



Annual Report and Accounts  
2005/06

The Commissioner's report  
on regulation by designated  
professional bodies of  
their members



## Annual Report and Accounts of the Office of the Immigration Services Commissioner

**1 April 2005 – 31 March 2006**

**Incorporating the Commissioner's report on regulation by designated  
professional bodies of their members**

Presented to Parliament by the Secretary of State in pursuance of paragraph 21(3) of Schedule 5 to the Immigration and Asylum Act 1999 and by the Comptroller and Auditor General in pursuance of paragraph 20(3) of that Act.

Ordered by the House of Commons to be printed 17 July 2006.

HC 1281

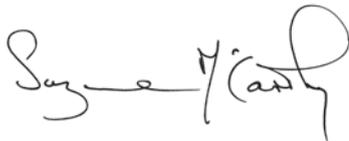
£15.75

## Annual Report and Accounts of the Office of the Immigration Services Commissioner

The Rt Hon Dr John Reid MP

Sir,

I have pleasure in submitting the Annual Report and Accounts of the Office of the Immigration Services Commissioner as required by paragraph 21 (3) of Schedule 5 to the Immigration and Asylum Act 1999. The report covers the period 1 April 2005 to 31 March 2006.

A handwritten signature in black ink, appearing to read 'Suzanne McCarthy', with a stylized flourish at the end.

Suzanne McCarthy  
Immigration Services Commissioner and Accounting Officer  
Office of the Immigration Services Commissioner  
Counting House  
53 Tooley Street  
London SE1 2QN

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## Foreword



It is with great pleasure that I present my first report on the work of the Office of the Immigration Services Commissioner (OISC).

The OISC has an important role. It deserves respect and recognition both for the contribution it makes and the experience it brings to the immigration sector.

During the past year the Office has seen its first change in Commissioner. I am grateful to have been given the opportunity to lead the OISC. In this I have been ably supported by the Deputy Commissioner and OISC staff. Their intelligent assistance ensured that I quickly became fully operational in this demanding role. I am sincerely appreciative of the extensive patience and kindness they have shown to me.

During my first six months I had the opportunity to meet many of the OISC's key stakeholders including the Chairmen and/or Chief Executives of all seven of the designated professional bodies. I welcome working with them and others over the coming years.

The immigration sector always operates in interesting times, and I am excited about what may lie ahead for the OISC. I have every confidence that the Office will rise to the challenges. I fully acknowledge that I am building on the work of my predecessor, John Scampion. This report is a tribute to his achievements.

A handwritten signature in black ink, which reads "Suzanne McCarthy". The signature is fluid and cursive, with the first name "Suzanne" and the last name "McCarthy" clearly distinguishable.

Suzanne McCarthy  
Immigration Services Commissioner  
17 July 2006

# Chapter 1: Commissioner's statement

This Annual Report covers my first six months as the Immigration Services Commissioner. It also covers the period when the Deputy Commissioner, Linda Allan, served as Accounting Officer. I am grateful to her both for the leadership she gave to the Office during the period between the departure of John Scampion, the previous Commissioner, and my arrival and for her support since I assumed my appointment.

The past half-year has been a steep learning curve for me and I wish to acknowledge the assistance and guidance I have been given by OISC staff, those within the wider immigration and regulatory sectors and beyond. I am honoured to be the Immigration Services Commissioner, and appreciate the legacy John Scampion left.

In his last Annual Report John eloquently summarised the OISC's history from legislative idea to realisation as a fully functioning and viable organisation committed to promoting good practice and ensuring that those it regulates are fit and competent to provide immigration advice and services. In his last Commissioner's statement he also explicitly acknowledged that the OISC could not, and should not, stand still. The environment in which it operates makes that impossible.

Since its beginning the OISC has concentrated on its primary aims – restricting and controlling illegal activity within the sector, delivering good regulation, supporting regulated advisers, operating as an effective, efficient and economical organisation and providing oversight of the designated professional bodies (DPBs) and reporting on this function to the Home Secretary. Included in this document is a separate report giving my opinion on the extent to which the DPBs have effectively regulated the provision of immigration advice and services by their respective members.

The report that follows explains how the OISC has continued to develop over the last 12 months. I want to use the opportunity of this statement to look to the future. The OISC needs continually to evolve. To that end I have devised a four-part strategic foundation for the Office, being:

- explicit acknowledgement and appreciation that the OISC does not work in isolation;
- a commitment to complete the building of its regulatory framework;
- an ongoing programme to monitor and review the OISC's own performance; and
- a recognition of the need to make its role and contributions better known, understood and appreciated by those within the sector and beyond.



*The OISC has developed a sensitive, rigorous and holistic regulatory framework.*

## The OISC does not work in isolation

Important developments are happening in the immigration sector – the Home Office's Five Year Strategy, the implementation by the Immigration and Nationality Directorate of its policy on Managed Migration and the New Asylum Model, and the Department for Constitutional Affairs's White Paper on the Clementi recommendations are some of the initiatives under way. The OISC must take note of these, respond appropriately and design its programme of work to reflect the external context. Relevant to this, for example, is the work that the OISC is currently discussing with the Home Office on overseas advisers.

The OISC also needs to know its sector. After five years of operating, it is appropriate for the OISC to review the landscape. A project on this is planned for the 2006/07 financial year.

## Completing development of the OISC's regulatory framework

Over the past five years the OISC has developed a sensitive, rigorous and holistic regulatory framework reflecting Better Regulation principles. Its risk-based audit programme targets resources at those areas where it perceives clients may be at their most vulnerable. With the support of the Home Office and HM Treasury, we aim to introduce a system of differential fees scales for regulated advisers. That, together with the introduction of a Continuous Professional Development programme, should enhance and further support our regulatory approach.

The OISC's regulatory scheme depends on a number of elements:

- an integrated audit process by which the OISC diagnoses the strengths and weakness of individual advisers through reviewing main business systems and structures, scrutinising files and assessing competence;
- the investigation of complaints to monitor the incidence of poor advice provision and bad practice;
- the dissemination of information with the aim of promoting good practice within the sector; and
- prosecutions to prevent firms and individuals operating outside the regulatory scheme.



*The OISC  
is working in  
partnership  
with several  
organisations.*

Fundamental to the OISC's work as a regulator are its Code of Standards and the Commissioner's Rules. It is important that these reflect the current legislative and policy context in which advisers operate. These cornerstone documents are in the course of being revised, with implementation planned for June 2007.

Earlier in this statement I mentioned that one of the OISC's responsibilities was to ensure that regulated advisers were fit and competent. The OISC is in the process of delivering its competence assessment programme under which all regulated advisers, new to the scheme or already within it, will have to take a written assessment appropriate to their level of competence. The outcome of this will feed into the OISC's risk assessment of individual advisers and the auditing intensity then devoted to them.

## **Monitoring and reviewing the OISC's own performance**

The OISC needs to remain effective, efficient and economical. The timing is right for the organisation to review many of its processes and procedures. Such work is planned for the next financial year.

In addition, from 1 April 2006 key performance indicators (listed at Annex A) have been introduced. These will allow us to assess the OISC's performance and, if possible, improve upon it. Data collected on these measures will be included in the OISC's 2006/07 Annual Report and thereafter in subsequent reports.

## **Raising the OISC's profile**

The OISC plays a crucial role within the immigration sector. I feel strongly that the OISC must ensure that its messages are clear and published in a way that maximises their impact, and that it develops relationships throughout the immigration environment and beyond. Essential to this and to the other strands of its activities is the OISC's community liaison programme and its wider communication activities.

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*During its short history, the OISC has achieved much.*



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The OISC is working in partnership with several organisations. Among these is the Scottish Refugee Council (SRC). Through our relationship with the SRC, during 2006/07 we intend to create links between our organisation and grassroots communities in Scotland and build greater awareness of the OISC with regional and community bodies there. The expectation is that this will increase the number of applications the OISC receives from advisers in Scotland wishing to join the regulatory scheme.

## Conclusion

This statement has allowed me at an early stage of my tenure as Commissioner to explain my strategy. Future reports will confirm whether the goals set have been met. In setting out what I intend to achieve over the coming years I am mindful that the OISC's budget is agreed on an annual basis. Accordingly, the OISC's work programme is linked to the continuation of its current budget with uplift.

I am conscious that during its short history the OISC has achieved much. There is still more to do. The OISC's staff have quickly earned my confidence and admiration for their commitment, determination and professionalism. I appreciate the privilege of working with them.

## Chapter 2: Major developments

This chapter spotlights certain activities undertaken by the OISC during 2005/06, and by so doing gives a flavour of where the OISC directed its attention during that period.

### **Delivering competence assessments of advisers**

Since 1 April 2005 any person wishing to be regulated by the OISC has had to complete a written competence assessment. During 2005/06 the OISC also completed the first year of its programme to competence assess advisers already in the scheme. The OISC is committed to completing this process by the end of 2006/07.

### **Revising the OISC's Complaints Scheme**

Complaints come to the OISC from various sources, including advisers' clients, other advisers, MPs and members of the public, and they assist the OISC in assessing the fitness and competence of regulated advisers. The OISC's Complaints Scheme was originally published in 2000 and the Office recognised that it needed to be reviewed. The revised scheme was published in March 2006 and implemented in June.

### **Revising the OISC's Code of Standards and Commissioner's Rules**

In tandem with the revision of its Complaints Scheme, the OISC has also turned its attention to revising its Code and Rules. A consultation on both ran from February until May 2006. Based on responses received, the intention is to launch new versions of both of these documents at the OISC's autumn 2006 conference, and for them to go live in summer 2007.

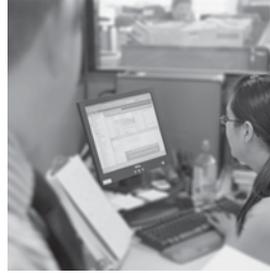
### **Working towards the introduction of Continuous Professional Development (CPD)**

At the OISC's autumn 2005 conference, the Deputy Commissioner explained the OISC's plans for introducing a CPD scheme. In doing so, the OISC aims to encourage advisers to build on their skills. Like other professionals, OISC advisers need to continue their learning, make sure that they remain aware of changes and are up to date with best practice. The OISC began its formal consultation on its CPD proposals in February 2006. Subject to the responses received, the intention is that the scheme will start in April 2007.

### **Promoting good practice – publication of guidance notes**

One of the OISC's specific responsibilities is to promote good practice in the immigration advice sector. The publication of OISC guidance notes assists the Office in achieving this aim by helping advisers to better understand the scheme's requirements.

*The OISC  
recognises  
the value  
of its staff.*



During 2005/06 we published guidance notes on the following: how advisers should work to resolve client complaints; advisers' premises; and referrals and signposting of clients.

### **Following up the OISC's report on immigration removal centres**

An addendum to the OISC's 2004/05 Annual Report presented the conclusions and recommendations of the independent report commissioned by the OISC on the supply, access and quality of immigration advice for people held in immigration removal centres. Following receipt of that report, the OISC has worked during the year with the Immigration and Nationality Directorate (IND) to ensure that relevant information is readily available in centres. We also wanted centre staff to understand the OISC's role and how to access OISC information. Agreement was reached with the UK Immigration Service (UKIS) that each centre library would hold two copies of the OISC's full information pack, including the three leaflets *General information about the OISC*, *How to find an immigration adviser* and *Legal advice for people who are detained by the immigration service*, and a CD-ROM containing all our publications in electronic format. In addition, the OISC's communication team has developed an active working relationship with centre managers to review how useful OISC information is to detainees and to ensure that centre staff remain aware of the OISC's complaints and enforcement functions.

IND is currently working on providing all centre libraries with internet access. Once this has been achieved, centre librarians will be able to provide detainees with up-to-date information from the OISC's website, including lists of authorised advisers.

### **Ensuring the OISC remains a good place to work**

The OISC recognises the value of its staff and the importance of maintaining a good working environment for them. During the year the human resources team revised the OISC's staff policies and procedures so that these accurately reflect changes in both employment law and best practice. In-house IT training has been provided so that staff can make the best use of the OISC's technology. In addition, the IT team has put in place the technical foundation necessary to enable OISC staff to take full advantage of mobile working.

## Chapter 3: Who we are

### The Commissioners' Office

The Commissioners' Office consists of the Immigration Services Commissioner, Suzanne McCarthy, the Deputy Immigration Services Commissioner, Linda Allan, and their administrative support team.

### The Operational Teams

Five separate but interlinking teams make up the OISC's Operational Teams, which are led by the Director of Operations, Stephen Seymour.

Full statistical information on the work of these teams can be found in Chapter 4.

### The compliance and complaints teams

Members of the three compliance and complaints teams have a variety of backgrounds across the private, public and voluntary sectors. The three teams are primarily responsible for delivery of the OISC's regulatory and complaints functions and act as the main contact point for regulated advisers. The teams ensure compliance with the OISC's regulatory scheme through conducting audits, considering applications for new and continued registration, evaluating competence assessments and investigating complaints. During 2005/06 team members also helped advisers understand the process of applying for registration by delivering 12 application support seminars.

### The investigation and intelligence team

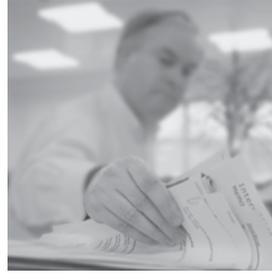
The investigation and intelligence team proactively seeks out and investigates allegations of unregulated immigration advice or services activity throughout the UK. The team has responsibility for the investigation of two specific offences: providing unlawful immigration advice or services<sup>1</sup> and unlawfully advertising immigration advice or services.<sup>2</sup> The OISC also has the power to apply for and execute search warrants.<sup>3</sup> We have utilised that power on four occasions.

1 Contrary to Section 91 of the Immigration and Asylum Act 1999

2 Contrary to Section 92b of the Immigration and Asylum (Treatment of Claimants etc.) Act 2004

3 Schedule 5, paragraph 7 of the Immigration and Asylum Act 1999 as amended

*The OISC works closely with other investigative bodies.*



The majority of the team have criminal investigation and prosecution backgrounds. The team works closely with other UK investigative bodies and has forged links with various enforcement agencies that are involved in parallel or overlapping fields of investigation, resulting in better information-sharing.

During 2005/06 we participated in 10 joint investigations. Five have resulted in criminal prosecutions, one awaits trial, two are with the Procurator Fiscal's office and the remaining two are still under investigation.

2005/06 was the first year that the OISC has actively undertaken criminal investigations in Scotland and it is hoped that these will help raise awareness of the OISC among minority ethnic communities there. Similarly the team has become more active in Northern Ireland.

