
Deputy Chair



Professor Stuart Cross
Audit Committee Chair



Dr Sophie Flemig



Stephanie Fraser



Shona Ulrichsen



Jill Vickerman



Jessica Wade

The status of and provision of information to employees

OSCR staff are employed by Scottish Ministers and have the same terms and conditions as staff within the core Scottish Government including access to the civil service pension arrangements. OSCR uses the Scottish Government's online HR system to record transactional matters relating to staff absence and performance; and payroll services are also provided to us.

OSCR is committed to ensuring that staff understand the objectives and role of the organisation, and are clear about how their role contributes to the delivery of our corporate vision and objectives. People joining the organisation have a comprehensive induction programme which explains corporate activities, functions and interdependencies, and staff are involved in operational planning and the development of business milestones, at a team level.

Since February 2019, in response to feedback, routine all staff meetings have been replaced with a fortnightly staff newsletter which provides strategic and operational information and updates. Corporate meetings take place when appropriate to the matter for discussion.

OSCR staff took part in the annual UK Civil Service People Survey in October 2018. This Cabinet Office co-ordinated exercise provides information about staff engagement levels within the civil service, and the results provide detailed feedback in respect of each organisation. As detailed in the Key Issues section of this report, the 2018 results were very disappointing, and our Board and Senior Management team are working hard, supported by consultants, to address the issues flagged.

In accordance with the Regulatory Reform (Scotland) Act, OSCR must have regard to the Scottish Regulators Code of Practice. To facilitate this, staff who are involved with policy development and review work have received specific training on the Code, to ensure due consideration takes place as part of policy development and review processes. Senior Management Team and Board papers make reference to the code and the review process for strategic working agreements between ourselves and other regulators now places increased emphasis on promoting effective, secure information sharing, and minimising duplication.

Pensions

OSCR staff members are eligible to be members of the Principal Civil Service Pension Scheme (PCSPS). As at 31 March 2019 all 45 permanent members of staff were PCSPS scheme members (2017-18 51 PCSPS members). In accordance with the Government Financial Reporting Manual (FRoM) the PCSPS is accounted for as if it were a defined contribution scheme. Accounting policy note 1.10 (page 49) provides further information and details of the scheme are included in note 6 to the accounts. Details of the pension entitlements of OSCR's senior management team are given in the Remuneration Report.

Disclosure of information to auditors

So far as the Accountable Officer is aware, there is no relevant audit information of which OSCR's auditors are unaware. The Accountable Officer has taken all the steps that they ought to have, to make themselves aware of any relevant audit information and to establish that OSCR's auditors are aware of that information.

Personal data security

During 2018-19 there were no known incidents of personal data breaches and no data security issues (nil 2017-18).

Possibilities For Each
and Every Kid SCO30814



Statement of Accountable Officer's responsibilities

In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, Scottish Ministers have directed the Office of the Scottish Charity Regulator (OSCR) to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction issued by the Scottish Ministers.

The accounts are prepared on an accruals basis and must give a true and fair view of OSCR's state of affairs at the period end and of its operating costs, recognised gains and losses and cash flows for the financial period.

In preparing the accounts, the Accountable Officer is required to:

- Observe the Accounts Direction issued by Scottish Ministers including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.

The Scottish Permanent Secretary has appointed the Chief Executive as the Accountable Officer for OSCR.

As Accountable Officer, I am responsible for the regularity and propriety of the public finances for which I am answerable, for keeping proper records and for safeguarding OSCR's assets, as set out in the Accountable Officer's Memorandum issued by Scottish Ministers.

Governance Statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Office of the Scottish Charity Regulator's policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The Office of the Scottish Charity Regulator (OSCR) is a Non-Ministerial Department which, while part of the Scottish Administration, is not formally part of the Scottish Government. Although our accounts are not consolidated, we liaise with Scottish Government finance colleagues on a monthly basis, providing them with information relating to our expenditure and anticipated outturn; and to inform preparation of the annual Scottish Budget Act. During 2018-19, my predecessor held a series of meetings with the Scottish Government Director for Local Government and Communities, who oversees the Local Government and Third Sector Team, which has policy responsibility for the third sector as a whole. Our [Framework Agreement](#) sets out the terms of our agreement with the Scottish Government in relation to the governance, financing and operation of the functions of OSCR.

The purpose of the Governance Statement

Our Governance Framework accords with the Scottish Public Finance Manual (SPFM).

Our system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve corporate policies, aims and objectives. It is focussed around the ongoing identification and prioritisation of risks relating to strategic and operational activity; based on evaluation of the likelihood and impact of each risk being realised.

OSCR relies upon core Scottish Government Divisions for the provision of certain business critical areas of functionality; in particular aspects of core services relating to transactional finance and human resources. Internal control is addressed by the respective Divisions and I am provided with Annual Certificates of Assurance by the Scottish Government Director of Human Resources and Organisational Development and also the Director of Financial Management.

