



Office of the Immigration Services Commissioner

Annual Report and Accounts 2014/15

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

Office of the Immigration Services Commissioner Annual Report and Accounts

1 April 2014 to 31 March 2015

**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.

Ordered by the House of Commons to be printed 15 July 2015.



© Crown copyright 2015

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/government/publications.

Any enquiries regarding this publication should be sent to us at Office of the Immigration Services Commissioner, 21 Bloomsbury Street, London, WC1B 3HF.

Print ISBN 9781474120456

Web ISBN 9781474120463

ID 28051501 07/15

Printed on paper containing 75% recycled fibre content minimum

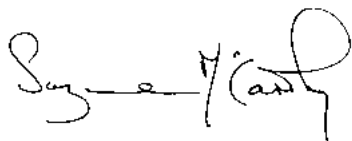
Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

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

The Rt Hon Theresa May MP

Madam,

I have great 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 2014 to 31 March 2015.

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

Suzanne McCarthy
Immigration Services Commissioner and Accounting Officer
Office of the Immigration Services Commissioner
21 Bloomsbury Street
London, WC1B 3HF

1 July 2015

Contents

Annual Report

Chapter 1: Commissioner's Statement	2
Chapter 2: The Organisation	18
Chapter 3: Statistical Report	26
Regulation of immigration advice and services by the OISC	26
Complaints	32
Investigating Illegal Activity	33
Chapter 4: Key Performance Indicators	42
Annex: Glossary	51
Statement of Accounts 2014/15	52
The Commissioner's Report on Regulation by the Designated Professional Bodies of their Members	91

Chapter 1: Commissioner's Statement

This Statement incorporates the content stipulated within a "Strategic Report" as required by the Government Financial Reporting Manual (FReM).

Introduction

As my second term of appointment as the UK's Immigration Services Commissioner comes to an end in September 2015, this is my last Commissioner's Statement. I therefore see this Statement as an opportunity to reflect on my decade in office as well as reporting on developments during 2014/15 and speculating about what the future may hold for the OISC.

The Commissioner is essentially a regulator, and all the work done by me and my Office is centred on the regulation of the immigration advice and services sector. Supporting this primary role are my complaint handling and law enforcement responsibilities and powers. This Annual Report provides full details of my Office's activities, particularly Chapters 2 and 3. Throughout my appointment the OISC's strategic focus has been on continual evolution and maintaining a holistic approach recognising the conjuncture and synergy of these three areas of our work.

I am indebted to my predecessor, John Scampion, the first Immigration Services Commissioner, who during his five-year tenure established the OISC as a fully functioning organisation. The focus of my first five-year term was to fine-tune the organisation. My second term has concentrated on: improving the efficiency and effectiveness of the OISC in the light of sustained budgetary pressure; ensuring that regulatory requirements are proportionate and reflect the professionalism of the sector combined with a drive to maintain the quality of regulated immigration advice organisations and advisers; and enhancing our enforcement activity.

The giving of good immigration advice is clearly in everyone's interest while the giving of bad or incompetent advice can damage lives and lead to abuse of the UK's immigration system. The fundamental premise underlying the creation of my role and Office remains constant – to ensure that those who provide immigration advice or services in the UK are fit and competent. The results of the OISC's activities benefit both clients who need such advice and assistance and advisers who are protected from unfair and detrimental competition from unscrupulous or incompetent persons.

Those needing immigration advice and assistance are among the most vulnerable in society. We recognise this at the OISC and have over the years taken a number of approaches to raising awareness of the OISC among those who need to know of our existence. An example of such an initiative was the advertising campaign we ran in 2010 highlighting our adviser finder facility on buses and trams operating in areas where the need for immigration advice was perceived as being high. In London those adverts appeared in Croydon, Haringey, Hounslow, Islington, Newham, Southwark and Tower Hamlets and outside of London in Folkestone, Glasgow, Leeds, Liverpool and Manchester. In 2011/12 we established better contacts with detention centres and prisons to ensure that detainees and inmates had information on how to contact an OISC regulated advice organisation or to complain about the immigration advice or services they had received. We followed this up in 2012/13 by producing for those establishments new posters with information in several languages. We continued in 2014/15 by working with the Home Office in putting processes in place to ensure that only lawful immigration advisers had access to detainees. In addition, we notify on a monthly basis those MPs whose constituencies include or are near the location of organisations we have removed from the regulatory scheme or persons who we have successfully prosecuted for giving illegal immigration advice. In addition, periodically we have contacted MPs generally about the work of the OISC and have met many face-to-face.

Governments of different political persuasions have continually confirmed their commitment to strong regulation of the UK's immigration advice and service sector. This was reiterated at my meeting last year with the, then, Minister for Security and Immigration, James Brokenshire MP. Further, during the latter part of 2014/15 the OISC became the subject of a Triennial Review. Such reviews are, first, a periodic assessment of the continued need for the function provided by a Non-Departmental Public Body (such as the OISC), to be delivered, and, second, of the way that function is currently delivered. We await publication of the Triennial Review report.

The subject of immigration into the UK has, throughout my period as Commissioner, remained a hot and sensitive political topic. As a result, there have been many changes, both political and judicial, including the introduction of the Points Based System; the creation of the United Kingdom Border Agency (UKBA) separate from the Home Office followed later by its functions being reabsorbed back into the Home Office; and the introduction of a two-tier Tribunal structure with the Immigration Services Tribunal (ImSeT) being replaced by the First-tier Tribunal (Immigration Services) and the introduction of the Upper Tribunal for appeals by advice organisations against my decisions. We have also seen changes in the immigration advice sector such as the decline in the availability of legal aid for immigration and asylum matters leading to a reduction in the number of advice organisations providing free advice and a move away from face-to-face encounters with clients to providing advice via the internet. Considering that during the last decade immigration controls have tightened and people have become increasingly more desperate to gain entry into, or remain in, the UK, this has meant that the need for good immigration advice has intensified.

It is important to recognise that the OISC is a unique, specialist regulator whose particular expertise is focused exclusively on the regulation of immigration advice and services. As such the OISC regulates more active organisations and persons operating in that sector than any other UK regulator. Further, it is one of very few regulators in the world which regulate such activity. The OISC has been the model for similar, but not identical, bodies located in Canada, New Zealand and Australia, and we have maintained good links with them.

I should also mention that the Immigration and Asylum Act 1999 requires that I report annually on the extent to which certain Designated Professional Bodies (DPBs) have provided effective regulation of their members who provide immigration advice and/or services. This year's report on the DPBs can be found immediately following the end of this Annual Report and Accounts. Following the creation of the Legal Services Board by the Legal Services Act 2007 as the oversight regulator for legal services in England and Wales I ceased to have responsibility for the legal regulators in those countries. I still have responsibility for those operating in Scotland and Northern Ireland.

The OISC strives to be a proportionate regulator providing accessible regulation that supports regulated immigration advice organisations in giving good consumer-focused service and ensures that consumers can be confident in the services they receive from such organisations. The OISC's model of regulation is founded on the principle of working with organisations and advisers in a constructive manner to help them maintain standards and, if necessary, to

improve. In line with Better Regulation Principles we have reduced the regulatory burden on the regulated by revising the documents we require new organisations and advisers to submit asking only for those that will provide us with insight into their proposed business model, skills and experience and by creating a simplified repeat authorisation procedure for organisations applying for their registration to be continued where there is no substantive change to the organisation or what they are doing. Notwithstanding the above, when we feel that an organisation or an adviser is not meeting the requirements of the regulatory scheme, we do not hesitate to act to remove them and, if they continue to give advice once removed, we will take appropriate action to stop their activities including using the OISC specialist criminal offences of giving illegal (unregulated) immigration advice or services or advertising the same.

Our Framework Documents

Fundamental to the regulatory regime are the OISC's framework documents. The key document is the *Commissioner's Code of Standards* (which will, when the new *Code* is published, include the *Commissioner's Rules*).

All such documents need to be refreshed periodically. The *Code's* first major revision was in 2007. In 2012/13 it was determined that a further major review was required. This was conducted using two consultations. The first, undertaken in 2013/14, was to establish our approach. In that consultation we asked respondents to comment on three issues: whether the *Code* should lean towards being principle-based or prescriptive; whether the *Code* and *Rules* should be consolidated into one document; and whether, considering developments in the immigration advice sector, certain changes should be made to the substance of the *Code*. The clear outcome from the responses received was for the new *Code* to take a more principle-based approach supplemented by guidance notes and that the *Code* and *Rules* should be consolidated.

Taking into account the conclusions of the first consultation, the second consultation, which closed at the end of January 2015, asked respondents to comment on the draft *Code*. The comments received are now in the process of being considered, and the expectation is that the new *Code* and accompanying guidance will be implemented by the end of 2015/16, if not earlier.

We also took the opportunity in 2014/15 to consult on changes to another of our framework documents – the OISC *Complaints Scheme* – in order to update it and to make the process clearer as to how we handle complaints made about regulated organisations and advisers. The revised *Complaints Scheme* will take effect from 1 July 2015.

OISC advisers need to be deemed fit and competent to give immigration advice or services for the level and type of work they are authorised to give on entry into the regulatory scheme and while regulated. The OISC has set a baseline for adviser fitness and competence for each of the three authorised Advice levels at which organisations and advisers can work. Our third framework document – the OISC’s *Guidance on Competence*, which was revised in 2012 – helps advisers determine the level of activity and category of advice they can competently provide. It also contains information on such important subjects as supervision of those who wish to become regulated advisers or advisers who wish to be regulated at a higher Level and OISC advisers working with third parties such as barristers and solicitors. Consideration will be given in 2015/16 as to whether this document also requires updating.

Fitness and Competence

The OISC has developed criteria against which an organisation’s and person’s fitness is judged. These include assessing to what extent they will be able to comply with the OISC’s regulatory scheme and act in their clients’ best interest and their history of honesty, lawful behaviour and financial probity. In addition, we want to make certain that those persons involved in the ownership and/or running of an advice organisation, irrespective of whether they give immigration advice, are also fit. That is why this year we introduced a requirement that organisations must provide details to us of their owners, directors and trustees and guidance on the standards that such persons must meet. We have also required since 2010 Disclosure and Barring Service checks on all those who wish to give advice.

It is important that only those who are fit and competent are allowed into the regulatory scheme. In addition, to the Disclosure and Barring Service check mentioned above, the information they and new organisations provide to us on their application forms (including the qualifications, training undertaken and experience of providing immigration advice of the advisers associated with the organisation) helps us, together with other intelligence we may hold or receive, to determine whether a pre-registration audit is required and, eventually, if they should be allowed entry into the regulatory scheme.

In addition, since 2005 we have required all new applicant advisers and those wishing to work at a higher Advice level to undergo a competence assessment so that they can demonstrate their knowledge of immigration and asylum requirements. In 2012/13 we made significant changes to our competence assessment programme in the way the tests are carried out, how they are marked (by an independent body) and in what they cover. These adjustments were introduced because we wanted to expand the areas of knowledge tested, increase our security around those taking the test (each applicant has their photographic identity checked by OISC staff who have been trained to spot fraudulent identity documents) and to ensure that the questions asked accurately reflect current immigration law and policy. Consequently, the Advice level 1 assessment, the basic level of advice giving, has been changed from being only a multiple-choice test taken online to an OISC invigilated examination, which, while including multiple-choice questions, now also contains a scenario-based exercise that tests the adviser's ability both to analyse a client's case and to draft a document setting out that analysis and advising the way forward, as well as demonstrating the applicant's ability to communicate in well-written English. Advisers must achieve a score of 65% in both sections of the paper to achieve a 'pass'.

Those advisers who wish to work at one of the higher Advice levels, Level 2 and 3, remain, as previously, assessed by the way they approach scenario-based questions. Fresh questions are prepared specifically for every quarterly assessment. These scenario based questions are designed to give advisers the greatest opportunity to display the more in-depth knowledge needed for the more complex cases that advisers operating at those higher levels are authorised to handle. Advisers applying to work at either Level 2 or 3 must first pass the Level 1 assessment before being allowed to take a higher level competence assessment.

To assist those preparing for these assessments the OISC has provided detailed examination syllabuses which can be found on the OISC website. This material is intended to help applicants to be aware of the scope of the areas of immigration and asylum work on which they will be tested as well as sample question papers and resource books, which are updated quarterly. The latter are intended to help applicants prepare for the assessment and can be taken in and used during the examination.

The pass rate for all three Advice levels has varied from month to month, but recently has showed a steady increase. This rise is likely to be a consequence that, over time, applicants have come to understand the level of knowledge they need to have to pass and have thus come to the assessments better prepared.

Once admitted to the regulatory scheme it is important that regulated advice organisations and advisers continue to abide by the scheme's requirements. The OISC uses audits undertaken at the premises of an organisation as an important means of ensuring that this remains the position. Audits are also sometimes undertaken prior to an organisation being admitted to the scheme as part of our assessment of whether it can demonstrate the necessary fitness and competence. How frequently an organisation is audited depends on an assessment of the risk their activities pose to clients and the public. Of course, considering the number of OISC staff, it is not possible for us to audit every organisation every year, and, in any event, it would be disproportionate and place unnecessary regulatory burdens on many organisations.

Through audits we are able to support organisations already in the scheme in continuing to provide a good service and to improve, as well as helping new organisations to assess whether they have the necessary skills and experience to give good immigration advice. I am pleased that our adviser survey report on the subject of audits for the period 2014/15 showed that organisations and advisers were both generally very positive about their audit experience with many commenting that they found their audit helpful to their organisation with useful advice being given.

Prior to 2010/11, we targeted our audits mainly at Advice level 2 and 3 organisations since, as these firms are authorised to do the more complicated work, they theoretically pose a potentially higher risk for clients. While retaining the need to audit where there is potential for greater risk, we decided that we also needed to do more auditing of Advice level 1 organisations as well as organisations wishing to join the regulatory scheme. At the end of 2013/14 we introduced a refined risk assessment process to identify those organisations that appeared to be at greatest risk of non-compliance with the *Code* and *Rules*. This process made improved use of the information we receive from a variety of sources, allowed for more frequent reviews of each organisation's risk level and influenced the frequency at which organisations are audited. Auditing on this revised risk basis began in April 2014.

The OISC recognises the importance of advisers maintaining and improving their professionalism, and we have introduced several initiatives to assist with this. In 2006 we began giving organisations Practice Points following complaint investigations. Practice Points are suggestions that are intended to assist organisations and advisers improve the level of service they provide and the standards they achieve as an organisation. Further, in 2008/09 we made Continuing Professional Development (CPD) compulsory for advisers. To assist

advisers in completing their mandatory, annual CPD requirement we provided online courses about immigration and asylum subjects. Further, in 2012/13 we redesigned our CPD website to give it a more contemporary feel and be easier to use. We are also making more frequent updates to the online courses to ensure their continued accuracy.

Efficiency and Effectiveness

The OISC performs its roles in a cost effective manner as our Annual Accounts for this and previous years show. To achieve this has been of the utmost importance and fundamentally necessary since the work done by the OISC has appreciably expanded over the past decade placing heavy pressures on, and serious challenges for, the OISC, as we do not have large budgetary or staffing resources. In fact, over the ten years in which I have been Commissioner, the OISC has experienced an almost 17% drop in its Grant-In-Aid in cash terms and 35% in real terms. My Office has taken several steps to counter this pincer movement of a rise in workload against a severe and continual reduction in budget.