### **The legal and DPB team**

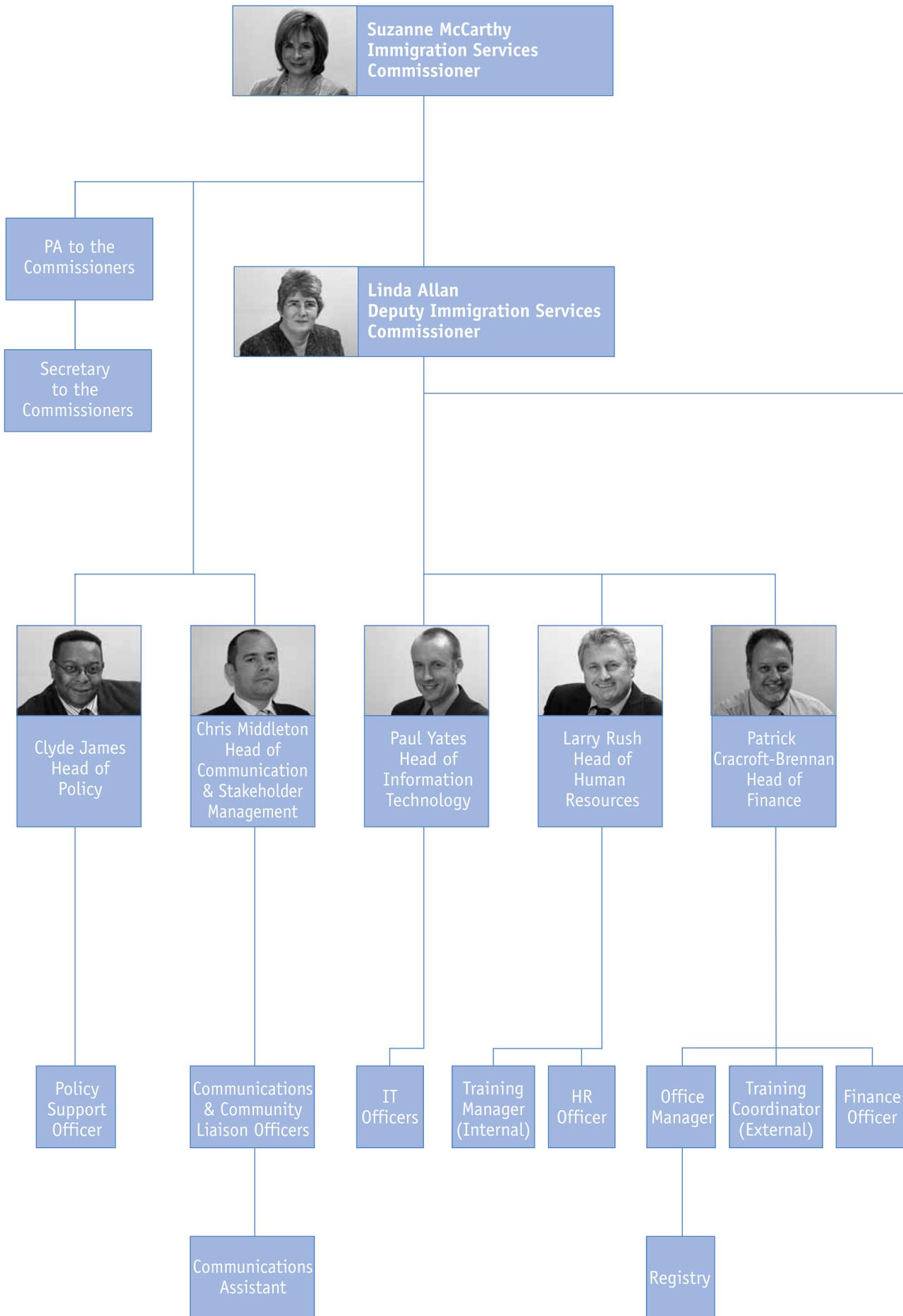
The Commissioner has a duty to report on the effectiveness of the designated professional bodies (DPBs) in regulating their respective members in relation to their provision of immigration advice and services. The DPB element of this team assists her in doing this primarily by monitoring the way in which those bodies process complaints. The other part of the team provides the Office with legal advice on a variety of issues and represents the Office before the Immigration Services Tribunal. A separate report on this subject can be found at the back of this document.

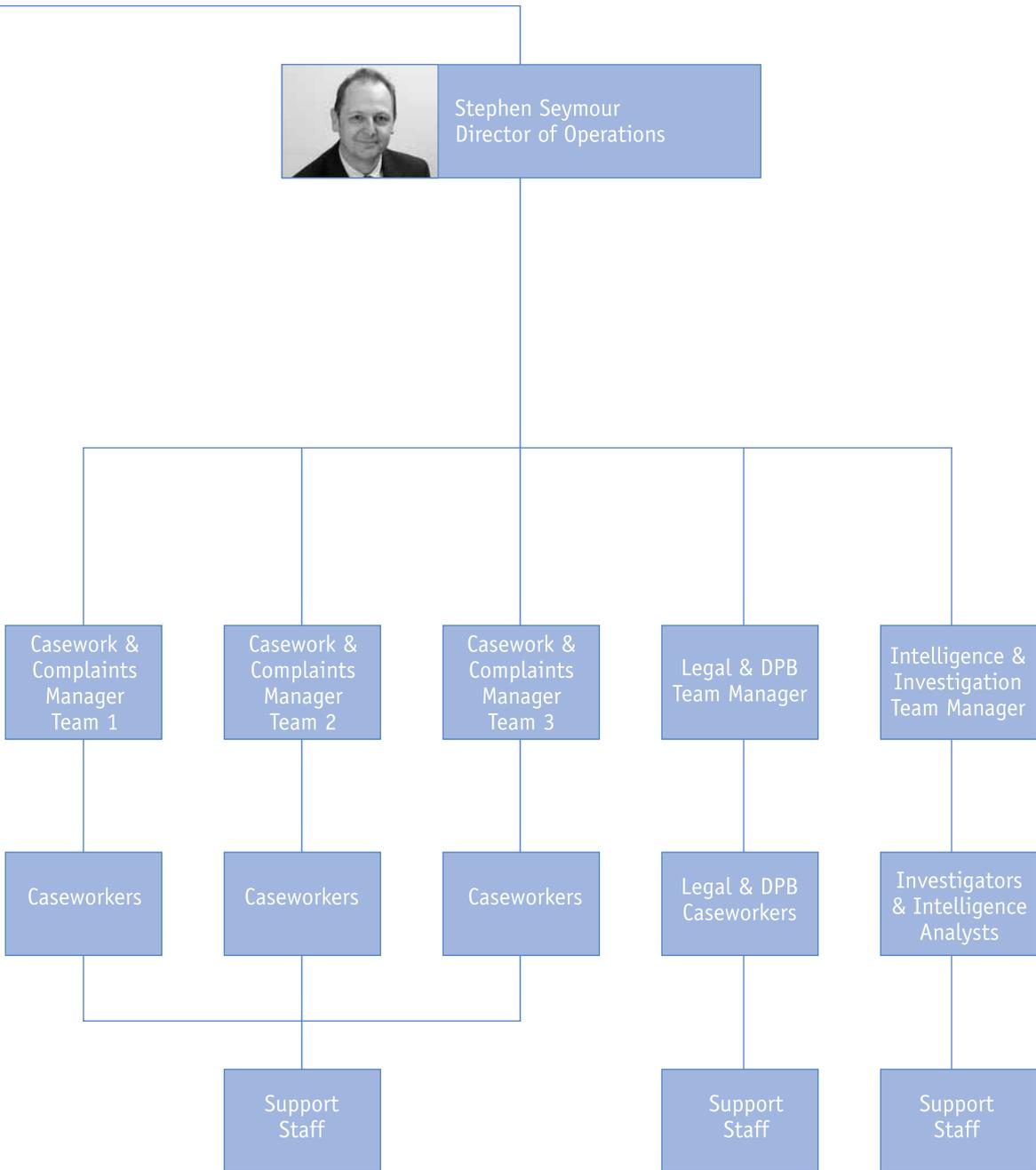
## **The Corporate Support Services Teams**

### **Communication and stakeholder engagement team**

This team is responsible for promoting awareness of the OISC within the sector and generally, and for managing the organisation's relationships with its stakeholders. It has particular responsibility for leading the OISC's community liaison activities. These aim to raise awareness of, and develop confidence in, the OISC among community, voluntary and refugee groups across the UK, and to work with those groups to bring them into the scheme, as appropriate.

Full details on this team's work can be found in Chapter 5: Working with others.







### **The finance and administration team**

The finance and administration team's responsibilities cover finance and the provision of internal office facilities and back-office support to the other teams. Members of this team are often the first point of contact for the public as they receive all incoming calls (almost 30,000 telephone calls during 2005/06). All of this team's administrative officers received formal customer-focused training during the year. This team now also runs the OISC's training programme for exempt advisers.

### **The human resources team**

The human resources team is responsible for providing a comprehensive personnel service to OISC staff and for facilitating staff training and development.

As well as keeping the Office's HR policies under review and updated as necessary, during 2005/06 the team facilitated a series of lifestyle awareness sessions for staff. The team has been instrumental in arranging training for OISC caseworkers on immigration and asylum issues, and they have also designed and delivered internal IT courses to maximise the best use of technology.

### **The information technology team**

This team has responsibility for the provision, maintenance and support of the Office's IT functions.

During 2005/06 the team developed and implemented the IT programme and website makeover that supported the delivery of the OISC's competence assessment project. Since that project started on 1 April 2005, over 1,600 level 1 assessments have been taken using this facility, with less than 0.5% of advisers experiencing severe or irresolvable IT difficulties.

During the year the team upgraded the Office's desktop computer hardware, installed a wireless network and procured portable 'tablet' computers. The latter is part of our drive to facilitate remote working and will allow staff to upload data quickly and efficiently into the OISC's core database without lengthy retyping of reports on their return to the office.

One of the ongoing tasks within the team is to ensure that the core database continues to support the business. To that end the database has undergone a series of updates and amendments.



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### The policy team

This team's remit includes providing guidance on the parameters of the OISC's regulatory scheme, interpreting relevant legislation and case law and contributing to discussions on possible legislative changes. During 2005/06 the policy team led several OISC consultation exercises: on the Complaints Scheme, the Code of Standards and the Commissioner's Rules. Also during the year the team prepared three guidance notes for advisers. The team responded to several external consultations, including the Home Office's consultation on Managed Migration, the Cabinet Office's consultation on Better Regulation and the Scottish Executive's consultation on the Scottish reform of legal services and Scottish legal aid. The team also led on the preparation of the OISC's submission to the House of Commons Home Affairs Select Committee's inquiry into immigration control.

## Chapter 4: Statistical report

### Regulation of immigration advice

It is illegal to offer immigration advice and services without being directly regulated by the OISC. The only exceptions to this are those who are regulated by a designated professional body (DPB), such as the Law Society of England and Wales, or those who have been exempted by way of Ministerial Order.<sup>4</sup>

The types of organisation that the OISC regulates range widely from small, community-based organisations and sole traders right through to national charities with multiple offices and specialist, for-profit advisory services. We distinguish between regulated organisations by dividing them into two specific categories:

- ‘Registered’ organisations are those mainly operating in the private sector. They charge for their advice or services either through a straightforward fee or via charges made as part of a larger advice package, for example a private college which offers immigration advice as part of their student services. Voluntary and community sector organisations, including charities and local authorities that charge for their services, are included in this group.
- ‘Exempt’ organisations generally operate in the voluntary or community sector. They do not charge clients for the services they provide. These bodies are referred to as ‘exempt’ only because they are exempt from paying any registration fee to the OISC.

The OISC’s regulatory framework is based on four cornerstones: the Code of Standards, the Commissioner’s Rules, the Guidance on Competence and the Complaints Scheme. The Commissioner’s Rules, which focus mainly on financial management, apply only to registered organisations while the other three apply to all organisations. These documents set out what is expected of regulated immigration advisers in terms of skills, experience and aptitudes, and are the tools the OISC uses to assess an immigration adviser’s fitness and competence.

The OISC’s approach to regulation is both targeted and proportionate. Wherever possible, the OISC supports and encourages organisations to come into the scheme and to develop and improve the level of service they offer to their clients.

<sup>4</sup> Ministerial Order is a specific exemption from regulation and relates to the NHS, publicly funded educational institutions and employers

# 3,629

advisers were regulated  
by the OISC at 31 March 2006.

As noted in the 2004/05 report, the OISC intends to reduce the frequency of audits for those advisers who demonstrate that they are performing well against our standards. To that end, the OISC has been running free training courses for exempt advisers for the last two years and has put in place mechanisms for registered advisers to access our training courses from other providers. We are now working towards introducing a Continuous Professional Development scheme, which, subject to the outcome of the consultation on this that began at the end of 2005/06, will be formally introduced in April 2007.

## Statistics on regulated organisations and advisers as at 31 March 2006

The following statistics outline the size of the regulated sector and how it breaks down by level of regulation, type of regulation and location.

**Table 1: Total number of organisations**

	As at 31 March 2005	As at 31 March 2006	Change
Registered	530	591	Increase of 61
Exempt*	980	976	Decrease of 4
Total number of regulated organisations	1,510	1,567	Increase of 57

\*This figure includes 596 Citizens Advice Bureaux regulated at level 1

**Table 2: Total number of regulated advisers**

	As at 31 March 2005	As at 31 March 2006	Change
Registered	1,034	1,241	Increase of 207
Exempt*	2,291	2,392	Increase of 101
Total number of regulated advisers**	3,322	3,629	Increase of 307

\*The figure includes an estimated one full-time adviser for each of the 596 CABs regulated at level 1

\*\*The total does not add up as some advisers work for more than one organisation and are counted more than once

# 255

new applications  
for regulation were  
received during  
the year.