Our Board

OSCR is headed by a Board consisting of a Chair, a Deputy Chair and up to six other members. In February 2019, The Very Reverend Dr Graham Forbes CBE, having completed two terms of office, stepped down from his role, being replaced by Lindsay Montgomery CBE. Lindsay's appointment was made by Scottish Ministers, and overseen by the Scottish Public Appointments Commissioner.

New Board members received induction training, and Members participate in training and briefings as required. Members are subject to an annual Performance Appraisal by the Chair, at which any development needs are identified. Each June Members jointly complete a retrospective self assessment checklist in respect of their collective performance in the preceding year.

Membership of the OSCR Board, and their roles during 2018-19 were as follows:

The Very Reverend Dr Graham Forbes CBE	Chair (Until 28 February 2019)
Lindsay Montgomery CBE	Chair (From 1 March 2019) Member
Patricia Armstrong OBE	(Deputy Chair from March 2018)
Professor Stuart Cross	Member
Dr Sophie Flemig	Member
Stephanie Fraser	Member
Shona Ulrichsen	Member
Jill Vickerman	Member
Jessica Wade	Member

The Board, which is responsible for providing strategic direction, oversight and governance and for monitoring expenditure and operations, held four formal meetings during the year, and two strategic sessions in 2018-19 to fulfil this role.

Members of the Board also serve on the Audit Committee, which meets a minimum of three times a year. Membership of the Audit Committee, which met in June and November 2018, and February 2019 is as follows:

Professor Stuart Cross	Chair
Shona Ulrichsen	Member
Jill Vickerman	Member

Minutes of **Board meetings** are published on our website, and during 2018-19, to promote transparency and as a pilot exercise, our meetings were open to the public. An evaluation of this exercise is ongoing.

Chief Executive

The Chief Executive of OSCR is appointed by the Permanent Secretary as the Accountable Officer of OSCR, and is accountable to the Board for the day-to-day running of the organisation. Maureen Mallon was appointed as Chief Executive in January 2019, and is a member of the Senior Civil Service.

Senior Management Team

OSCR has an internal management structure which is headed by the Senior Management Team which is responsible for day-to-day operations.

Senior Management Team	
Maureen Mallon	Chief Executive (From 28.01.19)
David Robb	Chief Executive (Until 13.01.19)
Laura Anderson	Head of Professional Advice & Intelligence
Judith Hayhow	Head of Support Services
Judith Turbyne	Head of Engagement
Martin Tyson	Head of Casework

Details of the salaries and pensions entitlements of the Senior Management Team can be found in the Remuneration and Staff Report. As in previous years, no performance pay is currently being awarded in the civil service.

In terms of corporate staffing levels, at the end of 2018-19 the overall permanent staff headcount number was 45 with 9 staff members working on a part time basis, giving an overall WTE of 43.13

The risk and control framework

All bodies to which the Scottish Public Finance Manual (SPFM) is directly applicable must operate a risk management strategy in accordance with key principles specified and these have been adopted by OSCR.

The OSCR Board regularly considers risk in respect of specific issues, as part of its overall deliberations, and risk management is embedded in our operational activities in the following ways:

- Our Senior Management Team review the risk register every 12 weeks, and the Audit Committee also considers the register at each of its meetings. The Audit Committee reports to the Board on risk, and all Board members collectively undertake a formal review of the register annually. Members receive ad hoc briefings from the CEO and SMT on specific matters which have the potential to create risk as they arise throughout the year, and the report which the CEO and SMT provide for each Board meeting highlight key issues for consideration and noting. OSCR staff consider risk at their regular team meetings, and this information feeds in to both the formal and informal Senior Management Team risk considerations.
- A review of our Corporate Governance arrangements is undertaken annually, to ensure and demonstrate compliance with the Good Governance for Public Services handbook. The review is considered by our Audit Committee and published on our website.
- OSCR's Audit Committee considers and evaluates its performance annually using a self assessment checklist. The outcome of this evaluation forms the basis of the formal update which the Audit Committee Chair provides to the Board annually.
- In addition to individual performance reviews which the chair and each member conduct annually, Board members also complete a retrospective self assessment review which is used to determine whether there are any collective actions, learning or performance issues which require to be addressed by them.

In addition to these formal Risk Management practices, we have:

- A mandatory all staff and Board training programme which includes online courses and evaluation in respect of data handling, awareness and security.
- A Best Value Plan which evaluates our performance against the Best Value themes detailed in the Audit Scotland Best Value toolkit.
- An IT Code of Conduct which each staff and Board member signs annually, and which sets out our policy in respect of use of technology.
- A service level agreement with the Scottish Government Procurement Division, under which they provide us with procurement and contract advice and support, thereby ensuring that contracts we award are compliant with the requirements of European procurement directives.
- Secured Cyber Essentials Plus accreditation.
- Improved our business resilience by upgrading our ERDM system, Objective, to a more up to date version, which includes improved security, and for which long term support is available.

Review of the effectiveness of the system of internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. My review of the effectiveness of the system is informed by the work of the internal auditors and the OSCR Senior Management Team, who meet informally on a weekly basis, and formally every six weeks. The Senior Management Team have responsibility for the development and maintenance of the internal control framework, and for considering and responding to comments made by the external auditors in their management letter and other reports. The Senior Management Team receive and consider management accounts on a monthly basis, and either meet with, or hold an email exchange with the Head of Support Services in respect of incurred and projected expenditure.