Squaring this vicious circle has tested our ingenuity and resourcefulness. As an organisation that firmly believes in continuous improvement, we have consistently acted to improve both our efficiency and effectiveness. In 2008/09 we undertook a business improvement review on which our Reform and Remodel project carried out during 2009/10 was based. This project consisted of a number of work streams: reorganisations of the OISC's operational teams; revision of our business processes; improvement of assistance to applicants; and delivery of a more cost-effective service while not diluting regulatory requirements.

This work resulted in significant changes to the organisation's operational structure and led to the reorganisation of our casework and complaint processes and procedures, separating out the more complex compliance and complaint work from the more straightforward. This allowed senior skilled caseworkers to dedicate their time to conducting audits and considering the more difficult applications and serious complaint investigations. It was also during that period that the Application and First Contact Team became more specialised. That team is the OISC's front-line communications link with advisers and the public and, as a result of this review, was given the task of deciding uncomplicated and uncontroversial applications. Also, as a result of this project, we introduced new application forms and processes and made all our information including model documents, forms and publications available on our website. Our hope is that we can take this further with the introduction of electronic applications forms.

Our 2012-16 Corporate Plan continued to build on the foundation of efficiency improvements laid down by the Reform and Remodel project with its focus on improving effectiveness. That Plan has three main aims which rely on my Office working in a collaborative and multi-disciplinary manner both internally and externally: to place greater emphasis on ensuring that those who wish to become OISC regulated or those who are in the scheme already but wish to give advice at a higher level can sufficiently demonstrate that they are suitably fit and competent; to place increased responsibility on the regulated for ensuring their own continued fitness and competence; and to ensure that enforcement activities both civil and criminal have particular regard to those persons and organisations which may be causing the most harm or posing the greatest threat to consumers.

This year we have again re-examined our complaint investigation processes, including the process for re-directing complaints to the advice organisations against which they were made. We have subsequently put in place a revised timeline for investigating and determining complaints, which, while acknowledging the practicalities of such investigations which can often be complex and for which the information we need to make decisions is not always readily available, we feel is stretching but achievable. The outcome should mean that we deliver the results of such investigations in a timelier manner.

There are, however, areas within the OISC where the demands are such that we have decided that there is no alternative, but to increase our staff numbers. Our database is one such area. The OISC's in-house IT team designed a bespoke database for the OISC in 2008/09. This database has become indispensable in helping the OISC both collect data and use it effectively. Recognising how essential this activity is for the OISC and the increasing demands being made on our developer, we have this year recruited an additional developer.

In 2012/13 we acknowledged that we needed to be more proactive in how we gather information about the possible giving of illegal immigration advice. The work of the Intelligence and Investigations Team expanded, particularly with respect to increased collaboration with the Home Office on data sharing as well as with other law enforcement bodies in identifying trends and new developments in criminal activity associated with immigration. In particular, the OISC is now sharing data more productively with the Home Office in order to identify individuals and organisations that continue to provide immigration advice and services after ceasing to be regulated. This is done by the OISC supplying data on organisations that are no longer in the regulatory scheme to the Home Office which then compares this information with data it is holding on its databases and identifies whether any applications are being made by those organisations or persons associated with them.

To manage the increase in the volume of information we introduced a triage system to help us undertake a more rigorous analysis of the data. Furthermore, we introduced a new management process for identifying critical cases including fortnightly critical case conferences attended by all the senior operational staff and the head of the Intelligence and Investigations Team. We have also decided to increase the number of OISC Investigators and from 2015/16 to make the new Head of that team a member of the OISC's Senior Management Team. Also, for the first time in this Annual Report, we are reporting on the new Key Performance Indicator (KPI) we introduced to assess our law enforcement performance which we developed with the National Audit Office – the OISC will be responsible for a minimum of 25 successful prosecutions under Section 91 or Section 92B of the Immigration and Asylum Act 1999. The Intelligence and Investigation Team's work is documented in Chapters 2 and 3.

We also made changes in 2014/15 to some of our other KPIs to ensure that we remained challenged. We increased our targets for straightforward continued registration applications being decided within 15 days of receipt from 90% to 95% and the percentage of all completed such applications decided within three months of receipt from 80% to 90%. The timescales for our handling of complaints was also made more testing by increasing the target of 75% of complaints being resolved within six months to 75% being resolved within five months. Our target for virtually all complaints being resolved was also increased. Previously, it was set at a target of 95% of complaints being resolved within 12 months. That KPI was changed to 95% of complaints being resolved within 10 months.

In November 2014, with the exception of certain adviser-specific functions such as the CPD platform, the OISC website, including our public register of all OISC regulated advisers, was transferred onto the GOV.UK website. Before that happened we had substantially redeveloped our Adviser Finder facility, taking on board suggestions made by the Legal Services Consumer Panel. The Adviser Finder helps clients in locating registered advisers in their area who give advice on the matters they require. While this transfer was not completely plain sailing, we are now firmly part of the Government-wide website. One positive result has been that our press releases, particularly those reporting on our criminal prosecutions, have been more widely picked up.

Working with Advisers and Advice Organisations

The OISC engages with advisers and advice organisations in many ways to ensure their continued fitness and competence and to help improve the profession. Our application process and regulatory activities, particularly audits and complaint investigations, are crucial to this as importantly they bring us into direct contact with advisers.

In addition, we have arranged to come into contact with advisers in other ways. For example, in February 2009 we began our programme of adviser surveys. Using electronic online questionnaires we ask advisers for their views on the application and continued registration processes, their experience of our complaint handling process and the way we conduct our on-premises audits. The results of those surveys have helped us improve the way we carry out our regulatory activities.

During 2011/12 I took the opportunity with the then newly-appointed Deputy Commissioner to engage more with advisers and other stakeholders. We held a series of meetings with small groups of advisers who shared certain characteristics such as their Advice level, how long they had been regulated or whether they work for non-profit or for-profit organisations. These conversations were informative and led to the establishment of the informal Commissioners' Advisers Panel.

During my first term as Commissioner we invited advisers to roundtable events. We decided that we could make these events more interactive and productive for attendees by changing the format into workshops and seminars, a programme we introduced in 2011/12. Covering such topics as audit compliance, complaints, and working in the best interests of clients, it focuses on those subjects which are of central concern to any regulated advice organisation. An ethics course, which is given in seminar format to enable a larger audience to attend, has been added. All of the workshops and the seminar events have been continually oversubscribed and we have received universally excellent feedback from attendees.

Working with Stakeholders

As mentioned previously, I recognise the importance of engaging with communities which have a need for good immigration advice. This was the reason why I specifically wrote and circulated an article about the OISC that was specially aimed at minority ethnic community press outlets. I was in particular grateful for the invitation I received from Citizens UK to be one of the keynote speakers at their inaugural Diaspora Peoples' Assembly which was attended by over 500 community leaders from 30 different communities.

We have also made a point of developing close links with other legal regulators, including the Solicitors Regulation Authority, the Bar Standards Board and their oversight regulator, the Legal Services Board. In doing so we have explained the unique and well-defined role of the OISC and the importance of not taking a one-size-fits-all approach to regulatory bodies.

We have also increased our collaborations in the area of law enforcement. During the last two years the Intelligence and Investigations Team has met with a variety of agencies including the National Crime Agency, Solicitors Regulation Authority; the Home Office Immigration Intelligence and Enforcement Unit; HM Passport Office; and local police forces. These meetings are used to discuss relevant patterns and trends and different types of immigration crime. The OISC has also joined the Government Agency Intelligence Network and has signed a Memorandum of Understanding with ACPO's Criminal Records Office. In addition, we are doing more to recover the proceeds of crime. Thus, for example, this year working together with the West Midlands Police Regional Asset Recovery Unit, we succeeded in obtaining confiscation orders from the Warwick Crown Court totaling £47,000.

External Reviews

On no less than three occasions during my time as Commissioner – in 2007/08; 2010/11 (as part of the Coalition Government's general review of arms length bodies); and now in 2014/15 – my Office has been intensely examined as to whether its functions were still required and whether the OISC should continue to perform those functions. The first two reviews comprehensively confirmed that what my Office does is valuable, and that the way the Office performs its responsibilities was valued. I am currently awaiting sight of the published final report of the latest Triennial Review including its recommendations.

Because of the timing of that Review and my imminent departure, it was agreed with the OISC's Home Office Sponsor Unit that the OISC's 2012-15 Corporate Plan should be extended to cover a fourth year, 2015/16. This was a sensible and pragmatic decision given the Review and the fact that the work being done under that Plan remains current and relevant.

Legislative changes

The two earlier reviews of the OISC confirmed that it should remain part of the Home Office family but also that it should have new powers and clearer legislation. While the OISC's founding legislation, the Immigration and Asylum Act 1999, was amended in 2002 and again in 2004, governments have recognised that a more fundamental updating of the founding legislation was required. This happened with the passage of the Immigration Act 2014 which, on the full implementation of the Act's OISC's provisions in November 2014, gave me new, increased powers including: the power to cancel immediately an advice organisation's or person's registration if it or they were found to be unfit, incompetent or defunct; the ability to apply to the First-tier Tribunal (Immigration Services) to suspend a registered adviser who has been charged with a serious criminal offence; and the power to conduct on production of a warrant unannounced inspections of OISC regulated business premises even if these are located in private residences. Under the power to apply for an adviser's suspension, in April 2015 the OISC successfully obtained an order from the Tribunal suspending an immigration adviser who had been charged with indictable offences involving dishonesty and deception. Using the power to conduct a warrant giving authority to conduct an unannounced inspection of regulated business premises, the OISC to date has obtained two warrants from the Westminster Magistrates' Court.

Prior to the new legislation, the OISC was only able to remove an organisation's registration when they submitted their annual application for continued registration or to remove a person from the scheme by bringing a charge against them before the First-tier Tribunal. The new power to remove an adviser or an organisation has made it possible for the OISC to take proactive and early action against those that are found to be unfit or no longer competent, as well as removing from "registration" those organisations that are dissolved or wound up.

So that we are made aware of when a regulated adviser has been charged with a serious criminal offence, the OISC has taken action to ensure that it is known that we have these new powers within the Home Office, the UK police network and the Government Agency Intelligence Network. We are also liaising with those working on the successor to the "notifiable occupation scheme" in order that the OISC can be automatically notified if a person known to be an immigration adviser is charged with a serious criminal offence.

Most importantly, the legislation ended the artificial distinction between those immigration advice organisations that charge clients and those that do not (previously known as Exempt). (The use of the term “Exempt” to describe the latter type of organisation only referred to the fact that they were exempt from paying any application fee to the OISC and not that they were exempt from any requirement of the regulatory scheme.) There is now only one category of regulated organisation – Registered. As a result of the change we have worked with the National Association of Citizens Advice Bureaux, Citizens Advice Scotland and Citizens Advice Northern Ireland to ensure that we hold comprehensive and accurate information about bureaux. The OISC contacted the 252 organisations which were classified as “exempt” organisations, (and that were not Level 1 Citizens Advice Bureaux) and invited them to apply to become Registered organisations and supported them in making their applications. While a small number of these organisations informed us that they were no longer interested in remaining regulated as they had stopped providing immigration advice or services, by 31 March 2015 199 previously exempt organisations had been authorised as Registered.

Performance measurement

It is a well known maxim that organisations concentrate their efforts on what they measure. Like all public sector organisations the OISC needs to demonstrate that it is achieving its goals. Since 2006 we have used Key Performance Indicators (KPIs) to assess our level of performance, and the KPI data for 2014/15 is published in this report in Chapter 4 and can also be found in our earlier Annual Reports. Recently, we have taken a further step to look not only at outputs but also at outcomes. During 2014/15 we began piloting four outcome objectives. These are: only applicants who can demonstrate they are fit and competent are authorised to practise under the OISC regulatory scheme; OISC regulated organisations and advisers do comply with the regulatory scheme's requirements for the benefit of clients and other stakeholders; the OISC does take action to counter the provision of illegal immigration advice; and the OISC is a fit-for-purpose public sector regulator.

During the past year we have been developing a quantitative data set which is needed for us to be able accurately to assess our performance against these outcome objectives. We have already noted, for example, that the introduction of the new competence assessment programme has had at least an indirect effect on the churn in immigration organisations and advisers particularly at Level 1 entering and leaving the regulatory scheme often within a year of their admittance. This has been a perennial issue for us as we do not consider that such “swing door” movement to be helpful. Unfortunately, due to our limited resources, we have not as yet been able to finalise the necessary comprehensive data set needed to give us a full picture of our performance against these outcome objectives. We are determined, however, to make further progress in defining this data set in 2015/16. More information on this subject can also be found in Chapter 4.

Working at the OISC

The OISC takes very seriously its responsibility to create a working environment which is friendly and supportive of its staff. In May 2014 we moved from our former London Bridge premises to smaller and less expensive accommodation in Bloomsbury which is part of the government estate. This gave us an opportunity to reassess how we operated, and, for example, we have worked to make the office much less dependent on paper thus releasing valuable space. I commend all the OISC’s staff for the way in which they have adapted to their new environment. The move also coincided with changes to our flexible working policy, which has resulted in more staff taking advantage of flexible working. Staff are also now able to take advantage of the Civil Service Learning programme as well as training which is specific to their OISC roles.

Looking Back and Looking Forward

I would like to take this opportunity to thank all those who have contributed to the OISC’s achievements. In particular, I would like to thank the two Chairmen of the OISC Audit and Risk Assurance Committee; first, Tim Cole and currently, Terry Price, and to the members of that Committee, both past and present. I would also like to express my appreciation to those advisers who have assisted the OISC both formally, through consultations and as members of such bodies as the Commissioners’ Panel, and informally. I would also like to thank the members of the OISC’s Home Office Sponsor Unit, and in particular Marina Gleaves, for their continuing help and support.

During my time as Commissioner I have been ably supported by two excellent Deputy Commissioners; first, Linda Allan until 2010 and then Dr Ian Leigh from 2011 onwards. I, and the OISC, owe much to both of them. My greatest thanks must, undoubtedly, be given to OISC staff, past and present. I very much recognise, acknowledge and will remember all that they have done.

I am sure that the new Commissioner will bring new insights that will be of benefit to the OISC. They will join the organisation at a time of challenge and change and will need to work with a new government and within difficult budgetary constraints. The OISC's 2015/16 budget is just over £3,721k which means that savings of some £184k will need to be found in-year if the budget is not to be exceeded. The OISC has little discretionary expenditure, so very careful and considered thought will need to be given how the Grant-In-Aid is spent. I expect that many hard decisions will need to be taken. However, I am confident that the OISC will, as it has done in the past, rise to the challenge and continue to deliver what Parliament asked of it.

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, Ian Leigh, and their administrative support.

The Operational Teams

Six separate, but interlinked, teams perform the OISC's regulatory functions, led by the Director of Operations.

a. The Compliance and Complaints Teams and the Operational Services and Support Team

Led by the Head of Operational Regulation, the members of the two Compliance and Complaints Teams (CCT) come from a variety of backgrounds across the private, public and voluntary sectors.

The teams' caseworkers have primary responsibility for the delivery of the OISC's regulatory and complaints functions, and their main focus is ensuring continued compliance with the Commissioner's Code and Rules. They conduct premises audits and investigate complaints made against regulated advisers. They are the main point of contact for regulated advisers.