**Table 3: Total number of premises per region per level**

	Level 1		Level 2		Level 3		Total		Overall total
	Reg*	Ex**	Reg	Ex	Reg	Ex	Reg	Ex	
East Midlands	11	50	2	4	4	3	17	57	<b>74</b>
East of England	37	89	3	2	11	5	51	96	<b>147</b>
London	162	196	77	39	111	38	350	273	<b>623</b>
North East	7	29	1	2	2	2	10	33	<b>43</b>
Northern Ireland	5	28	2	1	0	0	7	29	<b>36</b>
North West	32	88	6	3	17	11	55	102	<b>157</b>
Scotland	13	77	2	3	4	1	19	81	<b>100</b>
South East England	58	136	9	8	11	7	78	151	<b>229</b>
South West England	15	65	1	0	3	3	19	68	<b>87</b>
Wales	1	49	0	0	3	2	4	51	<b>55</b>
West Midlands	24	63	5	4	10	7	39	74	<b>113</b>
Yorkshire	20	57	3	10	13	9	36	76	<b>112</b>
<b>Total</b>	<b>385</b>	<b>927</b>	<b>111</b>	<b>76</b>	<b>189</b>	<b>88</b>	<b>685</b>	<b>1,091</b>	<b>1,776</b>

\* Registered

\*\* Exempt

**Table 4: First-time applications**

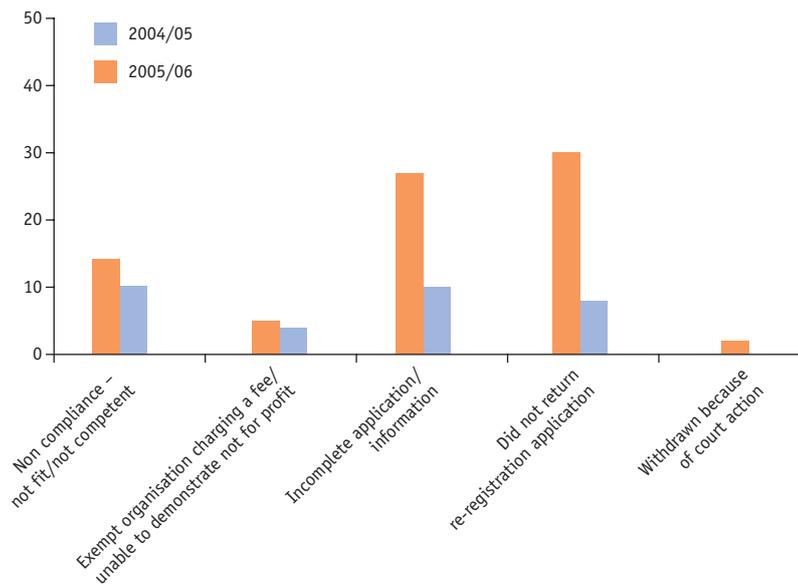
	Registered	Exempt	Total
Applications received	198	57	255
Applications brought forward from 2004/05	43	31	74
Applications approved	150	29	179
Applications refused	15	14	29
Applications withdrawn	15	12	27
Applications carried forward	73	21	94

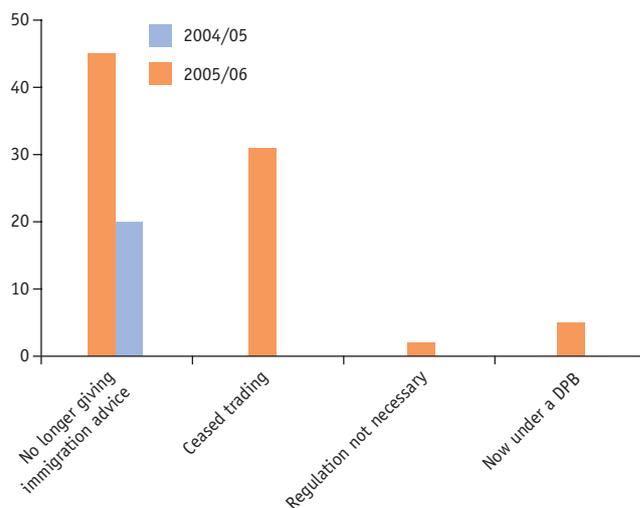
*It is the Commissioner's statutory duty to protect the public from unfit or incompetent immigration advisers.*

### Rejecting applications, withdrawing exemption and organisations leaving the scheme

Refusing an organisation's application for entry into the regulatory scheme or to be re-registered, or withdrawing an organisation's exemption, are serious matters and are not actions that the OISC takes lightly. While our caseworkers make every effort to help organisations, it is the Commissioner's statutory duty to protect the public from unfit or incompetent immigration advisers.

**Figure 1: Reasons for refusal or withdrawal**



**Figure 2: Reasons for departure**

### Changing competence levels

We may change an organisation's or adviser's level for a number of reasons. Where there is an increase in level, the organisation or adviser will have applied to go up and will have undertaken competence assessment at the higher level before being approved. Where the level is decreased, this may be either because an organisation or adviser tells us they no longer operate at the higher level or because we consider, based on competence assessment and/or audit, that they are no longer fit and/or competent to operate at that level.

# 97%

of registered advisers  
have sat competence  
assessment at level 1  
as at 31 March 2006.

**Table 5: Increasing and decreasing organisation levels**

	Registered		Exempt		Total	
	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
Organisation: increased level	2	0	0	2	2	2
Organisation: decreased level	5	0	0	3	5	3

## Assessing advisers' competence

The requirement for advisers to sit formal competence assessment came into force on 1 April 2005. All those applying to join the scheme must successfully complete a multiple-choice online assessment at level 1 before they can be admitted. Those who wish to work at a higher level must, in addition, undertake further written assessments.

The OISC is now halfway through its two-year programme to assess advisers who are already within the scheme. We began by focusing mainly on registered advisers and those practising at the higher levels. As at the end of 2005/06, 97% of registered advisers have taken the online assessment and around a third have taken one of the higher-level assessments. Also as at 31 March, almost 25% of exempt advisers have taken the level 1 assessment. The assessments do not have set pass marks and advisers are not deemed as having 'passed' or 'failed'. Rather, they are used to help us identify those subjects on which advisers may require further training.

**Table 6: Total number of advisers who have sat competence assessments as at 31 March 2006**

	Registered	Exempt	Total
Level 1	1,224	401	1,623*
Level 2	135	35	170
Level 3	109	24	133
<b>Total</b>	<b>1,468</b>	<b>460</b>	<b>1,926*</b>

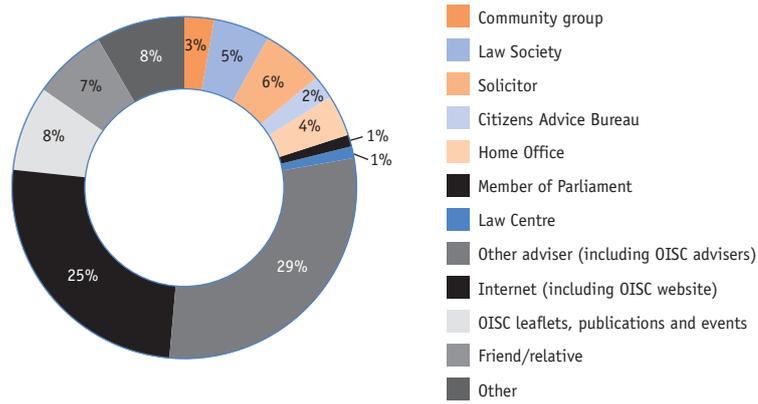
\*This figure does not add up because some advisers work at both registered and exempt organisations

*Complaints help the OISC to monitor the service provided by advisers.*

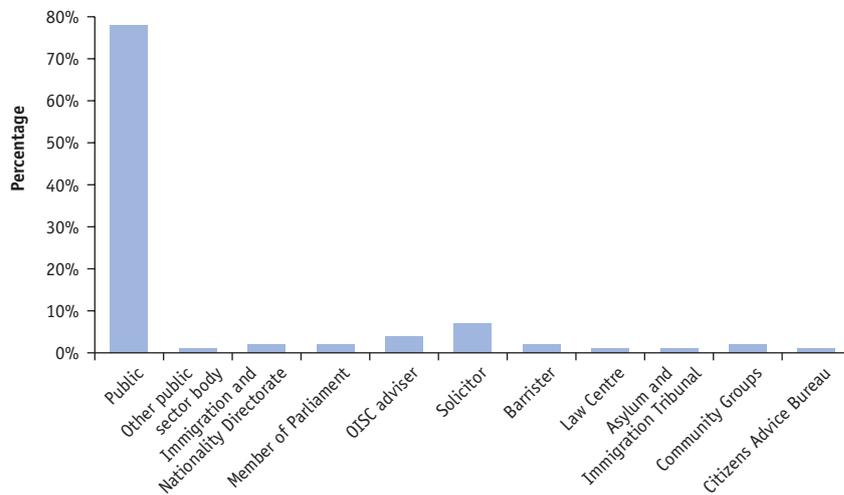
## Complaints

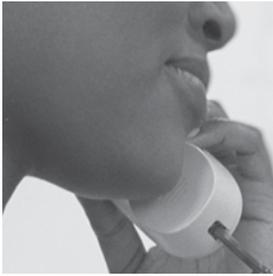
The OISC's Complaints Scheme forms an important part of our regulatory function. Complaints help the OISC to monitor how well advisers are serving their clients and are taken into account during audits. Complaints against unregulated advisers also help bring illegal activity to our attention.

**Figure 3: How complainants heard about the OISC**



**Figure 4: Sources of complaints**





Of the total 366 complaints received, we closed

**227.**

As in previous years, by far the largest single group of complainants is the general public, with the number of complaints received from them rising year on year from 45% of the total in 2002/03 up to 78% in 2005/06.

### Disposal of complaints closed in 2005/06

As at 31 March 2005, 111 complaints were being investigated by the OISC. During the year we received a further 255 complaints. Of the total 366 complaints, we closed 227, an increase of 13% on the previous year, leaving 139 open cases as at 31 March 2006.

**Table 7: Disposal of cases**

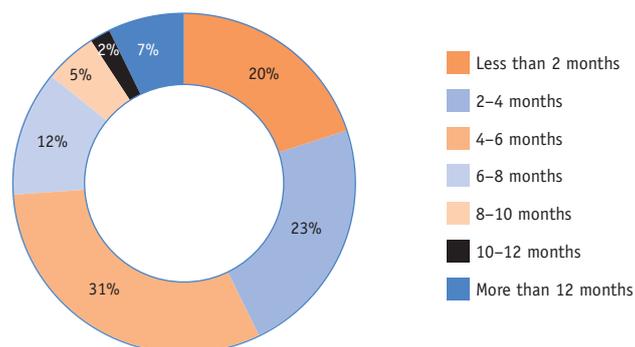
Substantiated	Unsubstantiated	Conciliated	Suspended investigation	No supporting evidence	Not OISC regulated	Withdrawn	Passed to intelligence	Made into DPB case	Other	Total
92	17	3	33	18	33	16	5	1	9	227

Substantiated:	The organisation was found to have breached the Commissioner's Rules or Code of Standards and a sanction applied.
Unsubstantiated:	No breach was found.
Conciliated:	The complainant and the organisation came to an agreed settlement (for example, the organisation handed over the complainant's file in return for unpaid fees) and the OISC was satisfied that no further investigation was required.
Suspended investigation:	The investigation of the complaint was suspended because, for example, either the firm or the complainant were involved in ongoing legal proceedings.
No supporting evidence:	Evidence was not forthcoming to support the complaint.
Not OISC regulated:	The organisation is not regulated by the OISC or the complaint did not relate to a matter with which the OISC can deal.
Withdrawn:	The complainant withdrew their complaint.
Made into DPB case:	The complaint was passed to a DPB.
Passed to intelligence:	The details of the complaint were passed to the OISC's investigation and intelligence team for analysis as the complaint did not relate to a regulated adviser, member of a DPB or someone otherwise exempt. Although the matter is not 'closed', it is no longer considered a complaint under the Act.
Other:	For example, complaints were made anonymously and did not provide enough information for us to open an investigation.

# 75%

of complaints were closed  
within six months.

**Figure 5: Average time taken to dispose of complaints**



**Table 8: Breakdown of total complaints received 2001-06**

	Complaints against OISC-regulated advisers	Complaints referred by OISC to DPBs	Complaints against unregulated advisers	Total number of complaints received
2001/02	120	178	91	417*
2002/03	120	204	178	502
2003/04	138	217	116	471
2004/05	238	163	140	541
2005/06	255	170	143	568
<b>Total</b>	<b>871</b>	<b>932</b>	<b>668</b>	<b>2,499*</b>

\*Includes 28 complaints that were outside the OISC's jurisdiction

### Appeals and charges before IMSET

Certain decisions by the Commissioner to refuse or vary registration or to withdraw exemption carry the right of appeal to the Immigration Services Tribunal (IMSET). Similarly, our decision to lay disciplinary charges is considered by IMSET.

*During the year we exceeded our targets on investigating illegal activity.*

**Table 9: Breakdown of appeals and charges 2003–06**

	2003/04	2004/05	2005/06
Number of appeals received	9	21	11
Number of appeals allowed	4	4	1
Number of appeals dismissed	2	5	3
Number of appeals withdrawn	0	0	5
Number of charges brought	n/a	1	2
Number of charges upheld	n/a	1	0
Number of charges dismissed	n/a	0	1
Number of charges withdrawn	n/a	0	0

At the end of 2005/06 there were two appeals and one charge ongoing. The number of appeals brought has halved since 2004/05. The main reason for this is that since October 2004 the minor sanction of recording a complaint on file for consideration at the next audit no longer carries a right of appeal.<sup>5</sup>

## Investigating illegal activity

Investigation and prosecution of those who seek to evade regulation is an essential element of the OISC's regulatory function. Using both proactive intelligence-gathering and complaints received, the OISC investigates cases where we think advice is being given illegally. Our investigation team works closely with other agencies including the police, pooling information and resources and running joint investigations.

Building on the work done in previous years, one of the OISC's 2005/06 targets included the identification of 600 organisations potentially eligible for regulation and to obtain applications or satisfactory responses from 400 of them. We exceeded both targets, having been able to identify 690 potential organisations during the year and having determined the position of 423 by their coming into the scheme, ceasing to offer immigration advice or providing evidence that they did not need to be regulated.

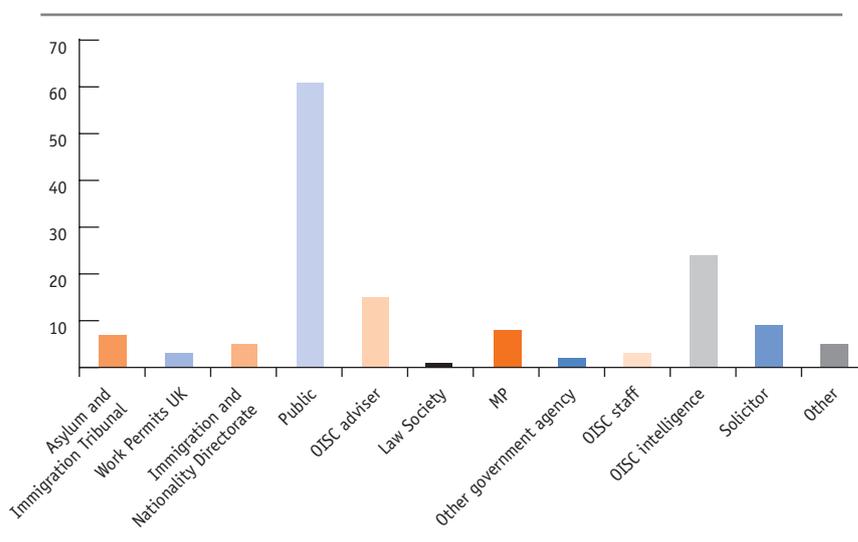
<sup>5</sup> Section 40 of the Immigration and Asylum Act 2004

*The OISC undertakes investigations based on information from a range of sources.*

### Sources of investigations

The OISC undertakes investigations based on information from a range of sources. We receive complaints from, among others, the public, MPs, other government departments or bodies and our advisers. We also have our own in-house team who proactively gather intelligence on possible illegal activity.

