



Office of the Immigration Services Commissioner

Annual Report and Accounts 2009/10

Incorporating 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 2009 to 31 March 2010

**Incorporating the Commissioner's Report on regulation by Designated
Professional Bodies of their members**

Annual Report presented to Parliament pursuant to paragraph 21(3) of Schedule 5 to the Immigration and Asylum Act 1999.

Accounts presented to Parliament pursuant to paragraph 20(3) of Schedule 5 to the Immigration and Asylum Act 1999.

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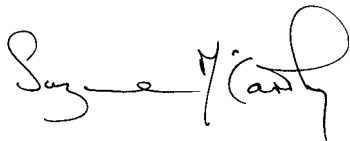
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Annual Report and Accounts of the Office of the Immigration Services Commissioner

The Rt Hon Theresa May MP

Madam,

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 2009 to 31 March 2010.

A handwritten signature in black ink, appearing to read 'Suzanne McCarthy', with a large, 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

29 June 2010

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Foreword

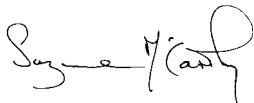
With the change in Government and the Deputy Commissioner's departure at the end of the financial year, this Annual Report marks the end of an era. The immigration advice sector is also changing with the Immigration Services Tribunal (ImSeT) evolving in January 2010 into a two-tier structure (the First-tier Tribunal General Regulatory Chamber (Immigration Services) and the Upper Tribunal).

During 2009/10 the United Kingdom Border Agency (UKBA) completed its important consultation on the UK immigration advice sector. In its response the UKBA confirmed that the OISC should continue to make improvements to its regulatory and compliance capability. Clauses to achieve this have been included in draft legislation, which we hope will be introduced early in the new Government's term in office.

My Office has also significantly changed internally during the year. The outcomes of the Reform and Remodel project together with our new database, which we have named Themis after the Greek goddess of order, mean that we can provide an improved service for both advisers and staff. These developments are described in detail in this Report.

The OISC is not immune to the financial constraints currently affecting the public sector. Notwithstanding this, my Office is determined to continue to deliver a high-quality service, while recognising that what we can achieve is, by necessity, limited by our financial resources.

The UKBA in its consultation response confirmed that there is agreement on the need for continued effective regulation of the immigration advice sector, and that current regulation works. It is my firm belief that the OISC does make a difference by allowing only fit and competent advisers to become OISC regulated practitioners and by pursuing illegal unregulated advisers. The OISC's success is a direct result of the excellent work done by my staff, and I am proud to be their colleague.



Suzanne McCarthy
Immigration Services Commissioner
29 June 2010

Chapter 1: Commissioner's Statement

We were honoured to have the then Minister of State for Borders and Immigration, Phil Woolas, address one of our Annual Conference events in November. In his speech the Minister explicitly recognised the difficult job that my Office does and the important role the OISC performs. In particular, we appreciated his acknowledgement of our achievements and the contributions that the OISC makes to protecting clients, working with advisers and preventing abuse of the UK's immigration system.

As mentioned in my last Annual Report, the UKBA's May 2009 consultation, *Oversight of the Immigration Advice Sector*, raised a number of fundamental questions regarding the regulatory structure for the UK's immigration sector and the role and powers of the OISC. In its response to its consultation, the UKBA acknowledged the value of continued regulation of that sector, and recommended that this remain the OISC's responsibility. The response also recognised that improvements could be made to legislation governing the OISC such as by increasing my rights of access for the purposes of inspection and replacing the terms 'Registered' (for-profit) and 'Exempted' (not-for-profit) with the single term 'Regulated'. Suitable clauses have been prepared for inclusion in a draft Bill, which we hope will be introduced early in the new Parliament's legislative programme.

Part of the OISC's ethos is continually and constructively to work with the immigration advice sector. This approach was particularly illustrated this year by both the publication of our consultation document on the OISC's *Guidance on Competence* and the commencement of our suite of surveys completed by advisers.

As the OISC's *Guidance on Competence* explains, I have a duty to ensure that those who provide immigration advice and/or services are competent to do so at the advice level for which they are authorised. The *Guidance* sets out the standards that advisers must meet, and was last substantially revised in 2005. Considering the significant recent developments such as the introduction of the Points Based System, the implementation of the Borders, Citizenship and Immigration Act 2009 and changes to the Asylum and Immigration Tribunal, I decided that thought needed to be given to revising that document.

The consultation subsequently published in November 2009 proposed a number of major changes to how advisers would be able to demonstrate their competence as well as including recommendations regarding advice levels and categories. One of the most important recommendations related to the continuation of Advice Level 2. We have noted that, as the areas of discretion exercised by the UKBA have reduced, the work advisers regulated at that level can do has also diminished in comparison with the span of work available to advisers operating at Advice Level 3.

This brings into question the continued relevance of Advice Level 2, and whether it would be better to incorporate the work done at that Level within the other Levels.

The significance of this consultation for the regulated sector was shown by the fact that over 35 responses were received, the largest number for any OISC consultation. These are currently being considered, and the OISC's report on the results of the consultation will be published early in the next financial year.

We started our programme of adviser surveys in January 2009. Using electronic on-line questionnaires we have been asking advisers for their views on our application and continued registration processes, our handling of complaints and the way we conduct audits.

The results of these surveys, which have generally been positive, have informed us on how we are relating to advisers and ensuring that we are more receptive in answering their queries and responding to their issues. For example, the surveys highlighted certain difficulties that advisers were having in contacting their caseworker. This led to us introducing a new telephone answering arrangement for advisers and caseworkers.

The responses given to the survey on the processing of continued registration applications confirmed that advisers were appreciative of the recent changes we have made both to the application form and application process. Advisers were also highly satisfied with the conduct of audits by OISC caseworkers. While satisfaction was expressed to some degree from new applicants and those who were the subject of complaints, more critical comments were made about these areas, which we are taking into account as we make changes to those areas of our work.

Ensuring that OISC advisers remain competent is, of course, one of the OISC's core responsibilities. That is why all OISC advisers must be competence assessed and when in the regulatory scheme comply with our Continued Professional Development (CPD) requirements. Sadly, there was a minority of advisers who failed to fulfil their CPD requirement in 2008/09, the first year of CPD's operation. Exceptionally, I agreed to extend the time allowed for completion of that year's requirement. Most who were in breach took advantage of this and completed their CPD hours. However, it proved necessary to take disciplinary action against certain non-compliant advisers.

I was very pleased that the vast majority of advisers fulfilled their 2009/10 CPD requirements. They undoubtedly recognise the importance of keeping their knowledge up to date, and appreciate the benefits of having e-learning training

courses readily available to them through the OISC's partnership with the Open University.

We have also continued with our established complainant survey. Respondents to that survey confirmed their satisfaction with the OISC's complaints process, and how we dealt both with them and with their respective complaints. Importantly, they also commented, as have complainants from previous years, that the fundamental reason why they complained was to protect others from exposure to unfit and/or incompetent advisers.

Two major initiatives occupied the Office in 2009/10 – the Reform and Remodel project and the design of our new database. The outcomes of these interlinked projects should benefit both advisers and the OISC, and ensure that we remain a cost-effective regulator.

The Reform and Remodel project grew out of our 2008/09 business improvement review. Specifically through this project we are refining and reorganising our casework and complaints processes, procedures and structures. For example, we have created a new Application and First Contact Team, which is responsible for all of our front-line communications with advisers and the public. This team has responsibility for processing the straightforward continued registration applications that we receive, thereby enabling caseworkers to concentrate on more complicated applications and attend more audits.

The Reform and Remodel project has facilitated the OISC's desire to remain a modern, proportionate regulator. A part of the project is the planned introduction of online application processes and reducing the amount of paperwork we require from those applying for continued registration where they are making no changes to their operations.

We have decided, however, that both new organisations and advisers applying to join the OISC scheme as well those already in the scheme but who want to increase their areas of authorisation must undertake checks and assessments confirming their fitness and competence before submitting their applications to us. In particular, applicants will need to include a Criminal Records Bureau disclosure with their application.

Both those who need the assistance of an immigration adviser and the immigration adviser community must be protected from the activities of illegal advisers. As this report shows, our achievement in this area continues, with an ever-growing list of successful prosecutions. We have found that many of those prosecuted have illegally taken instructions from more than one client, putting



many people at risk because of their incompetence and/or lack of fitness. In acting in this way they bring the reputation of the whole sector into disrepute. We have also been monitoring certain sections of the ethnic minority press, resulting in cautions being given and advertisements disappearing.

It is important that people who need immigration advice know where they can find good advice. To achieve this the OISC, during March and April 2010, ran an advertising campaign to raise awareness of the OISC and its adviser finder facility on buses and trams operating in areas where the need for immigration advice is perceived as being high. In London the campaign ran in Croydon, Haringey, Hounslow, Islington, Newham, Southwark and Tower Hamlets. Outside of London it ran in Folkestone, Glasgow, Leeds, Liverpool and Manchester.

Looking forward, a number of critical developments and events are going to happen in 2010/11 including the appointment of a new Deputy Commissioner, the possible introduction of legislation that directly affects how the OISC operates, the flow of benefits from the internal improvements we have made and changes to UK immigration policy that may follow the general election. Singly and collectively these matters will require reflection by, and response from, the OISC. I am left in no doubt that, as previously, the OISC's staff will positively meet any challenges that may come their way.

Chapter 2: The organisation

The Commissioner's Office

The Commissioner's Office consists of the Immigration Services Commissioner, Suzanne McCarthy, the Deputy Immigration Services Commissioner (Linda Allan, in post until 14 March 2010) and their administrative support team.

The Operational Teams

Four separate but interlinked teams perform the OISC's regulatory functions.

1. The Casework and Complaints Teams

Led by the Interim Head of Casework and Complaints, the members of the Casework and Complaints Teams come from a variety of backgrounds across the private, public and voluntary sectors.

In August 2009, as part of the Office's Reform and Remodel programme, the three Casework and Complaints teams were reorganised into two teams.

The teams' caseworkers have primary responsibility for the delivery of the OISC's regulatory and complaints functions, and act as the main contact points for regulated advisers. The teams ensure the compliance of advice organisations with the regulatory scheme by conducting audits, considering applications for new and continued registration, evaluating competence assessments and determining complaints.

Again as part of the Reform and Remodel programme, a new administrative support team, Operational Services and Support Team, was created to assist the Casework and Complaints Teams. This team also has responsibility for compiling corporate data, co-ordinating and invigilating of competence assessments and assigning and, as appropriate, processing applications.

2. Applications and First Contact Team

The new Applications and First Contact Team (AFCT) is also a result of the Reform and Remodel programme. The AFCT deals with enquiries to the Office from the public, regulated advisers and new applicants to join the scheme. It also handles some of the continued registration applications, thereby allowing caseworkers to concentrate on other work such as auditing.