The Operational Services and Support Team provides administrative support to the CCT, as well as having responsibility for updating the information on the OISC's database, responding to advisers' questions on the Commissioner's Code and Rules and OISC internal policy. In addition, it monitors adviser compliance with the OISC's Continuing Professional Development (CPD) requirements and administers the CPD programme.

b. The Applications and First Contact Team

The Applications and First Contact Team (AFCT) has responsibility for dealing with enquiries from the public, regulated advisers and those considering joining the scheme. It also has responsibility for the initial handling of applications to enter the scheme, and takes final decisions on the more straightforward applications. AFCT also has responsibility for co-ordinating the OISC Competence Assessment process including facilitating its test centres, and administers Disclosure and Barring Service checks on behalf of the Office.

c. The Intelligence and Investigations Team

The Intelligence and Investigations Team seeks out and investigates, alone or jointly with other UK investigative bodies, allegations of unregulated immigration advice or services activity. 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.

d. The Legal Team

This Team provides general legal advice to the Office and oversees the conduct of cases in the civil courts and tribunals, and assists the Commissioner in fulfilling her oversight regulation of the Designated Professional Bodies (DPBs) (see separate report on the DPBs at page 91).

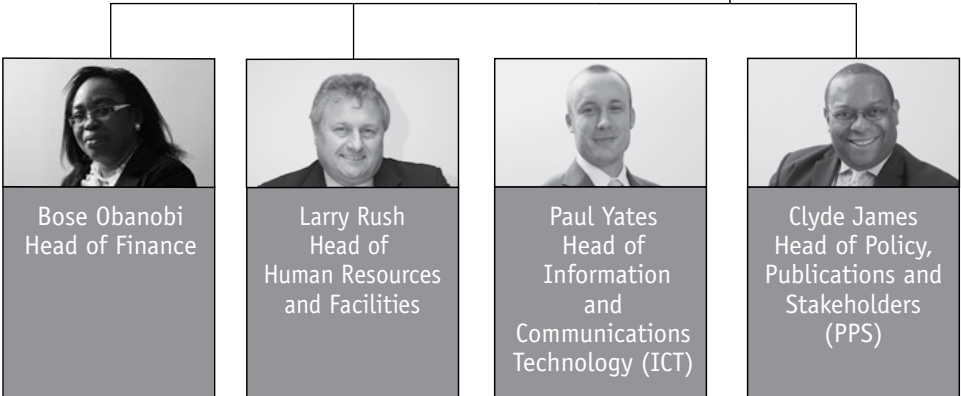
OISC Management

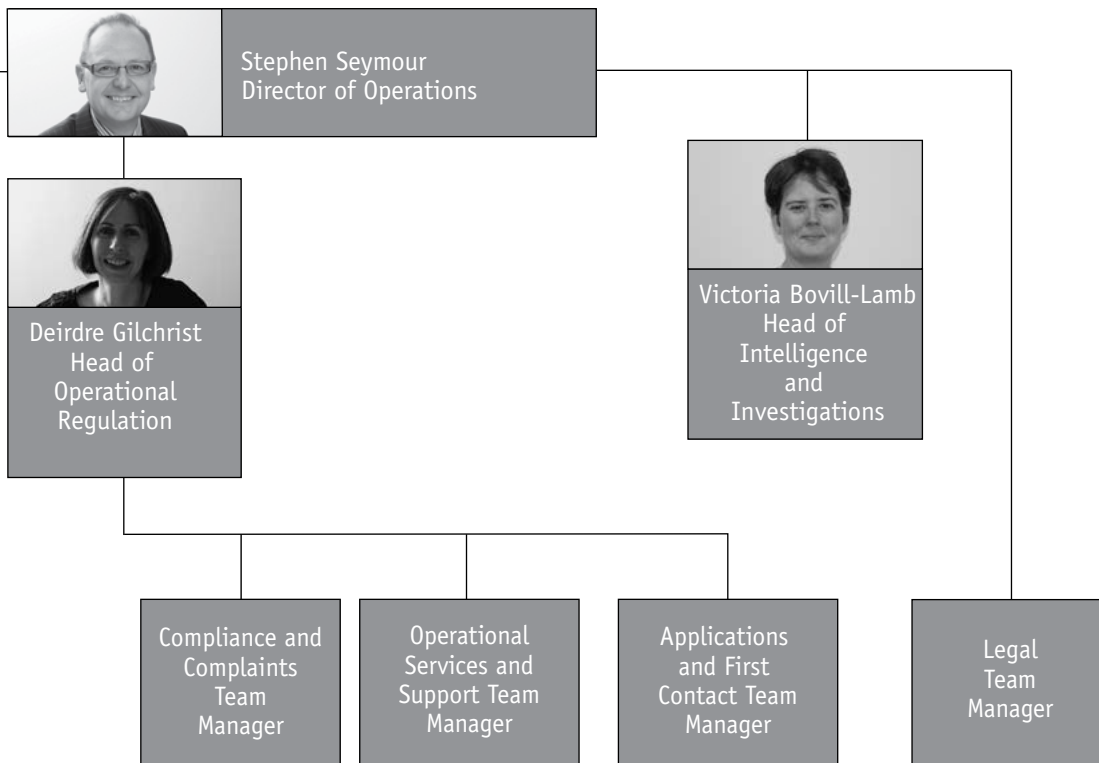


Suzanne McCarthy
Immigration Services
Commissioner



Dr Ian Leigh
Deputy Immigration Services
Commissioner





The Corporate Support Service Teams

1. The Finance Team

The Finance Team is responsible for the preparation of the OISC's annual phased budget, the production of monthly management accounts, the monitoring of actual spend against budget, the forecasting for full year spend and liaising with external and internal stakeholders including auditors.

The Head of Finance provides support to the OISC's Audit and Risk Assurance Committee, and has responsibility for asset management. She liaises with the OISC's Sponsor Unit in relation to general finance and other audit issues. She represents the OISC at Home Office working groups concerned with financial reporting matters and risk improvement forums

Other specific responsibilities of this Team include maintenance of the OISC's accounting records, creditor payments, administering payroll and staff expenses, production of the OISC's annual accounts and contributing to the Home Office's consolidated accounts and other financial reports including financial returns to the Cabinet Office and HM Treasury.

2. The Human Resources and Facilities Team

The Team is responsible for providing a comprehensive personnel, training and development service for OISC staff. It is also responsible for facilities management and health and safety issues within the OISC premises, and the investigation of complaints made against staff from external organisations or persons.

The major challenge during 2014/15 was the move from our former offices at London Bridge to Bloomsbury. The project lead was the Head of Human Resources (HR) and Facilities and the move took place in early May 2014. The relocation went very smoothly and a seamless service was provided. In addition, in October 2014, he oversaw the OISC joining the Civil Service Learning facility, which allows access to a wide range of learning and development opportunities including e-learning.

The HR and Facilities Manager, who works alongside the Head of HR and Facilities, led the migration of the office's staff to the new Alpha Pensions Scheme, which replaced the Principal Civil Service Pension Scheme as from 1 April 2015. The majority of existing Principal Civil Service Pension Scheme members and most new staff members moved to the new scheme from that date.

During the year the OISC arranged short-term secondments (to take place between the end of 2014/15 and the beginning of 2015/16) with our Intelligence and Investigations Team. The hope is that these secondments will provide useful learning and networking opportunities.

The Team has continued its ongoing review of HR policies, ensuring that they meet the organisation's business needs and comply with employment and other legislation. Several successful recruitment exercises were also undertaken during the course of the year.

The Head of HR and Facilities is also responsible for the investigation of complaints made against the OISC and/or its staff by external organisations or persons. During 2014/15, nine substantive complaints were investigated of which six were not upheld, two were upheld and one was upheld in part. At the end of the year one complaint was still under investigation.

A total of 265 days was allocated to staff training and development, and several staff received support in their further education studies. There were 449 sick days taken by OISC staff, 193 being of short-term duration (43%) and 256 of long-term duration (57%). This equates to 7.4 days average per person overall compared to the latest comparison figures available from the public sector of 8.7 average days per person. In a small organisation such as the OISC just one long-term sick absence has a disproportional impact on the overall absence figure. The OISC's short-term absence figure equates to an average sickness rate per person of 3.2 days.

3. The Information and Communications Technology (ICT) Team

The ICT Team has responsibility for the following areas:

- The provision (including support and maintenance) of the OISC's ICT infrastructure;
- The provision and support of internal and external facing IT and telecommunications services for the OISC;
- Securing the OISC's ICT against external and internal threats;
- The development (until January 2015), support and maintenance of the OISC's core business database, Themis, and the development, support and maintenance of the OISC intranet; and
- Providing ICT advice and information.

At the beginning of the 2014/15 reporting year the OISC moved offices to 21 Bloomsbury Street. The ICT team was heavily involved in the management of the move and, in particular, the design and fit of the server room, the ICT

infrastructure to the floor and the logistics of migrating the equipment and services to the new location. This included dealing with the prime and sub contractors, the co-ordination with our suppliers of telecommunications services, and ensuring that the necessary forward planning and contingency work had been done to ensure that the OISC ICT was successfully relocated and operational to timescales.

In parallel with this, the team worked extremely hard in bringing about the move to hot-desk working and also to improving the functionality and support received by those working remotely to the OISC's offices. The team ensured that members of staff were issued with laptop computers with mobile network connectivity when the OISC moved into its new premises.

Another significant change to the ICT systems came about with the implementation of the Immigration Act 2014 in November. That Act required that all OISC regulated organisations be classified as Registered and this, in turn, required fundamental changes to how Themis functions. This required extensive modification to all aspects of the database including its underlying structure. The development section of the team worked closely with the Operations teams to ensure that a working solution was found and implemented and ready for the implementation of the OISC's provisions.

The team was also involved throughout 2014/15 with the electronic applications project. We are involved in two main deliverables: the transfer of data from the website and its conversion to a format that it usable by staff; and longer term, to integrate this data with Themis, which will reduce staff workload and increase efficiency.

Unfortunately, due to issues outside of the OISC's control as explained elsewhere in this Annual Report and Accounts, we have been unable to deliver either of these strands of work despite devoting substantial resources.

4. The Policy, Publications and Stakeholders Team

This Team provides guidance on the OISC's regulatory scheme and on the interpretation of relevant legislation, case law and wider regulatory concerns. It is responsible for liaison with the media, and it also contributes to discussions on possible legislative changes and assists at meetings with external stakeholders. The Team represents the OISC at various stakeholder events and meetings, and manages the Office's internal and external communications, including the content of the OISC website, the OISC Newsletter and Guidance and Practice notes. The Team is also responsible for ensuring that the Commissioner's framework documents remain relevant and up-to-date, drafting responses to external consultations and co-ordination of OISC consultation exercises. The Team also acts as the secretariat for the Commissioners' Adviser Panel. Additionally, it is responsible for the delivery of a range of events, including the workshop programme.

Chapter 3: Statistical Report

Regulation of immigration advice and services by the OISC

The OISC regulates a wide variety of organisations ranging from small, community-based organisations and sole traders through to national charities with multiple offices and large, specialist, profit-making advisory services.

The Immigration and Asylum Act 1999 (as amended) distinguished between OISC regulated organisations by dividing them into two specific categories: "Registered" (charging for their advice and services) and "Exempt" (who do not charge). The Immigration Act 2014 ended this distinction. From November 2014 there is only one category of OISC regulated organisation – Registered. However, for the purpose of reporting the 2014/15 data, we have retained the terms Registered and Exempt. In future Annual Reports where it is necessary to distinguish between these categories we will refer to Fee Charging and Non-Fee Charging.

As set out in the *Guidance on Competence*, the OISC regulates advisers at three different Advice levels:

- Level 1 – Advice and Assistance – these advisers are authorised to make applications allowed under the Immigration Rules;
- Level 2 – Casework – these advisers are authorised to do both Level 1 work and the more complex Immigration Rules applications, applications outside of the Immigration Rules and applications as allowed under the Home Office's concessionary or discretionary policies;
- Level 3 – Advocacy and Representation – these advisers are permitted to do any work permitted at Levels 1 and 2 as well as work pursuant to the lodging of a notice of appeal against a Home Office decision to refuse an application and the conduct of specialist casework.

The Advice level at which an organisation is authorised to work is determined by the Advice level of the highest authorised adviser in that organisation.

The OISC measures adviser competence and fitness in a number of ways – through its application processes, competence assessment programme and audit activity. The OISC's approach to regulation remains targeted and proportionate using risk-based assessments.

Statistics on regulated organisations and advisers as at 31 March 2015

The following provides commentary on the data contained in this section. Readers are also referred to Chapter 4 and specifically the section on outcome objectives.

The data shows that during 2014/15 the most significant change was in the overall number of regulated advisers and organisations (see in particular tables 1 and 2).

The number of new applicant advisers approved by the Commissioner during this period was 456 (2013/14: 758). The main reasons for the difference in numbers between these two years are, first, the fact that the Commissioner has received fewer applications, and, second, an increase in the number of applications that were refused and withdrawn. The increase in the number of refused applications is mainly a consequence of our introduction of a more rigorous competence assessment system.

The Commissioner has also seen a decrease in the number of applications from new organisations to join the scheme with 198 received in 2014/15 (2013/14: 235).

In contrast, the number of advisers leaving the scheme was less in 2014/15 in comparison with the previous year (2014/15; 664, 2013/14; 785).

There was also, in comparison with 2013/14, a small increase in the number of organisations that left the scheme (2014/15; 187, 2013/14; 172). This excludes the adjustments which have been made to the data with respect to CABs operating at Level 1, as explained below.

Adjustment in figures for CABs operating at Advice level 1

As a consequence of the implementation of the Immigration Act 2014 and the creation of one category of OISC regulated organisations, the Commissioner, working with the National Association of Citizens Advice Bureaux, Citizens Advice Scotland and Citizens Advice Northern Ireland, was able to determine that the number of CABs which currently provide immigration advice and services at Advice level 1 is 385. This is 192 less than the number of Level 1 CABs that were previously authorised. Understandably, this decrease has meant a sizeable reduction in the overall reported number of not-for-profit regulated organisations.

Continued registration

During the year we received 1,157 applications for continued registrations including 252 exempt organisations whose status, as explained above, was changed to registered by the 2014 Act. Of these exempt organisations, 217 applied for continued registration and 199 of those applications were approved by the end of 2014/15. One of these organisations has been refused continued registration and 17 others are still being considered at year end.

Of those that did not apply for continued registration, 15 organisations informed us that they did not require continued registration as they were no longer providing immigration advice or services, one has applied to change its regulated status to become a fee charging organisation and five are in discussion with the OISC about their position. 14 organisations failed to contact the Commissioner regarding their continued registration and have been de-registered.

Table 1: Total number of regulated organisations as at 31 March 2015

	As at 31 March 2015	As at 31 March 2014
Registered	1,061	1,094
Exempt	224 (plus 385 CABs operating at Level 1)	268 (plus 577 CAB operating at Level 1*)
Total number of regulated organisations	1,670	1,939

*This figure was previously reported as 506 CABs based on the information we had at that time.

