

OFFICE OF THE
IMMIGRATION SERVICES
COMMISSIONER



Annual Report and Accounts 2020/21



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

Office of the Immigration Services Commissioner Annual Report and Accounts

1 April 2020 to 31 March 2021

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

Annual Report presented to Parliament pursuant to
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Part 1: Performance Report

1.1 Overview

This overview provides information on the Office of the Immigration Services Commissioner (OISC), including our purpose and activities, the key risks against achieving our objectives and a summary of our performance for 2020/21.

1.1.1 Commissioner's statement

The last 12 months have been a truly unique period for OISC as it has for the entire country in battling COVID-19. This has necessitated the organisation working from home for the year and there is further detail in this report of the impact and measures that have been adopted. I would though wish to express my appreciation and admiration for the way in which the OISC staff have risen to the challenges of the pandemic. Not only have all our routine services and functions continued but, in many areas, innovation and fresh thinking has resulted in new on-line processes that are a distinct improvement and will certainly be retained for the future.

Our Business Plan objectives have been met with only a few areas being adversely affected by the pandemic. Most significant in this respect has been the slowing down of processes within the courts preventing prosecutions proceeding.

The year has also been the first one in which our new Vision and Corporate Plan 2020-2023 has been approved by Ministers and started to take effect. The shift of emphasis in the vision to put the advice seeker or migrant at the heart of our work has meant a fundamental change in the way we think, plan and deliver our services. There is now a major organisational change programme which over the next two years will transform the way we operate. Fundamental to this new approach will be our adoption of three Regional Teams in April 2022 that will deliver compliance and enforcement activities within three regions of the United Kingdom, alongside a much greater emphasis on engaging with the local communities, advisers as well as advice seekers themselves. Much planning has already gone into this programme despite the pandemic. I am hopeful we can use 2021 with some lessening of COVID-19 restrictions as a preparation period for going live with Regional Teams next year.

Financially, this last year has been especially challenging and has illustrated that the last few years of flat cash allocations of Grant-in-aid with no increases, has now resulted in huge pressures on the OISC budget. I have agreed with the Home Office that we need to review the funding basis for the OISC and where alignment with HM Treasury requirements and other regulators could provide a more sustainable and robust basis. This work will hopefully proceed in 2021.

A significant event of the future is that our tenancy of offices in Bloomsbury Street will come to an end on 7 November 2022. Like many others we have shown that working from home is perfectly feasible for our work, and the intention is that as part of our transformation programme, we become a totally working from home organisation with minimal requirement for permanent office space. We will continue to use 21 Bloomsbury Street as we can this coming year but staff will not be returning to full time office-based working as in previous years.

2020/21 has seen us start to engage with external organisations and bodies. Ironically, the pandemic restrictions on travel have necessitated using online processes which can offer greater opportunities than occur when people travel to meet each other. Our relations with the Home Office now include regular dialogues on a range of policy and operational issues and we have continued discussions with other regulators in the sector, notably the Solicitors Regulation Authority and the Bar Standards Board. Our whole communications and engagement functions are starting to develop and expand their range of contacts and content.

In February 2021 Dr Ian Leigh retired as Deputy Commissioner. His contribution to the OISC over some 10 years has been highly significant, especially in leading OISC for nearly four years when no Commissioner was appointed. For the moment it has been decided not to appoint a new Deputy Commissioner and adjustments have been made to the responsibilities of senior executives to mitigate this.

2021/22 will bring OISC many new challenges. As the pandemic restrictions hopefully are relaxed, the one aspect everyone looks forward to is to be able to meet people face to face again and pursue those aspects of business that undoubtedly require people to be physically present with each other. I end by again paying tribute to OISC staff. It is their efforts and motivation levels which have remained consistently high throughout the year, that have enabled OISC to achieve so much in this turbulent year.

J. F. Tuckett

John Tuckett
Immigration Services Commissioner

1.1.2 About the Office of the Immigration Services Commissioner

Led by the Immigration Services Commissioner, the OISC is an Arm's Length Body of the Home Office. Our statutory duties are set by the Immigration and Asylum Act 1999 and include regulating immigration advice and services across the UK¹. We are funded through a Grant-in-aid budget of £4.388m to carry out our statutory regulatory responsibilities with 61 employees and based in London. We regulate over 3,000 individual immigration advisers and 1,600 organisations from which we collected fees of £1m in 2020/21 which were remitted to the Home Office.