3. The Investigations and Intelligence Team

The Investigations and Intelligence team seeks out and investigates alone, or jointly with other UK investigative bodies, allegations of unregulated activity

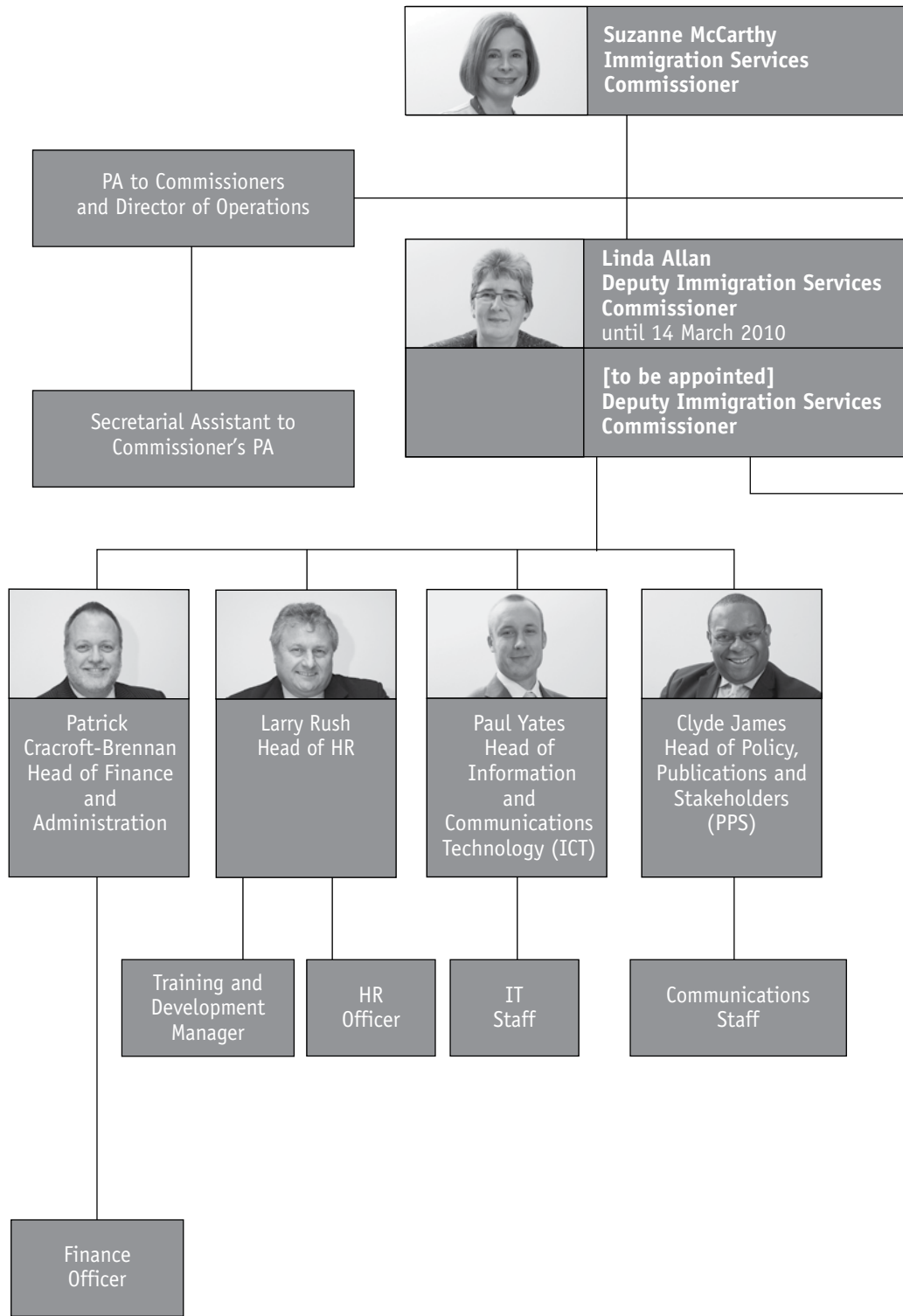


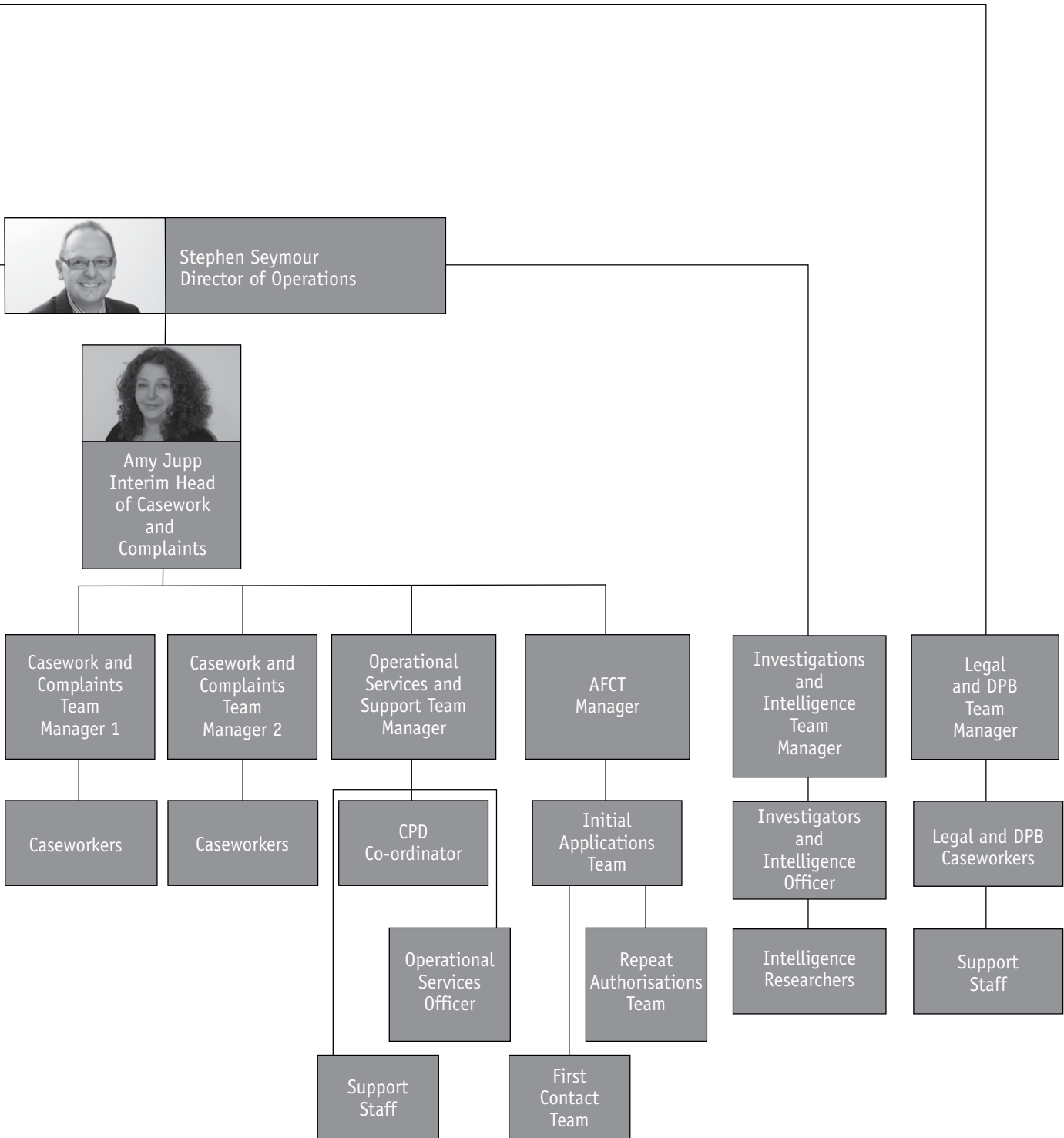
relating to immigration advice or services. As part of this work the team leads on the prosecution of specific OISC offences before the criminal courts. The team considers and disseminates intelligence received from various sources on prospective and regulated advisers and possible illegal activities.

4. The Legal and DPB (Designated Professional Bodies) Team

The Commissioner has a duty to report on the effectiveness of the DPBs in their regulation of their respective members who give immigration advice or services. To fulfil this duty the DPB team monitors the way in which those bodies regulate their members and in particular how they have handled complaints about their members regarding immigration advice and services they have given.

The team also provides general legal advice to the Office and oversees the conduct of cases in the civil courts and tribunals.







The Corporate Support Service Teams

1. IT and Communications Team

The IT and Communications team is responsible for the OISC's communications and stakeholder engagement activities and the provision, maintenance and support of the Office's IT systems.

a) Communications

This team manages the Office's internal and external communications, and is responsible for producing and undertaking a range of events, publications and media activities such as the Annual Conference programme and the Roundtable Meetings programme. It also produces the Annual Report as well as internal and external newsletters.

b) Information Technology (IT)

The IT team is responsible for the provision, maintenance and support of the Office's IT functions. During 2009/10 the team focused on the development and delivery of Themis, the new OISC database, which went live in early April 2010.

The team also started work on a complementary technology refresh programme for the Office which, when completed in 2010, will see the full replacement of office desktop computing hardware.

2. The Finance Team

The Finance Team is divided into two sections with responsibility for the following functions:

a) Finance

The finance section is responsible for preparing the annual budget and the production of monthly management accounts, monitoring actual spend against the budget. Specific team responsibilities include creditor payments, administering staff expenses and preparing the annual accounts as well as other ad hoc financial reports. The Head of Finance supports the OISC's Audit Committee and has overall responsibility for dealing with Freedom of Information Act and Data Protection Act requests. He also has responsibility for ensuring that the Office has the necessary equipment and office supplies.

b) Continuing Professional Development (CPD)

The CPD section works in conjunction with the Open University to provide and administer the OISC's CPD scheme for regulated advisers.



3. The Human Resources (HR) Team

The HR Team is responsible for providing a comprehensive personnel and training/development service for OISC staff. During 2009/10 the team continued its review of HR policies, ensuring the Office's continued compliance with employment legislation. Several recruitment exercises were undertaken during the year. The team also provided support for the Reform and Remodel project.

The Head of HR is responsible for the investigation of any complaints made against the OISC and its staff. During 2009/10 six substantive complaints were investigated. Two complainants withdrew their complaints and three were not upheld. One is ongoing.

The OISC lost 383 working days owing to sick absence during 2009/10, the equivalent of 2.59% of the total number of working days available.

Staff attended 360 training and development days. Several staff received support in their further education studies.

4. The Policy Team

The team's functions include providing guidance on the OISC's regulatory scheme and on the interpretation of relevant legislation and case law, contributing to discussions on possible legislative changes, and assisting with meetings with MPs and other external stakeholders. The team also advises on wider regulatory considerations. Team members represented the OISC at various stakeholder events and meetings, and assisted the Commissioner in responding to various external consultations as listed in Annex B.

During 2009/10 the team, together with other OISC staff, established the OISC's knowledge index, being a central repository of organisational knowledge.

Changes for 2010/11

Further changes are being made to the IT and Policy teams. The internal policy function is being integrated within the casework teams, and will be headed by a Casework Team Leader. The Head of Policy is assuming the new title Head of Policy, Publications and Stakeholders, reflecting the absorption into that team of communications and stakeholder engagement work for the Office. IT is retaining responsibility for electronic communications, including the OISC website and its content. This split of duties across those teams will provide the OISC with a much more flexible and focused approach to its communications activities.

Chapter 3: Reform and Remodel and Themis Projects

With the aim of continuous organisational improvement and cost effectiveness, during 2009/10 the OISC implemented two important projects – Reform and Remodel and Themis.