Figure 1: Registered and exempt organisations 2005–15

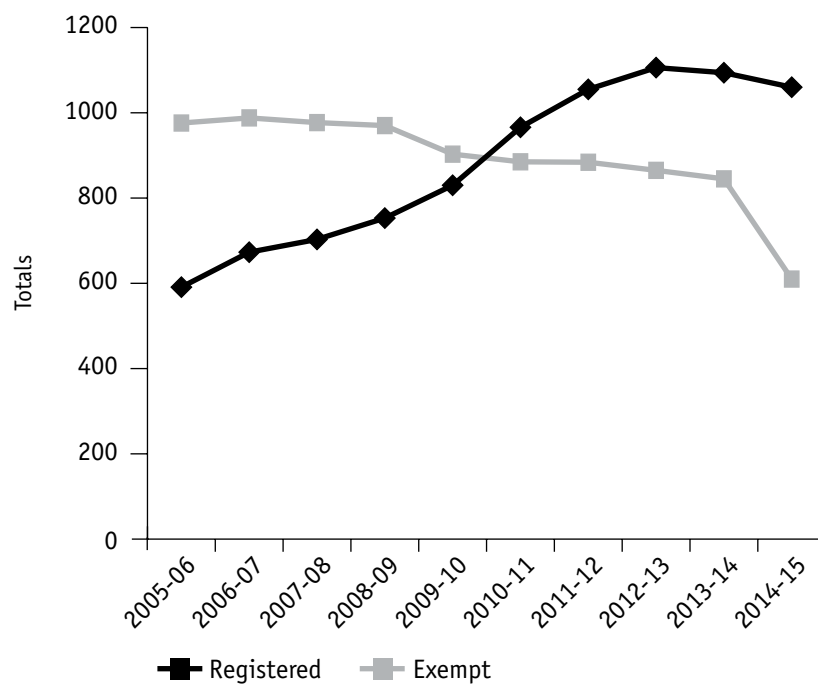


Table 2: Total number of regulated advisers as at 31 March 2015

	As at 31 March 2015	As at 31 March 2014
Registered	2,512	2,635
Exempt (Excluding Level 1 CABs)	754	759*
Registered and Exempt (Not double counted)	16	18
Total number of regulated advisers (Including Level 1 CABs)	3,282 (3,667)	3,412* (3,989)

*These figures were previously respectively reported as 830 and 3,483 due to the information we had at that time on CABs.

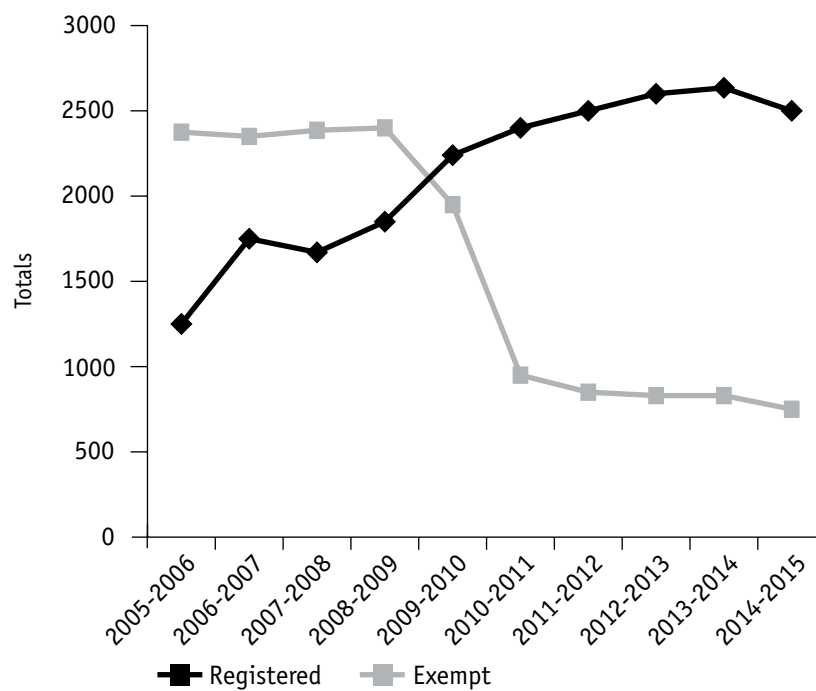
Figure 2: Registered and exempt advisers 2005–15

Table 3: The number of regulated organisations by Advice level as at 31 March 2015

	Registered	Exempt	Total
Level 1	582	117	699*
Level 2	90	43	133
Level 3	389	64	453
Total	1,061	224	1,285

*This figure excludes the 385 organisations operating at CABs registered at Advice level 1.

Table 4: The number of regulated advisers by Advice level as at 31 March 2015*

	Registered	Exempt	Registered and Exempt	Total
Level 1	1,831	538	6	2,375**
Level 2	206	128	2	336
Level 3	475	88	8	571
Total	2,512	754	16	3,282

* Advisers who work for more than one organisation have not been double counted in the total.

** This figure excludes 385 advisers operating at CABs registered at Advice level 1.

Movement within the OISC regulated sector

An organisation that wishes to give immigration advice or services in the UK may only do so in compliance with the 1999 Act (as amended). As such, they may be required to apply for entry into the OISC scheme.¹ Table 5 shows the number both of new applications the OISC received during 2014/15 and those brought forward from 2013/14 and the outcome of those applications.

¹ This does not include an already regulated OISC organisation wishing to add new advisers, an application by such an organisation to continue within the scheme or an application to vary such an organisation's existing Advice level authorisation.

Table 5: Applications by organisations to join the OISC regulatory scheme

	Registered	Exempt	Total
New Applications Received	128	70	198
Applications brought forward from 2013/14	58	11	69
Applications approved	102	18	120
Applications refused	59	20	79
Applications withdrawn	15	4	19
Applications carried forward into 2015/16	10	39	49

Regulated organisations may apply to change their Level or vary the categories of work they are authorised to give. During 2014/15 the OISC approved 36 applications by organisations to increase their Level and reduced the Level of approval of 19 organisations.

During 2014/15 the OISC decided 1,163 applications for continued registration with 1,141 approved and ten refused. Twelve applications were withdrawn.

In addition to the applications received from organisations, the Commissioner also receives applications from individuals, for example, to join the scheme by being added to the list of advisers who can work for a particular OISC regulated organisation. During 2014/15 the Commissioner approved 456 such applications.

Appeals made against a Commissioner's appealable decision and charges brought by the Commissioner

The Commissioner has a statutory duty to protect the public from unfit or incompetent immigration advisers. Removing an organisation or an adviser from the scheme are serious decisions which the Commissioner does not take lightly. Such decisions amongst others carry a right of appeal to the First-tier Tribunal (Immigration Services), which also considers the Commissioner's applications to lay a disciplinary charge against a regulated adviser. If the latter is granted, the Tribunal may prohibit an adviser from giving immigration advice or services for a particular period or indefinitely.

During 2014/15 there were 137 appealable decisions made resulting in 13 appeals lodged with the Tribunal.

Table 6: Breakdown of appeals and charges 2005/06–2014/15

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Appeals made	11	14	11	8	6	7	10	6	11	13
Appeals allowed	1	0	1	1	2	0	3	2	0	1
Appeals dismissed	3	5	3	4	3	1	3	7	8	6
Appeals withdrawn	5	4	6	2	3	4	2	0	1	2
Charges brought	2	2	0	0	2	3	0	1	0	0

At the end of 2014/15 there were seven appeals still to be heard (four to the First-tier Tribunal and three to the Upper Tribunal).

Complaints

Complaints are an important element of the regulatory process. Complaints against regulated organisations and advisers help the OISC to monitor competence and fitness and complaints made against unregulated advisers brings possible illegal activity to the OISC's attention.

Since the OISC began operating to the end of 2014/15, the OISC had received 6,790 complaints of which: 3,372 were complaints made against OISC regulated advisers; 1,618 were complaints made against advisers regulated by approved regulators and 1,800 were complaints made against unregulated persons.

Table 7: Complaints received 2011/12–2014/15

	Complaints against OISC regulated advisers	Complaints against advisers under approved regulators	Complaints against unregulated advisers
2011/12	296	54	142
2012/13	290	58	113
2013/14	268	52	144
2014/15	195	52	147

The following table explains how the OISC has dealt with complaints it received against regulated advisers during 2014/15.

Table 8: How the OISC disposed of complaint cases against regulated advisers during 2014/15*

Substantiated	Unsubstantiated	Re-directed successfully	Closure as outside time/ jurisdiction	Closure due to insufficient evidence	Closure due to failure in complainant cooperation	Closure organisation no longer registered	Investigation suspend ongoing legal action	Total
130	13	22	1	23	8	36	1	234

* These totals include complaints carried forward from previous years

Investigating Illegal Activity

Sadly, there are always people who deliberately decide to provide unregulated immigration advice and services. In doing so, they often cause immense harm financially and personally to those who wish to come or are seeking assistance for themselves or others to remain in the UK. Such persons frequently do not have English as their first language and are very vulnerable and easily open to exploitation.

Two specific offences were created by the 1999 Act (as amended):

- Section 91 – makes it an offence to unlawfully provide immigration advice or immigration services (that is to do so while unregulated); and
- Section 92 – makes it an offence to advertise the provision of such unlawful immigration advice or immigration services.

The OISC's Intelligence and Investigation Team has as its primary purposes the enforcement of these two offences, assistance to the rest of the office in ensuring that those who give regulated immigration advice or services are fit to do so and the provision of assistance to others in the law enforcement sector concerning related illegal activity. In recognition of the priority which the previous Government attached to this area of our work, the OISC has over the past year refreshed and increased the size of this Team which consists of both Intelligence and Investigations Units.

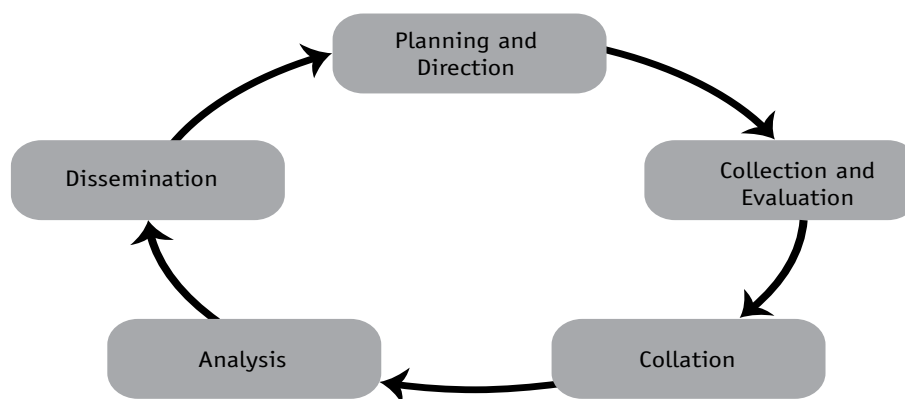
The Intelligence Unit

The role of the Intelligence Unit is to obtain and use information and evidence gathered from various sources. The Unit reviews applications made for admission to the regulatory scheme in order to detect anything in the applicant's history that would indicate issues that need exploring. In addition, it supports the casework teams in assessing regulated organisations which may be breaching the Commissioner's *Code* or be involved in criminality.

Externally, the Unit works closely with other law enforcement organisations which have a special interest in immigration crime particularly in sharing of intelligence. The OISC's "partners" include, but are not limited to, the Home Office, police forces, the National Crime Agency, the Solicitors Regulatory Authority, HM Passport Office and members of the Government Agency Intelligence Network (GAIN). The GAIN specifically helps the OISC, and other law enforcement bodies more generally, to achieve an understanding of the types of offences being committed and to identify significant patterns and trends.

It also enables the team to develop "subject profiles", which allow the Intelligence Unit to examine in detail an organisation or person who appears to be acting unlawfully making specific recommendations regarding tactical options as to how they can be targeted to gather evidence or disrupt them in order to curtail their offending.

The Unit's work is illustrated by the Intelligence Cycle set out below.



Beginning in 2013/14 and continuing through 2014/15 the Unit has put great effort into developing a programme of inter-agency meetings at which it has made presentations on the OISC's role and capabilities in targeting unlawful adviser activity. This has resulted in regular meeting cycles being developed with Home Office Immigration Intelligence hubs in Sheffield, Liverpool and Croydon, and these networks have enhanced the opportunities for intelligence sharing. The Unit has also been included in the Home Office's Immigration Intelligence production of key strategic and tactical assessment documents.

As a direct result of having delivered a presentation at the GAIN conference in November 2014 regarding the OISC's regulatory role and responsibilities, we were able to renew and build upon our relationship with both the Gangmasters Licensing Authority and the Charity Commission.

During 2014/15 the Unit developed new processes and implemented an early scrutiny and assessment of all information received by the OISC having gained valuable assistance on this from the National Audit Office. This has enabled effective management of material relating to both regulated organisations and potential unlawful activity. Measurement and workload indicators have been designed that provide confidence in how swiftly and efficiently new information can be evaluated, analysed and disseminated.

The work done over the past year by this Unit has resulted in the establishment of a process for the creation of intelligence packages within the OISC that can then be allocated to the investigators.

The Investigations Unit

The Investigations Unit uses the results of the Intelligence Unit's analysis. A pragmatic approach is taken regarding the effective allocation of investigative resources focusing on the areas of highest public risk. Investigations may lead to prosecutions, a caution, which puts a person on notice that a repetition of behaviour could result in a prosecution, or the person being given informal advice to stop their activity.

OISC investigators may be involved in tackling illegal activity in three ways:

- Taking forward OISC led investigations under sections 91 or 92 of the 1999 Act;
- Investigating with other law enforcement or regulatory bodies, such as the Home Office's immigration criminal investigation teams or the police, where there is reason to believe that the person concerned may have committed various offences in addition to giving unlawful immigration advice or service; or
- Assisting other agencies leading an enquiry by contributing OISC intelligence, to support and strengthen their investigation or prosecution.

In supporting other agencies, members of the Investigations Unit regularly attend briefings, are present when search warrants are enforced, provide statements and take part in interviews of suspects.

During 2014/15 the OISC commenced 21 criminal prosecutions. Of these 12 have resulted in convictions and nine have not yet been tried.

In addition, during the year the OISC assisted partner agencies in bringing 26 cases to the criminal courts of which 16 are pending.

The graphs below illustrate the OISC's investigators' various activities.