**Figure 6: Source of investigations**



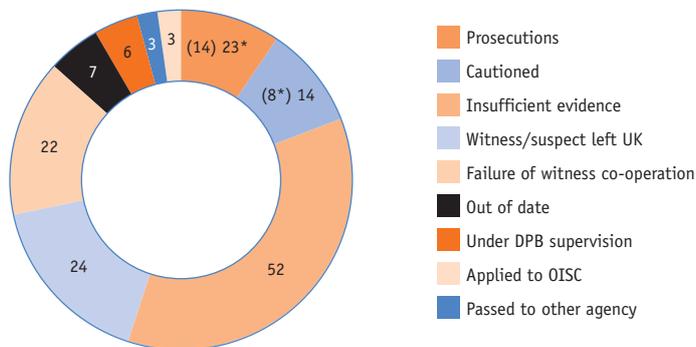
As in previous years, the main source of investigations is the general public, followed by our own intelligence-gathering work.

Our investigations  
led to **23**  
criminal convictions.

### Disposal of investigations

We began the year with 20 cases still open from 2004/05. During 2005/06 a total of 154 investigations were closed, leaving nine to be carried forward into 2006/07. Of the 154 disposed of, 23 resulted in criminal convictions and 14 formal cautions were given.

**Figure 7: Disposal of investigations**



\*Figures in brackets denote the number of defendants/people receiving cautions, e.g. some defendants were prosecuted on more than one count

The 2004/05 Annual Report noted that a large proportion of cases had to be closed due to lack of evidence. This problem has decreased substantially, from 81 in 2004/05 to 52 in 2005/06.

Our enforcement action has resulted in a total of 43 prosecutions with 42 convictions. Those convicted of illegally providing or advertising immigration advice can expect sanctions ranging from fines and community punishment orders through to a maximum of two years' imprisonment.

At the end of 2005/06 there were 12 defendants awaiting trial.

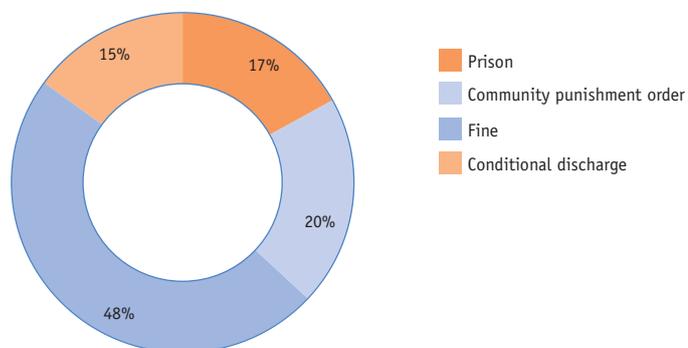
**17%**  
of prosecutions result  
in prison sentences.

**Table 10: Prosecutions 2001–06**

Year	Prosecutions	Non-appearance warrants issued	Formal cautions administered
2005/06	14	0	8
2004/05	7	4	3
2003/04	13	0	1
2002/03	8	3	0
2001/02	1	0	0
<b>Total</b>	<b>43</b>	<b>7</b>	<b>12</b>

Figures in this table differ from those on the previous page as they are for the number of defendants/people receiving cautions rather than the total counts, e.g. some defendants were prosecuted on more than one count

**Figure 8: Punishment on conviction 2001–06**



The OISC  
has brought  
**43**  
prosecutions  
since 2001.

### Case studies: Prosecutions

In January 2006 Bow Street Magistrates' Court found Sam Njoku of Pinner in Middlesex guilty on three counts of providing immigration advice and services without being qualified to provide them.

Trading as Sam Waller & Company, Mr Njoku took money, documents and passports from his clients in order to make immigration applications on their behalf. However, he failed to adequately process their applications, did not tell his clients how their applications were progressing, and subsequently failed to return all their documents. He was sentenced to four months' imprisonment and ordered to pay £3,100 in compensation.

In sentencing him, the Judge, His Honour Judge Evans, said: "Your victims were decent and honest people not seeking some crook to fiddle their status in this country." He went on: "You exploited their situation, took hundreds of pounds from them and caused a great deal of anguish."

In November 2005 Chaudhary Mohammed Saghir, a former local councillor, pleaded guilty at Bradford Crown Court to 15 counts of providing immigration advice and services without being qualified.

Mr Saghir knew that providing immigration advice without being regulated by the OISC was against the law and, indeed, at one point had submitted an incomplete application to the OISC. Despite several requests by the OISC for him to complete his application by submitting the necessary information, Mr Saghir failed to do so and persisted in offering immigration advice.

In summing up, the Judge, His Honour Judge Gullick, described Mr Saghir as a "downright liar" and said: "You are an arrogant man who persisted in activities which you knew perfectly well you were not entitled to do." Mr Saghir was sentenced to 12 months' imprisonment.

## Chapter 5: Working with others

The OISC does not work in isolation. Engaging those with an interest in the sector helps us to fulfil our role and promote understanding of our work. This chapter gives a flavour of some of the work the OISC has done engaging others during 2005/06.

### Immigration removal centres

A series of reports during 2003 and 2004 by Her Majesty's Inspector of Prisons highlighted concerns surrounding access to appropriate legal advice for those held in immigration removal centres (IRCs). In response we instigated and led a project to tackle this, working with IND and the centres themselves to outline exactly what the barriers to this information were and what we could do to make access easier. A series of folders providing OISC information, including the leaflet *Advice for Those Held in Detention Centres*, were sent to each centre and a new Detention Services Order was issued by the Home Office making it compulsory for all centres to make this information available in centre libraries. Our follow-up with centres has indicated that this material has proved useful, with most centres reporting use of the folders. Extra information advertising them has since been provided. We have also visited some centres to see how these information packs are being held and used, and again feedback has been very positive. Following this success, a similar project was carried out with the 32 short-term holding facilities to make sure people held at those also have ready access to information about how to get legal advice.

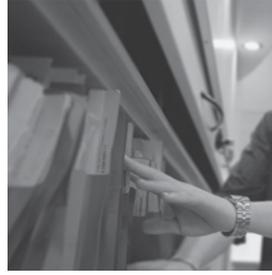
Following this work, we visited Dungavel IRC in Scotland to find out how our information is being made available to detainees there. We also plan to visit other such centres in 2006/07.

### Panels and forums

We continue to play an active part in a number of panels and stakeholder groups including IND User Panel and Asylum Process Stakeholders Groups, Work Permits (UK) User Panel, UK Visas User Panel, Asylum and Immigration Tribunal User Panel and Legal Services Commission Policy Stakeholders Group.

To help us engage with the voluntary and community sector, we have put in place the OISC's Second Tier Forum. This is made up of large voluntary sector bodies working in the advice field. It enables us to share with them information on OISC developments.

A series of folders providing OISC information, including the leaflet *Advice for Those Held in Detention Centres*, were sent to each centre.



### Conferences and events

Every year we run a range of events for our advisers. During 2005/06 the OISC held two conferences, one in London and the other in Birmingham, bringing together almost 300 of our advisers. These conferences are designed to keep advisers up to date with OISC developments and to outline future plans. The Head of Managed Migration in IND provided a keynote speech to the London conference in 2005/06, looking at the impact the Managed Migration policy will have on the sector.

In the past advisers have commented that the most valuable aspect of these events is having the opportunity to talk to caseworkers about individual issues. Considering this, for the first time at this year's conferences we arranged an extra 'network with your caseworker' session. As we expected, this proved very popular and is something we plan to repeat.

Regional roundtables are more informal events. This year we visited Newcastle, Sheffield, Liverpool, Glasgow, Dover, Cambridge and Belfast. These events bring together around 15 advisers with two or three members of staff. Like conferences, they give us an opportunity to update advisers, but they are also helpful to us in learning about the issues facing advisers in a particular area of the country. Feedback has been extremely positive, with 100% of attendees rating their enjoyment of these events as either high or very high. A new programme of regional roundtables is planned for 2006/07.

### Meetings and speaking engagements

The Commissioner has met with the then Minister of State for Immigration, Tony McNulty, and his Parliamentary Under Secretary of State, Andy Burnham, as well as with other Home Office and wider government representatives. The Commissioner and other OISC staff have also met with a large number of representatives of various organisations including the two trade associations, the Immigration Law Practitioners' Association and the Association of Regulated Immigration Advisers. In addition, the Commissioner was invited to give a number of keynote speeches during the year.

### Appearance before the House of Commons Home Affairs Select Committee

The House of Commons Home Affairs Select Committee is holding an inquiry into immigration control and in January invited the Commissioner to give evidence. She provided the Committee with information about the OISC's role, how it operates and its views on such issues as the illegal provision of immigration advice and the control of overseas immigration advisers. We await the Committee's findings with interest.

*Raising awareness  
of the OISC  
is an essential  
element of the  
work we do.*

### External training

During 2005/06 the OISC ran 106 training courses for advisers working in exempt organisations on such topics as the system of immigration control and preparing human rights appeals. A total of 718 people attended these courses in London, Manchester, Leeds and Birmingham. We have put in place mechanisms for delivery of our training courses to exempt advisers in Scotland and Northern Ireland and have also worked with ARIA on training options for the registered sector.

Last year's report noted that we had been disappointed by the poor turnout at our courses. While this is still a concern, changes to our administrative procedures have seen turnout rise from 63% of those booked to 80%.

### Raising awareness

Raising awareness of the OISC and promoting understanding of our work is an essential element of what we do. It helps bring advisers into the scheme and also ensures that those in need of advice do not turn to illegal sources.

**Table 11: OISC leaflet distribution (hard copies)**

Document	2005/06	2004/05
How to find an adviser (26 languages)	25,300	64,980
General information about the OISC (26 languages)	24,130	46,808
Complaints (26 languages)	29,386	93,338
Information for people in detainee centres (16 languages)	18,153	42,456
Miscellaneous documents such as information packs, poster, Annual Reports, Commissioner's Rules, Codes of Standards and Complaints Scheme	8,652	18,674
<b>Total</b>	<b>105,621</b>	<b>266,256</b>

The OISC's website is one of our key promotional tools and is available in **22** languages.



There has been a quite substantial drop in the number of hard copy leaflets requested. We believe this can mainly be explained by the corresponding rise in hits to the OISC website. All our leaflets are now downloadable in every language and we know that this is one of the website's most visited pages. Advisers also now have a CD-ROM with all leaflets in each language from which they can print their own copies. Further, organisations and establishments that would historically have ordered hard copies of our leaflets, such as immigration removal centres, also now hold the CD-ROM.

### The OISC's website

The OISC's website is one of our key promotional tools and is available in 22 languages. On it are full details of who can give advice, how to find an adviser, how to become an adviser and how to make a complaint.

Traffic to the website continued to grow during 2005/06 – hits to the website increased by over a third from just over 7 million to almost 11 million, with each visitor staying for an average of nearly 15 minutes.

We aim to continue working towards increasing our web presence over the coming year. We are working with Directgov, the online guide to public services, to raise our profile on their immigration and nationality pages and are also working on a poster distribution programme designed to bring more visitors to the site.

### Community liaison presentations

During the year we delivered 27 presentations to community and voluntary groups across the UK reaching a total audience of more than 400 people. These presentations are focused on ensuring audiences hear how the OISC is relevant to their interests, be it seeking to come into the regulatory scheme or complaining about advice received.

### Enquiries

The OISC received a total of 35,234 enquiries during 2005/06. Of these, 29,348 were by telephone (83%) and 5,769 were by email (16%).

Almost half of the enquiries we received during 2005/06 (49%) were not for the OISC. As was highlighted in last year's report, most of these enquirers turned to us when they were unable to get through to either the Home Office or IND. Last year's report also noted that it is largely because we have the word 'immigration' in our title that the public incorrectly perceives that we are directly linked to the Home Office. We continue our efforts to explain our remit to prevent enquirers coming to us erroneously.

## Chapter 6: Governance

The Immigration Services Commissioner is a Corporation Sole and is accountable for all actions undertaken in her name by the OISC. She is the Office's Accounting Officer and Consolidation Officer. She is personally responsible for safeguarding the public funds for which she has charge, for ensuring propriety and regularity in the handling of those funds and for the day-to-day operations and management of the OISC. The Commissioner is answerable to the Home Secretary for the Office's activities and performance and is accountable to Parliament through him. The relationship between the Home Office and the OISC is conducted in accordance with the joint Financial Statement and Management Memorandum. This requires, inter alia, that the Commissioner must take note of any directions given by, or on behalf of, the Home Secretary and any guidance issued by the Home Office.

The OISC's main decision forum is its monthly strategic management meetings, where significant strategic and operational matters are discussed and monitored and consequential decisions taken. Chaired by the Commissioner, these are attended by the Deputy Commissioner and the Office's senior management team.

The previous Commissioner created an Advisory Panel in 2002 to assist him in developing the organisation's strategy and, while not a representative or delegate body, to ensure that the OISC remained aware of thinking within the sector. It was not a body to which the OISC was accountable. While recognising the debt owed to the Panel by the OISC, the present Commissioner decided, in light of how the sector and the OISC have evolved, the wide network of contacts the OISC now has and the many forums in which the OISC is involved, to stand down the Panel in October 2005.

### The OISC's Audit Committee

Supporting the Commissioner in delivery of her responsibilities as to issues of risk, control and governance is the OISC's Audit Committee. Its main aims are to ensure the proper stewardship of the OISC's resources and assets, to oversee financial reporting and to monitor the effectiveness of audit arrangements (internal and external), internal controls and the management of risk throughout the organisation. It accordingly makes recommendations to the Commissioner.

The Audit Committee's terms of reference were revised in December 2005. This changed the Committee's membership to three independent members.

## Chapter 7: Remuneration report

Part V of the Immigration and Asylum Act 1999 (the Act), as amended, created the role of the Immigration Services Commissioner and the Office of the Immigration Services Commissioner, an independent, UK-wide, non-departmental public body (NDPB). The Commissioner heads the OISC, and she and the Deputy Commissioner are ministerial appointments. Suzanne McCarthy assumed her appointment on 5 September 2005. Her appointment is for the statutory five-year period, ending in September 2010. Linda Allan was reappointed on 5 June 2005 for the statutory five-year period ending in June 2010. John Scampion, the previous Commissioner, completed his five-year term of appointment on 21 May 2005.