The Immigration Services Commissioner acts as Corporation Sole and Accounting Officer and is accountable to the Home Secretary for the OISC's activities and performance. The Commissioner is supported by an Audit, Risk and Assurance Committee (ARAC), the Deputy Commissioner and a senior management team.

Our Home Office Senior Sponsor is the Deputy Director for Human Rights & Family Unit within the Migration and Borders Group, who is responsible for the policy and legal framework within which the OISC works. Our relationship with the Home Office is defined by a Framework Agreement, which includes details on accountability, governance, finance and reporting arrangements. These matters are overseen by the Home Office Sponsorship Unit (HOSU).

1.1.3 Our purpose and core activities

The OISC fulfils its statutory duties as set out in the Immigration and Asylum Act 1999 by promoting good practice to immigration advisers, setting standards for immigration advice and services, and making sure those standards are upheld. Specifically, it includes:

- assessing and registering those who want to provide immigration advice against OISC levels of competence (Level 1, 2 and 3)
- auditing the performance of organisations and advisers ensuring standards are maintained
- managing and investigating complaints against immigration advisers
- investigating and taking enforcement action against those who provide poor service or immigration advice illegally
- overseeing those who regulate immigration advice by solicitors and barristers in Scotland and Northern Ireland where the legal systems are different.

1.1.4 Our key risks and issues

We are committed to applying risk management to all our activities to enable the identification, prioritisation and escalation of strategic and operational risks and issues. During 2020/21, three principal risks which had the potential to impact on our success in delivering our strategic objectives were identified and managed:

Financial: Assumptions used to set the 2020/21 budget proved unfounded, and/or unplanned-for costs rise during the financial year

¹ Advice provided by solicitors and barristers falls outside of OISC's authority and is regulated by the Solicitors Regulation Authority and the Bar Standards Board

Financial: The spending review does not result in the monies bid for in support of the Development Programme and/or Grant-in-aid being maintained at current levels

COVID-19: Key OISC operational practices are reduced or stopped during 2020/21 as COVID-19 restrictions and uncertainties continue to affect ways of working

More about these and other organisational risks can be found on pages 26-27.

1.1.5 Going concern statement

Our accounts have been prepared on a going concern basis with the future financing of the OISC's liabilities to be met by Grant-in-aid funding, to be approved annually by Parliament. Approval for amounts required for 2021/22 has been given and there is no reason to believe future approvals will not be forthcoming.

The OISC has been established by the Immigration and Asylum Act 1999 and the Triennial Review into the OISC (published January 2017) confirmed that there was a continued need for regulation of immigration advice and services and that the OISC should continue to provide this as a non-departmental public body.

Our future cash flow projection is adequate to cover liabilities as they fall due for a period of 12 months after date of certification by the Comptroller and Auditor General. In 2022/23 financial year, the OISC offices lease in 21 Bloomsbury Street will expire on 7 November 2022. The funding for the dilapidation and other exit cost is yet to be formally agreed with the Home Office.

1.2 Performance summary: Delivery against our business plan

1.2.1 Strategic aims and objectives

Our Corporate Plan sets six strategic objectives that will enable us to deliver our vision:

Promote	Ensure advice seekers and those around them know how and why to access advice from a regulated adviser
Collaborate	We will collaborate with others to create a system that is transparent and easy for the advice seeker to understand and navigate
Regulate	Create a world class advisory system where good practice is the norm for all OISC regulated immigration advisers
Protect	Protect advice seekers, taking action against poor advice, exploitation and criminal activities
Develop	Reform the OISC into a modern and engaging organisation, geared to meet the needs of advice seekers in the 2020s
Enable	Provide high-quality, efficient and cost-effective services where resources are managed dynamically to maximise value

Through our 2020/21 Business Plan we set out a programme of activities in support of our six objectives. Performance against these objectives are measured on a quarterly basis through the senior management team and Audit and Risk Assurance Committee. The following section provides a summary of our performance against these objectives in 2020/21.