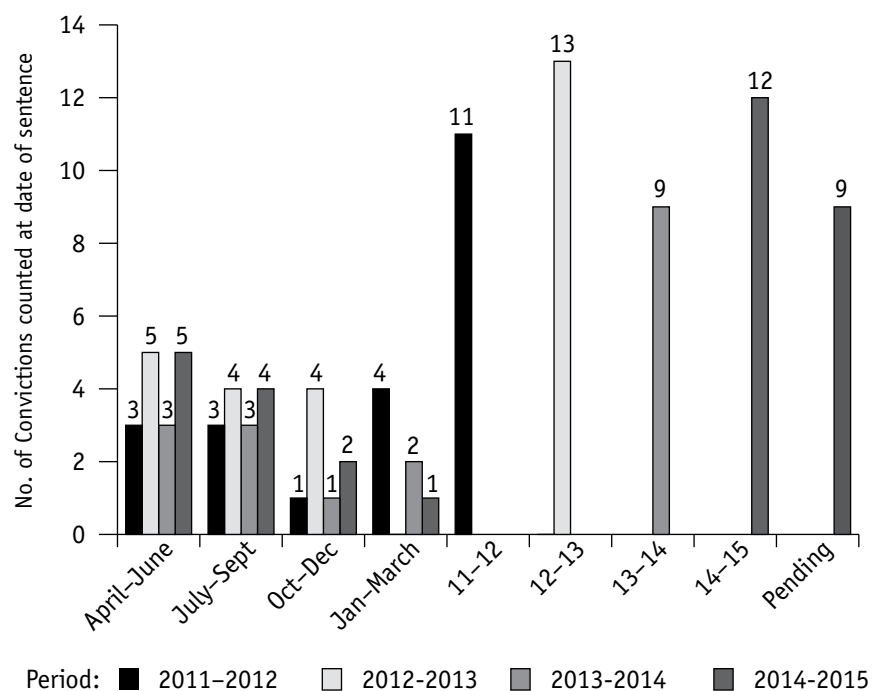
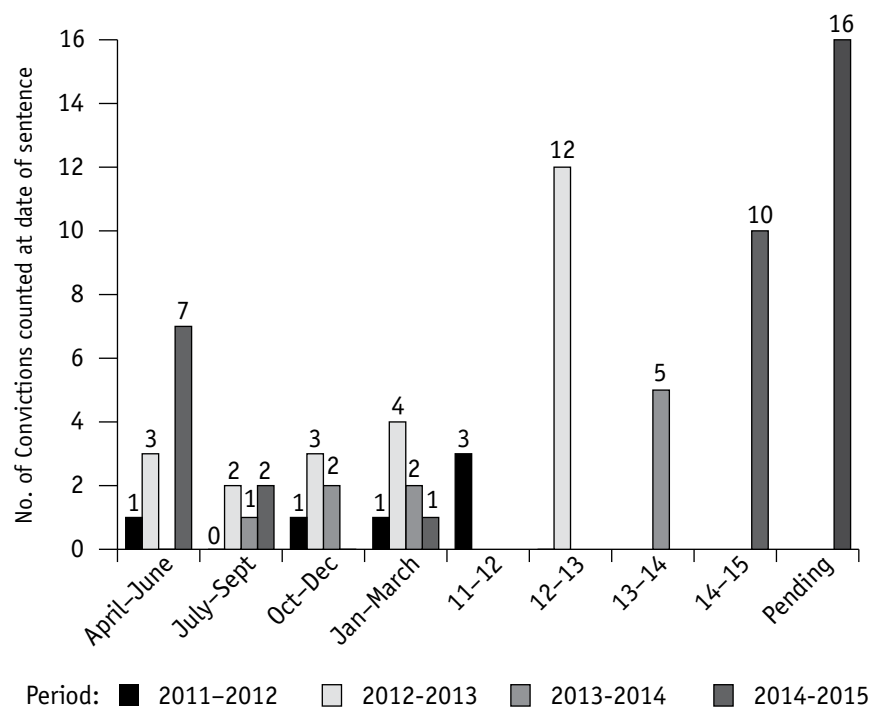
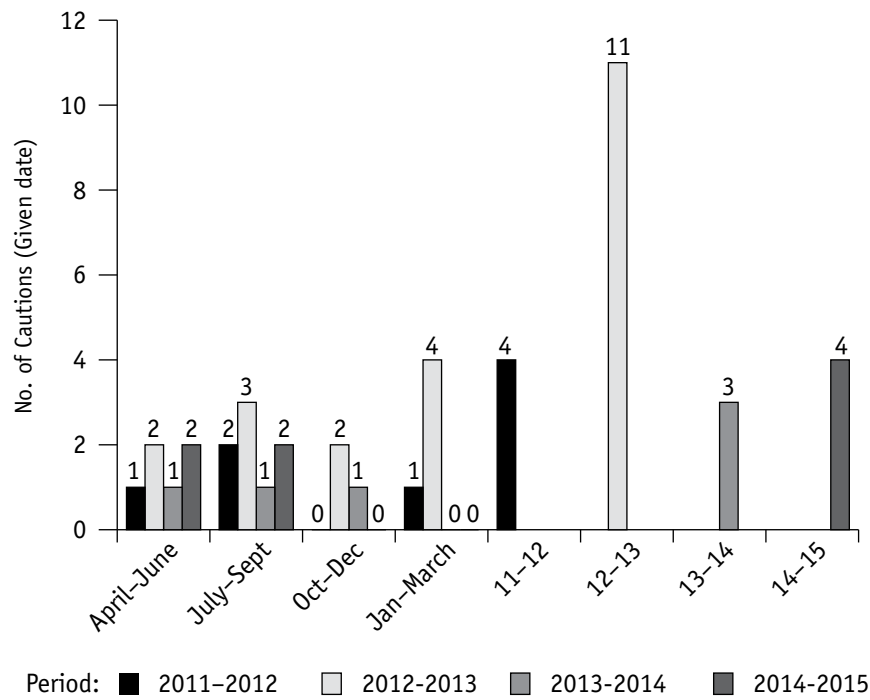
Figure 3: OISC convictions**Figure 4: Assisting partner agencies**

Figure 5: Formal cautions given by the OISC**Table 9: Disposal of investigations – 2014/15**

	Prosecution	Not in public interest	Under Approved Regulator	Cautioned	Witness/ Suspect left UK	Insufficient evidence	Passed to OGD	Failure of witness co-operation	Outside time/ jurisdiction	Total
Year April 2014 Mar 2015	22*	17	6	4	3	38	1	15	0	106

* 12 of the 22 prosecution were conducted solely by the OISC.

Table 10: OISC prosecutions 2014/15 – heaviest sanction in each case

Prison	4
Suspended prison sentence	5
Community punishment order	0
Fine	2
Conditional discharge	1

New initiatives in 2014/15

Together with the early assessment and scrutiny of intelligence, this year has seen a greater proactive and robust response by the OISC to unlawful activity with the increased use of search warrants to seize and retain evidence from the businesses and homes of suspected offenders. During 2014/15 the Investigations Unit focussed on using its power to obtain 25 search warrants in order to ensure that evidence could be obtained at an early stage which otherwise might be disposed of or destroyed. This represents a five-times increase in the number of warrants executed in comparison with the average annual number during the period 2004 to 2013.

The Unit has also used its collective knowledge and experience to support its regulatory casework colleagues. The Immigration Act 2014 gave the OISC the power to apply for a warrant to enter OISC regulated business premises to demand production of paperwork and relevant material. In addition, the Act gave the Commissioner the power to apply for a regulated adviser who has been charged with a serious criminal offence to be suspended from the regulatory scheme. OISC investigators have trained and advised caseworkers on the procedures for applying for warrants and how best to exercise these new powers.

The Unit has also continued its focus on both prevention and protection of people who may be exploited by unlawful advice. In particular, following a series of meetings with the Home Office and security personnel responsible for the management of Detention Centres, OISC investigators, working together with Detention Centre staff, designed and introduced systems to deter unregulated advisers from gaining access to potential clients being detained at those centres. The Unit is also in discussions with Crimestoppers, the national charity, to explore how working with them we might be able to better inform potential clients of the risks in using unregulated advisers and asking them to report any unregulated persons with whom they come into contact.

The examples below illustrate OISC court cases where prosecutions have been brought against unregulated advisers both solely by the OISC and with other law enforcement agencies.

Case 1 – The unregulated adviser had been struck off as a solicitor in 2007. Using bogus letter-headed paper from a genuine solicitor’s office, he continued to accept clients and provide immigration advice to the Sri Lankan community. The OISC investigators executed a warrant at his home.

Statements were taken from seven people who had been given advice by him. The offender was interviewed, but continued to deny giving any immigration advice and services. He chose to be tried at Southwark Crown Court where, during the trial, he changed his plea to guilty.

In passing sentence, HHJ Price said: “The terrible thing is that you took advantage of fellow Sri Lankans. You told them you were a solicitor, you told them you could help them and didn’t. You prejudiced their chances of staying in the country. You said that you had a friend at the Home Office; you told them not to phone the Home Office to protect yourself. You misled and cheated them and gave them hope that they would be able to stay. This was a gross breach of trust and the evidence against you is utterly overwhelming.”

He was sentenced to 16 months’ imprisonment, ordered to pay £3,000 compensation and over £4,000 costs.

Case 2 – During 2012 the OISC became aware that large sums of money, much of it in cash, were being handed over to an unregulated firm as payment for immigration advice and services. An investigation discovered that two brothers, one of whom had previously been a regulated adviser and another who was a struck-off solicitor, were operating this business. OISC investigators discovered that almost £35,000 had been paid to the two men. The prosecution was initially brought to Leamington Spa Magistrates' Court, but the magistrates decided that the matter was so serious it needed to be heard at the Crown Court. Both defendants pleaded guilty at Warwick Crown Court, and asked for other offences to be taken into consideration.

In sentencing the men, the Judge described them as "charlatans", saying that: "Many people want to migrate to this country either to live here permanently or for a particular time and a particular purpose. Many are unfamiliar with the apparatus which describes and assists them with their entitlements. Because they are unfamiliar, they are vulnerable." He continued by pointing out that by their actions people had been put in the position where they had parted with large sums of money and been put at a disadvantage.

One defendant was sentenced to 10 months' imprisonment and the other to eight months' imprisonment.

Further, on 9 February 2015 at the Warwick Crown Court, confiscation orders under the Proceeds of Crime Act 2002 were made against both men. One was ordered to pay £45,000 within six months or serve a further 18 months' imprisonment whilst the other was ordered to pay £2,000 and £2,500 in prosecution costs. These orders were the result of the combined efforts of the OISC and the West Midlands Police Regional Asset Recovery Unit.

Case 3 – As part of partnership and sharing of intelligence, the OISC was made aware and worked with both Home Office Immigration and the Department of Work and Pensions (DWP) regarding a Moldavian woman. She was an accountant who had submitted in excess of 400 applications for work permits by Romanian workers prior to 11 January 2014 after which date Romanian nationals were allowed to exercise their Treaty Rights to come to the UK.

Working with the local police and DWP officers, OISC investigators executed search warrants at both her home and business premises. Documentation was recovered, and she was interviewed by OISC investigators.

She denied providing any immigration advice or services, and elected to be tried at the City of London Magistrates' Court. However, on the first day of the trial she changed her plea to guilty.

She was fined £2,000 with costs of £2,430 awarded.

Chapter 4: Key Performance Indicators

Introduction

The OISC measures its performance against published Key Performance Indicators (KPIs). The data produced helps the organisation to examine and assess delivery of its key day-to-day functions. The OISC's current KPIs measure three main areas:

- Performance in relation to its regulatory activities. These KPIs monitor application processing, delivery of the OISC's audit programme, complaint resolutions and determinations, and challenges to the Commissioner's appealable decisions.
- Performance in relation to activity controlling illegal immigration advice and services activities.
- Performance in relation to internal operations, particularly acknowledgment of applications and complaints and payment of undisputed invoices.

	<i>Target</i>	<i>Outcome 2014-15</i>	<i>Outcome 2013-14</i>
KPI 1: New Applications			
a) Percentage of completed Level 1 applications decided within 3 months of receipt	75	69 ✗	77 ✓
b) Percentage of completed applications decided within 6 months of receipt	85	89 ✓	95 ✓
KPI 2: Continued Registration			
a) Percentage of completed 'straightforward' applications decided within 15 working days of receipt	95	97 ✓	98 ✓
b) Percentage of completed applications decided within 3 months of receipt	90	94 ✓	93 ✓
c) Percentage of completed applications decided within 5 months of receipt	95	96 ✓	97 ✓
KPI 3: Audits			
Number of audits undertaken in the Business Year	350	361 ✓	355 ✓

	<i>Target</i>	<i>Outcome 2014-15</i>	<i>Outcome 2013-14</i>
KPI 4: Complaints			
a) Percentage of written complaints about OISC advisers to be resolved or determined within 5 months of receipt	75	73 ✗	Not comparable
b) Percentage of complaints about OISC advisers to be resolved or determined within 10 months of receipt	95	96 ✓	Not comparable
KPI 5: Appeals			
Percentage of Commissioner's decisions to stand following an appeal lodged with the First-tier Tribunal (Immigration Services)	75	94 ✓	100 ✓
KPI 6: Convictions			
Number of successful prosecutions by the OISC of section 91 or section 92B offences under the Immigration and Asylum Act 1999	25	12 ✗	n/a
KPI 7: Internal Response Targets			
a) Percentage of applications acknowledged within 5 working days of receipt	95	100 ✓	100 ✓
b) Percentage of written complaints acknowledged within 5 working days of receipt	95	100 ✓	100 ✓
KPI 8: Internal Response Targets – Finance			
a) Percentage of undisputed invoices paid within 10 working days	60	79 ✓	85 ✓
b) Percentage of undisputed invoices paid within 20 working days	80	95 ✓	97 ✓
c) Percentage of undisputed invoices paid within 30 working days	100	99 ✗	100 ✓

KPIs that measure regulatory activity

The KPIs that are focused on regulatory activities monitor application processing, delivery of the OISC's audit programme, complaint resolutions and determinations and challenges to the Commissioner's appealable decisions.

KPIs – applications and audits

The OISC receives a variety of applications including applications from organisations to join the regulatory scheme, for continued regulation, to change their Advice level, to change their advisers or to make some other substantive alteration. As a result of the Immigration Act 2014, all OISC organisations are now in the same category, known as Registered, irrespective of whether or not they charge clients. This change is reflected in the KPI data on the processing of Continued Registration Applications. 217 previously Exempt (not-for-profit) organisations applied during the latter part of 2014/15 for Continued Registration.

a) KPIs – New applications

All persons applying to join the regulatory scheme or to raise their Advice level must have their competence assessed. Most applicants must take the OISC examination. While we accept applications before the competence assessment is taken, the OISC will not determine these until the assessment result for the adviser is known in order that this information can be taken into account by the caseworker considering their application. As a large percentage of candidates take the examination on more than one occasion, we have experienced a knock-on delay in processing their applications with the result that we have failed to meet KPI 1(a). Recognising this, we have decided to extend the time period allowed for meeting this by one month. Thus, KPI 1(a) for 2015/16 is for the OISC to decide 75% of completed Level 1 applications within four months of receipt.

The OISC met, for the reason explained above, only one of the two KPIs for new applications.

KPI 1(a) – 75% of completed Level 1 applications decided within three months of receipt – The OISC decided 69% of new applications within the period.

KPI 1(b) – 85% of all completed applications decided within six months of receipt – The OISC met this KPI having decided 89% of completed applications within the period.

At the end of 2014/15 there were 49 applications open of which one was at least older than six months [2013/14: 73 applications open of which seven were at least older than six months].

b) KPIs – Applications for continued registration

As mentioned above, the KPIs in this category reflect the change in the organisation classification which came in as a result of the Immigration Act 2014. Notwithstanding the increased volume of applications received towards the end of the year following the relevant provision being implemented on 17 November 2014, we were able to cope by a combination of careful internal organisation and good communication with those organisations affected.

The OISC met all three of the KPIs under this heading.

KPI 2(a) – *95% of all completed “straightforward” applications decided within 15 days* – The OISC decided 97% of such applications within the period.

KPI 2(b) – *90% of all completed applications decided within three months* – The OISC decided 94% of such applications within the period.

KPI 2 (c) – *95% of all completed applications decided within five months* – The OISC decided 96% of such applications within the period.

At the end of 2014/15 there were 82 applications open of which 10 had been open for at least five months (2013/14: 80 applications open of which 11 were at least older than six months).

c) Audits

The OISC uses audits at an organisation’s premises as an important regulatory tool to help it assess the fitness and competence of those wishing to be accepted into the scheme (pre-registration audit) and after entry. While the great majority of audits are pre-arranged, the Immigration Act 2014 gave the Commissioner power to apply for a warrant to conduct an unannounced audit even at a private residence.