The wider system of internal control is based on ongoing identification of the principal risks in achieving OSCR policies, aims and objectives as outlined in our Corporate and Business Plans. Following identification, the nature and extent of those risks are considered, and a decision taken as to how to manage them effectively, economically and efficiently.

The OSCR Board meets at least every three months, with meetings attended by myself and Senior Management Team members.

The OSCR Audit Committee, which the Head of Support Services and I attend, alongside representatives from both Internal and External Audit, meets at least three times a year. The Audit Committee reviews OSCR's financial statements prior to publication, and provides advice to the Board, and myself as Accountable Officer, in respect of the adequacy and effectiveness of risk identification and reporting.. The Audit Committee also considers the scope of internal and external audit plans, receives Annual Reports from auditors, and makes recommendations where appropriate.

The Royal Edinburgh Military Tattoo
(Charities) Limited SC018377



Internal Audit services are provided by the Scottish Government's Internal Audit Division. Based on the work undertaken during their 2018-19 review, substantial assurance on the adequacy of risk management, control and governance arrangements in place over the systems reviewed, in that period has been awarded.

In addition to the above, I have individual monthly meetings with each of the Heads of Service to discuss operational and performance activities and risk associated with their service area. I also receive end of year Certificates of Assurance from them in respect of their individual service area.

No lapses of data security took place in 2018-19 (nil 2017-18).

Given all of the above, as Accountable Officer I can confirm that I am fully content with the effectiveness of OSCR's existing arrangements to ensure appropriate standards of corporate governance and effective risk management.

Remuneration and staff report



Remuneration Report

This report provides information on the remuneration of OSCR Board members and senior managers.

The senior managers are:



Maureen Mallon,
Chief Executive
(from 28.01.19)



David Robb,
Chief Executive
(Until 13.01.19)



Laura Anderson,
Head of Professional
Advice & Intelligence



Judith Hayhow,
Head of Support Services



Judith Turbyne,
Head of Engagement



Martin Tyson,
Head of Casework

This report contains audited information and also information which is not subject to audit.

Remuneration policy

Board members are not employees of OSCR or part of the Civil Service. Board members' remuneration is determined in accordance with the 'Public Sector Pay Policy for Senior Appointments 2018-19', which the Scottish Government prepare.

The remuneration of senior civil servants is set in accordance with the Civil Service Management Code (available at www.civilservice.gov.uk) and with independent advice from the Senior Salaries Review Body.

Staff employed below senior civil service level are part of the Scottish Government main collective bargaining unit for the determination of salary. Remuneration is determined by the Scottish Government and, in determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and motivation

of staff. Also taken into account are the Government policies on the Civil Service and public sector pay and the need to observe public spending controls.

Service contracts

Board members

Board members are appointed for a period determined by Scottish Ministers, and are eligible to be re-appointed following the end of their first period of Board membership. Either party may terminate early by giving notice. Normally there is no payment available in the event of early termination of the contract. However, where special circumstances exist, Scottish Ministers may decide that compensation for early termination is appropriate and instruct OSCR to make a payment. The amount of the payment would also be decided by Scottish Ministers.

Details of the service contracts for Board members serving during the year are detailed below:

		Current term	Date of initial appointment	Date of termination of appointment
The Very Reverend Dr Graham Forbes CBE	Chair	2 nd	March 2011	February 2019
Lindsay Montgomery CBE	Chair	1 st	March 2019	February 2023
Patricia Armstrong OBE	Deputy Chair	2 nd	April 2014	March 2022
Professor Stuart Cross	Member	2 nd	April 2014	March 2022
Dr Sophie Flemig	Member	1 st	April 2016	March 2020
Stephanie Fraser	Member	1 st	March 2018	March 2022
Shona Ulrichsen	Member	2 nd	April 2014	March 2022
Jill Vickerman	Member	1 st	March 2018	March 2022
Jessica Wade	Member	1 st	April 2016	March 2020

Employees (including the Senior Management Team)

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be on merit on the basis of open and fair competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Audited Information

Board Remuneration

	2018-19 £'000	2017-18 £'000
Graham Forbes (Chair)	0-5	10-15
Lindsay Montgomery (Chair)	0-5	n/a
Patricia Armstrong	0-5	0-5
Stuart Cross	0-5	0-5
Sophie Flemig	0-5	0-5
Stephanie Fraser	0-5	0-5
Shona Ulrichsen	0-5	0-5
Jill Vickerman	0-5	NIL
Jessica Wade	0-5	0-5

There was no increase in the daily fee rate in 2018-19 in accordance with the UK and Scottish Government policy on pay restraint.

Salary, Benefits in Kind and Pensions

The following table provides remuneration information in respect of each senior officer.