Reform and Remodel

The Reform and Remodel project had two work streams – the reorganisation of the OISC’s operational teams and the revision of our business processes. The first has enabled caseworkers to direct more of their time to dealing with significant regulatory matters. Part of this organisation redesign included the creation of the Applications and First Contact Team (AFCT) to handle initial enquiries and the less complicated applications. The second work stream has been focused on improving our applications and operational processes with the aim of providing greater assistance to applicants and a more cost-effective service while not diluting our regulatory requirements.

We have, for example, simplified the continued registration application process. Under the new system, the AFCT deals with such applications where the organisation application mirrors what they already have and there are no issues of concern. Currently, some 65% of the applications we receive for continued registration fall into this category and are fully processed within 15–20 working days.

The caseworker time saved is being directed towards other activities such as conducting premises audits. These constitute an important part of our regulatory approach as they assist us in evaluating the fitness and competence of regulated advisers. The result of the Reform and Remodel programme is that we have been able to increase the number of premises audits we can do in a 12-month period. Some initiatives associated with the Reform and Remodel project, such as reviewing our complaints processes and the possibility of online applications, are ongoing.

Themis

During 2009/10 the OISC replaced its original database. Purchased in 2001, the previous database had become increasingly unwieldy and unsuitable for the OISC’s evolving and expanding needs. Under the supervision of a dedicated Project Board chaired by the Commissioner, an expanded in-house team led by the OISC’s Head of IT delivered the new database according to plan and budget.

Named Themis, after the Greek goddess who embodied divine law, order and custom, the new database provides OISC staff with a tool that closely matches their working needs and processes. It allows them quickly and easily to search for information, while assuring data integrity and providing a superior reporting tool. Furthermore, the system has been designed to be able to accommodate changes to the OISC's work processes. This in turn should significantly reduce the specification to delivery timescales that making such adjustments usually requires.

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 DPB, such as the Law Society of England and Wales, or those who have been exempted by a Ministerial Order.*

The types of organisation that the OISC regulates range widely from small community-based organisations and sole traders through to national charities with multiple offices and large specialist profit-making advisory services. Statute distinguishes between regulated organisations by dividing them into two specific categories: 'Registered' and 'Exempt'. The OISC defines these in the following way:

- Registered organisations are mainly those 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. This category would include, for example, a private college that 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 contained in this group. Some Registered organisations may hold Legal Services Commission contracts enabling them to provide free advice to some clients while charging others.
- Exempt organisations generally operate in the voluntary or community sector. They do not charge clients for the advice or services they provide, and are referred to as 'Exempt' only because they do not have to pay the OISC's fee.

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 and control, 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.

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

* Ministerial Orders give specific exemption from regulation and relate to the NHS, publicly funded educational institutions and relevant employers.

Statistics on regulated organisations and advisers as at 31 March 2010

The following statistics outline the size of the regulated sector and how it breaks down by level of regulation, type of regulation, type of advice being offered and location. This year Table 2 makes the distinction between regulated advisers and those applying to join the scheme.

Table 1: Total number of organisations

	As at 31 March 2009	As at 31 March 2010
Registered	753	830
Exempt*	970	903
Total number of regulated organisations	1,723	1,733

* This figure includes Citizens Advice Bureaux at Level 1.

Table 2: Total number of regulated advisers

	As at 31 March 2009	As at 31 March 2010*
Registered	1,851	2,118 (2,224)
Exempt**	2,386	1,776 (1,943)
Total number of regulated advisers***	4,199	3,879 (4,150)

* The figures outside the brackets show fully authorised advisers. The figures inside the brackets show the total number of regulated advisers plus those applying to join the scheme.

** This figure includes one adviser at each of the Citizens Advice Bureaux.

*** Some advisers work for both Registered and Exempt organisations and thus are not included twice in the final totals.

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

	Level 1		Level 2		Level 3		Total		Overall total
	Reg*	Ex**	Reg	Ex	Reg	Ex	Reg	Ex	
East Midlands	18	47	6	2	14	5	38	54	92
East England	30	80	5	3	12	8	47	91	138
London	329	149	62	25	156	43	547	217	764
North East	27	33	0	2	9	5	36	40	76
Northern Ireland	5	30	2	0	0	2	7	32	39
North West	58	92	9	2	30	9	97	103	200
Scotland	27	83	2	2	6	1	35	86	121
South East England	71	135	10	6	27	9	108	150	258
South West England	18	63	1	1	5	4	24	68	92
Wales	9	48	1	0	2	4	12	52	64
West Midlands	26	62	6	2	26	9	58	73	131
Yorkshire	23	50	6	8	17	13	46	71	117
Other***	2	2	1	0	0	1	3	3	6
Total	643	874	111	53	304	113	1,058	1,040	2,098

* Registered

** Exempt

*** Region unidentified at time of print

Table 4: Total number of OISC regulated individual advisers per region per category

	Asylum	Entry clearance	Nationality and citizenship	EU and EEA*	Detention	Other**
East Midlands	70	80	115	69	39	21
East England	112	150	169	121	66	31
London	1,387	1,714	1,696	1,393	625	326
North East	54	52	85	40	20	11
Northern Ireland	9	15	14	9	1	3
North West	238	290	323	235	132	45
Scotland	62	52	64	40	7	13
South East England	126	170	242	125	43	32
South West England	52	66	106	53	27	10
Wales	61	56	81	49	18	12
West Midlands	119	161	174	122	67	48
Yorkshire	179	231	234	176	75	19
Other**	7	11	9	9	3	0
Total	2,476	3,048	3,312	2,441	1,123	571

* European Union and European Economic Area

** Region/category unidentified at time of print

Table 5: First-time applications

	Registered	Exempt	Total
Applications received	231	20	251
Applications brought forward from 2008/09	58	10	68
Applications approved	197	21	218
Applications refused	13	1	14
Applications withdrawn	9	3	12
Applications carried forward	81	6	87



Rejecting applications and withdrawing exemption

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.

Table 6: Reasons for refusal or withdrawal of exemption

Reasons for refusal or withdrawal of exemption	2007/08	2008/09	2009/10
Non compliance – not fit/ not competent	19	9	53
Incomplete application/ information	9	6	3

Organisations leaving the scheme

Organisations leave the OISC's scheme for a number of reasons, as indicated in Table 7.

Table 7: Reasons for departure

Reason for departure	2007/08	2008/09	2009/10
Did not return continued registration application	46	65	65
No longer giving immigration advice	39	34	60
Ceased trading	18	18	29
Regulation not necessary as no adviser at organisation	4	8	4
Now under a DPB	0	2	0

Changing competence levels

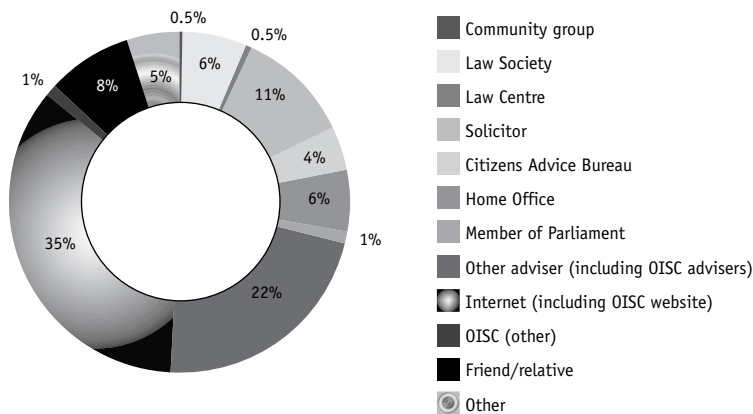
We may change an organisation's or adviser's competence level for a number of reasons. Where there is an increase in level, the organisation or adviser will have applied to move up and will have undertaken competence assessment at the higher level before being approved. Where the level is decreased, this may either be because the organisation or adviser tells us that they no longer wish to 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.

The requirement for advisers to sit formal competence assessment came into force on 1 April 2005.

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 1: How complainants heard about the OISC*



* These figures are based on responses given to the question 'How did you hear about the OISC?' in the OISC's complaints form. As the complaints form is just one of the means by which the OISC receives complaints, the above does not represent the total number of complaints the OISC received in 2009/10.

Table 8: Where the OISC received formal complaints from

Public	OISC advisers	First-tier Tribunal (Immigration and Asylum Chamber)	DPB advisers	UKBA	Other public body	OISC initiated	Law centres	MP	Other
335	21	10	40	31	3	109	1	6	22

As in previous years, the largest group of complainants is the general public.

Table 9: Breakdown of total complaints received 2001/02–2009/10

	Complaints against OISC regulated advisers	Complaints against DPB regulated advisers	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
2006/07	239	114	144	497
2007/08	238	98	158	494
2008/09	280	116	105	501
2009/10	379	74	125	578
Total	2,007	1,334	1,200	4,569

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

Disposal of OISC complaint cases against regulated advisers

As of 31 March 2009 the OISC had 163 unresolved cases, 81 of which were against OISC regulated advisers. During the year, we received a further 379 complaints against OISC regulated advisers. Of the total 460 complaints, we closed 343.

Table 10: How the OISC disposed of complaint cases against regulated advisers

Substantiated	Unsubstantiated	Conciliated	Suspended investigation	No supporting evidence	Not OISC regulated	Withdrawn	Passed to Intelligence	Other	Total
78	44	19	16	0	27	8	4	5	201

In addition, 24 complaints were passed to the OISC regulated organisation complained about, to be resolved using their internal complaints procedure.

Substantiated:	The organisation was found to have breached the Commissioner's Rules or Code of Standards and/or a sanction was 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 was involved in ongoing legal proceedings
No supporting evidence:	Evidence was not forthcoming to support the complaint
Not OISC regulated:	The organisation left the regulatory scheme before the complaint could be determined or the complaint did not relate to a matter with which the OISC can deal
Withdrawn:	The complainant withdrew their complaint
Passed to Intelligence:	The details of the complaint were passed to the OISC's Investigations 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 Immigration and Asylum Act 1999
Other:	For example, the complaint was made anonymously and did not provide enough information for the OISC to open an investigation

Appeals and charges before the First-tier Tribunal (Immigration Services)

Certain decisions by the Commissioner to refuse or vary registration or to withdraw exemption carry a right of appeal to the First-tier Tribunal (Immigration Services). Similarly, our decision to lay disciplinary charges is considered by the First-tier Tribunal (Immigration Services). That Tribunal also considers disciplinary charges brought by the OISC.

Table 11: Breakdown of appeals and charges 2003/04–2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Appeals received	9	21	11	14	11	8	6
Appeals allowed	4	4	1	0	1	1	2
Appeals dismissed	2	5	3	5	3	4	3
Appeals withdrawn	0	0	5	4	6	2	3
Charges brought	0	1	2	2	0	0	2
Charges upheld	0	1	0	2	0	0	0
Charges dismissed	0	0	1	2	0	0	0
Charges withdrawn	0	0	0	0	0	0	0

Investigating illegal activity

The OISC undertakes investigations based on information from a range of sources. The Office has its own in-house team which proactively gathers intelligence on possible illegal activity. This year, the public have been the OISC's main source of information leading to investigations, followed by information from the UKBA.

Table 12: Source of investigations

AIT	UKBA	Public	OISC adviser	Other government agency	OISC staff	Solicitor	Other	Total
9	26	52	7	3	21	9	4	131

Disposal of investigations

We began the year with 163 cases still open from 2008/09. During 2009/10 we received a further 131 complaints about unregulated advisers. A total of 147 investigations were closed, with 147 carried forward into 2010/11.

