

# Report

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Report to:	<b>Finance and Information Technology Resources Committee</b>
Date of Meeting:	<b>7 July 2009</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources)</b>

Subject:	<b>Charitable Trusts - Office of the Scottish Charity Regulator (OSCR) Compliance</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise of South Lanarkshire Council's performance in the recently published Office of the Scottish Charity Regulator (OSCR) table showing compliance of returns.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the Above Average rating for South Lanarkshire Council in OSCR's table of compliance is noted.

## 3. Background

3.1. South Lanarkshire Council administers 110 Trust Funds, most of which distribute funds to beneficiaries on an annual basis.

3.2. Within the Council Structure Finance Service's Corporate Finance Section is responsible for the administration of the Council's Charitable Trusts. This responsibility includes the annual distribution of funds and also the associated accounting requirements of the Trusts. In addition, an annual report on the distribution of Trusts funds is prepared for this Committee.

3.3. One of the accounting requirements associated with the Trusts requires the Council, as Trustee of the Trusts, to lodge a return to OSCR on an annual basis showing the activity of the funds.

## 4. Compliance table

4.1. Over the past two years OSCR have been working towards ensuring that all authorities with charitable trusts comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005. This essentially looked for all charities, including Trusts, to prepare a full Trustee's Annual Report including externally audited accounts.

- 4.2. It was accepted that full compliance would not be achievable instantly and, therefore, OSCR worked with Councils and the Chartered Institute of Public Finance and Accountancy (CIPFA) to arrive at an acceptable level of compliance for 07/08 which accepted the Council's own audit certificate as evidence of Audit. A Trustee's Annual Report was also requested by OSCR.
- 4.3. OSCR has now produced a table of compliance for 07/08 returns across Scottish Local Authorities. This table is included at Appendix 1, and shows that South Lanarkshire Council has been placed in the Above Average category. Only 9 other authorities from 30 have achieved that status.
- 4.4. OSCR have committed to working with Councils and CIPFA to work towards achieving full compliance by 2009/10, and SLC will continue to ensure we meet all compliance requirements in line with OSCR's requirements.
- 5. Employee Implications**
  - 5.1. There are no employee implications from this report.
- 6. Financial Implications**
  - 6.1. There are no financial implications from this report.
- 7. Equality Impact Assessment and Consultation Arrangements**
  - 7.1. This report does not introduce a new policy, function or strategy or recommend a change of existing policy, function or strategy and therefore no impact assessment is required.
  - 7.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

**Linda Hardie**  
**Executive Director (Finance and Information Technology Resources)**

4 June 2009

**Link(s) to Council Values and Objectives**

- ◆ Value: Accountable, effective and efficient

**Previous References**

None

**List of Background Papers**

None

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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OSCR Compliance Table – 2007/08 Returns

Category	Number of Authorities	Names of Local Authorities
Poor	3	Fife, Midlothian, South Ayrshire
Below Average	4	Aberdeen City, Moray, Orkney, Stirling
Average	13	Aberdeenshire, Argyll & Bute, City of Edinburgh, Dundee, East Dunbartonshire, East Renfrewshire, Glasgow City, Highland, North Ayrshire, North Lanarkshire, Perth & Kinross, Renfrewshire , Scottish Borders
Above Average	10	Angus, Clackmannanshire, Dumfries and Galloway, East Ayrshire, East Lothian, Inverclyde, Shetland Islands, South Lanarkshire, West Dunbartonshire, West Lothian
Fully Compliant	0	

Category	Explanation
Poor	Spreadsheet showing income, expenditure and reserves at year end but no Trustees Annual Report (TAR): reliance placed on audit report in local authority accounts
Below Average	Spreadsheet showing total income, expenditure and reserves at year end; form of TAR covering all charities but either uses wording from OSCR mock accounts or is so basic / short that it provides no insight into what is going on; reliance placed on audit report in local authority accounts
Average	Spreadsheet showing total income, expenditure and reserves at year end; form of TAR covering all charities which provides some good information, particularly in relation to governance; reliance placed on audit report on LA accounts
Above Average	Separate accounts for each charity although usually in relatively basic receipts and payments format but providing details of income, expenditure, assets and liabilities; TAR attached to each with good deal of insightful information; reliance places on audit report in local authority accounts or an independent examiners report from within the local authority.
Fully Compliant	Separate accounts for each charity that are fully compliance with regulatory requirement in terms of format and external scrutiny.