Official	Salary (£'000)		Benefits in Kind (to nearest £'000)		Pension Benefits (£'000)	
	18-19	17-18	18-19	17-18	18-19	17-18
David Robb*	70-75*	55-60**	Nil	Nil	20	42
Maureen Mallon	10-15***	N/A	N/A	N/A	7	N/A
Laura Anderson	55-60	55-60	Nil	Nil	23	22
Judith Hayhow	55-60	65-70	Nil	Nil	26	11
Judith Turbyne	55-60	55-60	Nil	Nil	22	22
Martin Tyson	70-75	65-70	Nil	Nil	38	37

* David Robb left OSCR to take up a new post outwith the organisation on 13.01.19. His FTE salary banding was £80-85k.

** David Robb was seconded to the Scottish Government Digital Directorate from December 2016 to July 2017. During that time, his salary costs were met by them. His FTE salary banding was 80-85k.

*** Maureen Mallon started at OSCR on 28.01.2019. Her FTE salary banding is £80-85k.

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by OSCR and as recorded in these accounts.

Bonus

No bonuses payments were paid in 2018-19 or 2017-18.

Benefits in kind

There were no benefits in kind in 2018-19 or 2017-18.

Highest paid employee

Reporting bodies are required to disclose the relationship between the total remuneration of the highest paid employee in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

	2018-19	2017-18
Band of highest paid employee	£80-85,000	£80-85,000
Median salary	£33,416	£31,611
Remuneration ratio	2.47	2.61

Pension benefits	Accrued pension at pension age as at 31.3.19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31.3.19	CETV at 31.3.18	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Chief Executive					
David Robb (until 13.1.19)	25-30 Lump sum 75-80	0-2.5 Lump sum 0	606	537	11
Maureen Mallon (from 28.01.19)	15-20	0-2.5	329	322	5
Senior Management Team					
Laura Anderson	10-15	0-2.5	142	109	9
Judith Hayhow	25-30 Lump sum 60-65	0-2.5 Lump sum 0-2.5	512	438	15
Martin Tyson	25-30 Lump sum 20-25	0-2.5 Lump sum 0-2.5	495	415	25
Judith Turbyne	5-10	0-2.5	95	69	13

Accrued Pension

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. The table below details pension ages for each of the schemes whilst note 6 to the Accounts provides further detail.

Scheme	Pension age
Classic (including Classic Plus)	60
Premium	60
Nuvos	65
Alpha	Later of 65, or state pension age
Partnership	Benefits must be drawn between 50 and 75

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a

scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked in accordance with The Occupational Pension Scheme (Transfer Values) (Amendment) regulations 2008 and do not take into account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

The Staff Report contains information relating to staff costs and staff numbers.

Staff Costs

The staff costs for the year were as follows:

	Permanently employed staff £'000	Others £'000	2018-19 Total £'000	2017-18 Total £'000
Wages and salaries	1,589		1,589	1,604
Social security costs	169		169	164
Other pension costs	328		328	329
Agency staff costs		29		51
Total	2,086	29	2,115	2,148

Average staff numbers over the year by WTE

The average number of whole-time equivalent persons employed during the year was as follows:

	2018-19 WTE	2017-18 WTE
Senior management	5	5
Other permanent staff	37.17	41.7
Agency staff	0.96	1.69
Total	43.13	48.39

Breakdown by permanent and other at year end

The table below details breakdown of permanent and non-permanent staff, at 31 March 2019.

	Permanent	Temporary
Senior management	5	0
Employees	40	0
Total	45	0

Breakdown by gender at year end

The table below details the gender breakdown of permanent staff, at 31 March 2019.

	Female	Male
Senior management	4	1
Employees	25	15
Total	29	16

Sickness absence

The total number of days lost and the average number of days lost per full time equivalent (FTE) to sickness absence during 2018-19 was 4.9 days, which was a reduction from the 6.4 figure in 2017-18. A breakdown of absence shown between short term (under 11 day) and long term (over 11 days) is shown on the table opposite, and highlights that the majority of absences fell into the former category. Given the size of OSCR and the relatively small number of staff employed, absence levels can fluctuate significantly on an annual basis.

At 4.9 days average absence per FTE staff member, levels at OSCR remain below the Scottish Government Core average equivalent level of 7.6, which is encouraging.

All staff absences are recorded using the Scottish Government's OneHR system, and absence information is provided to us on a quarterly basis by the SG Human Resource Division (SGHRD), as part of our shared service arrangement. SGHRD manage long term absences, involving occupational health professionals, as required and in accordance with official absence policies and procedures.

	2018-19	2017-18
Days sickness absence		
Short term (under 20 days)	159.8	132.1
Long term (Over 20 days)	41.0	173.7
Total	200.8	305.8
Average per FTE member of staff	4.9	6.3

Policies in relation to disabled persons

OSCR's equality duties arise from the Equality Act 2010 (the 2010 Act), and the Charities and Trustee Investment (Scotland) Act 2005, Section 1 (8) of which requires us to perform our functions in a manner that encourages equal opportunities and in particular the observance of the equal opportunities requirements.

We have published [guidance](#) for charities explaining what they should do to ensure compliance with equality law; and we are in the process of reviewing and updating our [Equality Strategy](#) which shows how we ensure that equality continues to be an integral part of our policies and practice.