The decision of which organisations to audit is determined according to our risk assessment process which takes into account intelligence obtained, complaints received and relevant information about an organisation and its activities.

KPI 3 – *350 audits to be completed between 1 April 2014 and 31 March 2015*

The OISC exceeded this target having conducted 361 audits during the period of which 35 were pre-registration audits.

KPIs that measure complaint processing

The Commissioner is a statutory complaint handler. While often resolving a complaint may personally assist the complainant, she is not an ombudsman. Rather, the primary function of complaints for the OISC is as a support to the regulation of the provision of immigration advice and services as they can indicate issues with an organisation or adviser or illegal activity.

The OISC recognises that it is important both for complainants and advisers for complaints to be investigated efficiently. Following our performance in 2013/14 when 89% of complaints were resolved or determined within six months, we decided to change KPI 4(a) by reducing the amount of time for resolving or determining complaints from six months to five months. While we failed marginally to meet this stretching target, imposing it resulted in us closely examining our complaint processes and introducing changes including the setting of internal time targets that we believe will improve our processing time.

KPI 4 (a) – *75% of written complaints about OISC advisers to be resolved or determined within five months of receipt*² – The OISC failed to meet this target, having resolved or determined 73% of written complaints during the period.

KPI 4(b) – *95% of written complaints about OISC advisers to be resolved or determined within 10 months of receipt*² – The OISC met this target having resolved or determined 96% of written complaints during the period. The target for KPI 4(b) was also changed in 2014/15 following our 2013/14 performance (99% of complaints determined within 12 months of receipt), from 12 months to 10 months.

89³ complaints were brought forward from 2013/14. During 2014/15 the OISC received 195 complaints against OISC regulated organisations (2013/14: 268) and decided 234 complaints (2013/14: 245). 44 complaints (23% of complaints received during the period) were re-directed to the respective organisations against which they were made (2013/14: 50; 20%). 50 complaints have been carried forward into 2015/16. The smaller number of complaints received in 2014/15 as compared to 2013/14 is at least partly due to the large volume of complaints we received during the latter year against one organisation.

² Defined as when the OISC accepts the complaint for investigation under the OISC Complaints Scheme.

³ This number was incorrectly reported in the 2013/14 Annual Report and Accounts as 94.

KPI that measures Commissioner's decisions upheld following an appeal to the First-tier Tribunal (Immigration Services)

Various decisions made by the Commissioner, such as refusal of continued registration, are appealable. During 2014/15, 137 appealable decisions were made. (In 2013/14 we reported that 142 appealable decisions had been made in that period. Following an internal audit, we re-calculated that figure resulting in it being increased to 166.)

During 2014/15, 13 appeals challenging the Commissioner's decision were lodged with the Tribunal in addition to the 12 cases that were ongoing from 2013/14. During 2014/15, 18 cases were heard by the Tribunal.

Of the cases heard during the year, the Commissioner's decision was upheld in all but one of the 18 cases. One case was dealt with by way of a consent order. At year end five cases were ongoing.

KPI that measures the OISC's control of illegal immigration advice and services activities

The 2013/14 Annual Report explained that the OISC had conducted a major reassessment of how our work on dealing with unregulated organisations should be counted for the purposes of KPI data. We wanted to differentiate between those prosecutions that the OISC carries out exclusively itself and those where it works with other enforcement agencies in support of their prosecutions. We therefore decided to introduce a new KPI in 2014/15, being a target of a minimum of 25 successful prosecutions by the OISC of section 91 (giving advice while unregulated) or section 92B (advertising the giving of unregulated immigration advice) offences. This was recognised as a very stretching target given that, generally, our level of annual prosecutions has been below that figure. Furthermore, while we increased the number of OISC investigators (from four to six in 2014/15), that team is still relatively small. In addition, while criminal prosecutions can be started in one year, the way the legal system works means that cases are often not finished within that year.

While the OISC failed in the first year of its introduction to meet this KPI, having completed 12 successful prosecutions, it should be noted that four defendants we prosecuted received sentences of imprisonment and five received suspended prison sentences. Recognition should be given to the fact that during 2014/15 the OISC supported partner law enforcement in two cases prosecuted by the CPS by being present either at warrant or PACE interview stage and in other matters involving a total of eight defendants the OISC provided supporting statements. Information

about the substantial work done by the Intelligence and Investigations Team can be found in Chapter 3 of this Annual Report.

KPIs that measure the time it takes for the OISC to process internal activities

KPI 7 – *95% of applications and written complaints acknowledged within 5 working days of receipt* – The OISC acknowledged 100% of applications and 100% of written complaints within 5 working days of receipt.

The OISC also has three finance KPIs

KPI 8(a) – *60% of full year undisputed invoices paid within ten working days*

KPI 8(b) – *80% of full year undisputed invoices paid within 20 working days*

KPI 8(c) – *100% of full year undisputed invoices paid within 30 working days.*

The OISC met two of its finance KPIs by paying 79% of full year undisputed invoices within ten working days and 95% of such invoices within 20 working days. It, however, just failed to meet KPI 8(c) having paid 99% of full year undisputed invoices within 30 working days.

Outcome Objectives

The OISC has concentrated on improving its effectiveness in delivery of its statutory and organisational aims and objectives. As part of that process, in 2013/14 we reported on the piloting of four Outcome Objectives:

- Objective 1 – Only those applicants who demonstrate they are fit and competent will be authorised to practise under the OISC regulatory scheme;
- Objective 2 – OISC regulated organisations and advisers comply with the Rules and Code of Standards for the benefit of clients and other stakeholders;
- Objective 3 – The OISC takes action to counter the provision of illegal immigration advice; and
- Objective 4 – The OISC is a fit for purpose public service regulator.

We began piloting these during 2014/15 and this process included ensuring that they were understood across the OISC and that the work of the individual teams was aligned with them.

Over the last year we have identified a number of quantitative data sets that we believe, when considered together, will provide the necessary information we need to determine how well we are delivering our statutory and other objectives and the consequential impact we are having on the immigration advice sector. The

OISC would have liked to be further forward in the collection of this data using comprehensive, electronic management reports. However, this has only begun to be possible with the recent recruitment of an additional IT developer. Thus, the piloting process is continuing in 2015/16.

The data that is currently available has been collected and analysed quarterly. This has highlighted a number of interesting issues mentioned below which includes the reduction in organisational and adviser churn, mentioned elsewhere in this Report.

Objective 1 – The data suggests that the competence assessment system is effective in ensuring that those who are unable to demonstrate that they meet the required standard of knowledge are not allowed entry into the regulatory scheme. The Level 1 assessment, which persons wishing to join the scheme must pass, consists of a multiple choice test and a written exercise. The former tests applicants' breadth of knowledge while the latter tests applicants' ability to analyse problems and write in good English. Applicants must first pass the multiple-choice section of the assessment to have their answer to the scenario question marked. Applicants must pass both elements of the assessment. In 2014/15 approximately half of those that took the test passed the multiple-choice section and, of that, half again passed the scenario section.

The outcome that the OISC is seeking in respect of fitness is less easy to demonstrate through the data. However, the systems that the OISC has put in place, such as all new applicants having to provide a Disclosure and Barring Service report, the recently introduced requirement for self-declaration by owners and trustees that they meet a set standard of fitness including honesty, legal compliance and financial probity and the fact that 15% of applicant organisations are audited prior to a decision being made to allow them entry into the scheme, have provided a satisfactory level of assurance on fitness.

Objective 2 – In-depth consideration of delivery of this objective has been delayed by our lack of the complete data needed to make an assessment which will allow us to draw conclusions. In particular, we recognise that we need to capture information that will give us a detailed breakdown of the compliance issues identified at premises audits and through complaints. Nevertheless, the information that we have collected has enabled us to identify two areas that we intend to investigate further in 2015/16.

First, is how few of the complaints we re-direct back to organisations are resolved sufficiently by them not to necessitate subsequent investigation by the OISC. This is despite regulated organisations being required to have a complaint

handling scheme and the OISC publishing information for regulated organisations on how to deal with client dissatisfaction. Second, is our infrequent use of the OISC's power to ask the First-tier Tribunal (Immigration Services) to impose a "disciplinary charge", which would, if granted, prohibit an adviser from giving immigration advice or service for a set period or indefinitely and/or to order that money paid for advice and services be repaid to the client. The OISC made no such application to the Tribunal in 2014/15.

Objective 3 – The OISC's work and data collected on dealing with illegal activity has undergone considerable change since 2013/14 as detailed in Chapter 3 of this Report. This has provided us with assurance that the OISC is proactively collecting intelligence from various sources, has improved its systems of prioritising information and is developing that information so that more effective and timely investigations are carried out. One area that we have identified as requiring further examination during 2015/16 is whether we are making the best use of the information and intelligence we have from all sources when making decisions on applications for continued registration.

Objective 4 – The data collected indicates that the OISC is efficiently and appropriately handling complaints made against OISC staff, paying invoices on time and dealing with Data Protection Act and Freedom of Information Act requests.

Annex: Glossary

Approved Regulator	As defined by the OISC, these regulators are either covered by the Immigration and Asylum Act 1999 (as amended), as Designated Professional Bodies or by the Legal Services Act 2007. They are: the Law Society of England and Wales; Chartered Institute of Legal Executives; and the General Council of the Bar of England and Wales.
Designated Professional Bodies	The DPBs are the: Law Society of Scotland; Law Society of Northern Ireland; General Council of the Bar of Northern Ireland; and Faculty of Advocates. The Immigration Services Commissioner has statutory oversight responsibilities in respect of the effective regulation by the bodies in Scotland and Northern Ireland of their members in the provision of immigration advice and/or services.
Exempt	Not-for-profit regulated organisations were formerly classified as exempt if they did not charge for the provision of immigration advice or services.
First-tier Tribunal (Immigration Services)	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.
Home Office	The Home Office is the UK government department with responsibility for immigration, asylum, nationality and citizenship matters.
Registered	The Immigration Act 2014 changed classification of all OISC regulated organisations to registered. Formerly this classification was used only for those organisations that charged clients for immigration advice or services.
Upper Tribunal	The Upper Tribunal is a superior court of record dealing with appeals against decisions made by the First-tier Tribunal.

Statement of Accounts 2014/15

Foreword

This Statement of Accounts reports the results of the Office of the Immigration Services Commissioner (OISC) for the year 1 April 2014 to 31 March 2015 and incorporates the content required with a 'Directors Report', which is required by the FReM and in our case would be a 'Commissioner's Report'. 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 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. The Home Secretary 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.

The OISC occupies offices at 21 Bloomsbury Street, London WC1B 3HF.

2. Principal activities

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

- promote good practice by those who provide immigration advice or immigration services;
- decide if it needs to make or alter rules regulating any aspect of the professional practice, conduct or discipline of:
 - (a) registered persons; and
 - (b) those employed by, or working under, the supervision of registered persons in connection with the provision of immigration advice or immigration services;
- register qualified persons under section 84 (2) of the Act;

-
- prepare and maintain a register of qualified persons registered under the Act, which must be available for inspection during reasonable hours and copies of the register must be provided on payment of a reasonable fee;
 - prepare and issue a code setting standards of conduct, which those to whom the code applies are expected to meet;
 - 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. Mrs McCarthy was subsequently reappointed to serve for a second term until 4 September 2015. The Home Secretary also under the Act appointed Dr Ian Leigh as Deputy Immigration Services Commissioner for a period of five years from 7 February 2011.

During the year 2014/15 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 (the Commissioner works 0.60fte), during the year, Mrs McCarthy held the following public appointments:

- Non-Executive Director – Human Tissue Authority
- Chairman, General Chiropractic Council
- Independent Appointed Person – Greater London Authority
- Independent Appointed Person – London Emergency and Fire Planning Authority

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 65 to 69 a Governance statement.

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 (Internal Audit Services) to provide internal audit services from 1 April 2001. The Home Office Audit Committee agreed centralised funding from 2014/15 onwards, which resulted in no recharge cost to 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 2014/15 was £19,000 (2013/14: £21,000).

An Audit Committee was set up in November 2001 and was chaired by the, then, Commissioner until the appointment of a non-executive Chairman in March 2003. The Committee's terms of reference are annually reviewed. The members of the current Audit and Risk Assurance Committee and their terms of appointment are:

- Terry Price – reappointed until 31 December 2016
- John King – reappointed until 31 December 2016
- Alan Rummins – reappointed until 31 December 2016
- Peter Wrench – reappointed until 31 December 2016

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 is owned by this group and is reviewed by them quarterly.

5. Results for the period

The accounts for the year 1 April 2014 to 31 March 2015 are set out on pages 73 to 76. The notes on pages 77 to 90 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 2014 to 31 March 2015, 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 2014/15 the resource allocated to the OISC by the Home Office was £3,927,000 (2013/14: £3,997,676). This resource has been used efficiently to meet the year's business plan targets.

The total net expenditure for the year was £4,015,251 of which £2,630,804 were employment costs.

6. Research and development

The OISC capitalised development costs of £nil (2013/14: £8,800) on the CPD platform during the year ended 31 March 2015 and £28,295 (2013/14: £14,147) on developing online application forms.

7. Charitable donations

No charitable donations were made in the year ended 31 March 2015 (2013/14: £nil).

8. Changes in non-current assets

The OISC purchased additional non-current assets worth £208,142 (2013/14: £nil).

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. In the year ended 31 March 2015: 79% (2013/14: 85%) of invoices 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 is not required to provide a sustainability report but seeks to minimise the impact of its activities on the environment. It has adopted the Home Office Environmental Policy in so 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 seeks to reduce the use of paper by maximising its use of 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. Number of persons of each sex employed

The number of persons of each sex employed during the year was as follows:

	2014/15	2013/14
Commissioner*	1	1
Deputy Commissioner*	1	1
Female (F) Staff	27	27
Male (M) Staff	32	29
Total	61	58

* The Commissioner (F) and Deputy Commissioner (M) are Ministerial appointments.

14. Equality and diversity

The OISC recognises the business benefits of having a diverse workforce and is committed to maintaining a culture in which diversity and equality are actively promoted and where discrimination is not tolerated.

15. 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 recognises the Public and Commercial Services Union for collective bargaining purposes.

16. Employees with protected characteristics under the Equality Act 2010

The OISC operates a fair and open selection policy relating to applications for employment and internal promotion. The OISC published its Equality Scheme on 1 August 2011. The scheme was reviewed in 2013 and extended until 2016. It specifies all the protected characteristic areas as defined by the Equality Act 2010. The Equality Scheme contained an action plan setting out how the OISC would implement and monitor it.

17. Sickness data

There were 449 sick days taken by OISC staff, 193 being of short-term duration (43%) and 256 of long-term duration (57%). This equates to 7.4 days average per person overall compared to the latest comparison figures available from the public sector of 8.7 average days per person. In a small organisation such as the OISC just one long-term sick absence has a disproportional impact on the overall absence figure. The OISC's short-term absence figure equates to an average sickness rate per person of 3.2 days.

18. 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 regard to the contribution it makes to the sector and the experience it has gained since it began operating. The OISC will work to remain an effective regulator both by ensuring that advisers give a good quality service to their clients and by providing a good service to regulated advisers and to others in the sector.

19. Going Concern

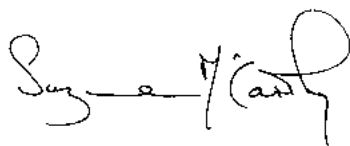
The OISC's bid for 2015/16 Grant-in-Aid was approved with a 5% decrease in line with reductions in public spending. The amount is 7.20% less than in 2014/15 due largely to an additional £320k received for relocation to its new accommodation.