Table 13: Disposal of investigations

Prosecutions	Not in public interest	Under DPB supervision	Cautions	Witness/suspect left UK	Insufficient evidence	Passed to another agency	Failure of witness co-operation	Outside time/jurisdiction	Total
26 (43)*	32	2	9	11	35	1	10	4	147

*Figures outside brackets represent actual number of persons convicted. The bracketed figure represents the number of separate complaints disposed of through conviction.

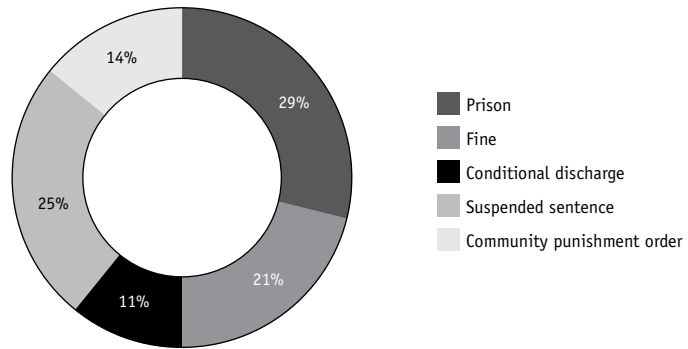
In addition, at the end of 2009/10, there were 20 defendants awaiting trial.

Table 14: Breakdown of prosecutions 2001/02–2009/10

Year	Prosecutions	Formal cautions administered
2001/02	1	0
2002/03	8	1
2003/04	13	3
2004/05	7	3
2005/06	14	8
2006/07	8	5
2007/08	15	28
2008/09	13	27
2009/10	26	9
Total	105	84

As of 31 March 2010 there were four Failure to Attend Court (FTA) warrants outstanding.

Figure 2: Breakdown of punishment on conviction 2001/02–2009/10



Chapter 5: Key Performance Indicators

The OISC measures its performance against published Key Performance Indicators (KPIs). The data produced helps the OISC examine and assess delivery of its key day-to-day functions.

The OISC's KPIs measure three main areas:

- Performance in relation to regulatory activities in conjunction with new applications and regulated advisers. These KPIs monitor application processing, aspects of the audit programme, complaint determinations and challenges made against the Commissioner's decisions.
- Performance in relation to how well the OISC has controlled illegal immigration advice activity by identifying possible illegal adviser organisations and in settling the status of these bodies.
- Performance in processing internal operations, particularly the acknowledging of applications and complaints and the time taken to pay undisputed invoices.

KPIs for 2009/10

The KPIs for this period were:

- 1a) Decide 75% of new applications within five months of receipt.
- 1b) Decide 95% of new applications within eight months of receipt.
- 2a) Decide 75% of applications for continued registration within three months of receipt.
- 2b) Decide 90% of applications for continued registration within six months of receipt.
- 3) Audit by 31 March 2010 at least 25% of all Level 2 and 3 organisations that exist at 31 March 2009.*
- 4a) Close 75% of written complaints about OISC advisers within six months of receipt.
- 4b) Close 90% of written complaints about OISC advisers within 12 months of receipt.
- 5) A total of 75% of Commissioner's decisions to stand following an appeal being lodged with the First-tier Tribunal (Immigration Services).

* At the start of the financial year the KPI for audits was to undertake audit of 33% of all advice Level 2 and 3 organisations within 2009/10, a minimum of 145 audits. The Reform and Remodel Project imposed significant pressures on the operational teams which made it necessary for this number to be reduced. The Commissioner decided therefore that only 25% of those organisations (105 audits) would be done during the financial year.

-
-
- 6) Identify 400 unregulated organisations as possibly having provided immigration advice and services.
 - 7) Resolve the status of 200 unregulated organisations.
 - 8) Internal response targets:
 - a) 95% of applications received to be acknowledged within five working days;
 - b) 95% of written complaints about OISC regulated advisers to be acknowledged within five working days.
 - 9) Finance targets:*
 - a) Pay 60% of undisputed invoices within 10 working days;
 - b) Pay 95% of undisputed invoices within 20 working days;
 - c) Pay 100% of undisputed invoices within 30 working days.

The OISC's 2009/10 performance as measured against its KPI targets

KPIs that measure how well the OISC has dealt with applications and audits

Applications fall into two types – applications to join the regulatory scheme from either for-profit (Registered) or not-for-profit (Exempt) organisations, and those from Registered organisations wishing to continue their registration with the OISC.

- **New applications**

The two KPIs in this category were both met during 2009/10.

KPI 1a) – *Decide 75% of new applications within five months of receipt.*

The OISC decided 81% of new applications within five months of receipt.

KPI 1b) – *Decide 95% of new applications within eight months of receipt.*

The OISC equalled its 2008/09 performance by deciding 96% of new applications within eight months of receipt.

At the end of 2009/10 there were seven applications over five months old and three over eight months old.

* Following changes in government policy on the prompt payment of invoices, during 2009/10 the OISC introduced a new finance target to pay 60% of undisputed invoices within 10 working days with a view to eventually increasing this to meet the government target of paying 100% of undisputed invoices within 10 working days. The timescale for KPI 9b) was reduced from 30 to 20 working days, and the timescale for KPI 9c) was reduced from 60 to 30 working days.

- **Continued registration applications**

The two KPIs in this category were also met during 2009/10.

KPI 2a) – Decide 75% of applications for continued registration within three months of receipt.

The OISC exceeded this target by deciding 79% of applications for continued registration within three months of receipt.

KPI 2b) – Decide 90% of applications for continued registration within six months of receipt.

The OISC decided 95% of applications for continued registration within eight months of receipt.

- **Audits**

KPI 3 – Audit by 31 March 2010 at least 25% of all Level 2 and 3 organisations that exist at 31 March 2009.

The target for 2009/10 was 105. The OISC audited 116 Level 2 and 3 organisations during the year, exceeding the target by 11.

KPIs that measure complaint processing

Both KPIs in this category were met in 2009/10.

KPI 4a) – Close 75% of written complaints about OISC advisers within six months of receipt.

The OISC closed 83% of written complaints within six months of receipt.

KPI 4b) – Close 90% of written complaints about OISC advisers within 12 months of receipt.

The OISC met this target by closing 97% of written complaints within 12 months of their receipt.

Another measure is the number of complaints over six months old at the end of the year, which was 23 at the end of 2009/10.

KPIs that measure the number of Commissioner's decisions that remain standing following an appeal to the First-tier Tribunal (Immigration Services)

KPI 5 – A total of 75% of Commissioner's decisions to stand following an appeal being lodged with the First-tier Tribunal (Immigration Services).

The OISC met this target, achieving an overall success rate of 75%. During 2009/10, 49 appealable Commissioner's decisions were made, which resulted in advisers lodging six appeals. This was in addition to two appeals that were carried over from 2008/09. During the year eight appeals were heard. The OISC won six appeals. Two appeals were allowed. No cases were ongoing as at 31 March 2010.

KPIs that measure the OISC's control of illegal immigration advice and service activities

KPI 6 – Identify 400 unregulated organisations.

KPI 7 – Resolve the status of 200 unregulated organisations.

The OISC again met KPI 6 and KPI 7 respectively by identifying 400 unregulated organisations and resolving the status of 208 unregulated organisations.

KPIs that measure how long it takes the OISC to process activities internally

KPI 8 – Internal response targets:

- a) Acknowledge 95% of applications within five working days.*
- b) Acknowledge 95% of written complaints made to the OISC about immigration adviser services within five working days.*

The OISC acknowledged 84% of applications within five working days. Again, this target was briefly adversely impacted by the infrastructure changes introduced by the Reform and Remodel Project.

The OISC acknowledged 99% of written complaints about immigration adviser services within five working days.

*KPI 9 – Finance targets: **

- a) *Pay 60% of undisputed invoices within 10 working days.*
- b) *Pay 95% of undisputed invoices within 20 working days.*
- c) *Pay 100% of undisputed invoices within 30 working days.*

The OISC met all of its finance KPIs by paying 80% of undisputed invoices within 10 working days, 98% of undisputed invoices within 20 working days and 100% of undisputed invoices within 30 working days.

Key Performance Indicators for 2010/11

The KPIs for 2010/11 will be as follows:

KPI 1 New applications:

- a) 75% of completed applications processed within five months of receipt.
- b) 95% of completed applications processed within eight months of receipt.

KPI 2 Continued registration applications:

- a) 60% of completed applications processed within 15 working days of receipt.
- b) 75% of completed applications processed within three months of receipt.
- c) 95% of completed applications processed within six months of receipt.

KPI 3 Audits:

350 audits to be completed between 1 April 2010 and 31 March 2011.

KPI 4 Complaints:

- a) 75% of written complaints about OISC advisers to be closed within six months of receipt.
- b) 95% of written complaints about OISC advisers to be closed within 12 months of receipt.

KPI 5 A total of 75% of Commissioner's decisions to stand following an appeal lodged with the First-tier Tribunal (Immigration Services).

KPI 6 Identify 400 unregulated organisations as possibly providing immigration advice and services.

KPI 7 Resolve the status of 200 unregulated organisations.

KPI 8 Internal Response Targets:

95% of applications and written complaints received to be acknowledged within five working days.

* See footnote on page 28.

KPI 9 – Finance targets:

- a) Pay 60% of undisputed invoices within 10 working days.
- b) Pay 95% of undisputed invoices within 20 working days.
- c) Pay 100% of undisputed invoices within 30 working days.

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 the Secretary of State. The relationship between the Home Office and the OISC is conducted in accordance with the joint Management Statement and Financial Memorandum. This requires, among other things, that the Commissioner must take note of any direction given by, or on behalf of, the Home Secretary and of any guidance issued by the Home Office.

Monthly strategic management meetings, which are attended by the Commissioner and the Deputy Commissioner and members of the Office's Senior Management Team, are the OISC's main decision-making forum. These meetings are used to consider strategic and operational matters, to monitor the OISC's activities and to make sure that consequential decisions are taken.

The OISC's Audit Committee

Supporting the Commissioner in the delivery of her responsibilities as to issues of risk, control and governance is the OISC's Audit Committee, which is composed of three Non-Executive members, one of whom is the chair. The Committee's 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 reviewed its terms of reference in December 2009.

* Please see 'Statement of Accounting Officer's responsibilities' in the Statement of Accounts on page 50.

Chapter 7: Remuneration report

Part V of the Immigration and Asylum Act 1999, 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.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior members of the OISC.

Remuneration

	2009/10 salary £'000	2008/09 salary £'000
Suzanne McCarthy* <i>Commissioner</i>	66	93
Linda Allan** <i>Deputy Commissioner</i>	72	76

*The Commissioner reduced her working hours as from 21 November 2008.

**The Deputy Commissioner resigned on 14 March 2010.

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.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the OISC and treated by HM Revenue and Customs as a taxable emolument. Neither the Commissioner nor the Deputy Commissioner received benefits in kind for 2009/10 or 2008/09.