### Remuneration

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the OISC during 2005/06 were as follows:

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	Salary, including performance pay (£k)	Benefits in kind (rounded to nearest £100)	Real increase in pension and related lump sum at age 60 (£k)	Total accrued pension at age 60 at 31/03/06 and related lump sum (£k)	Cash equivalent transfer value (CETV) at 31/03/05 or start date (nearest £k)	CETV at 31/03/06 or leaving date (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)
John Scampion	10	0	0 – 2.5 plus 0 – 2.5	5 – 10 plus 25 – 30	180	195	1
Suzanne McCarthy	60	0	2.5 – 5 plus 2.5 – 5	50 – 55 plus 0 – 5	784	994	56
Linda Allan	76	0	0 – 2.5 plus 0 – 2.5	30 – 35 plus 0 – 5	372	498	27

In the year 2004/05, John Scampion received £66,000 in salary, Suzanne McCarthy received £0 and Linda Allan received £68,000 in salary. The benefits in kind figure for all three was nil.

### Salary

Salary includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowances to the extent that they are subject to UK taxation.

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## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

## Pension

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From 1 October 2002, civil servants may be in one of three statutory-based 'final salary' defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index (RPI). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic there is no automatic lump sum, but members may give up (commute) some of their pension to provide a lump sum. Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The CSP is an unfunded, multi-employer defined benefit scheme for which the OISC is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2005/06, employers' contributions of £372,010 (2004/05: £243,528) were payable to the CSP at one of four rates in the range of 16.2% to 24.6% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. Rates will increase from 2005/06. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Columns 5 and 6 of the remuneration table show the member's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting

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period. Column 7 reflects the increase in CETV effectively funded by the employer. It takes account of 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.

A 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 CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

## Annex A: Key performance indicators

### The OISC's key performance indicators 2006/07

The OISC has always internally measured its performance and has published extensive data on its activities in its Annual Reports. However, for the first time key performance indicators have been selected to reflect the OISC's key day-to-day functions. The data produced will assist the OISC in evaluating its level of success in delivery of its primary activities. Data collected on these measures will be included in the OISC's 2006/07 Annual Report and thereafter in subsequent reports.

While the targets may be modified, deleted or others added as deemed necessary, the intention is for the measures to remain essentially constant in order that over the years trends can be identified which will assist the OISC in confirming its level of performance and, if possible, improve upon it.

### 2006/07 key performance indicators

- Decide 75% of applications for continued registration within three months of receipt; 95% within six months;
- Decide 75% of new applications within five months of receipt; 95% within eight months;
- Written feedback given on 95% of competence assessments taken within 20 working days;
- At least 33% of the total of level 2 and 3 organisations as exist as at 31 March 2006 to have been audited by 31 March 2007;<sup>1,2</sup>
- 65% of written complaints about OISC advisers closed within six months of receipt; 90% closed within 12 months;<sup>3</sup>
- 70% of Commissioner decisions to stand following an appeal being lodged with the Immigration Services Tribunal (IMSET);
- 70% of charges successfully upheld before IMSET;
- 600 unregulated organisations identified;
- The status of 400 unregulated organisations resolved; and
- Internal response targets:
  - 95% of applications and written complaints made to the OISC about immigration adviser services acknowledged within 5 working days;
  - 95% of undisputed invoices paid within 30 working days; 100% within 60 working days.

<sup>1</sup> The intention is for 100% of level 2 and 3 organisations to be audited during the OISC's rolling audit programme

<sup>2</sup> Up to 25% of level 1 organisations will be audited during the same period. The precise percentage is dependent on how many organisations at this level are determined to require an audit. In 2004/05 the OISC introduced a simplified application and audit process at level 1 with the aim of reducing by the end of that year the frequency of audit for those assessed at low risk. The need to conduct an audit depends on a number of factors. It is not therefore possible precisely to determine the percentage of level 1 organisations that will require an audit over the period

<sup>3</sup> In recognition of the combination of limited resources and the need to complete certain other initiatives, the target for this indicator for 2006/07 has been set 10% lower than the 2005/06 target of 75%

## Annex B: Glossary

<b>AIT</b>	<p><b>Asylum and Immigration Tribunal</b></p> <p>Appeals against IND decisions are considered by the AIT. (The AIT was formerly known as the Immigration and Asylum Tribunal)</p>
<b>ARIA</b>	<p><b>Association of Regulated Immigration Advisers</b></p> <p>ARIA is a trade body whose membership is open to OISC advisers</p>
<b>DPB</b>	<p><b>Designated professional body</b></p> <p>The DPBs are the organisations whose regulation of their members' provision of immigration advice and services the OISC has a duty to report on. The DPBs are:</p> <ul style="list-style-type: none"> <li>• the Law Society of England and Wales;</li> <li>• the Law Society of Scotland;</li> <li>• the Law Society of Northern Ireland;</li> <li>• the Institute of Legal Executives;</li> <li>• the General Council of the Bar of England and Wales;</li> <li>• the General Council of the Bar of Northern Ireland; and</li> <li>• the Faculty of Advocates.</li> </ul>
<b>Exempt organisations</b>	<p>Organisations termed 'exempt' by the OISC generally operate in the voluntary or community sector. They do not charge the client for the services they provide. These bodies are referred to as 'exempt' only because they are exempt from paying any registration fee to the OISC</p>
<b>ILPA</b>	<p><b>Immigration Law Practitioners' Association</b></p> <p>ILPA is a trade body whose membership is open to OISC advisers</p>
<b>IMSET</b>	<p><b>Immigration Services Tribunal</b></p> <p>Decisions made by the Immigration Services Commissioner to refuse or vary registration or withdraw exemption, or to lay a disciplinary charge, carry right of appeal to IMSET</p>
<b>IND</b>	<p><b>Immigration and Nationality Directorate</b></p> <p>IND is the part of the Home Office that deals with immigration, asylum, nationality and citizenship issues</p>
<b>LSC</b>	<p><b>Legal Services Commission</b></p> <p>The LSC is responsible for legal aid funding in England and Wales</p>

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<b>Registered organisations</b>	Organisations termed 'registered' are those mainly operating in the private sector. They charge for their advice or services either through a straightforward fee or via charges made as part of a larger package, for example a private college which offers advice as part of their student services. If voluntary and community sector organisations including charities and local authorities charge for their services to cover their costs, they are also included in this group
<b>SLAB</b>	<b>Scottish Legal Aid Board</b> SLAB is responsible for legal aid funding in Scotland
<b>UK Visas</b>	UK Visas is a joint Home Office and Foreign and Commonwealth Office unit which runs the UK's visa service through British diplomatic posts overseas
<b>WP(UK)</b>	<b>Work Permits (UK)</b> WP(UK) is part of IND and administers work permits and other immigration employment matters

# Statement of Accounts

## Foreword

This Statement of Accounts reports the results of the Office of the Immigration Services Commissioner (OISC) for the period 1 April 2005 to 31 March 2006. It has been prepared in accordance with the Accounts Direction given by the Secretary of State for the Home Department with the consent of Treasury in accordance with Schedule 5 paragraph 20 (1 and 2) of the Immigration and Asylum Act 1999 (the Act).

## 1 History

The OISC was established on 22 May 2000 as a body corporate by authority of the Act.

The Act established the OISC as an independent body remitted to promote good practice by those who provide immigration advice or immigration services and to ensure that those who do so are fit and competent. It is also to operate a complaints scheme regarding all who provide immigration advice or services.

The OISC has the status of an executive Non-Departmental Public Body established by statute. It is financed by Grant in Aid from the Home Office (Request for Resources 1). The Secretary of State for the Home Office is answerable to Parliament for the OISC and is responsible for making financial provision to meet its needs. The Commissioner is a corporation sole.

The Act provides that the OISC shall have a Commissioner and Deputy Commissioner appointed by the Secretary of State for the Home Department.

The OISC occupies offices at 53 Tooley Street, London SE1.

## 2 Principal activities

The OISC carries out the statutory functions set out in the Act, namely to:

- promote good practice by those who provide immigration advice or immigration services;
- decide if it needs to make or alter rules regulating any aspect of the professional practice, conduct or discipline of:
  - (a) registered persons; and
  - (b) those employed by, or working under the supervision of, registered persons in connection with the provision of immigration advice or immigration services;
- register qualified persons under section 84 (2) of the Act;
- prepare and maintain a register of qualified persons registered under the Act, which must be available for inspection during reasonable hours and copies of the register must be provided on payment of a reasonable fee;

- prepare and issue a code setting standards of conduct, which those to whom the code applies are expected to meet;
- exempt, under section 84 (4) (a) of the Act, persons providing immigration advice and services from the requirement to register;
- keep a record of persons to whom a certificate of exemption has been issued under section 84 (4) (a) of the Act;
- establish a scheme for the investigation of relevant complaints made to the OISC in accordance with the provisions of the scheme; and
- determine complaints under the complaints scheme and give a decision in writing.

In carrying out these functions the OISC seeks to ensure that customers are dealt with effectively and expeditiously and that its services are delivered in ways appropriate to its stakeholders' needs. The OISC also seeks to promote public understanding of its role and to bring its existence and purpose to the attention of those seeking or providing immigration advice and services.

### 3 Commissioner and Deputy Commissioner

John Scampion, who had been appointed the first Commissioner for a period of five years from 22 May 2000, completed his period of appointment on 21 May 2005.

The Home Secretary under the Act appointed Suzanne McCarthy as the Immigration Services Commissioner for a period of five years from 5 September 2005. The Home Secretary also under the Act reappointed Linda Allan as Deputy Immigration Services Commissioner for a period of five years from 5 June 2005.

During the year 2005/06 neither the Commissioner nor the Deputy Commissioner held company directorships or other significant interests which could have posed a conflict with their management responsibilities at the OISC.

In addition to holding the post of Immigration Services Commissioner, Mrs McCarthy held the following public appointment:

- Board Member, Royal Brompton and Harefield Hospitals NHS Trust.

### 4 Corporate governance

This Statement of Accounts includes on pages 50 to 53 a statement on the system of internal control.

The operating and financial systems have been developed to respond to and satisfy the needs of the OISC and to safeguard the OISC's assets against unauthorised use or disposition.

The assurance obtained from the systems and adherence to them is of particular importance to the OISC because of the small size of its finance unit.

The OISC appointed the Home Office Audit and Assurance Unit to provide internal audit services from 1 April 2001.

During 2005/06 £6,351 was paid to the Audit and Assurance Unit in respect of audit services and further assurance services whereby the Unit provided guidance and validation regarding the work of the OISC.

Arrangements for external audit are provided under Schedule 5 paragraph 20 of the Act which requires the Comptroller and Auditor General to examine, certify and report on the Statement of Accounts, and to lay copies of it before each House of Parliament. The fee for this service during 2005/06 was £16,200. In addition, fees of £411 were paid in respect of non-audit work (2004/05 £nil).

An Audit Committee was set up in November 2001 and was chaired by the Commissioner until the appointment of Tim Cole, a non-executive member, as Chairman in March 2003. Faruk Desai is the other non-executive member of the Committee. The Audit Committee adopted revised terms of reference in December 2005.

The Senior Management Team reviews the financial accounts on a monthly basis. Defined expenditure authorisation limits are in place and the Senior Management Team compares actual costs with approved budgets on a monthly basis.

The Senior Management Team, chaired by the Commissioner, meets monthly to review and decide upon the OISC's policy and management and monitor major strategy, budgetary and operational issues and activities. The corporate risk register is owned by this group and reviewed quarterly.

## 5 Results for the period

The financial resource allocated to the OISC has been used efficiently to meet the year's business plan targets. In achieving this the OISC has operated within the limits set out in the Home Office Memorandum of Understanding and has not overspent the budget. The OISC is grateful to its sponsor unit for considering funding changes as the OISC's operating environment changes.

In accordance with Schedule 5 paragraph 20 of the Act, the OISC's financial statements cover the period 1 April 2005 to 31 March 2006 and are prepared on an accruals basis in accordance with the Accounts Direction issued to the Commissioner by the Secretary of State for the Home Department with the consent of Treasury.

The accounts for the year 1 April 2005 to 31 March 2006 are set out on pages 56 to 66. The notes on pages 60 to 66 form part of the accounts.

The OISC received £4,304,000 in Grant in Aid (note 3) for the year ended 31 March 2006.

## 6 Research and development

No research and development was undertaken in the year ended 31 March 2006.

## 7 Charitable donations

No charitable donations were made in the year ended 31 March 2006.

## 8 Changes in fixed assets

The OISC purchased additional IT equipment of £83,250 and additional office equipment of £17,896 during the year, a total fixed asset spend in the year of £101,146.

## 9 Post balance sheet events

There were no post balance sheet events.

## 10 Compliance with public sector payment policy

The OISC policy, in line with Government requirements, is to pay all invoices within 30 days of receipt, unless a longer payment period has been agreed or the amount billed is in dispute. In the year ended 31 March 2006, 97% (2004/05: 90%) of invoices, totalling £1,932,024, were paid within 30 days of receipt. The majority of payment delays were due to disputes with suppliers regarding overcharging for goods and services.

In November 1998 the Late Payment of Commercial Debts (Interest) Act came into force. This provided small businesses with a statutory right to claim interest from large businesses (and all public sector bodies) on payments that are more than 30 days overdue. Amended legislation (the Late Payment of Commercial Debts Regulations 2002) came into force on 7 August 2002 providing all businesses, irrespective of size, with the right to claim statutory interest for the late payment of commercial debts. No such claims were received during the year.

## 11 Environmental policy

The OISC seeks to minimize the impact of its activities on the environment. It has adopted the Home Office Environmental Policy in as far as it applies to the OISC. The OISC benefits from energy-saving lighting in its office premises and seeks to use recycled materials where such alternatives are available and provide value for money. It is seeking to reduce the use of paper by maximizing the use of the intranet and website for the dissemination of information. The OISC also sorts its waste paper for recycling purposes.

## 12 Employment policies

The employment policies adopted by the OISC seek to create an environment in which all employees can give their best, and can contribute to the OISC's and their own success.

## 13 Equal opportunities

The OISC is committed to achieving equality of opportunity for all existing and potential employees.

#### 14 Staff involvement and development

The OISC is committed to keeping its staff informed of performance, development and progress. The OISC encourages staff involvement in its development. Throughout the period, staff training has been given a high priority.

The OISC recognised the Public and Commercial Services Union in June 2003. It has also put into place a Joint Consultative Committee to represent staff who are not members of the Public and Commercial Services Union. Throughout the period, the OISC has consulted both bodies on various issues.

#### 15 Employees with disabilities

The OISC gives full and fair consideration to applications for employment from people with disabilities, having regard to the nature of their employment. Similarly the OISC intends to seek to enable members of staff who become disabled to continue their employment.

#### 16 Future developments

The OISC will continue to concentrate on delivery of its principal activities in order to ensure that those who provide immigration advice and services are fit and competent to do so; and to drive out unregulated activity. The OISC intends to maintain and build on the respect and recognition it has achieved both with regard to the contribution it makes to the sector and the experience it has gained since it began operating. The OISC will work to remain an effective regulator both by ensuring that advisers give a good quality service to their clients and by providing a good service to regulated advisers and to others in the sector, as appropriate.