There is a reasonable expectation that the OISC will continue in operational existence for the foreseeable future. Accordingly, we continue to adopt the going concern basis in preparing the annual report and accounts.

20. 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
1 July 2015

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. The Commissioner heads the OISC, and she and the Deputy Commissioner are Ministerial appointees. Suzanne McCarthy took up her appointment on 5 September 2005, and was re-appointed for a second five years, finishing in September 2015. Dr Ian Leigh took up his appointment as Deputy Commissioner on 7 February 2011 for five years in accordance with schedule 5 of the Immigration and Asylum Act 1999.

Salary and Pension Entitlements (Audited)

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

"Salary" includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances to the extent that it is subject to UK taxation.

			2014/15						2013/14		
	Salary (excluding non- consolidated performance pay)	Non- consolidated performance pay	Benefits in kind	Pension- related benefits accrued in year	Total		Salary (excluding non- consolidated performance pay)	Non- consolidated performance pay	Benefits in kind	Pension- related benefits accrued in year	Total
	£'000	£'000	Nearest £00	£'000	£'000		£'000	£'000	Nearest £00	£'000	£'000
Suzanne McCarthy Commissioner	65–70* 110–115**	0	0	45–50	110–115* 190–195**	Suzanne McCarthy Commissioner	65–70* 110–115**	0	0	0–5	65–75* 110–120**
Dr Ian Leigh Deputy Commissioner	55–60* 65–70**	0	0	15–20	70–75* 90–95**	Dr Ian Leigh Deputy Commissioner	55–60* 65–70**	0	0	0	55–60* 65–70**
Band of highest paid Commissioner's total remuneration (£'000)	110–115					Band of highest paid Commissioner's total remuneration (£'000)	110–115				
Median total remuneration (£'000)	37					Median total remuneration (£'000)	35				
Ratio	3.0					Ratio	3.2				

There were no bonuses paid in the year.

* The Commissioner works 0.60fte and Deputy Commissioner works 0.83fte.

** Full time equivalent salary

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 2014/15 or 2013/14.

Pension benefits

	Accrued pension at pension age as at 31/3/15 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/14	CETV at 31/03/15	Real increase in CETV as funded by employer
	£'000	£'000	£'000	£'000	£'000
Suzanne McCarthy Commissioner	85-90	2.5- 5.0	1,524	1,552	40
Dr. Ian Leigh Deputy Commissioner	0-5	0-2.5	29	45	14

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 Consumer Price Index (CPI). 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 between 1.5% and 6.85% of pensionable earnings for **classic** and between 3.5% and 8.85% 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 CPI. 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 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**.

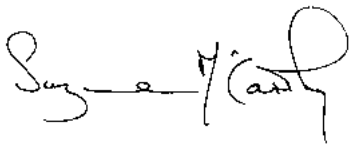
Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional years of pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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
1 July 2015

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, changes in taxpayers' equity 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.

OISC Governance Statement 2014/15

Overview

As a Corporation Sole I am accountable for all actions of the OISC undertaken in my name. I am the organisation's Accounting Officer and Consolidation Officer, and I am responsible for safeguarding the public funds for which I have charge, for ensuring propriety and regularity in the handling of those funds and for the OISC's day-to-day operations and management. I am answerable to the Home Secretary for the OISC's activities and performance, and accountable to Parliament through her. I am assisted in undertaking these responsibilities by the Deputy Commissioner, who is also appointed by the Secretary of State, and who is empowered to act in my place at any time when I am unavailable.

I am advised by an Audit and Risk Assurance Committee (ARAC), consisting of four non-executive members appointed by me, one of whom acts as chairman. This Committee's main aims are to support me in ensuring the proper stewardship of the OISC's resources and assets; to oversee financial reporting; and to monitor the effectiveness of the OISC's audit arrangements, governance, and the management of risk. The Committee meets at least four times a year. Its meetings are attended by me, the Deputy Commissioner and the Head of Finance, together with representatives of the OISC's internal and external auditors: the Home Office Internal Audit Unit (IAU) and the National Audit Office (NAO) respectively. The Chairman, Terry Price, and two Members (Peter Wrench and Alan Rummins), attended all four meetings held during the year. The other member (John King) attended three meetings.

Ministerial confirmation of the OISC's continuing existence as an executive, non-departmental, public body in October 2011 enabled a challenging and innovative three-year Corporate Plan to be developed for the period 2012-15. The associated Business Plan for 2014/15 contained targets specifically aimed at continuing to improve the effectiveness of the OISC's regulatory operations. ARAC in particular closely monitored the delivery of those aims.

In the autumn of 2014 it was agreed with the Home Office that the OISC's 2012/15 Corporate Plan should be extended for a further year until March 2016. There were a number of reasons which led to this decision. First, in September 2015 I will have completed my second, and final, term in office as I am required by statute to stand down. Second, the OISC has recently been subject to a Triennial Review, the outcome of which was not determined in 2014/15, but when published may result in changes being required in how the Office operates. Third, it was expected that the General Election in May 2015 could lead to different Government priorities, which the next Corporate/Business Plans would need to reflect.

Further, a number of projects contained in the 2012-15 Corporate Plan were never expected to be completed before its expiry. Major activities include implementing the outcome objectives which have been trialled throughout 2014/15 and preparing for implementation of the new Code of Standards, as well as undertaking new duties and exercising new powers acquired by the OISC through the Immigration Act 2014. The OISC Business Plan 2015/16 prepared on this basis was approved by the Home Office in February 2015 subject to "...the possibility that operating priorities may require to be changed during the year as a result of matters arising from the Triennial Review."

The OISC operates under the terms of a Management Statement and Financial Memorandum agreed with the Home Office. The parties have held discussions about the terms of a new Framework Document; but it is understood that the Home Office is deferring its finalisation until my successor has been appointed.

As Corporation Sole and Accounting Officer all decisions regarding the running of the OISC are in my name. The organisation does not have a management board with non-executive members. The OISC's executive Senior Management Team (SMT) acts in that capacity, meeting monthly under my chairmanship to monitor, report and advise upon financial, operational and strategic issues for which I maintain personal responsibility. The agenda for every meeting includes consideration of management accounts, key performance indicators and reports from section managers. All corporate policies are reviewed on a rolling three-year cycle (or earlier if changes are required), and these are available to all staff electronically. Copies of the SMT's Board papers, including minutes, are circulated on a monthly basis to ARAC members.

I receive external assurance on the robustness of the OISC's corporate governance arrangements principally through a formal audit undertaken annually by the IAU. This exercise was completed in February 2015 and concluded that: "The OISC's Corporate Governance remains sound."

Risk management

The OISC maintains a Corporate Risk Register which clearly identifies risks, mitigation measures and responsibilities. This Register is formally considered and updated at least every three months by the SMT, and it is reviewed by ARAC at each of its meetings. Each OISC team maintains a more detailed local risk register which informs, and is informed by, the corporate document. Risk registers are held electronically and are accessible to all staff. In 2014/15 key areas covered by the OISC's Corporate Risk Register included: financial management; relationship with

government; new legislation; reputation; information security; staffing; and accommodation.

The OISC has been exposed to three significant risks during the financial year which are worth highlighting. Two have been satisfactorily resolved, but the third remains a source of some uncertainty.

The first risk concerned a former member of staff who brought an Employment Tribunal case. This matter was satisfactorily resolved by judicial mediation prior to the case coming before the Tribunal. The second major risk related to the OISC's enforced move to new accommodation in May 2014. Despite numerous difficulties and delays associated with this project, which were not caused by the OISC or by its Sponsor Unit, the move was completed with great efficiency. There was no noticeable disruption to service, and staff immediately began operating effectively in their new working environment. The success of the move was confirmed by an IAU audit.

Major outstanding risk

The third highlighted risk relates to the OISC's ambition to enhance its efficiency and customer service by introducing electronic application forms and payment mechanisms for new and repeat registration. This project – managed by Home Office Digital on behalf of the OISC – is in line with the Government's digital agenda and is linked to the enforced closure of the OISC's website and its transfer to the "GOV.UK" platform. Both strands of activity were planned to take place in the final three weeks of the previous financial year (March 2014). The website transition eventually took place in November 2014, but at that point Home Office Digital had still not completed the project to develop electronic applications forms.

Failure to implement this project satisfactorily would be a major source of embarrassment and reputational risk to the OISC. Regulated advisers had been led to believe that, despite earlier delays, the system would go live on 17 November 2014 when the new OISC provisions of the Immigration Act 2014 came into effect. Moreover, the continuing absence of a working electronic system means that the OISC still has to handle large quantities of physical documentation, preventing it from making the efficiency savings which it intended to deliver as part of the "new ways of working" introduced when staff moved to much smaller accommodation in May 2014.

Despite Home Office contractors having delivered what they considered to be a set of working modules just before Christmas 2014, attempts at end-to-end testing of

the package by the OISC failed, revealing fundamental flaws in the programming. Towards the end of the financial year Home Office Digital accepted full responsibility for solving all outstanding problems, and committed major resources and goodwill to completing the project. Significant progress has been made, and some elements are now ready for release. However, it is currently impossible to tell when the project will be fully complete. The OISC has kept its Sponsor Unit fully informed of developments.

Internal audit

A wide-ranging programme of internal audit is undertaken each year. This addresses activities identified by management, the auditors and ARAC, and is informed by an analysis of the risks to which the OISC is exposed and by the Home Office's Assurance Framework. In 2014/15 audits were undertaken covering:

- Competence Assessments;
- Transition to New Accommodation;
- Repeat Applications;
- Review of KPIs 3 and 5 (audits carried out; success in defending decisions at the First-tier Tribunal (Immigration Services)); and
- Corporate Governance.

In addition, the IAU reviewed KPI 6 (Prosecutions) in the light of an NAO investigation into Intelligence and Investigations KPIs conducted during 2013/14.

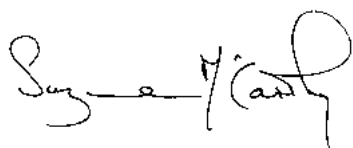
As referred to above, the audit, "Transition to New Accommodation", attracted a High Assurance Rating. The opinion given on the other audits was "moderate" assurance, confirming that the systems reviewed generally operate effectively with no critical actions being identified. These audits continue to be useful in identifying areas where systems which work effectively on a day-to-day basis could be made more robust by reviewing and updating the formal procedures which underpin them. Recommendations for improvement identified from each of these reports have been or are being addressed.

The IAU's Annual Opinion based on the audit coverage during 2014-15 concluded that: "Identified strengths in the control, risk and/or governance arrangements increase the likelihood that objectives will be met. Although there is a need for improvement in specific areas, systems generally operate satisfactorily." This resulted in an overall Assurance and Opinion Rating of "Moderate" and a "Rising" Direction of Travel.

Other matters

I have nothing specific to report in relation to managing the risk of financial loss, handling information risk, health and safety plans or security incidents. All are subject to well-defined processes which are reviewed at appropriate intervals, and no incidents have occurred during this period which require reporting. The IAU previously identified the OISC's Business Continuity Plan as being in need of updating, communication and testing. A new plan has now been approved by the SMT and disseminated to all staff and has been tested. There have been no non-trivial lapses of data security, and no occurrences of corruption or bribery during the period.

In summary, I am satisfied that the resources for which I am responsible continue to be subject to appropriate control, and that the corporate governance of the OISC remains fully fit for purpose.



Suzanne McCarthy
Immigration Services Commissioner and Accounting Officer
1 July 2015

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

I certify that I have audited the financial statements of the Office of the Immigration Services Commissioner for the year ended 31 March 2015 under the Immigration and Asylum Act 1999. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; 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, certify and report on the financial statements in accordance with the Immigration and Asylum Act 1999. I conducted my audit in accordance with 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 Office of the Immigration Services Commissioner's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Office of the Immigration Services Commissioner; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements 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 Office of the Immigration Services Commissioner's affairs as at 31 March 2015 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Immigration and Asylum Act 1999 and Secretary of State 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 Secretary of State directions made under the Immigration and Asylum Act 1999; and
- the information given in the Annual Report 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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

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

Date 6 July 2015

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2015

		2014/15		2013/14	
	Note	£'000	£'000	£'000	£'000
<i>Expenditure</i>					
Staff costs	4		2,631		2,515
Other expenditure	5		1,384		1,584
			<u>4,015</u>		<u>4,099</u>
<i>Other income – payable to the Home Office</i>					
Fee income	3	(1,062)		(1,090)	
Other income	3	(9)		(4)	
		<u>(1,071)</u>		<u>(1,094)</u>	
Appropriation due to the Home Office		1,057		1,095	
			<u>(14)</u>		<u>1</u>
Net expenditure*			<u>4,001</u>		<u>4,100</u>

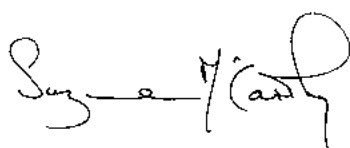
*All income and expenditure is derived from continuing activities.

The notes on pages 77 to 90 form part of these accounts.

Statement of Financial Position

For the year ended 31 March 2015

	Note	31 March 2015		31 March 2014	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	6		198		47
Intangible assets	7		161		184
Total Non-Current Assets			359		231
Current assets					
Trade and other receivables	8	260		163	
Cash and cash equivalents	11	170		374	
Total Current Assets			430		537
Total assets			789		768
Payables and Provisions					
Amounts due within one year	9	(304)		(201)	
Total current liabilities			(304)		(201)
Non-current assets plus net current assets			485		567
Non-current Liabilities					
Amounts due after more than 1 year	9	(174)		0	
Provisions for liabilities and charges	10	(84)		(266)	
			(258)		(266)
Assets less liabilities			227		301
Taxpayers' Equity					
General Fund			227		286
Revaluation reserve			0		15
Total Taxpayers' Equity			227		301



Suzanne McCarthy
Immigration Services Commissioner and Accounting Officer
1 July 2015

The notes on pages 77 to 90 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2015

	2014/15 £'000	2013/14 £'000
Cash flows from operating activities		
Net deficit after interest paid	(4,001)	(4,100)
<i>Adjustments for non-cash costs</i>		
Adjustment – depreciation and amortisation	108	187
Release of dilapidation provision	(177)	0
Provision for dilapidation	84	0
(Increase)/Decrease in trade and other receivables	(97)	38
Increase/(Decrease) in trade payables	277	(288)
Use of Provisions	(89)	0
Net cash outflow from operating activities	(3,895)	(4,163)
Cash flows from investing activities		
Purchase of property, plant and equipment	(208)	0
Purchase of intangible assets	(28)	(23)
Net cash outflow from investing activities	(236)	(23)
Cash flows from financing activities		
Grant-in-Aid	3,927	3,998
Net cash flow from financing activities	3,927	3,998
Net (decrease)/increase in cash and cash equivalents in the period	(204)	(188)
Cash and cash equivalents at the beginning of the period	374	562
Cash and cash equivalents at the end of the period	170	374

The notes on pages 77 to 90 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2015

	General Reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2013	388	15	403
Changes in taxpayers' equity for 2013/14			
Net Expenditure for Year Ended 31 March 2014	(4,100)	0	(4,100)
<i>Total recognised Income and Expense for 2013/14</i>	<u>(4,100)</u>	<u>0</u>	<u>(4,100)</u>
Grant-in-Aid	3,998	0	3,998
Balance at 31 March 2014	<u>286</u>	<u>15</u>	<u>301</u>
Changes in taxpayers' equity for 2014/15			
Net Expenditure for Year Ended 31 March 2015	(4,001)	0	(4,001)
Total recognised Income and Expense for 2014/15	<u>(4,001)</u>	<u>0</u>	<u>(4,001)</u>
Grant-in-Aid	3,927	0	3,927
Transfers between Reserves	15	(15)	0
Balance at 31 March 2015	<u>227</u>	<u>0</u>	<u>227</u>

The notes on pages 77 to 90 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 2014/15 *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.