We have a corporate responsibility to ensure that OSCR services and information is as accessible as possible. Our website meets accessibility standards, is Speak IT Plus enabled, and we are a member of Happy to Translate. This year we published our first **British Sign Language (BSL) Plan** demonstrating our commitment to the Scottish Government's national goal to make information and services across the public sector available to BSL users.

As an employer OSCR undertakes to develop all staff and positively values the different perspectives and skills each brings to our work. We adopt the Scottish Government policies on equal opportunities and diversity, and all staff are treated equally irrespective of their sex, marital status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working pattern, employment status, gender identity, caring responsibility or trade union membership. A significant number of our staff are employed on a part time working pattern, and whilst no staff are employed as homeworkers, we support and provide technology to facilitate occasional remote working.

Expenditure on consultancy and payroll arrangements

Consultancy expenditure of £18,642.00 was paid to SLIKK7 during 2018-19, in respect of their work with us in respect of development of risk assessment processes and functionality for incoming business; and the development of a Risk Assessment Tool to help facilitate the process. In addition, the Taylor Clarke Partnership were paid £15,767.28 for their work with us between January and March 2018, in respect of driving corporate change around staff engagement in development and decision making; and maximising our corporate skills experience and talent.

This compares with 2017-18 when £9,142 was paid to the Scottish Government Digital Transformation Service (DTS) to carry out an analysis and options appraisal in respect of the development of our online services.

Exit packages

No Board member or senior manager left under voluntary or compulsory exit schemes in 2018-19 (nil in 2017-18).

Parliamentary Accountability Report Losses and Special Payments

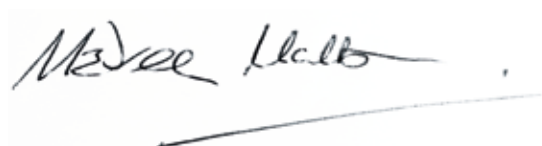
There were no losses and special payments incurred by OSCR in the year to 2018-19 (nil in 2017-18).

Fees and Charges

OSCR do not receive fees or charges income, in the course of work carried out. All income is in the form of funding from the Scottish Government.

Remote contingent liabilities

There were no contingent liabilities at 31 March 2019 which require disclosure under IAS 37 or the Scottish Public Finance Manual (nil in 2017-18).



Maureen Mallon
Interim Chief Executive and Accountable Officer
26 June 2019

Independent Auditor's Report



Independent auditor's report to the Office of the Scottish Charity Regulator, the Auditor General for Scotland and the Scottish Parliament

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of The Office of the Scottish Charity Regulator for the year ended 31 March 2019 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity, the Statement of Operating Costs by departmental Strategic Objective and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General for Scotland on 31 May 2016. The period of total uninterrupted appointment is five years commencing from 2016/17 to 2021/22. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency

and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Joanne Brown (for and on behalf of Grant Thornton UK LLP)
110 Queen Street
Glasgow
G1 3BX
28 June 2019

Annual Accounts

Financial Statements

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2019

	Note	2018-19	2017-18
		£'000	£'000
Operating costs			
Staff costs	4	2,115	2,148
Other administration costs	7	815	814
Depreciation and amortisation	8,9	10	23
Net operating cost		2,940	2,985

Statement of Financial Position

as at 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Non-current assets:			
Property, plant and equipment	8	12	15
Intangible assets	9	0	7
Total non-current assets		12	22
Current assets:			
Cash and cash equivalents	11	1	1
Other current assets	12	32	11
Total current assets		33	12
Total assets		45	34
Current liabilities:			
Trade and other payables	13	234	204
Total current liabilities		234	204
Non-current assets less net liabilities		(189)	(170)
Non-current liabilities:			
Provisions	14	0	0
Total non-current liabilities		0	0
Assets less liabilities		(189)	(170)
Taxpayers' equity:			
General fund		(189)	(170)



Maureen Mallon
Interim Chief Executive and Accountable Officer
26 June 2019

The notes on pages 47 to 59 form part of these accounts

Statement of Cash Flows

for the year ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Cash flows from operating activities			
Net operating cost	SCNE	(2,940)	(2,985)
Adjustments for non cash transactions:			
Depreciation and amortisation	8,9	10	23
Audit fee	7	14	13
Loss on disposal of asset	7	0	4
Movements in working capital:			
(Increase)/decrease in trade and other receivables	12	(21)	29
Increase in trade and other payables	13	30	29
Net cash outflow from operating activities		<u>(2,907)</u>	<u>(2,887)</u>
Cash flows from financing activities			
Net funding	3	2,907	2,887
Net increase/(decrease) in cash and cash equivalents	11	0	0
Cash and cash equivalents at the beginning of the period	11	1	1
Cash and cash equivalents at the end of the period	11	1	1