Pension benefits

	Accrued pension at pension age as at 31/3/10 and related lump sum	Real increase in pension and related lump sum at pension age	Cash equivalent transfer value (CETV) at 31/03/09	CETV at 31/3/10	Real increase in CETV as funded by employer
	£	£	£'000	£'000	£'000
Suzanne McCarthy <i>Commissioner</i>	1,646 and nil lump sum	(53,562) plus (175,000) lump sum	1,291	33	(1,260)
Linda Allan <i>Deputy Commissioner</i>	39,261 and nil lump sum	1,274 and nil lump sum	646	704	20

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes: either a 'final salary' scheme (**classic**, **premium** or **classic plus**); or a 'whole career' scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension 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**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings 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. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and, immediately

after the scheme year end, the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

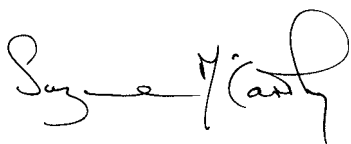
Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional years of pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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



Suzanne McCarthy
Immigration Services Commissioner and Accounting Officer

29 June 2010

Annex A: OISC publications

General information

- General Information about the OISC (15 languages)
- OISC News (external newsletter, three issues annually)
- Data Protection Act Statement

Materials relating to the regulatory scheme

- The Code of Standards and the Commissioner's Rules
- Guidance on Competence
- Advertising Immigration Advice CD Rom

Materials relating to the application process

- Exemption Application Form
- Exemption Application Notes
- Registration Application Form
- Registration Application Notes
- Continued Registration Application Form
- Repeat Authorisation Form

Guidance notes for regulated advisers

- Cover in the Absence of an Adviser
- Meeting Clients' Needs and Client Care
- Premises
- Promotion and the Promoting of Business
- Resolution of Complaints
- Signposting and Referrals
- Supervision

Practice notes for regulated advisers

- Bail
- Fees and Accounts
- Licensed Access

Materials relating to the Complaints Scheme

- The Complaints Scheme
- The Immigration Services Commissioner's Complaints Scheme – Complaints Form (15 languages)

Materials relating to CPD

- CPD Frequently Asked Questions
- CPD Training and Development Plan
- CPD Guidance Booklet

Annex B: Responses made to external consultations in 2009/10

Government consultations

1. The Tribunal Procedure (Upper Tribunal) Rules 2008 – consultation on rule amendments for Asylum and Immigration Upper Tribunal Chamber
From: Ministry of Justice
Responded: September 2009
2. Earning the Right to Stay: A new points test for citizenship
From: UK Border Agency
Responded: October 2009
3. Charging for Immigration and Visa Applications
From: UK Border Agency
Responded: November 2009
4. Knowing or reckless misuse of personal data – introducing custodial sentences
From: Ministry of Justice
Responded: January 2010

DPB consultations

5. Consultation on decision-making criteria
From: Solicitors Regulation Authority
Responded: May 2009
6. Code of Conduct Review Second Consultation Paper –
Conduct Rules: A core duty approach to regulation at the Bar
From: Bar Standards Board
Responded: June 2009
7. Discussion paper on developing a regulatory regime for alternative business structures
From: Legal Services Board
Responded: August 2009
8. Regulating alternative business structures – Legal Services Act: New forms of practice and regulation. Consultation Paper 18
From: Solicitors Regulation Authority
Responded: August 2009
9. An Agenda for Quality: A discussion paper on how to assure the quality of the delivery of legal services
From: Solicitors Regulation Authority
Responded: September 2009

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10. The Structure of Self-employed Practice
From: Bar Standards Board
Responded: September 2009
 11. Designating Approved Regulators and Approving Rule Changes
From: Legal Services Board
Responded: October 2009
 12. Handling complaints about the SRA
From: Solicitors Regulation Authority
Responded: November 2009
 13. Draft Scheme Rules
From: Office for Legal Complaints
Responded: December 2009

Annex C: Glossary

AIT	<p>Asylum and Immigration Tribunal See First-tier Tribunal (Immigration and Asylum Chamber)</p>
ARIA	<p>Association of Regulated Immigration Advisers ARIA is a professional membership body open to OISC advisers and others.</p>
DPB	<p>Designated Professional Body The DPBs are the:</p> <ul style="list-style-type: none"> • Law Society of England and Wales; • Law Society of Scotland; • Law Society of Northern Ireland; • Institute of Legal Executives; • General Council of the Bar of England and Wales; • General Council of the Bar of Northern Ireland; and • Faculty of Advocates. <p>The Immigration Services Commissioner has statutory oversight responsibilities in respect of the effective regulation by these bodies of their members in the provision of immigration advice and/or services.</p>
Exempt organisations	<p>OISC regulated organisations classified as ‘Exempt’ generally operate in the voluntary or community sector. They do not charge clients for the advice or services they provide, and are referred to as ‘Exempt’ only because they do not have to pay the OISC’s fee.</p>
First-tier Tribunal (Immigration and Asylum Chamber)	<p>The First-tier Tribunal (Immigration and Asylum Chamber) deals with appeals against decisions made by the Home Secretary and his officials in immigration, asylum and nationality matters.</p>
First-tier Tribunal (Immigration Services)	<p>The First-tier Tribunal (Immigration Services) hears appeals against decisions made by the Immigration Services Commissioner and considers disciplinary charges brought against immigration advisers by the Commissioner.</p>
Home Office	<p>The Home Office is the UK government department with responsibility for immigration, asylum, nationality and citizenship matters.</p>

ILPA	Immigration Law Practitioners' Association ILPA is a professional membership body open to OISC advisers and others.
ImSeT	Immigration Services Tribunal See First-tier Tribunal (Immigration Services)
PBS	Points Based System PBS is an immigration system designed to ensure that only those with 'sufficient points' can enter the UK to work or study.
Registered organisations	OISC regulated organisations classified as 'Registered' are mainly those 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. This category would include, for example, a private college that 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 contained in this group. Some Registered organisations may hold Legal Services Commission contracts enabling them to provide free advice to some clients while charging others.
UKBA	The UK Border Agency The UKBA is the Home Office agency that deals with immigration, asylum, nationality and citizenship issues.
Upper Tribunal	The Upper Tribunal (Immigration and Asylum Chamber) is a superior court of record dealing with appeals against decisions made by the First-tier Tribunal (Immigration and Asylum Chamber).

Statement of Accounts 2009/10

Foreword

This Statement of Accounts reports the results of the Office of the Immigration Services Commissioner (OISC) for the year 1 April 2009 to 31 March 2010. It has been prepared in accordance with the Accounts Direction given by the Secretary of State for the Home Department with the consent of HM 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 corporation sole by authority of the Act.

The Act established the OISC as an independent body with a remit 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. The OISC was 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 Department 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 2QN.

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;

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- 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 or 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;
 - determine complaints under the complaints scheme and give a decision in writing; and
 - investigate all allegations of criminal behaviour involving the unlawful provision of immigration advice or services, or the advertising of such, and where necessary prosecute offenders through the criminal courts.

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 or services.

3. Commissioner and Deputy Commissioner

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. She resigned as Deputy Commissioner on 14 March 2010.

During the year 2009/10 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, during the year Ms McCarthy held the following public appointments:

- Non-Executive Director – Public Guardian Board
- Member, The Pensions Regulator's Determinations Panel

The Commissioner reduced her working hours with effect from 21 November 2008. Information on salary and pension entitlements for the Commissioner and Deputy Commissioner is contained in the Remuneration Report.

4. Corporate governance

This Statement of Accounts includes on pages 51 to 54 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 2009/10, £5,940 (2008/09: £6,279) 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 2009/10 was £26,500 (2008/09: £22,000). There were no fees paid in respect of non-audit work during 2009/10 (2008/09: £Nil).

An Audit Committee was set up in November 2001 and was chaired by the then Commissioner until the appointment of Tim Cole, a non-executive member, as Chairman in March 2003. The Audit Committee adopted revised terms of reference in December 2005. The current members of the Audit Committee and their terms of appointment are:

- Tim Cole (Chairman) – appointed until 31 December 2010
- Terry Price – appointed until 30 June 2011
- John King – appointed until 31 October 2010

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

The SMT, chaired by the Commissioner, also meets monthly to review and advise upon the OISC's policies and management and to monitor major strategy, budgetary and operational issues and activities. The corporate risk register, which was last substantially revised during 2006/07, is owned by this group and reviewed quarterly.

5. Results for the period

The accounts for the year 1 April 2009 to 31 March 2010 are set out on pages 57 to 60. The notes on pages 61 to 73 form part of the accounts.

In accordance with Schedule 5 paragraph 20 of the Act, the OISC's financial statements cover the period 1 April 2009 to 31 March 2010, 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 HM Treasury.

Grant in Aid from the Home Office funds the activities of the OISC. In 2009/10 the resource allocated to the OISC by the Home Office was £4,436,900 (2008/09: £4,270,000). This resource has been used efficiently to meet the year's business plan targets. Any additional expenditure that has been met out of cash brought forward from previous accounting periods has had the approval of the Sponsor Unit.

The total operating costs during the year were £4,194,437, of which £2,693,405 were employment costs.

6. Research and development

The OISC incurred development costs of £Nil (2008/09: £151,927) on the CPD platform during the year ended 31 March 2010 and £237,924 (2008/09: £Nil) on developing a new database.

7. Charitable donations

No charitable donations were made in the year ended 31 March 2010.

8. Changes in non-current assets

The OISC purchased additional IT equipment worth £86,540 and spent £237,924 on the new database during the year.

9. Post reporting period events

There were no post reporting period events.

10. Compliance with public sector payment policy

The OISC policy, in line with Government policy introduced in October 2009, is to pay all invoices within 10 days of receipt, unless a longer payment period has been agreed or the amount billed is in dispute. Prior to that date, the policy had been to pay all undisputed invoices within 30 days of receipt. In the year ended 31 March 2010, 100% (2008/09: 100%) of invoices, totalling £1,511,317 (2008/09: £1,367,653), were paid within 30 days of receipt. Of these, 79.75% (2008/09: 62.40%) were paid within 10 days of receipt.

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 minimise 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 maximising its intranet and website for the dissemination of information. The OISC also sorts its waste paper and other waste 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.

The OISC recognised the Public and Commercial Services Union in June 2003. The OISC also consults with staff who are not in the Union.

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 seeks to enable members of staff who may have become disabled to continue their employment. The OISC published its Disability Equality Scheme on 1 December 2008.

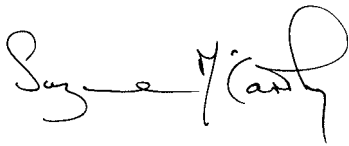
16. Future developments

The OISC will continue to concentrate on delivery of its principal activities in order to ensure that those who provide immigration advice or 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 regards 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.

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

29 June 2010

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* (FReM) 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 FReM 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 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 HM Treasury and published in *Managing Public Money*.

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 Office assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

The OISC is a non-departmental public body of the Home Office. I am accountable to the Secretary of State and through her to Parliament.

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 2010 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

Data handling

There have been no losses of information during the year, including any losses of personal protected data which would be required to be reported to the Information Commissioner's Office. The OISC is continuing to develop policies and procedures for information management that are broadly in accord with the Home Office's Information Risk Management Policy, but are adapted, as appropriate, to an organisation the size of the OISC.

Capacity to handle risk

Under the OISC's risk management arrangements, senior members of staff are responsible for the management of key risks that could affect the achievement of the OISC's aims and objectives, in particular the achievement of corporate/business plan targets. These arrangements are described in our annual corporate governance document. The OISC provides guidance to managers and staff on managing risk, including new risks.

The risk and control framework

As a corporation sole and 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 that includes non-executive members, the OISC's SMT 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 SMT reviews the OISC's business activities and risks on a regular basis.