Standards in issue but not yet effective

IAS8, "Accounting policies, changes in accounting estimates and errors", requires disclosures in respect of new IFRS, amendments and interpretations that are, or will be, applicable after the reporting period. There are a number of IFRS, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. None of these new or amended standards and interpretations are likely to be applicable or are anticipated to have a future material impact on the financial statements of the OISC.

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 and are credited to the General Reserve because they are regarded as contributions from a controlling party.

Going Concern

The OISC's bid for 2015/16 Grant-in-Aid was approved with a 5% decrease in line with reductions in public spending. The amount is 7.20% less than in 2014/15 due largely to an additional £320k received for relocation to its new accommodation.

There is a reasonable expectation that the OISC will continue in operational existence for the foreseeable future. Accordingly, we continue to adopt the going concern basis in preparing the annual report and accounts.

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 revalued only when impact is material 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 and Amortisation

Depreciation is provided on all non-current assets on a straight-line basis 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 straight-line basis over 4 years
Furniture and office equipment*	on a straight line basis over 4 years
Database software	on a 20% reducing balance basis
CPD platform*	on a straight-line basis over 4 years
Assets under Construction	Nil until brought into use

* Following our move to 21 Bloomsbury Street, London W1CB 3HF, the OISC's policy on depreciation and amortisation were changed from 3.5 years to 4 years in accordance with IAS17 on an effective straight line basis.

The dilapidation provision

The OISC recognises a dilapidation provision for the leased premises it occupies where it has an obligation to bring the property into a good state of repair at the end of the lease. In line with IAS37 provisions, contingent liabilities and contingent assets, the costs of reinstatement are also recognised in the provision of liabilities and charges.

Fee income

Fees that accompany applications to the Commissioner for registration or continued registration are recognised in the Statement of Comprehensive Net Expenditure 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 over which she retains regulatory oversight 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.

From 1st April 2011 three of these Designated Professional Bodies became Designated Qualifying Regulators and as a result oversight of them passed to the Legal Services Board. The Commissioner has no power to collect fees from Designated Qualifying Regulators. No fee was charged in respect of 2013/14.

Operating leases

The OISC has commitments under two operating leases in respect of the premises it occupies. The OISC's commitments are disclosed in Note 13. There are no finance leases.

Payments made under operating leases 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 Statement of Comprehensive Net Expenditure.

Holiday Accrual

An accrual is made of outstanding holiday due to the OISC staff as at end of the financial year. The basis of calculation is 220 working days. Total holiday accrual 2014/15: £93,375 (2013/14: £63,932).

Value Added Tax

The OISC is not registered 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 Income

Fee income

	2014/15 £'000	2013/14 £'000
Designated professional bodies*	0	0
Adviser fees	1,062	1,090
	1,062	1,090

Section 86 of the Immigration and Asylum Act 1999 provides for the Immigration Services Commissioner to recover costs from Designated Professional Bodies (DPBs), but this power does not extend to Designated Qualifying Regulators (DQRs) as defined by the Legal Services Act 2007. The Commissioner, as confirmed by the Home Office, therefore has no statutory authority to collect outstanding fees from those bodies, and all such debts must consequently be written off. Other fees for the remaining DPBs will be invoiced by our sponsor unit in the Home Office.

* A decision was taken with regard to the costs associated with the work required for the Designated Professional Bodies (DPBs). The amount collected as fees will not be in proportion to the expenses involved in the charging process. No charge was therefore made this year.

Fees and charges

Costs relating to fee income are as follows:

	2014/15			2013/14		
	Costs	Income	Surplus/ (Deficit)	Costs	Income	Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Adviser fees*	4,015	(1,062)	(2,953)	4,099	(1,090)	(3,009)
	4,015	(1,062)	(2,953)	4,099	(1,090)	(3,009)

* Application Fees are paid by advisers at a level set by the Home Office (S.I. 2011/1366). This generates income which is less than the total cost of OISC operations.

Other Income:

	2014/15 £'000	2013/14 £'000
Court costs	9	3
Other income	0	1
	9	4

The monies received from fees and other income are passed to the Home Office on a quarterly basis. These are shown in the Statement of Comprehensive Net Expenditure as Appropriation due to the Home Office.

4 Staff numbers and related costs

Staff costs comprise:

	Total	2014/15 Permanently Employed	Others	2013/14
	£'000	£'000	£'000	£'000
Wages and salaries	2,095	2,094	1	1,993
Social security costs	174	174	0	164
Other pension costs	362	362	0	358
	2,631	2,630	1	2,515
Less recoveries in respect of outward secondments	0	0	0	0
	2,631	2,630	1	2,515

Average number of persons employed

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

	2014/15 Total	2013/14 Total
Directly employed	60	58
Others	0	0
Staff engaged on capital projects	0	0
Total	60	58

The Commissioner and Deputy Commissioner are Ministerial appointments.

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.civilservicepensionscheme.org.uk

For 2014/15, employer contributions of £357,274 were payable to the PCSPS (2013/14: £357,985) at one of four rates in the range 16.7% to 24.3% 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 2014/15 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 £6,809 (2013/14: £8,781) were paid to one or more of the panel of 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 and Risk Assurance Committee (ARAC)

The non-executive members of the Audit and Risk Assurance Committee are paid £350 per day (£400 Chair of Committee) plus travel costs for attendance at ARAC meetings. None has received more than £2.2k during the year.

5 Other expenditure

	2014/15 £'000	2013/14 £'000
Running costs		
Accommodation	307	450
Information technology	65	70
Legal costs	186	182
Advertising and publicity	11	14
Office supplies and services	76	56
Website	10	6
Training	24	30
External audit fee	19	21
CPD costs	98	45
Other running costs	277	76
Rentals under operating leases	207	447*
Non-cash items		
Depreciation and Amortisation	108	187
Provision for Dilapidation	(4)	0
	1,384	1,584

* The OISC moved to new accommodation in May 2014 but remained liable for occupancy costs in relation to its former Tooley Street offices until 30 May 2014, amounting to approximately £49k.

6 Property, Plant and Equipment

	2014/15			
	Office Refurbs	Furn & Off Equip	Computer Equip	Total
	£	£	£	£
Cost at 1 April 2014	661	269	370	1,300
Additions	94	16	98	208
Disposals	(661)	(269)	(310)	(1,240)
Revaluation	0	0	0	0
Cost at 31 March 2015	94	16	158	268
Depreciation at 1 April 2014	(661)	(269)	(323)	(1,253)
Charged during the year	(11)	(4)	(42)	(57)
On disposals	661	269	310	1,240
Revaluation	0	0	0	0
Depreciation at 31 March 2015	(11)	(4)	(55)	(70)
Net book value at 31 March 2015	83	12	103	198
<i>Net book value at 31 March 2014</i>	<i>0</i>	<i>0</i>	<i>47</i>	<i>47</i>
	2013/14			
	Office Refurbs	Furn & Off Equip	Computer Equip	Total
	£	£	£	£
Cost at 1 April 2013	661	269	370	1,300
Additions	0	0	0	0
Disposals	0	0	0	0
Revaluation	0	0	0	0
Cost at 31 March 2014	661	269	370	1,300
Depreciation at 1 April 2013	(609)	(258)	(288)	(1,155)
Charged during the year	(52)	(11)	(35)	(98)
On disposals	0	0	0	0
Revaluation	0	0	0	0
Depreciation at 31 March 2014	(661)	(269)	(323)	(1,253)
Net book value at 31 March 2014	0	0	47	47
<i>Net book value at 31 March 2013</i>	<i>52</i>	<i>11</i>	<i>82</i>	<i>145</i>

7 Intangible Assets

	2014/15				Total £'000
	Themis Software £'000	CPD Platform £'000	CPD Licences £'000	Asset under Construction* £'000	
Cost at 1 April 2014	293	454	12	14	773
Additions	0	0	0	28	28
Disposals	0	0	(12)	0	(12)
Cost at 31 March 2015	293	454	0	42	789
Amortisation at 1 April 2014	(172)	(405)	(12)	0	(589)
Provided during the year	(24)	(27)	0	0	(51)
On disposals	0	0	12	0	12
Amortisation at 31 March 2015	(196)	(432)	0	0	(628)
Net book value at 31 March 2015	97	22	0	42	161
<i>Net book value at 31 March 2014</i>	<i>121</i>	<i>49</i>	<i>0</i>	<i>14</i>	<i>184</i>

	2013/14				Total £'000
	Themis Software £'000	CPD Platform £'000	CPD Licences £'000	Asset under Construction* £'000	
Cost at 1 April 2013	293	445	12	0	750
Additions	0	9	0	14	23
Disposals	0	0	0	0	0
Cost at 31 March 2014	293	454	12	14	773
Amortisation at 1 April 2013	(142)	(346)	(12)	0	(500)
Provided during the year	(30)	(59)	0	0	(89)
On disposals	0	0	0	0	0
Amortisation at 31 March 2014	(172)	(405)	(12)	0	(589)
Net book value at 31 March 2014	121	49	0	14	184
<i>Net book value at 31 March 2013</i>	<i>151</i>	<i>99</i>	<i>0</i>	<i>0</i>	<i>250</i>

* Development of technology to facilitate online application for OISC registration.

8 Trade Receivables and other Current Assets

	31 March 2015 £'000	31 March 2014 £'000
Amounts falling due within one year:		
Trade receivables	21	36
Provisions for bad and doubtful debts	(6)	(29)
Other receivables:		
Season ticket loans to staff	25	26
Prepayments and accrued income	220	130
Total	260	163
Intra-government balances		
Balances with Central Government bodies	0	0
Balances with Local Authorities	0	0
Balances with bodies external to Government	260	163
Total	260	163

9 Trade Payables and other Current Liabilities

	31 March 2015 £'000	31 March 2014 £'000
Amounts falling due within one year		
Trade payables	147	1
Other payables	0	5
Accruals and deferred income	157	141
Taxation & social security	0	0
Accommodation rent free period	0	5
Provision for Occupancy costs	0	49
Total	304	201
Intra-government balances		
Balances with Central Government bodies	0	5
Balances with Local Authorities	0	0
Balances with bodies external to Government	304	196
Total	304	201
Amounts falling due after more than one year		
Accommodation rent-free period*	174	0
Total	174	0

* Accrued rent: During 2013-14, a new lease was signed on Floor 5, Bloomsbury Street, London WC1B 3HF. A 9-month, rent-free period from March 2014 to 30 November 2014 was granted. In accordance with IAS17, 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 07 November 2022.

As a result, notional rent charges for the rent free period have been charged to the Statement of Comprehensive Net Expenditure. The lease payable on the rent-free period is with a Central Government Body, Department for Culture, Media & Sport (DCMS).

10 Provisions for Liabilities and Charges

	Dilapidations Provisions £'000	Total Provisions £'000
Balance at 1 April 2013	266	266
Movement in the year	0	0
Provision not required written back	0	0
Balance at 31 March 2014	266	266
Balance at 1 April 2014	266	266
Movement in the year*	84	84
Provision not required written back**	(177)	(177)
Use of provisions**	(89)	(89)
Balance at 31 March 2015	84	84

* A new provision of £84,150 was established for floor 5, Bloomsbury Street, London WC1B 3HF. The OISC moved to the new accommodation in May 2014.

** £89k dilapidation was agreed for former OISC offices on Floor 5, Counting House, 53 Tooley Street and £176,779 written off as no longer required. This property was vacated on 2 May 2014.

11 Analysis of Changes in Cash and Cash Equivalents

	£'000
Balance at 1 April 2013	562
Net Change in cash and cash equivalents balances	(188)
Balance at 31 March 2014	374
Balance at 1 April 2014	374
Net Change in cash and cash equivalents balances	(204)
Balance at 31 March 2015	170

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 all its cash balances with the Government Banking Service (GBS).

12 Capital commitments

At 31 March 2015 there were no capital commitments (31 March 2014: £nil).

13 Commitments under Operating Leases

	31 March 2015		31 March 2014	
	Land and Building	Equipment	Land and Building	Equipment
	£'000	£'000	£'000	£'000
Operating Leases that Expire:				
Not later than 1 year	257	14	85	23
Later than 1 year and not later than 5 years	1,086	39	1,343	35
Later than 5 years	771	0	771	14

14 Contingent liabilities

There was no contingent liability as at 31 March 2015 (31 March 2014: one).

There was one contingent liability as at 31 March 2014. During the year the matter was successfully settled.

15 Exit Packages

Staff costs include an exit package agreed by way of Judicial Mediation and a compromise settlement of £12.5k was agreed with the former member of staff.

16 Post reporting period events

There were no post reporting period events. These Financial Statements were authorised for issue by the Commissioner on **1 July 2015**.

17 Related party transactions

The Home Office, as sponsor body for the OISC throughout 2014/15 is a related party to the OISC. During the year ended 31 March 2015, the Home Office provided the OISC with Grant-in-Aid £3,927,000 (2013/14: £3,997,676).

A number of transactions were made with other government departments and other central government bodies namely – HM Revenue and Customs (HMRC) £171,756 (2013/14: £164,807); The Principal Civil Service Pension Scheme (PCSPS) £357,274 (2013/14: £359,941) and Department for Culture, Media & Sport (DCMS) £6,265 (2013/14: £nil).

During the year ended 31 March 2015 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 Notes 8 and 9.

18 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.

19 Financial instruments

As the cash requirements of the OISC are met through Grant-in-Aid provided by the Home Office, 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 the Designated Professional Bodies of their Members

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) have provided effective regulation of their members in the provision of immigration advice and/or services. The DPBs are the: Law Society of Scotland; Law Society of Northern Ireland; Faculty of Advocates; and General Council of the Bar of Northern Ireland.

No complaints were received or were outstanding as at 31 March 2015 in respect of the Law Society of Northern Ireland; the General Council of the Bar of Northern Ireland; or the Faculty of Advocates.

The Law Society of Scotland (LSS)

The Law Society of Scotland did not receive any immigration cases during the year. Three complaints relating to the same solicitor, one of which was referred by the OISC in 2011, were "deserted" during the year due to the solicitor's ill-health. These may be re-opened if the solicitor's health improves.

Complaint referred to the Scottish Legal Complaints Commissioner

The OISC referred one complaint to the Scottish Legal Complaints Commissioner (SLCC). This matter was closed during the year as the complaint was considered "premature" as the solicitor had not been given the opportunity initially to respond to the complaint. While the complainant was asked to send their complaint directly to the solicitor, he has not done so.

The General Council of the Bar of Northern Ireland

Representatives of my Office met with the Chief Executive of the General Council of the Bar of Northern Ireland, Mr David Mulholland, and reviewed the Memorandum of Understanding between our two organisations.



ISBN 978-1-4741-2045-6



9 781474 120456