#### 17 Disclosure of relevant audit information

As Accounting Officer I confirm that:

- there is no relevant audit information of which the auditors to the Office of the Immigration Services Commissioner are unaware;
- I have taken all the steps I ought to ensure that the said auditors are aware of relevant audit information; and
- I have taken all the steps I ought to establish that the said auditors are aware of such information.

Suzanne McCarthy  
Immigration Services Commissioner and Accounting Officer  
28 June 2006

## Statement of Accounting Officer's responsibilities

Under the Immigration and Asylum Act 1999, the Secretary of State has directed the Immigration Services Commissioner to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the OISC and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Secretary of State, 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 financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of the Home Office Department has designated the Immigration Services Commissioner as the Accounting Officer of the OISC. The responsibilities of an accounting officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the OISC's assets, are set out in the Accounting Officers' Memorandum issued by Her Majesty's Treasury and published in *Government Accounting*.

## Statement on internal control

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the OISC, its policies, aims and objectives, while safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Government Accounting*.

The OISC is an executive, non-departmental body of the Home Office. I am accountable to the Secretary of State through the Home Office Sponsor Unit, which is responsible for advising the Home Secretary on the OISC's objectives and targets in support of the Commissioner's statutory responsibilities as a regulator.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the OISC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the OISC for the year ended 31 March 2006 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury Guidance.

During 2005/06 efforts have been made to reduce the number of cheques issued by the OISC in order to reduce the risk of theft and misappropriation. Regular creditors are now paid by inter-bank transfers.

Since taking up my appointment in September, I have reviewed the systems. I have appointed a new Head of Finance.

**Capacity to handle risk**

Under the OISC's risk management arrangements, senior members of staff are responsible for the management of key risks, which could affect the achievements of the OISC's aims and objectives, in particular the achievement of corporate/business plan targets. These arrangements are discussed and documented in our annual corporate governance document. The OISC has provided guidance to managers and staff on managing risk, and further guidance is provided, as appropriate, in response to new risks.

**The risk and control framework**

As Accounting Officer I have the right to make all decisions regarding the running of the OISC personally. While the organisation does not have a Management Board which includes non-executive members, the OISC's Senior Management Team acts in this capacity, meeting monthly under my chairmanship to discuss, make recommendations to me and monitor major strategy, budgetary and operational issues and activities.

Risks that could affect the achievement of the OISC's objectives are identified and key risks are actively managed. The Senior Management Team reviews the corporate/business plan and associated measures and risks on a regular basis.

The OISC's current register of risk covers:

- the legislative environment;
- service quality;
- business development;
- operational systems;
- professional reputation and business relationships;
- staff skills and competence; and
- economic, efficient and effective use of resources.

The OISC's Audit Committee and Senior Management Team both reviewed the key risks regularly during 2005/06.

#### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within the OISC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee and received assurance from the Home Office Audit and Assurance Unit (AAU) that the OISC's system of internal control is sound and for the most part operating effectively.

The effectiveness of the system of internal control was maintained and reviewed through:

- the Commissioner's Senior Management Team (SMT), which met under my chairmanship on a monthly basis to consider both strategic and operational issues. The SMT consists of the Deputy Commissioner, the Director of Operations, and the Heads of the Communication and Stakeholder Engagement, Finance, Human Resources, Information Technology and Policy Teams;
- the OISC's Audit Committee. During 2005/06 the Audit Committee's membership consisted of two non-executive members, one of whom was the Committee's chairman, the Commissioner, the Deputy Commissioner and the Head of Finance. Representatives from the National Audit Office and the Home Office AAU also attended;
- risk management arrangements, described above, under which key risks that could affect the achievement of the OISC's objectives have been managed actively, with progress being reported to senior management and the OISC's Audit Committee; and
- regular reports by the Home Office AAU complying with the Government Internal Audit Standards, which include an independent opinion on the adequacy and effectiveness of the OISC's internal controls together with recommendations for improvement, where necessary.

The OISC has appointed the Home Office AAU as its internal auditors. They comply with the Government Internal Audit Standards. The work of the AAU is informed by the analysis of the risk to which the body is exposed, and the internal audit plans are endorsed by the OISC's Audit Committee and approved by me. Each year, the AAU provides me with a report on its internal audit activity in the OISC. The report includes the AAU's independent opinion on the adequacy and effectiveness of the OISC's system of internal controls together with recommendations for improvement. In their 2005/06 report, the AAU stated that the OISC's system of internal control is sound and for the most part operating effectively, and that the processes for addressing and managing the risks to the objectives are effective and adequately controlled.

The OISC continues to keep its arrangements under review in response to external developments, including changes in the business environment.

For 2005/06, I am able to report that there were no material weaknesses in the OISC's system of internal controls which affected the achievement of its aims and objectives.

Suzanne McCarthy  
Immigration Services Commissioner and Accounting Officer  
28 June 2006

## The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Office of the Immigration Services Commissioner for the year ended 31 March 2006 under the Immigration and Asylum Act 1999. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

### Respective responsibilities of the Immigration Services Commissioner/Accounting Officer and auditor

The Immigration Services Commissioner/Accounting Officer is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Immigration and Asylum Act 1999 and the Secretary of State's directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Immigration and Asylum Act 1999 and the Secretary of State's directions made thereunder. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Office of the Immigration Services Commissioner has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on page 50 reflects the Office of the Immigration Services Commissioner's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Office of the Immigration Services Commissioner's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Commissioner's Statement, the management commentary, the Statistical Report, the Governance Statement, the Commissioner's Report on Regulation by Designated

Professional Bodies of their Members and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Immigration Services Commissioner/Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Office of the Immigration Services Commissioner's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Immigration and Asylum Act 1999 and directions made thereunder by the Secretary of State, of the state of the Office of the Immigration Services Commissioner's affairs as at 31 March 2006 and of its surplus for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Immigration and Asylum Act 1999 and the Secretary of State's directions made thereunder; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn  
Comptroller and Auditor General

29 June 2006

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

## Income and Expenditure Account

For the year ended 31 March 2006

	Note	2005/06		2004/05	
		£'000	£'000	£'000	£'000
<i>Income</i>					
Grant in Aid	3		4,313		3,758
<i>Expenditure</i>					
Employment costs	5	(2,548)		(2,220)	
Running costs	6	(1,351)		(1,746)	
Depreciation	7/8	(103)		(141)	
Loss on disposal of assets	7/8	(4)		-	
Revaluation	8	(3)		(3)	
Cost of capital		(1)		(15)	
Total operating costs			(4,010)		(4,125)
<b>Operating surplus/(deficit)</b>			<b>303</b>		<b>(367)</b>
<i>Other Income</i>					
Fee Income	4	786		574	
Other Income	4	8		2	
Interest receivable		11		15	
			805		591
<b>Surplus before appropriations</b>			<b>1,108</b>		<b>224</b>
Reversal cost of capital			1		15
<b>Surplus for the year before appropriations to the Home Office</b>			<b>1,109</b>		<b>239</b>
Appropriation due to the Home Office	4		(880)		(633)
Retained surplus/(deficit) for the year	20		<b>229</b>		<b>(394)</b>
<i>Movement on Income and Expenditure Reserve</i>					
(Deficit)/surplus brought forward			(312)		82
Retained surplus/(deficit) for the year			229		(394)
(Deficit) carried forward			<b>(83)</b>		<b>(312)</b>

All operations are continuing

The Notes on pages 60 to 66 form part of these accounts.

## Statement of total recognised gains and losses

	Note	2005/06 £'000	2004/05 £'000
Unrealised surplus for the year before appropriations to the Home Office		1,109	239
Other net gains/(losses) recognised in reserves:			
Unrealised profit/(loss) on revaluation of assets	12	1	(1)
Grant deferred for additions	12	101	96
Transfer from government grant reserve	12	(110)	(144)
<b>Total recognised gains in the year</b>		<b>1,101</b>	<b>190</b>

The Notes on pages 60 to 66 form part of these accounts.

**Balance sheet**

As at 31 March 2006

	Note	2005/06		2004/05	
		£'000	£'000	£'000	£'000
<i>Fixed Assets</i>					
Intangible assets	7		26		33
Tangible assets	8		478		479
			<u>504</u>		<u>512</u>
<i>Current Assets</i>					
Debtors	9	137		275	
Bank	11	565		272	
		<u>702</u>		<u>547</u>	
Creditors:					
Amounts due within 1 year	10	(534)		(569)	
Net current assets			<u>168</u>		<u>(22)</u>
Total assets less current liabilities			672		490
Creditors:					
Amounts due after more than year	10		(251)		(290)
			<u>421</u>		<u>200</u>
<i>Capital and Reserves</i>					
Income and expenditure reserve			(83)		(312)
Other reserves	12		504		512
			<u>421</u>		<u>200</u>

Suzanne McCarthy  
 Immigration Services Commissioner and Accounting Officer  
 28 June 2006

The Notes on pages 60 to 66 form part of these accounts.

## Cash flow statement

For the year ended 31 March 2006

	Note	2005/06 £'000	2004/05 £'000
<b>Operating activities</b>			
Net cash inflow/(outflow) from operating activities	13	368	(64)
<b>Returns on investments and servicing of finance</b>			
Interest received		11	16
<b>Capital expenditure</b>			
Cash outflow to acquire fixed assets	8	(101)	(96)
Net cash inflow/(outflow) before financing		278	(144)
<b>Financing</b>			
Grant in Aid for capital expenditure	8	101	96
Fee/other income received		794	595
Less amounts appropriated to Home Office		(880)	(734)
Increase/(decrease) in cash	11	<b>293</b>	<b>(187)</b>

The Notes on pages 60 to 66 form part of these accounts.

## Notes to the accounts

### 1 Accounting policies

#### Basis of accounts

These accounts have been prepared on an accruals basis in accordance with the Accounts Direction given by the Secretary of State with the consent of HM Treasury in accordance with Schedule 5 paragraph 20 (2) of the Immigration and Asylum Act 1999.

#### Accounting conventions

The accounts meet:

- the disclosure requirements of the Companies Act 1985 to the extent that such requirements are appropriate to the OISC;
- accounting standards issued by the Accounting Standards Board;
- disclosure and accounting requirements of HM Treasury; and
- the requirements of the Accounts Direction and the Financial Memorandum issued to the OISC by the Secretary of State for the Home Department.

#### Grant in Aid

Grant in Aid received is credited to income for the period, except that a proportion of the Grant in Aid received, equal to expenditure on fixed assets acquisitions, is transferred to the Deferred Government Grant Reserve at the end of the financial year. The amount deferred is released back to the Income and Expenditure Account in line with depreciation charged.

#### Fixed assets

Assets are capitalised as fixed assets if they are intended for use on a continuous basis and their original purchase cost, on an individual or grouped basis, is £1,000 or more. Fixed assets are valued at current replacement cost by using the Price Index Numbers for Current Cost Accounting published by the Office for National Statistics, except in their year of disposal and acquisition when their current and historical costs are not materially different. Intangible assets are recorded at historic cost and are not revalued as no reasonable index exists for the OISC database.

#### Depreciation

Depreciation is provided on all fixed assets on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated life as follows:

Office refurbishments	over the remaining term of the lease
Computer equipment	four years
Furniture and office equipment	up to ten years
Database software	ten years

From 1 April 2005 the expected useful life of the database software has been extended from five to ten years.

Software and systems development expenditure on IT systems, other than the database software, is written off in the period in which it is incurred. To 31 March 2006 this amounted to £115,252 (2004/05: £102,687).

#### Fee income

Fee receipts for registration and continued registration are recognised in the profit and loss account as and when the work on an application is completed.

Where monies have been received and the work on the application has not been completed by the year-end, receipts are treated as deferred income. The amount deferred is calculated by reference to the proportion of work undertaken at the end of the year relative to the target timescale for processing the application and is released back to the Income and Expenditure Account as the work is completed.

The Commissioner is required to prepare an Annual Report for the Secretary of State on the extent to which each designated professional body has provided effective regulation of its members in their provision of immigration advice or immigration services and to handle complaints on their behalf. The Commissioner is authorised to charge the designated professional bodies for these services. The charge is set by statute in a Fee Order. The Fee Order is made post the end of the financial year in which the work was undertaken.

Hence fee income from the designated professional bodies is collected in the accounting year after the work has taken place.

### Notional charges

In accordance with the Treasury publication *Government Financial Reporting Manual*, a notional charge for the cost of capital employed in the period is included in the Income and Expenditure Account, along with an equivalent reversing notional income to finance the charge.

The charge for the period is calculated using the Treasury's discount rate of 3.5% applied to the mean value of capital employed during the period.

### Operating leases

The OISC has an operating lease in respect of its premises in Tooley Street, London. The OISC's commitments are disclosed in Note 15. The rental agreement contained a rent-free period, the benefits of which are spread over the life of the lease and further details of which are disclosed in Note 10. There are no finance leases.

Payments made under operating leases on equipment are charged to expenditure on a straight-line basis.

### Pension costs

Past and present employees are covered by the provisions of the Civil Service Pension (CSP), which is a defined benefit scheme and is unfunded and non-contributory. The OISC recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the CSP of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSP. The rate of the employer's contribution is determined from time to time by the Government Actuary and advised by the Treasury. Contributions are charged to the Income and Expenditure Account.

### Value Added Tax

The OISC is not eligible to register for VAT and all costs are shown inclusive of VAT.

## 2 Financial targets

The OISC has no formal agreed financial targets.

## 3 Grant in aid

The OISC received a payment of Grant in Aid from the Home Office Request for Resources 1, amounting to £4,304,000 (2004/05: £3,710,000).

	2005/06 £'000	2004/05 £'000
Grant received from the Home Office	4,304	3,710
Transfer to other reserves	(101)	(96)
Release of deferred government grant	110	144
	<b>4,313</b>	<b>3,758</b>

## 4 Income

### (a) Fee income

	2005/06 £'000	2004/05 £'000
Adviser fees	634	445
Designated professional bodies	152	129
	<b>786</b>	<b>574</b>

### (b) Other income

	2005/06 £'000	2004/05 £'000
Court costs	8	1
Other income	–	1
	<b>8</b>	<b>2</b>

The monies received from advisers and designated professional bodies are passed on to the Home Office and are shown in the Income and Expenditure Account as Appropriations due to the Home Office.

## 5 Employment costs

	2005/06 £'000	2004/05 £'000
<b>Commissioners</b>		
Salaries and emoluments	146	138
Social security contributions	16	15
Pensions contributions	35	25
<b>Staff</b>		
Salaries and emoluments	1,827	1,651
Social security contributions	145	130
Pensions contributions	337	218
<b>Agency/Contractor</b>		
Agency/contractor	42	43
<b>Total employment costs</b>	<b>2,548</b>	<b>2,220</b>
Salaries and emoluments	1,973	1,789
Social security contributions	161	145
Pensions contributions	372	243
Agency/Contractor	42	43
	<b>2,548</b>	<b>2,220</b>

At 31 March 2006 the OISC employed 66 staff (65 at 31 March 2005), including the Commissioner and Deputy Commissioner.