The notes on pages 47 to 59 form part of these accounts

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2019

	Note	General Fund £'000
Balance at 31 March 2017		(85)
Changes in taxpayers' equity for 2017-18		
Non-cash charges – auditor's remuneration	7	13
Net operating cost for the year	SCNE	<u>(2,985)</u>
Total recognised income and expenditure for 2017-18		(2,972)
Net funding	3	2,887
Balance at 31 March 2018		(170)
Changes in taxpayers' equity for 2018-19		
Non-cash charges – auditor's remuneration	7	14
Net operating cost for the year	SCNE	<u>(2,940)</u>
Total recognised income and expenditure for 2018-19		(2,926)
Net funding	3	2,907
Balance at 31 March 2019		(189)

The notes on pages 46 to 59 form part of these accounts

Statement of Operating Costs by Departmental Strategic Objective

for the year ended 31 March 2019

		2018-19	2017-18
	Note	£'000	£'000
Strategic objective			
To develop a flourishing charity sector in Scotland in which the public has confidence, underpinned by OSCR's effective delivery of its regulatory role.			
Allocation of resources and assets:			
Net expenditure	SCNE	2,940	2,985
Total assets	SOFP	45	34

Notes to the Accounts

1. Statement of accounting policies

1.1 Basis of Accounting

In accordance with the accounts direction issued by Scottish Ministers (reproduced at Appendix 1), the accounts have been prepared in accordance with the 2018-19 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted by the European Union, International Financial Reporting Interpretation Committee (IFRIC) interpretations and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by OSCR are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared using accounting policies and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8 (IAS 8): Accounting Policies, Changes in Accounting Estimates and Errors.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare additional statements and notes. These include the Statement of Operating Cost by Departmental Strategic Objectives and supporting notes to show outturn against budget in terms of the net resource requirement.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets where material at their value to the organisation by reference to their current cost.

1.3 Accounting standards issued but not yet effective

In accordance with IAS 8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. No significant impact on future periods' financial statements is anticipated. The following standard has been considered:

- IFRS 16 Leases (from January 2019)

1.4 Going concern

The accounts have been prepared on the going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future. Further explanation of the going concern basis is contained in the Performance overview.

1.5 Property, office furniture and equipment

OSCR occupies a leasehold building under a 17 year operating lease with five year rent reviews. Leaseholder improvements to the building are capitalised at the cost of construction. Plant and equipment and information technology are capitalised at cost. Generally, leasehold improvements over £10,000 and plant and equipment and information technology over £5,000 are capitalised. Furniture and fittings are not capitalised and the full cost is charged to the operating costs in the year of acquisition.

As required under International Accounting Standard (IAS) 16 all non-current assets are valued at fair

value. Depreciated historic cost is used as a proxy for fair value as the assets held under this category have a short life and are low value.

Depreciation is provided on a straight line basis, to write off the cost of the asset over its estimated useful life. The depreciation periods which normally apply to the categories of assets are:

Asset category:	Depreciation period (years)
Leasehold improvements	5 - 12
Plant and machinery	5
Information technology	3 - 5

Assets in the course of construction are not depreciated until the asset is brought into use.

1.6 **Intangible assets**

Intangible assets are valued initially at cost and subsequently at fair value using the revaluation model. Where an active market does not exist, income generating assets are valued at the lower of depreciated replacement cost and value in use. Non-income generating assets are carried at depreciated historic cost. These valuations are considered to be a proxy for fair value.

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 where assets do not generate income. IAS 38 defines future economic benefit as, 'revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity'.

The main category of intangible asset is software and its associated development. These assets have an estimated useful life of three to five years and are amortised over this period.

Intangible assets in the course of construction are not amortised until the asset is brought into use.

1.7 **Impairment to tangible and intangible assets**

All tangible and intangible non-current assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' when there are indications that the carrying value may not be recoverable. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell, and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Whenever there is an indication that an asset may be impaired, any losses/gains arising on the disposal of the asset are posted to the Statement of Comprehensive Net Expenditure.

1.8 **Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position consist of cash at bank.

1.9 **Value Added Tax**

OSCR is registered for VAT and where applicable will recover VAT on expenditure incurred. Where VAT is not recoverable, expenditure is charged including VAT, to operating costs or included in the cost of property, plant and equipment and intangible assets.

1.10 **Pension**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependents' benefits. OSCR recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of defined contribution schemes, OSCR recognises the contributions payable for the year.

1.11 **Leasing**

Rentals applicable to operating leases are charged to operating costs as they are incurred in accordance with IAS17 - Leases.

1.12 **Contingent liabilities**

In addition to contingent liabilities disclosed in accordance with IAS37, OSCR discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but have been reported to Parliament in accordance with the requirements of the Scottish Public Finance Manual.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS37 are stated at the amounts reported to Parliament.

1.13 **Short term employee benefits**

OSCR permits the carry forward of unused annual leave entitlement and accumulated flexible working hours scheme balances, in accordance with Scottish Government resourcing policies. Entitlement to annual leave and flexible working hours are recognised in the accounts at the time the employee renders the service and not when the annual leave and accumulated hours balances are actually used.

1.14 **Financial instruments**

OSCR does not hold any complex financial instruments. The only financial instruments included in the accounts are financial assets in the form of trade receivables and other current assets and financial liabilities in the form of trade payables and other current liabilities.