The OISC's register of risk covers:

- accommodation and workplace;
- finance;
- government relationships;
- operational systems;
- performance and working practices;
- regulatory system;
- reputation; and
- staffing.

Both the OISC's Audit Committee and the SMT regularly reviewed the key corporate risks during 2009/10. The OISC has been mindful of the need adequately to protect the data it holds.

The relevant OISC procedures and practices were reviewed during the year to ensure that they provided the correct level of protection and security. All staff were made aware of their responsibilities relating to these processes and practices.

During the year weaknesses in the calculation of final salary payments for leavers were identified. Measures have been put in place to avoid any miscalculations in the future. Any underpayments identified in the year were paid before the year end and arrangements are in place to recover the one overpayment. None of the underpayments or the overpayment was material.

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. The Audit Committee has advised me on the implications of the result of my review of the effectiveness of the system of internal control.

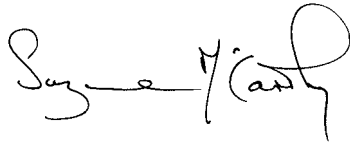
The effectiveness of the system of internal control was maintained and reviewed through:

- the Commissioner's SMT, which met under my chairmanship on a monthly basis to consider both strategic and operational issues. That team consists of the Deputy Commissioner, the Director of Operations, the Interim Head of the Casework and Complaints Teams and the heads of various corporate support services;
- the OISC's Audit Committee. During 2009/10 the Audit Committee's membership consisted of three non-executive members, one of whom was the Committee's chairman. I also attended the Audit Committee meetings together with the Deputy Commissioner, the Head of Finance and representatives from the National Audit Office and the Home Office Audit and Assurance Unit (AAU);
- risk management arrangements, as described above, under which key risks that could affect the OISC achieving its objectives have been managed actively, with progress being reported to both the SMT and the OISC's Audit Committee; and
- regular reports by the Home Office AAU complying with the Government's 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. It complies with the Government's 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 2009/10 report, the AAU stated that the OISC's system of internal control is sound and 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 2009/10, I am able to report that there were no material weaknesses in the OISC's system of internal controls that affected the achievement of aims and objectives.



Suzanne McCarthy
Immigration Services Commissioner and Accounting Officer

29 June 2010

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 (OISC) for the year ended 31 March 2010 under the Immigration and Asylum Act 1999. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the OISC's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the OISC; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In my opinion, 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the OISC's affairs as at 31 March 2010 and of its net expenditure, changes in reserves and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Immigration and Asylum Act 1999 and the Secretary of State's directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State's directions issued under the Immigration and Asylum Act 1999; and
- the information given in the Management Commentary, Key Performance Indicators and Governance for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

1 July 2010

Net Expenditure Account

For the year ended 31 March 2010

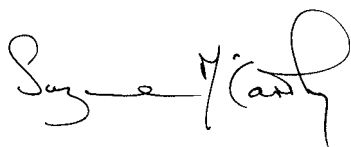
	Note	2009/10		2008/09	
		£'000	£'000	£'000	£'000
<i>Expenditure</i>					
Staff costs	5		(2,693)		(2,869)
Depreciation, amortisation and revaluation			(136)		(124)
Other expenditure			(1,365)		(1,264)
			(4,194)		(4,257)
<i>Other income</i>					
Fee income	4	908		855	
Other income	4	7		25	
Interest receivable		2		6	
Less: Corporation tax		(5)		-	
		912		886	
Appropriation due to the Home Office	4	(925)	(13)	(885)	1
Net expenditure after cost of capital			(4,207)		(4,256)
Cost of capital	6		30		25
Net expenditure			(4,177)		(4,231)

The notes on pages 61 to 73 form part of these accounts.

Statement of Financial Position

as at 31 March 2010

	Note	31 March 2010		31 March 2009		1 April 2008	
		£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Property, plant and equipment	7		347		329		351
Intangible assets	8		460		290		220
Total non-current assets			807		619		571
Current assets							
Trade and other receivables	9	308		486		476	
Cash and cash equivalents	12	186		157		99	
Total current assets			494		643		575
Total assets			1,301		1,262		1,146
Current liabilities							
Amounts due within one year	10	(253)		(327)		(293)	
Provisions for liabilities and charges	11	(54)		(82)		-	
Total current liabilities			(307)		(409)		(293)
Total assets less current liabilities			994		853		853
Non-current liabilities							
Amounts due after more than one year	10		(97)		(135)		(174)
Assets less liabilities			897		718		679
Taxpayers' equity							
Income and Expenditure Reserve			587		712		674
Deferred Capital Reserve			295		-		-
Revaluation Reserve			15		6		5
Total taxpayers' equity			897		718		679



Suzanne McCarthy
Immigration Services Commissioner and Accounting Officer

29 June 2010

The notes on pages 61 to 73 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2010

	2009/10	2008/09
	£'000	£'000
Cash flows from operating activities		
Net deficit after cost of capital and interest	(4,207)	(4,256)
Adjustments for:		
Non cash costs		
Cost of capital charge	30	25
Depreciation and amortisation	145	124
Revaluation	(9)	(1)
Interest received	(2)	(6)
Increase/(decrease) in trade and other receivables	179	(10)
Decrease in trade payables	(113)	(5)
Decrease in provisions	(28)	82
<i>Net cash outflow from operating activities</i>	<u>(4,005)</u>	<u>(4,047)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(86)	(19)
Purchase of intangible assets	(238)	(152)
Interest received	2	6
<i>Net cash outflow from investing activities</i>	<u>(322)</u>	<u>(165)</u>
Cash flows from financing activities		
Government grant	295	-
Grant in Aid capital	15	30
Grant in Aid revenue	4,046	4,240
<i>Net cash flow from financing activities</i>	<u>4,356</u>	<u>4,270</u>
Net increase in cash and cash equivalents in the period	29	58
Cash and cash equivalents at the beginning of the period	157	99
Cash and cash equivalents at the end of the period	<u>186</u>	<u>157</u>

The notes on pages 61 to 73 form part of these accounts.

Statement of Changes in Reserves

for the year ended 31 March 2010

	General Reserve	Deferred Grant Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2008	674		5	679
Changes in taxpayers' equity for 2008/09				
Net gain on revaluation of property, plant and equipment	(1)		1	-
Non cash charges – cost of capital	24		-	24
Retained deficit	(4,207)		-	(4,207)
Changes in accounting policy on adoption of IFRS	(48)		-	(48)
Total recognised income and expense for 2008/09	(4,232)	-	1	(4,231)
Grant in Aid from UK Border Agency	4,270	-	-	4,270
Balance at 31 March 2009	712	-	6	718
Changes in taxpayers' equity for 2009/10				
Net loss on revaluation of property, plant and equipment	(9)		9	-
Non cash charges – cost of capital	30		-	30
Retained deficit	(4,207)		-	(4,207)
Total recognised income and expense for 2009/10	(4,186)	-	9	(4,177)
Government grant	-	295		295
Grant in Aid from UK Border Agency	4,061	-	-	4,061
Balance at 31 March 2010	587	295	15	897

The notes on pages 61 to 73 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

Basis of accounts

These financial statements have been prepared in accordance with the 2009/10 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the OISC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the OISC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Accounting conventions

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

Grant in Aid

Grant in Aid and grant received used to finance activities and expenditure which supports the statutory and other objectives of the OISC are treated as financing credited to the General Reserve because they are regarded as contributions from a controlling party.

Grant relating to capital expenditure used to acquire specific capital items is credited to a government grant reserve. It is released to expenditure over the expected useful life of the asset it has been used to acquire and an equal amount transferred from the government grant reserve is released to income.

Non-current assets

Assets are capitalised as non-current 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. Non-current 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.

Depreciation

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

Office refurbishments	on a straight-line basis over the remaining term of the lease
Computer equipment	on a 25% reducing balance basis
Furniture and office equipment	on a 10% reducing balance basis
Database software	on a straight-line basis over 10 years
CPD platform	on a 20% reducing balance basis
CPD licences	on a straight-line basis over the life of the licence

Software and systems development expenditure on IT systems, other than the database software or the CPD platform and related software licences, is written off in the accounting period in which it is incurred. During the period to 31 March 2010 this amounted to £43,859 (2008/09: £13,478).

Fee income

Fees that accompany applications to the Commissioner for registration or continued registration are recognised in the Net Expenditure Account as and when they are received. All fees are held by the Commissioner in a separate bank account from that used for the running expenses of her office and are remitted in full to the Home Office on a quarterly basis.

Under paragraph 5(2) of Schedule 6 of the Immigration and Asylum Act 1999 the Commissioner cannot entertain an application for either registration or continued registration unless the application is accompanied by the specified fee.

Except where a fee was received in error or a mistake was made in accepting that fee by the OISC, fees are non-refundable either in full or in part.

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. 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 after the end of the financial year in which the work was

undertaken. Hence fee income from the Designated Professional Bodies is receivable in the accounting year after the work has taken place.

Capital charge

A charge reflecting the cost of capital utilised by the OISC is included in the Net Expenditure Account. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for:

- (a) property, plant and equipment and intangible assets where the cost of capital charge is based on opening values, adjusted pro rata in year for:
 - additions at cost
 - disposals as valued in the opening Statement of Financial Position (plus any subsequent capital expenditure prior to disposal)
 - impairments at the amount of the reduction of the opening Statement of Financial Position value (plus any subsequent capital expenditure)
 - depreciation of property, plant and equipment and amortisation of intangible assets; and
- (b) donated assets and cash balances with the Office of the Paymaster General, where the charge is nil.

Operating leases

The OISC has an operating lease in respect of the premises it occupies in Tooley Street, London. The OISC's commitments are disclosed in Note 14. 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 Principal Civil Service Pension Scheme (PCSPS), 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 PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. The rate of the employer's contribution is determined from

time to time by the Government Actuary and advised by HM Treasury. Contributions are charged to the Net Expenditure Account.

Value Added Tax

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

2 Operating segments

The statutory duty of the OISC, as enacted in the Immigration and Asylum Act 1999, is 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.

All the financial resources of the OISC are used towards the furtherance of this statutory duty. The OISC does not, therefore, have separate reporting or operating segments as envisaged by IFRS 8.

3 First-time adoption of IFRS

	General fund	Revaluation reserve	Total
	£'000	£'000	£'000
Taxpayers' equity at 31 March 2009 under UK GAAP	760	6	766
Adjustments for:			
Holiday pay accrual	(48)	-	(48)
Taxpayers' equity at 1 April 2009 under IFRS	<u>712</u>	<u>6</u>	<u>718</u>
Net expenditure for 2008/09 under UK GAAP			4,183
Adjustments for:			
Holiday pay accrual			48
Net expenditure for 2008/09 under IFRS			<u>4,231</u>

4 Income

Fee income

	2009/10	2008/09
	£'000	£'000
Designated Professional Bodies	125	138
Adviser fees	783	717
	908	855

Each year the OISC calculates the cost of supervising the Designated Professional Bodies (DPBs). The costs of this supervision, based on staff salaries and related overheads, are charged to the DPBs on a full cost basis with no built-in profit element. All other costs incurred by the OISC are expended on fulfilling its statutory duties under the Immigration and Asylum Act 1999.