The average number of employees, excluding the Commissioner and the Deputy Commissioner, during the year ended 31 March 2006 by category of employment was:

	2005/06	2004/05
Management	6	6
Casework	35	34
Secretarial/ administrative support	22	19
<b>Total</b>	<b>63</b>	<b>59</b>

## Audit Committee

The two non-executive members of the Audit Committee are paid £350 per day plus travel costs for attendance at Audit Committee meetings. Neither has received more than £1,500 during the year.

## 6 Running costs

	2005/06 £'000	2004/05 £'000
Accommodation costs	444	431
Advertising and publicity	175	373
Audit fee – external	17	30
Audit fee – internal	6	15
Legal costs	138	232
Recruitment	48	58
Training	43	43
Information technology	159	156
Office supplies and services	84	86
Operating lease payments	5	5
Community training	128	208
Travel and subsistence	49	53
Hospitality	2	1
Advisory Panel	–	1
Relocation	10	9
Sundry	43	45
	<b>1,351</b>	<b>1,746</b>

## 7 Intangible fixed assets

	Database software £'000
Cost at 1 April 2005	328
Cost at 31 March 2006	328
Amortisation at 1 April 2005	295
Provided during the year	7
Amortisation at 31 March 2006	302
<b>Net Book Value at 31 March 2006</b>	<b>26</b>
<i>Net Book Value at 31 March 2005</i>	<i>33</i>

## 8 Tangible fixed assets

	Office refurbishments	Furniture and office equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost at 1 April 2005	335	220	140	695
Additions	-	18	83	101
Disposals	-	-	(30)	(30)
Revaluation	-	2	(8)	(6)
Cost at 31 March 2006	335	240	185	760
Depreciation at 1 April 2005	50	79	87	216
Provided during the year	34	26	36	96
Depreciation on disposals	-	-	(26)	(26)
Revaluation	-	1	(5)	(4)
Depreciation at 31 March 2006	84	106	92	282
<b>Net book value at 31 March 2006</b>	<b>251</b>	<b>134</b>	<b>93</b>	<b>478</b>
<i>Net book value at 31 March 2005</i>	<i>285</i>	<i>141</i>	<i>53</i>	<i>479</i>

## 9 Debtors

	2005/06	2004/05
	£'000	£'000
Other debtors	24	138
Season ticket loans to staff	17	15
Sundry prepayment	96	122
<b>Total</b>	<b>137</b>	<b>275</b>

**10 Creditors**

	2005/06	2004/05
	£'000	£'000
<b>Amounts falling due within one year</b>		
Trade creditors	50	191
Accruals	52	66
Taxation and Social Security	58	54
Home Office	292	137
Deferred new and Work Permit income	30	56
Deferred re-registration fee income	13	26
Accommodation rent-free period*	39	39
<b>Total</b>	<b>534</b>	<b>569</b>
<b>Intra-government balances</b>		
Balances with central government bodies	350	191
Balances with bodies external to government	184	378
<b>Total</b>	<b>534</b>	<b>569</b>
<b>Amounts falling due after more than one year</b>		
Accommodation rent-free period*	251	290
<b>Total</b>	<b>251</b>	<b>290</b>

\* Accrued rent: During 2003–05, the OISC negotiated a 10-year extension to its lease on Floor 5, Counting House, 53 Tooley Street, London SE1 2QN. As part of this agreement the OISC was granted an 18-month rent-free period, from 29 September 2003 to 31 March 2005. In accordance with UK GAAP and UIFT Abstract 28 – Operating Lease Incentives, the OISC has spread the cost of the lease on an effective straight-line basis from the start of the rent-free period to the end of the extended lease on 28 September 2013. As a result, notional rent charges for the rent-free period have been charged to the Operating Cost Statement.

**11 Analysis of changes in cash**

	2005/06	2004/05
	£'000	£'000
Balance at 1 April	272	459
Increase/(Decrease) in cash	293	(187)
Balance at 31 March	565	272

The OISC has no borrowings and relies on departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

**12 Reserves**

	Deferred government grant reserve	
	2005/06	2004/05
	£'000	£'000
Balance at 1 April	510	558
Grant deferred for additions	101	96
Release for loss on revaluation of fixed assets	(3)	(3)
Release for depreciation to Income and Expenditure Account	(103)	(141)
Release for loss on disposals	(4)	–
As at 31 March	501	510

	Revaluation reserve	
	2005/06	2004/05
	£'000	£'000
Balance at 1 April	2	2
Unrealised profit/(loss) on revaluation of fixed assets	1	–
As at 31 March	3	2
<b>Total reserves</b>	<b>504</b>	<b>512</b>

### 13 Reconciliation of operating surplus to cash inflow from operating activities

	2005/06		2004/05	
	£'000	£'000	£'000	£'000
Operating surplus/ (deficit)		303		(367)
<i>Add back non-cash items:</i>				
Cost of capital	1		15	
Depreciation	103		141	
Loss on disposal of assets	4		–	
Net loss on revaluation of fixed assets	3		3	
		111		159
<i>Add changes in working capital:</i>				
Decrease/ (increase) in debtors relating to operating income	138		(90)	
Increase in creditors relating to operating income	(74)		379	
		64		289
<i>Less changes in reserves:</i>				
Release of deferred government grant		(110)		(145)
<b>Net cash inflow/ (outflow) from operating activities</b>		<b>368</b>		<b>(64)</b>

### 14 Capital commitments

At 31 March 2006 there were no capital commitments.

### 15 Commitments under operating leases

	2005/06		2004/05	
	Land and building £'000	Equipment £'000	Land and building £'000	Equipment £'000
Operating leases which expire:				
Within two to five years		4		4
After more than five years	263		263	

### 16 Contingent liabilities

There were no contingent liabilities at 31 March 2006.

### 17 Post balance sheet events

There are no post balance sheet events to report.

### 18 Related party transactions

The Home Office, as sponsor department, is a related party to the OISC. During the year ended 31 March 2006, the Home Office provided the OISC with Grant in Aid (see Note 3). A small number of transactions were made with other government departments and other central government bodies.

During the year ended 31 March 2006 neither the Commissioner, Deputy Commissioner, key managerial staff nor other related parties undertook any material transactions with the OISC.

Balances with central government bodies are detailed in Note 10.

### 19 Losses and special payments

There are no losses or special payments to report.

## 20 Results for the period

The financial resource allocated to the OISC has been used efficiently to meet the year's business plan targets. In achieving this, the OISC has operated within the limits set out in the Home Office Memorandum of Understanding and has not overspent the budget. The OISC is grateful to the sponsor unit for considering funding changes as the OISC operating environment changes.

## 21 Financial instruments

FRS 13, *Derivatives and Other Financial Instruments*, requires disclosure of the role financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the wholly non-trading nature of its activities and the way in which executive agencies are financed, the OISC is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The OISC has no powers to borrow or invest surplus funds and no transactions in foreign currency. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the OISC in undertaking its activities.

As permitted by FRS 13, debtors and creditors that mature or become payable within 12 months from the Balance Sheet date have been omitted from the currency profile.

### Liquidity risk

The OISC is financed by grant in aid funded through the resource account of the Home Office. The OISC is not therefore exposed to any liquidity risks.

### Interest rate risk

The OISC is not exposed to any interest rate risk as it has no significant debt.

### Foreign currency risk

The OISC is not exposed to any significant foreign currency risk.

### Fair values

There is no difference between the book value and fair value of any of the OISC's financial assets and liabilities as at 31 March 2006.

# The Commissioner's report on regulation by designated professional bodies of their members

This report gives my opinion on the extent to which the professional bodies designated by the Immigration and Asylum Act 1999 (the Act) have provided effective regulation of their members in the provision of immigration advice and/or services. This report is made in accordance with Part V of the Act.

I am pleased that during my first six months in office I had the opportunity to meet with either the Chairman or Chief Executive of each of the designated bodies. I appreciate their approachability and willingness to work with me.

The designated professional bodies (DPBs) are as follows:

- the Law Society of England and Wales;
- the Law Society of Scotland;
- the Law Society of Northern Ireland;
- the Institute of Legal Executives;
- the General Council of the Bar of England and Wales;
- the Faculty of Advocates; and
- the General Council of the Bar of Northern Ireland.

Considering the number of complaints received by the various bodies during 2005/06, I have decided that this report should concentrate primarily on the Law Society of England and Wales, the General Council of the Bar of England and Wales and the Institute of Legal Executives.

To facilitate comparison, the same format is used in discussing each DPB, being:

- comments on specific regulatory developments;
- statistical data on complaints; and
- a list of issues that I intend to discuss with that particular body in 2006/07.

## Introduction

In October 2005, and following on from the Clementi Report, the Department of Constitutional Affairs published its White Paper, *The Future of Legal Services: Putting the Consumer First*, setting out that department's proposals on the future of the regulation of legal services in England and Wales. That White Paper made clear that how the DPBs in England and Wales now work, and how the OISC works with them will change. As what is proposed requires primary legislation, it is thought unlikely that implementation of the recommendations will take effect until 2008. However, noting what is coming, the Law Society of England and Wales and the General Council of the Bar of England and Wales have shown that they are committed to an early implementation of Clementi-type arrangements.

Recognising this and the general maturing of the relationships that the OISC has with the various DPBs, the OISC decided from April 2006 to also change its approach to its monitoring obligations. This decision will have the greatest impact on the Law Society of England and Wales as most of the complaints received about DPB immigration issues concern their members. It is anticipated that the OISC's more strategic review of the complaints that body receives after 1 April 2006 will improve our overall monitoring of that DPB generally, and will especially assist our working relationship with that body's specialist units – Practice Standards; Intervention and Disciplinary; and Fraud Intelligence. The OISC's new approach will affect the type of information and data that will be presented in future reports. For example, while this report concentrates mainly on OISC-referred complaints, the 2006/07 report will include data on the handling of both referred and direct complaints.

What is planned with the Law Society of England and Wales is the use of two sets of criteria to choose complaints for monitoring. Using a 'dip-sample' process we will select a proportion of complaints for detailed review, including both OISC referrals and direct complaints. In addition, the OISC may identify specific cases and themes that it wishes to monitor more closely. Cases and themes may also emerge from the results of our dip-sampling. It is anticipated that in future much of the OISC's oversight will be done by requesting and interpreting statistical data from the Law Society of England and Wales, and that the OISC will be able to use focused requests for statistical information to promote best practice.

The OISC also needs to be able to respond to changes in complaint handling that may be brought in by the other DPBs. However, given the current low number of complaints those bodies deal with, the OISC intends for the moment to continue to monitor them as previously, with the addition of requesting more information about the complaints they receive directly.

Finally, the OISC anticipates that the evolution described above, particularly with the Law Society of England and Wales, will assist in the design of how my Office may work with the Legal Services Board and the Office of Legal Complaints once they begin operating. In preparing for this the OISC intends to continue actively to participate in the ongoing discussions on the future of the regulation of legal services.

This report contains data only on complaint closures of OISC-referred complaints. Future reports will, in addition, include data on immigration complaints received directly by respective DPBs. This should help us present a fuller picture of the processing of complaints.

## The Law Society of England and Wales

### a) Regulatory developments

During 2005/06 the OISC has continued to work well with the staff of this DPB. Liaison meetings have been productive in identifying issues for discussion.

#### i) Changes to the handling of complaints

This Law Society has recently established two separate Boards, Consumer Complaints and Regulation, and I have had the opportunity to meet the respective Chairmen of both Boards. I look forward to a productive relationship with them.

I am pleased that the Law Society of England and Wales has also continued to develop the work of its two new Directorates – Consumer Complaints Service (CCS) and Compliance Directorate (CD). The CCS is concerned with those who complain about the service provided to them by solicitors, the emphasis being on conciliation. The CD's focus will be on the regulation of individual solicitors and firms. The OISC will randomly select cases from both CCS and CD and follow their progress.

#### ii) Law Centres

Discussions have been held during the year between the OISC, the Law Society of England and Wales and the Law Centres Federation to resolve how Law Centres should be regulated. This has led to the conclusion that Law Centres with non-solicitor immigration advisers should be regulated by the OISC. Although these organisations will be under the OISC's jurisdiction, the Law Society of England and Wales will still regulate individual solicitors practising in them. This ensures that a regulatory gap has been closed, and that all persons at Law Centres providing immigration advice and/or services can be held accountable for their actions.

#### iii) Fraud Intelligence Unit (FIU)

Regular meetings have been held with the FIU to discuss ways of dealing with those individuals about whom the OISC has concerns regarding the provision of immigration advice and/or services. This has also been supported by frequent exchanges of information.

Our joint main concerns have included the adequate supervision of staff by solicitors, possible breaches of Section 41 of the Solicitors Act 1974,<sup>1</sup> possible breaches of Section 43 of the 1974 Act<sup>2</sup> and possible 'holding out' offences.<sup>3</sup>

1 Prohibits a solicitor employing a struck-off solicitor or an individual who has been suspended by the Solicitors Disciplinary Tribunal

2 Prohibits any solicitor from employing an individual without written consent from the Law Society of England and Wales. Such orders can be made where a person has been convicted of a criminal offence involving dishonesty or they have done something in connection with their employer's firm that involved conduct that makes it undesirable for them to be employed or paid by a solicitor

3 'Holding out' covers any unqualified person who wilfully pretends to be, or takes or uses any name, title, addition or description implying that they are, qualified or recognised by law to act as a solicitor

## Statistics

**Table 1a: Total immigration complaints received by the Law Society of England and Wales by year**

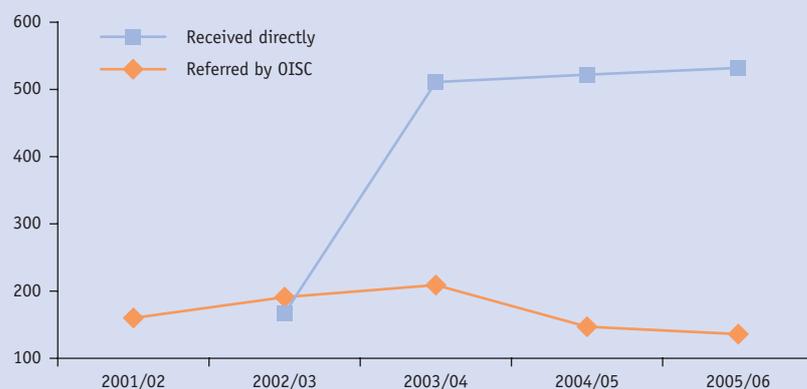
Year	Referred by OISC	Received directly	Total immigration complaints
2001/02	160	n/a	n/a <sup>4</sup>
2002/03	191	167	358
2003/04	209	511	720
2004/05	147	522	669
2005/06	136	532	668

The 136 complaints that the OISC referred to the Law Society in 2005/06 were against 105 different firms.