1.15 **Trade receivables and other current assets**

All material amounts due at 31 March 2019 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

1.16 Trade payables and other current liabilities

All material amounts outstanding at 31 March 2019 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

1.17 Segmental reporting

Financial reporting to senior decision makers is at an organisation wide level and therefore segmental reporting under IFRS 8 is not required.

1.18 Changes in Accounting Policy

There have been no changes in accounting policy during the year.

2. Outturn against budget

	2018-19 Budget £'000	2018-19 Outturn £'000	2017-18 Outturn £'000
Gross budget	3,035	2,940	2,985

3. Reconciliation of net resource outturn to net cash requirement in 2018-19

2017-18 Outturn £'000	Note	2018-19 Budget £'000	2018-19 Outturn £'000	2018-19 Variance £'000
<u>2,985</u>	Resource outturn	3,035	2,940	(95)
2,985	Total resource requirement	3,035	2,940	(95)
	Accruals adjustments:			
(40)	Non-cash items		(24)	
(58)	Changes in working capital other than cash		(9)	
<u>2,887</u>	Net cash requirement		<u>2,907</u>	
2,887	Net funding received		2,907	
0	Cash surplus		0	

4. Staff numbers and related costs

An analysis of staff numbers and costs is disclosed in the Staff Report section on page 24 of this report. A summary of cost is provided in the table below.

	2018-19	2017-18
	£'000	£'000
Directly employed staff	2,086	2,097
Other staff costs (Agency staff)	29	51
Total	2,115	2,148

5. Reporting of voluntary early severance/voluntary early retirement

Any early retirement and other departure costs would be paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs would be accounted for, in full, in the year of departure. Where OSCR does agree early retirements, the additional costs would be met by OSCR and not by the Civil Service pension scheme. Any ill health retirement costs would be met by the pension scheme.

No staff members retired under voluntary early severance packages or retired on ill-health grounds in 2018-19 or 2017-18.

6. Post Employment Benefits: Pension

International Accounting Standard 19 (IAS 19) "Employee Benefits" sets out the accounting treatment to be followed when accounting for the costs of providing a pension scheme.

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme but OSCR is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource account of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

The Scottish Government currently has five pension schemes offering employer contributions at one of four rates in the range of 20% to 24.5% of pensionable pay, depending on salary bands. Employee contributions range between 3.0% and 8.05%, depending on the scheme. Civil servants may be in one of the five defined benefit schemes; either a 'final salary' scheme: Classic (including Classic Plus) or Premium; or a 'whole career scheme': Nuvos or Alpha. There is also an annuity scheme (Partnership).

For 2018-19, employers' contributions of £328,302 were payable to the PCSPS (2017-18 £329,163). The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018-19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by the UK Parliament each year. Pensions payable under Classic (including Classic Plus), Premium, Nuvos and Alpha are increased annually in line with Pension Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (Partnership pension account).

From 1 April 2015 a single set of contribution rates was set across Civil Service Pensions, regardless of whether members are in Classic, Classic Plus, Premium, Nuvos or Alpha.

From 1 April 2015 employee contribution rates were set as follows:

	Members who moved into alpha from classic	All other members
Full Time Equivalent Annual Pay Range	Contribution rates from 1 April 2015	Contribution rates from 1 April 2015
Up to £15,000	3.00%	4.60%
£15,001 - £21,000	4.60%	4.60%
£21,001 - £47,000	5.45%	5.45%
£47,001 - £150,000	7.35%	7.35%
£150,001 and above	8.05%	8.05%

Benefits accrue as follows:

Classic:

Benefits accrue at the rate of 1/80th of the final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement.

Premium:

Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. There is no automatic lump sum.

Classic Plus:

Benefits in respect of service before 1 October 2002 are calculated broadly as per Classic and benefits for service from 1 October 2002 are worked out as per Premium.

Nuvos and Alpha:

In both of these schemes a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is up-rated in line with Pension Increase legislation. There is no automatic lump sum.

In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

Partnership:

The partnership pension account is a stakeholder pension arrangement. The employer contribution consists of 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement) plus an age related contribution ranging from 11.5% to 24.5%.

Members of a partnership pension scheme can select their own pension contribution rate. Partnership members do not need to contribute, but if they do so, the employer will match this up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Members of the partnership schemes are contracted in to the state pension scheme – so pay higher National Insurance contributions than members of the four Scottish Government pension schemes.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions.

7. Other administration costs

	2018-19	2017-18
	£'000	£'000
Property costs	154	146
Supplies and services	469	487
Staff related costs	54	40
Rentals under operating leases (note 16)	124	124
<u>Non-cash items:</u>		
Auditors’ remuneration and expenses	14	13
Loss on disposal	0	4
Total	815	814

- (i) Property costs for 2018/19 comprise: recharges from Service Level Agreement (SLA) with the Care Inspectorate £99k; Rates £44k, property maintenance costs £7k and furniture and fittings £4k.
- (ii) Supplies and services costs for 2018/19 comprise: ICT £333k, administration £71k and professional fees £65k.
- (ii) Staff related costs for 2018/19 comprise: travel and subsistence £22k; training £19k, recruitment £8k and membership fees/subscriptions £5k.