Fees and charges

Costs relating to fee income are as follows:

	2009/10			2008/09		
	Costs	Income	Surplus/ (Deficit)	Costs	Income	Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Designated Professional Bodies	125	125	-	138	138	-
Adviser fees	3,998	783	(3,215)	4,093	717	(3,376)
	4,123	908	(3,215)	4,231	855	(3,376)

Other income

	2009/10	2008/09
	£'000	£'000
Court costs	7	24
Other income	-	1
	7	25

The monies received from fees and other income are passed on to the Home Office on a quarterly basis. This is shown in the Net Expenditure Account as Appropriation due to the Home Office.

5 Staff numbers and related costs

Staff costs comprise:

	Total	Permanently employed staff	Others	2008/09
	£'000	£'000	£'000	£'000
Wages and salaries	2,147	2,142	5	2,307
Social security costs	170	170	-	181
Other pension costs	399	399	-	439
	<u>2,716</u>	<u>2,711</u>	<u>5</u>	<u>2,927</u>
Less recoveries in respect of outward secondments	(23)	(23)	-	(58)
	<u>2,693</u>	<u>2,688</u>	<u>5</u>	<u>2,869</u>

Average number of persons employed

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

	Total	Permanent staff	Others	2008/09
Directly employed	64	62	2	62

The Commissioner and Deputy Commissioner are Ministerial appointments.

The audited accounts for 2009/10 reported £2,693,405 for total employment costs. This is after capitalising £11,427 of the costs on the development of the new database.

Pensions contributions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the OISC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details of the resource accounts of the Cabinet Office: Civil Superannuation can be found at www.civilservice-pensions.gov.uk.

For 2009/10, employer contributions of £391,632 were payable to the PCSPS (2008/09: £423,786) at one of four rates in the range 17.1% to 25.5% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. From 2009/10, the salary bands were revised but the rates remained the same. The contribution

rates are set to meet the costs of benefits accruing during 2009/10 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £8,380 (2008/09: £8,794) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

There were no contributions due to the partnership pension providers at the reporting date nor were there any contributions prepaid at that date.

Audit Committee

The three non-executive members of the Audit Committee are paid £350 per day plus travel costs for attendance at Audit Committee meetings. None has received more than £1,500 during the year.

6 Other expenditure

	2009/10	2008/09
	£'000	£'000
Running costs:		
Accommodation	274	307
Information technology	182	114
Legal costs	108	110
Advertising and publicity	112	89
Office supplies and services	76	77
Website	12	44
Training	55	44
External audit fee	27	22
Other running costs	158	126
Rentals under operating leases	277	306
Interest charges	0	0
Non cash items:		
Cost of capital charges	30	25
Provision for reinstatement costs	54	0
	<u>1,365</u>	<u>1,264</u>

7 Property, plant and equipment

	Office refurbishments	Furniture and office equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost at 1 April 2009	360	266	211	837
Additions	-	-	86	86
Disposals	35	-	(44)	(9)
Revaluation	-	3	30	33
Cost at 31 March 2010	<u>395</u>	<u>269</u>	<u>283</u>	<u>947</u>
Depreciation at 1 April 2009	(189)	(164)	(155)	(508)
Charged during the year	(40)	(10)	(35)	(85)
Disposals	(19)	-	36	17
Revaluation	-	(2)	(22)	(24)
Depreciation at 31 March 2010	<u>(248)</u>	<u>(176)</u>	<u>(176)</u>	<u>(600)</u>
Net book value at 31 March 2010	<u>147</u>	<u>93</u>	<u>107</u>	<u>347</u>
Net book value at 31 March 2009	<u>171</u>	<u>102</u>	<u>56</u>	<u>329</u>

Cost at 1 April 2008	360	260	197	817
Additions	-	-	19	19
Revaluation	-	6	(5)	1
Cost at 31 March 2009	<u>360</u>	<u>266</u>	<u>211</u>	<u>837</u>
Depreciation at 1 April 2008	(153)	(159)	(154)	(466)
Charged during the year	(36)	(24)	(35)	(95)
Change in depreciation method	-	22	30	52
Revaluation	-	(3)	4	1
Depreciation at 31 March 2009	<u>(189)</u>	<u>(164)</u>	<u>(155)</u>	<u>(508)</u>
Net book value at 31 March 2009	<u>171</u>	<u>102</u>	<u>56</u>	<u>329</u>
Net book value at 31 March 2008	<u>207</u>	<u>101</u>	<u>43</u>	<u>351</u>

8 Intangible assets

	Database software	CPD platform	CPD licences	Total
	£'000	£'000	£'000	£'000
Cost at 1 April 2009	328	347	12	687
Additions	238	-	-	238
Disposals	(328)	-	-	(328)
Cost at 31 March 2010	<u>238</u>	<u>347</u>	<u>12</u>	<u>597</u>
Amortisation at 1 April 2009	(322)	(69)	(6)	(397)
Charged during the year	-	(56)	(6)	(62)
On disposals	322	-	-	322
Amortisation at 31 March 2010	<u>-</u>	<u>(125)</u>	<u>(12)</u>	<u>(137)</u>
Net book value at 31 March 2010	<u>238</u>	<u>222</u>	<u>-</u>	<u>460</u>
Net book value at 31 March 2009	<u>6</u>	<u>278</u>	<u>6</u>	<u>290</u>

Cost at 1 April 2008	328	195	12	535
Additions	-	152	-	152
Cost at 31 March 2009	<u>328</u>	<u>347</u>	<u>12</u>	<u>687</u>
Amortisation at 1 April 2008	(315)	-	-	(315)
Charged during the year	(7)	(69)	(6)	(82)
Amortisation at 31 March 2009	<u>(322)</u>	<u>(69)</u>	<u>(6)</u>	<u>(397)</u>
Net book value at 31 March 2009	<u>6</u>	<u>278</u>	<u>6</u>	<u>290</u>
Net book value at 31 March 2008	<u>13</u>	<u>195</u>	<u>12</u>	<u>220</u>

9 Trade receivables and other current assets

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Amounts falling due within one year			
Trade receivables	161	188	190
Other receivables:			
Season ticket loans to staff	22	23	22
Prepayments and accrued income	162	308	264
Provision for bad and doubtful debts	(37)	(33)	-
Total	308	486	476

10 Trade payables and other current liabilities

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Amounts falling due within one year			
Trade payables	52	151	133
Accruals and deferred income	107	81	49
Taxation and social security	55	56	63
Home Office	-	-	9
Accommodation rent free period ¹	39	39	39
Total	253	327	293

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Intra-government balances			
Balances with Central Government bodies	59	56	72
Balances with Local Authorities	-	101	95
Balances with bodies external to Government	194	170	126
Total	253	327	293

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Amounts falling due after more than one year			
Accommodation rent free period	97	135	174
Total	97	135	174

1 Accrued rent: During 2003-05, the OISC negotiated a 10-year 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 Net Expenditure Account.

11 Provisions for liabilities and charges

	Increased rent	Reinstatement costs	Total provisions
	£'000	£'000	£'000
Balance at 1 April 2008	-	-	-
Provided in the year	82	-	82
Balance at 1 April 2009	82	-	82
Provided in the year		54	54
Provision not required written back	(82)	-	(82)
Balance at 31 March 2010	-	54	54

On 28 September 2008 the OISC's landlord exercised its right to increase the rent payable on the fifth anniversary of the lease. The landlord proposed increasing the annual rent from £257,660 to £421,000. The annual rent has been agreed at £346,000.

The OISC lease states that at the end of the lease term (28 September 2013) the landlord may require the tenant, i.e. the OISC, to reinstate the property to the condition as it was when the tenant first took on the lease. The cost of reinstatement has been estimated at £244,363 and each year until 2013 an amount will be charged in the Net Expenditure Account to provide against this estimated cost.

12 Analysis of changes in cash and cash equivalents

	£'000
Balance at 1 April 2008	99
Net change in cash and cash equivalent balances	58
Balance at 31 March 2009	157
Net change in cash and cash equivalent balances	29
Balance at 31 March 2010	186

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.

The OISC holds no cash balances with the Office of the Paymaster General. All amounts are held in commercial bank accounts.

13 Capital commitments

At 31 March 2010 there were no capital commitments (31 March 2009: Nil).

14 Commitments under operating leases

	31 March 2010		31 March 2009		1 April 2008	
	Land and building £'000	Equipment £'000	Land and building £'000	Equipment £'000	Land and building £'000	Equipment £'000
<i>Operating leases that expire:</i>						
Not later than 1 year	-	-	-	-	-	-
Later than 1 year and not later than 5 years	347	7	263	7	-	6
Later than 5 years	-	-	-	-	263	-

15 Contingent liabilities

There were no contingent liabilities at 31 March 2010 (31 March 2009: Nil).

16 Post reporting period events

There are no post reporting period events to report. The Annual Report and Accounts were authorised for issue on the day the Comptroller and Auditor General signed the Audit Certificate.

17 Related party transactions

The UK Border Agency, as sponsor department for the OISC, is a related party to the OISC. During the year ended 31 March 2010, the UK Border Agency provided the OISC with Grant in Aid. A small number of transactions were made with other government departments and other central government bodies.

During the year ended 31 March 2010 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.

18 Losses and special payments

A member of staff was overpaid during the year. Arrangements are in place to fully recover the overpayment.

19 Results for the period

The financial resource allocated to the OISC has been used to meet the year's business plan targets. Any additional expenditure that has been met out of cash brought forward from previous accounting periods has had the approval of the Sponsor Unit.

20 Financial instruments

As the cash requirements of the OISC are met through Grant in Aid provided by the UK Border Agency, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the OISC's expected purchase and usage requirements and the OISC is therefore exposed to little credit, liquidity or market risk.

The Commissioner's Report on regulation by Designated Professional Bodies of their members

Introduction

This Report, which is made in accordance with Part V of the Immigration and Asylum Act 1999, gives my opinion on the extent to which the Designated Professional Bodies (DPBs) listed below have provided effective regulation of their members in the provision of immigration advice and/or services. The Report comments on how those bodies dealt both with complaints referred to them by the OISC and with complaints directly received by them.

The DPBs are the:

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

In line with the reforms set out in the Legal Services Act 2007, the English and Welsh DPBs (the Law Society of England and Wales, the General Council of the Bar of England and Wales and the Institute of Legal Executives) have separated their regulatory and representative functions. Accordingly, most of my Office's interactions have been with their respective regulatory and complaints-handling bodies – the Legal Complaints Service, the Solicitors Regulation Authority, the Bar Standards Board and ILEX Professional Standards Limited.

I understand that work towards the transfer of oversight responsibilities will be done during 2010/11 and I expect to be closely involved in those discussions.

The Law Society of England and Wales (including the Solicitors Regulation Authority (SRA) and the Legal Complaints Service (LCS))

Matters for discussion brought forward from the 2008/09 Report

In my 2008/09 Report I indicated that I intended to discuss and/or agree the following with the LCS and the SRA:

- ongoing changes to the regulation of solicitors in line with the implementation of the Legal Services Act 2007; and
- arrangements for the transfer of oversight responsibilities to the Legal Services Board.

Changes in the regulation of solicitors in accordance with the Legal Services Act 2007

During 2009/10 the SRA issued several consultation papers on issues relating to changes in their approach to regulation driven by the implementation of the Legal Services Act 2007. These included their approach to regulating Alternative Business Structures (ABSs), their 'Agenda for Quality' and their complaints-handling policy.

The OISC has responded to these consultations, and also participated in the SRA's Financial Assurance Project, which considered the future of regulation of the financial affairs of solicitors.