**Table 1b: Total immigration complaints received by the Law Society of England and Wales 2001–06**

Referred by OISC	Received directly	Total immigration complaints
843 (32.7%)	1,732 (67.3%)	2,575

**Figure 1: Total immigration complaints received by the Law Society of England and Wales 2001–06**



<sup>4</sup> In this table and those that follow, 'n/a' denotes that the data is not available

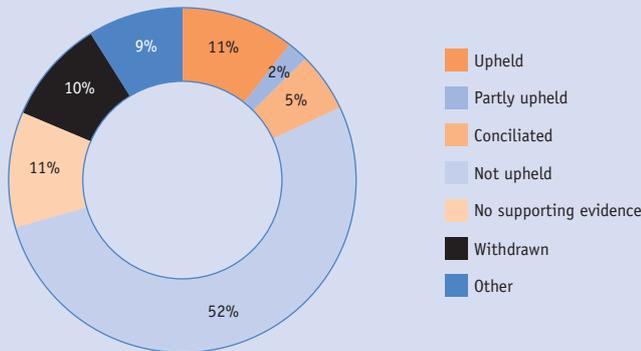
**Table 2a: Immigration complaint closure outcomes – OISC-referred complaints**

Year	Upheld <sup>5</sup>	Partly upheld	Conciliated <sup>6</sup>	Not upheld	No supporting evidence	Withdrawn	Other <sup>7</sup>
2001/02	5	n/a	n/a	n/a	n/a	n/a	n/a
2002/03	26	10	0	85	15	6	12
2003/04	6	2	5	111	7	35	29
2004/05	11	0	14	75	23	13	8
2005/06	18	0	15	56	22	5	6

**Table 2b: OISC-referred immigration complaint outcomes 2001–06**

Upheld	Partly upheld	Conciliated	Not upheld	No supporting evidence	Withdrawn	Other	Total
66	12	34	327	67	59	55	<b>642</b>

**Figure 2: OISC-referred immigration complaint outcomes 2001–06**



<sup>5</sup> Since 2004 'upheld' has also includes 'partly upheld' complaints

<sup>6</sup> 'Conciliated' records all outcomes where complainants have agreed to conclude their complaints on the basis of financial or other settlement

<sup>7</sup> 'Other' includes cases such as those outside the Law Society of England and Wales' jurisdiction

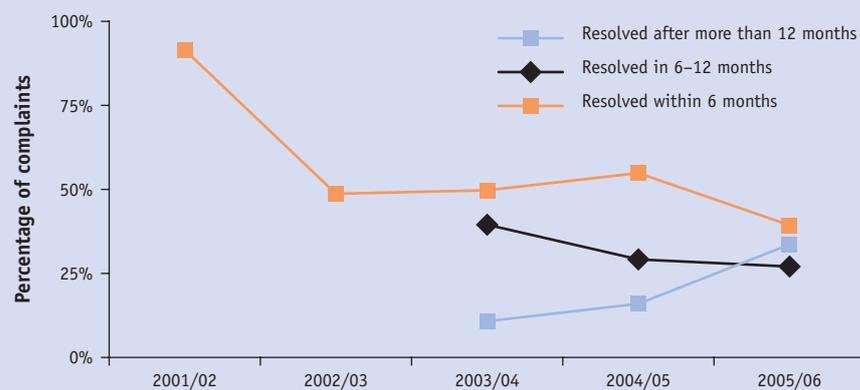
**Table 3a: Time taken to close OISC-referred immigration complaints only**

Year	<2 months	2-4 months	4-6 months	6-8 months	8-10 months	10-12 months	>12 months
2001/02	9	22	12	4	n/a	n/a	n/a
2002/03	11	36	28	n/a	n/a	n/a	n/a
2003/04	7	37	53	34	31	12	21
2004/05	3	36	40	22	14	6	23
2005/06	4	23	21	13	10	10	41

**Table 3b: Time taken to close OISC-referred immigration complaints only 2001-06**

	<2 months	2-4 months	4-6 months	6-8 months	8-10 months	10-12 months	>12 months
<b>Total<sup>8</sup></b>	<b>34</b>	<b>154</b>	<b>154</b>	<b>73</b>	<b>55</b>	<b>28</b>	<b>85</b>

Upheld and conciliated cases account for 27% of this year's closures, a higher proportion than in previous years. As at 31 March 2006, the Law Society of England and Wales had 145 OISC-referred cases outstanding.

**Figure 3: Time taken to close OISC-referred immigration complaints only 2001-06**

<sup>8</sup> The 'Total' figures include such data as is available from financial years 2001/02 and 2002/03

## Matters for discussion

I intend to explore the following issues with the Law Society of England and Wales during 2006/07:

- the impact of the change in their approach to handling immigration complaints;
- a comparison of the handling of OISC-referred and direct immigration complaints received directly;
- the time taken to close complaints;
- in relation to OISC-referred complaints, why fewer cases were closed in 2005/06 in comparison with previous years;
- reasons why cases were not upheld; and
- the time taken to bring cases before the Solicitors Disciplinary Tribunal.

### Case studies:

A Law Society Adjudicator made findings against a firm of solicitors and directed that the firm pay their client £750 compensation. The firm requested a review of this decision, on which the Law Society of England and Wales provided the OISC with an opportunity to comment. In doing so the OISC explained its concerns. The Adjudication Panel, taking these into account, decided that the compensation award should be increased to £1,000.

This case concerned a complaint that the OISC referred to the Law Society of England and Wales. Subsequently the complainant expressed his concern with the length of time the investigation was taking, and told the OISC of this. After speaking to the complainant, the OISC discussed the case with the Law Society. The latter offered a formal apology and compensation to the client and re-allocated the case to a senior caseworker.

## The Bar Council of England and Wales

The OISC and the Bar Council of England and Wales have maintained their good working relationship during 2005/06. I am pleased that our two organisations meet regularly to discuss issues of mutual interest such as investigating non-practising barristers giving immigration advice and/or services.

The Bar Council of England and Wales has also introduced major structural changes in readiness for the introduction of the Department for Constitutional Affairs' reforms. Since the beginning of 2006 it has separated its representational and regulatory functions and established a Bar Standards Board (BSB).

Complaints received against barristers continue to remain small in number. Over the course of the year three complaints have been heard by the Disciplinary Tribunal, with a fourth due to be heard once a hearing date is set.

## Statistics

**Table 4a: Total immigration complaints received by the Bar Council of England and Wales by year**

Year	Referred by OISC	Received directly	Total immigration complaints
2001/02	14	1	<b>15</b>
2002/03	7	0	<b>7</b>
2003/04	4	4	<b>8</b>
2004/05	7	14	<b>21</b>
2005/06	6	4	<b>10</b>

**Table 4b: Total immigration complaints received by the Bar Council of England and Wales 2001–06**

Referred by OISC	Received directly	Total immigration complaints
38 (62.3%)	23 (37.7%)	<b>61</b>

The six complaints referred to the Bar Council of England and Wales in 2005/06 concerned six different barristers.

**Table 5a: Complaint closure outcomes – OISC-referred immigration complaints only<sup>9</sup>**

Year	Upheld	Partly upheld	Conciliated	Not upheld	Withdrawn	Other
2001/02	0	0	0	2	1	0
2002/03	2	0	0	8	2	1
2003/04	2	0	0	5	0	0
2004/05	0	0	0	2	0	0
2005/06	1	0	0	2	0	1

<sup>9</sup> Complaints which the OISC and Law Society record as closed due to no supporting evidence are recorded as not upheld by the Bar Council

**Table 5b: OISC-referred immigration complaint outcomes 2001–06**

Upheld	Partly upheld	Conciliated	Not upheld	Withdrawn	Other	Total
5	0	0	19	3	2	29

**Table 6a: Time taken to close OISC-referred immigration complaints**

Year	<2 months	2–4 months	4–6 months	6–8 months	8–10 months	10–12 months	>12 months
2001/02	0	3	0	0	0	0	0
2002/03	2	5	3	0	1	0	2
2003/04	0	1	3	0	0	0	3
2004/05	0	2	0	0	0	0	0
2005/06	2	0	0	0	0	1	1

**Table 6b: Time taken to close OISC-referred immigration complaints 2001–06**

	<2 months	2–4 months	4–6 months	6–8 months	8–10 months	10–12 months	>12 months
<b>Total<sup>10</sup></b>	<b>4</b>	<b>11</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>6</b>

Over the last five years the Bar Council has completed over 70% of its closures within six months. As at 31 March 2006 the Bar Council had nine open OISC-referred complaints under consideration.

### Matters for discussion

I intend to explore the following issues with the Bar Council of England and Wales during 2006/07:

- the impact of the change in their approach to handling immigration complaints; and
- the reasons why cases were not upheld.

<sup>10</sup> The 'Total' figures include such data as is available from financial year 2002/03

## The Institute of Legal Executives (ILEX)

Liaison between the OISC and ILEX has increased during the year. The OISC expressed concern to this DPB about the lack of information and regularity of updates. However, on those updates we received we were impressed with the thoroughness of the investigation. ILEX has assured the OISC that it is addressing these issues.

In October 2004 the Commissioner initiated a complaint about an ILEX-regulated person stating that the adviser had submitted an application on a client's behalf without any accompanying application form, fee or necessary supporting documentation, and had sent the application to a wrong address.

ILEX investigated the complaint together with a number of other issues that subsequently arose as a result of the complaint. In June 2005 a number of charges against the adviser were laid before ILEX's Disciplinary Tribunal. The Tribunal found these proven and suspended the adviser from ILEX membership for 12 months.

### Statistics

**Table 7a: Total immigration complaints received by ILEX by year**

Year	Referred by OISC	Received directly	Total immigration complaints
2001/02	2	0	2
2002/03	1	1	2
2003/04	0	1	1
2004/05	4	2	6
2005/06	15	0	15

**Table 7b: Total immigration complaints received by ILEX 2001–06**

Referred by OISC	Received directly	Total immigration complaints
22 (84.6%)	4 (15.4%)	26

During 2005/06 the OISC referred 15 complaints about four different advisers to ILEX. Eleven of these concerned the same adviser and were referred to ILEX following a substantial OISC investigation. Despite this increase, ILEX still receives a comparatively small number of complaints. As at 31 March 2006 ILEX had 14 open OISC-referred complaints under consideration.

**Table 8a: Complaint closure outcomes – OISC-referred immigration complaints only<sup>11</sup>**

Year	Upheld	Partly upheld	Not upheld	No supporting evidence	Withdrawn	Other
2001/02	0	0	0	0	0	0
2002/03	1	0	0	1	0	0
2003/04	0	0	0	0	0	1
2004/05	0	0	0	0	0	0
2005/06	4	1	0	0	0	0

**Table 8b: OISC-referred immigration complaint outcomes 2001–06**

Upheld <sup>5</sup>	Partly upheld	Not upheld	No supporting evidence	Withdrawn	Other	Total
5	1	0	1	0	1	8

**Table 9a: Time taken to close OISC-referred immigration complaints**

Year	<2 months	2–4 months	4–6 months	6–8 months	8–10 months	10–12 months	>12 months
2001/02	0	0	0	0	0	0	0
2002/03	0	0	0	1	1	0	0
2003/04	0	0	0	0	0	0	1
2004/05	0	0	0	0	0	0	0
2005/06	0	1	0	0	1	2	1

**Table 9b: Time taken to close OISC-referred immigration complaints 2001–06**

	<2 months	2–4 months	4–6 months	6–8 months	8–10 months	10–12 months	>12 months
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>

<sup>11</sup> ILEX does not conciliate complaints

### Matters for discussion

I intend to explore the following issues with ILEX during 2006/07:

- preparation for introducing changes as a result of the forthcoming DCA legislation; and
- the time taken to close complaints.

## The Law Society of Scotland

The number of complaints received by the Law Society of Scotland during 2005/06 has been small. The OISC and the Law Society of Scotland are working actively to ensure satisfactory information sharing.

### Statistics

**Table 10a: Total immigration complaints received by the Law Society of Scotland by year**

Year	Referred by OISC	Received directly	Total immigration complaints
2001/02	2	4	<b>6</b>
2002/03	5	19	<b>24</b>
2003/04	4	28	<b>32</b>
2004/05	5	39	<b>44</b>
2005/06	7	18	<b>25</b>

**Table 10b: Total immigration complaints received by the Law Society of Scotland 2001–06**

Referred by OISC	Received directly	Total immigration complaints
23 (17.6%)	108 (82.4%)	<b>131</b>

The OISC referred seven complaints about seven different organisations to the Law Society of Scotland in 2005/06. As at 31 March 2006 there were five open OISC-referred complaints under consideration by the Law Society of Scotland.

**Table 11a: Complaint closure outcomes – OISC-referred immigration complaints only**

Year	Upheld	Partly upheld	Conciliated	Not upheld	No supporting evidence <sup>12</sup>	Withdrawn	Other
2001/02	0	0	0	0	0	0	0
2002/03	0	0	0	0	0	0	0
2003/04	1	0	0	3	4	0	2
2004/05	0	0	0	2	2	0	0
2005/06	1	0	0	1	2	0	0

**Table 11b: OISC-referred immigration complaint outcomes 2001–06**

Upheld	Partly upheld	Conciliated	Not upheld	No supporting evidence	Withdrawn	Other	Total
2	0	0	6	8	0	2	<b>18</b>

**Table 12a: Time taken to close OISC-referred immigration complaints**

Year	<2 months	2–4 months	4–6 months	6–8 months	8–10 months	10–12 months	>12 months
2001/02	0	0	0	0	0	0	0
2002/03	0	0	0	0	0	0	0
2003/04	0	2	0	1	2	3	2
2004/05	0	2	2	0	0	0	0
2005/06	0	0	1	3	0	0	0

**Table 12b: Time taken to close OISC-referred immigration complaints 2001–06**

	<2 months	2–4 months	4–6 months	6–8 months	8–10 months	10–12 months	>12 months
<b>Total</b>	<b>0</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>

### Matters for discussion

I intend to explore the following issues with the Law Society of Scotland during 2006/07:

- the time taken to close cases;
- the reasons for cases not being upheld; and
- their reaction to the Scottish Executive's forthcoming legislation on handling complaints.

<sup>12</sup> 'No supporting evidence' includes cases recorded by the Law Society of Scotland as 'abandoned'

## **The Faculty of Advocates, the General Council of the Bar of Northern Ireland and the Law Society of Northern Ireland**

No complaints were received or are outstanding about members of these DPBs.



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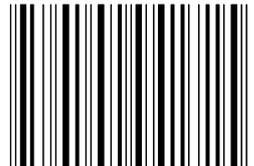
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