Auditor’s remuneration is disclosed as a notional charge and relates to fees notified to OSCR by Audit Scotland in respect of the audit work carried out in relation to the year ended 31 March 2019. All audit fees are paid from the Scottish Consolidated Fund.

No other work was carried out by Grant Thornton UK LLP (appointed auditors) during the year ended 31 March 2019 (£nil in the year to 31 March 2018).

8. Property, office furniture and equipment

	Leasehold improvements	Information technology	Furniture and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
1 April 2018	191	65	55	311
Additions	0	0	0	0
Disposals	0	0	0	0
31 March 2019	191	65	55	311
Depreciation				
1 April 2018	176	65	55	296
Charged in year	3	0	0	3
Disposals	0	0	0	0
31 March 2019	179	65	55	299
Net book value at 31 March 2019	12	0	0	12
31 March 2018	15	0	0	15
	Leasehold improvements	Information technology	Furniture and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
1 April 2017	191	136	55	382
Additions	0	0	0	0
Disposals	0	(71)	0	(71)
31 March 2018	191	65	55	311
Depreciation				
1 April 2017	173	129	55	357
Charged in year	3	3	0	6
Disposals	0	(67)	0	(67)
31 March 2018	176	65	55	296
Net book value at 31 March 2018	15	0	0	15
31 March 2017	18	7	0	25

All assets are owned.

9. Intangible assets

Software £'000

Cost:

At 1 April 2018	870
Additions	0
Disposals	0
At 31 March 2019	870

Amortisation:

At 1 April 2018	863
Charged in year	7
Disposals	0
At 31 March 2019	870

Net book value:	0
At 31 March 2019	
At 31 March 2018	7

Software £'000

Cost:

At 1 April 2017	870
Additions	0
Disposals	0
At 31 March 2018	870

Amortisation:

At 1 April 2017	846
Charged in year	17
Disposals	0
At 31 March 2018	863

Net book value:	7
At 31 March 2018	
At 31 March 2017	24

All assets are owned.

10. Financial instruments

As the cash requirement of the Non-Ministerial Department is met through the spending review process, financial instruments play a more limited role in creating and managing risk than in a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with OSCR's expected purchase and usage requirements and therefore OSCR is exposed to little credit, liquidity or market risk.

11. Cash and cash equivalents

	2018-19 £'000	2017-18 £'000
Balance as at 1 April	1	1
Net change in cash and cash equivalent balances	0	0
Balance as at 31 March	<u>1</u>	<u>1</u>

This balance is held in a commercial bank.

12. Other current assets

	2018-19 £'000	2017-18 £'000
Prepayments	32	11
	<hr/>	<hr/>
	32	11

Analysis of other current assets:

	2018-19 £'000	2017-18 £'000
Balances with other central Government bodies	20	0
Balances with bodies external to Government	12	11
	<hr/>	<hr/>
	32	11

13. Trade payables and other current liabilities

	2018-19 £'000	2017-18 £'000
Trade payables	5	76
Accruals	155	128
Other taxation and social security	40	0
Other payables	34	0
	<hr/>	<hr/>
	234	204

Analysis of trade payables and other current liabilities:

	2018-19 £'000	2017-18 £'000
Balances with other central Government bodies	82	42
Balances with bodies external to Government	152	162
	<u>234</u>	<u>204</u>

14. Provisions for liabilities and charges

There were no provisions for liabilities and charges in 2018-19 or 2017-18.

15. Capital commitments

There were no contracted capital commitments not otherwise included in these financial statements as at 31 March 2019.

16. Commitments under leases

Total future annual lease payments under operating leases are given in the table below for each of the following periods.

	2018-19 £'000	2017-18 £'000
<u>Land and buildings:</u>		
Not later than one year	124	124
Later than one year and not later than five years	396	497
Later than five years	0	23

17. Related party transactions

OSCR is part of the wider Scottish Administration and it considers that the Scottish Government is a related party within this context. OSCR had significant financial and non-financial transactions with the Scottish Government in the year, through the use of its electronic HR and transactional finance systems.

The Board Members and Senior Management Team have not undertaken any material transactions or had a significant involvement with other related parties in the year except as reported in the remuneration report with the exception of a £3k contribution to the Association of Chief Officers of Scottish Voluntary Organisations (ACOSVO) for events held during Trustees' week in November 2018. Patricia Armstrong, OSCR Board Member is the Chief Executive of ACOSVO.

18. Contingent liabilities

There were no contingent liabilities at 31 March 2019 (£nil at 31 March 2018) which require disclosure under IAS 37 or the Scottish Public Finance Manual.

19. Post statement of financial positions events

There were no events after the statement of financial position date relating to the 2018-19 financial year.

Appendix 1



OFFICE OF THE SCOTTISH CHARITY REGULATOR

DIRECTION BY THE SCOTTISH MINISTERS

in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2016 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRoM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses, and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers



Dated 6 June 2016



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