I noted that the SRA introduced firm-based regulation in February 2010 in preparation for the introduction of ABSs in 2011. Legal Disciplinary Partnerships (LDPs) have been a reality since March 2009. I have been informed that by 1 March 2010, 24 firms that carry out immigration work had become LDPs.

Oversight

During 2009/10 the OISC audited LCS and SRA case files on a quarterly basis.

A key issue of concern was the length of time taken by the SRA in allocating cases, a matter that I also highlighted in my 2008/09 Report. Despite receiving assurances from the SRA early in this financial year that action had been taken to resolve the problem, the figures for the first quarter of 2009/10 showed that 78% of cases were missing their allocation target by taking five or more weeks to be allocated.

The OISC raised this matter again with the SRA in August 2009. In response they explained that the combination of the volume of complaints received and staff shortages had led to a backlog at the SRA's Risk Assessment Designation Centre, which in turn had impacted on the allocation of all complaints and the time taken to put complaints to firms. I was reassured that various measures were being introduced to resolve the problem.

I was therefore disappointed that, at the end of the third quarter, 81% of cases were reported as missing the allocation target. Again, I raised concerns about this matter with the SRA, to which it replied by advising me that progress was being made in clearing their allocations backlog and that cases would be allocated more quickly in future. The OISC will continue to monitor this issue during 2010/11.

Matters for discussion for 2010/11

I intend to discuss the following issues with the LCS and/or SRA during 2010/11:

- the length of time taken to allocate complaints;
- ongoing changes to the regulation of solicitors in line with the implementation of the Legal Services Act 2007; and
- arrangements for the transfer of oversight responsibilities to the Legal Services Board.

I note that 2010/11 is the LCS's final year of operation. I would like to take this opportunity to commend that organisation on its performance and to thank its staff for their co-operation with the OISC.

Statistics

Table 1a: Immigration complaints received by the LCS, 2009/10

From the OISC	From other sources	Total
60	492	552

Table 1b: Immigration complaints received by the SRA, 2009/10

From the OISC	From other sources	Total
3	112	115

Table 2a: Immigration complaints closed by the LCS, 2009/10

From the OISC	From other sources	Total
40	502	542

Table 2b: Outcomes of closed LCS immigration complaints, 2009/10

Upheld	Conciliated	Not upheld	Withdrawn	No response	Other	Total
59	161	123	38	50	111	542

Table 2c: Age profile of closed LCS immigration complaints, 2009/10

0-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
316	150	42	22	12	542

Table 3a: Immigration complaints closed by the SRA, 2009/10

From the OISC	From other sources	Total
3	168	171

Table 3b: Outcomes of closed SRA immigration complaints, 2009/10

Upheld	Conciliated	Not upheld	Withdrawn	No response	Other	Total
31	0	100	0	0	40	171

Table 3c: Age profile of closed SRA immigration complaints, 2009/10

0-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
66	62	16	15	12	171

The Bar Standards Board (BSB)

Matters for discussion brought forward from the 2008/09 Report

I intended to discuss the following with the BSB during 2009/10:

- the BSB's ongoing reforms in line with the implementation of the Legal Services Act 2007;
- the specific impact of those reforms for complaints handling; and
- arrangements for the transfer of oversight responsibilities to the Legal Services Board.

The BSB's ongoing reforms

I welcome the BSB's decision to amend their Code of Conduct to allow barristers to practise as managers of LDPs and to form barrister-only partnerships, subject to the creation of an appropriate regulator for such entities. I am also pleased that the BSB will be consulting on becoming a regulator of ABSs and allowing barristers to work in them.

During 2009/10, the OISC responded to a number of BSB consultation papers. In connection with the review of the Bar Code of Conduct I also commented on the current regulatory arrangements for non-practising barristers. In doing so I expressed my concerns about OISC regulated, non-practising barristers holding themselves out as practising barristers or describing their businesses in ways that could mislead the public into believing that they were practising barristers. I also highlighted issues around unregulated, non-practising barristers avoiding regulation by exploiting ambiguities in the Bar Code of Conduct.

Impact on complaints handling

The Strategic Review of the Bar's Complaints and Disciplinary Process in July 2007 by the then Complaints Commissioner, Robert Behrens, made a number of recommendations for improvement. The BSB has informed me that the bulk of these changes including the introduction of determination by consent, the referral of complaints to chambers and the simplification of the disciplinary process have been implemented.

As the BSB has only received a small number of immigration complaints during 2009/10, it is not yet possible to assess the impact that these changes have had on such complaints. However, I anticipate that these changes are having a positive effect.

Matters for discussion for 2010/11

I intend to discuss the following issues with the BSB during 2010/11:

- the BSB's ongoing reforms in line with the implementation of the Legal Services Act 2007;
- the specific impact of those reforms for complaints handling; and
- arrangements for the transfer of oversight responsibilities to the Legal Services Board.

Statistics

Table 4: Immigration complaints received by the BSB, 2009/10

From the OISC	From other sources	Total
9*	6	15

Table 5a: Immigration complaints closed by the BSB, 2009/10

From the OISC	From other sources	Total
11	5	16

Table 5b: Outcomes of closed BSB immigration complaints, 2009/10

Upheld	Conciliated	Not upheld	Withdrawn	No response	Other	Total
8	0	7	0	0	1	16

Table 5c: Age profile of closed BSB immigration complaints, 2009/10

0-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
2	1	2	1	10**	16

* One OISC referral related to five barristers from the same chambers and was therefore treated by the BSB as five separate complaints.

** Seven of the 10 cases that took over 12 months involved allegations of professional misconduct and the consideration of some form of disciplinary action against the subject barrister.

The Institute of Legal Executives (ILEX)

Matters for discussion brought forward from the 2008/09 Report

I identified the following items for discussion with ILEX during 2009/10:

- progress in applying section 90 powers by ILEX's disciplinary tribunal;
- progress in developing an accreditation scheme for immigration work; and
- arrangements for the transfer of oversight responsibilities to the Legal Services Board.

Section 90 of the Immigration and Asylum Act 1999

I understand that it is expected that the Order activating section 90 will be laid before the new Parliament. The Order will allow ILEX's Disciplinary Tribunal to take direct action against non-lawyers who are supervised by ILEX members.

The development of an accreditation scheme for immigration work

I am disappointed that ILEX decided to defer the development of its proposed accreditation scheme for immigration work planned for 2009/10 because of other priorities. I hope that ILEX will commence work on the development of this scheme in the near future.

Matters for discussion for 2010/11

I intend to discuss the following issues with ILEX during 2010/11:

- progress in applying section 90 powers by ILEX's Disciplinary Tribunal; and
- arrangements for the transfer of oversight responsibilities to the Legal Services Board.

Statistics

Table 6: Immigration complaints received by ILEX, 2009/10

From the OISC	From other sources	Total
3	3	6

Table 7a: Immigration complaints closed by ILEX, 2009/10

From the OISC	From other sources	Total
1	7	8

Table 7b: Outcomes of closed ILEX immigration complaints, 2009/10

Upheld	Conciliated	Not upheld	Withdrawn	No response	Other	Total
1	0	0	0	0	7*	8

Table 7c: Age profile of closed ILEX immigration complaints, 2009/10

0–3 months	4–6 months	7–9 months	10–12 months	>12 months	Total
3	0	3	0	2	8

* These cases were closed because the ILEX member complained about was excluded from membership and therefore the complaints could not be investigated further.

The Law Society of Scotland (LSS)

Matters for discussion brought forward from the 2008/09 Report

I intended to discuss the following issues with the LSS during the past year:

- progress on the proposed new processes for conduct complaints; and
- the impact of further legal services reform.

Progress on the proposed new processes for conduct complaints

Since October 2008 complaints about the service provided by Scottish solicitors have been the responsibility of the Scottish Legal Complaints Commission (SLCC). I have no oversight powers in relation to these complaints. However, the LSS still receives complaints about conduct and service provided prior to that date, which my Office continues to oversee.

In October 2010 the LSS will cease dealing with service complaints and begin investigating only conduct complaints in accordance with the new procedures mentioned in my 2008/09 Report. I understand that such complaints will be investigated by LSS caseworkers and not, as previously, by external reporters. Further, the LSS will now accept complaints made by third parties.

During 2009/10, the OISC audited quarterly immigration complaints received directly by the LSS. In so doing, a number of serious issues were identified, including:

- indications of what appeared to be an inadequate knowledge and understanding of immigration law and practice on the part of LSS caseworkers, reporters and committee members;
- undue weight apparently being given to the evidence of the subject solicitor; and
- evidence supporting the complainant's allegations seemingly being overlooked or not properly considered.

In February 2010 members of the OISC's DPB team and I met with Mary McGowan, LSS Head of Regulation Liaison, to discuss these matters. She advised that LSS caseworkers were to receive further training on immigration law and procedures. This should in turn help them to provide better guidance to reporters and committee members. In addition, the LSS was seeking to make arrangements to obtain advice, as necessary, from immigration experts.

My staff will continue to monitor these issues during 2010/11.

The impact of further legal services reform

I am aware that the draft Legal Services (Scotland) Bill has been published. If implemented, this legislation will open up the legal services market in Scotland. It allows the introduction of Alternative Business Structures (ABSs), in the same way as the Legal Services Act 2007 allowed for their introduction in England and Wales.

Matters for discussion for 2010/11

I intend to discuss the following issues with the LSS in 2010/11:

- progress on introducing the proposed new processes in respect of conduct complaints; and
- the impact of legal services reform.

Statistics

Table 8: Immigration complaints received by the LSS, 2009/10

From the OISC	From other sources	Total
1	10	11

Table 9a: Immigration complaints closed by the LSS, 2009/10

From the OISC	From other sources	Total
4	12	16

Table 9b: Outcomes of closed LSS immigration complaints, 2009/10

Upheld	Conciliated	Not upheld	Withdrawn	No response	Other	Total
2	2	5	2	5*	0	16

Table 9c: Age profile of closed LSS immigration complaints, 2009/10

0–3 months	4–6 months	7–9 months	10–12 months	>12 months	Total
5	4	4	1	2	16

* One of these cases was subsequently reopened as a new reference when the client contacted the LSS.

The Faculty of Advocates

No complaints were received or are outstanding about immigration advice or services provided by members of the Faculty of Advocates.

The Law Society of Northern Ireland

I intended to discuss the following issue with the Law Society of Northern Ireland (LSNI) in 2009/10:

- completion of the Memorandum of Understanding between the OISC and LSNI.

I am disappointed that it was not possible to sign the OISC/LSNI Memorandum of Understanding during 2009/10. However, progress is being made.

Matters for discussion for 2010/11

I intend to agree the following in 2010/11:

- The OISC/LSNI Memorandum of Understanding.

Table 10: Immigration complaints received by the LSNI, 2009/10

From the OISC	From other sources	Total
0	1	1

Table 11a: Immigration complaints closed by the LSNI, 2009/10

From the OISC	From other sources	Total
0	1	1

Table 11b: Outcomes of closed LSNI immigration complaints, 2009/10

Upheld	Conciliated	Not upheld	Withdrawn	No response	Other	Total
0	0	1	0	0	0	1

Table 11c: Age profile of closed LSNI immigration complaints, 2009/10

0-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
0	1	0	0	0	1

The General Council of the Bar of Northern Ireland

No complaints were received or are outstanding about immigration advice or services provided by members of the General Council of the Bar of Northern Ireland.



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