1.2.2 Performance summary

751

new adviser applications decided, including regulated individuals applying to raise levels

55%

of new organisation applications decided in under 16 weeks

100%

of Commissioner's decisions upheld on appeal

8

applications to provide support for EU Settlement Scheme

73%

of new organisation applications decided within six months

67

complaints against regulated advisers received

122

new organisation applications approved

6

organisations' registration cancelled, or refused continued registration

£25k

fees recovered on behalf of clients

1,077

continued registrations approved

236

premises audits completed

8

criminal prosecutions awaiting trial

11

Competency assessment events held

8

organisations appealed against a negative decision

8

people convicted

774

applicants attended assessment centres

368

Applicants passed the competence assessment

64

investigations into complaints of illegal activity completed

Promote

Through our promote activities we increased awareness of the OISC and its responsibilities amongst our stakeholders by better understanding our stakeholders and delivering communication and engagement activities. We undertook research into UK Immigration trends which has informed our understanding of where immigration advisers are needed within the UK. We have mapped our external stakeholders identifying opportunities for greater collaboration where our agendas coincide. A new communications and engagement strategy has been developed which will underpin our future activities as we develop regional teams. Work on identity guidelines and branding has been limited due to budget and COVID-19 restrictions but will be taken forward next year. We have run a number of campaigns (including posters and videos) aimed at improving understanding of how quality immigration advice can be accessed and the dangers of using unregulated advisers.

Collaborate

We have continued to build and energise our relationships with partners and stakeholders, notably other regulators (Solicitors Regulation Authority, Bar Standards Board, Chartered Institute of Legal Executives) and agencies such as the Legal Services Board, despite the physical limitations of COVID-19 restrictions. We have taken forward discussions on the implementation of the Competition and Markets Authority review of Legal Services and Stephen Mason's Independent Review of Legal Services, both of which could have profound implications for the OISC in the future depending upon what recommendations are accepted.

We have worked closely with the Home Office and now have a much better and regular exchange of immigration information. Home Office awareness of the work of the OISC is higher than it has been for many years and OISC staff are now regularly engaged in discussing immigration policy issues with officials. In particular the importance of good immigration advice for migrants at the start of their application journey through the overall immigration system is now recognised, enabling a more integrated approach.

Impact of COVID-19 (Promote and Collaborate)

COVID-19 restrictions have meant that some planned engagement activities requiring face-to-face contact were put on hold in 2020/21. However, this has been mitigated by utilising new opportunities for on-line conferences and meetings. Additionally, we have given greater emphasis to developing social media activities and electronic channels to communicate with advice seekers and EUSS (European Union Settlement Scheme) applicants, as well as advisers and stakeholders.

Regulate

Through our regulate objective in 2020/21 we:

- ensured those who wish to work as an immigration adviser have the right skills and knowledge through a formal competence assessment prior to being accepted into the scheme
- through risk-based audits, ensured advisers are complying with OISC standards and providing a quality service to advice seekers.
- supported advisers so that they develop professionally and improve the

quality of their service.

In 2020/21 we received 151 applications from previously unregulated organisations, of which 122 organisations were approved. This included eight applications to provide immigration advice and services related to the Home Office EUSS. By comparison in 2019/20, a total of 209 applications were received including 56 under the EUSS scheme. 181 were approved including all 56 EUSS applications.

We approved a total of 603 applications for new advisers joining an existing registered organisation. (505 in 2019/20). This was made up of 136 brought forward from 2019/20 and 467 applications for new advisers to join an existing registered organisation.

We received 1,087 applications from regulated organisations for continued registration, of which, 1,077 applications were approved (1,047 received in 2019/20, 1,033 approved).

The above figures suggest that there had been a slight increase in both applications and approvals for registered organisations and individual advisers.

We held 11 on-line competency assessment events. Of the 774 applicants, 368 applicants passed. In 2019/20, 642 applicants attended 19 assessment centres with 304 passing. This would suggest the new on-line processes are an efficient and effective way of carrying out these assessments.

We completed 236 organisational audits compared to 264 in 2019/20. This reduction was due to COVID-19 restrictions preventing OISC staff visiting adviser premises. On-line audits were developed and have proved effective. Only one organisation audited had two or more serious breaches within two years of their initial registration. Six organisations had their registrations cancelled or were refused continued registration on the basis of a lack of fitness or competence.

Our advisers are supported by our team of OISC caseworkers, who provide individual advice and guidance when needed. In addition to ensuring all advice seekers can access an OISC adviser, we continue to work with the Community and Voluntary sector and support them to complete the OISC application process.

Impact of COVID-19

Restrictions on travel and social distancing requirements had a significant impact on how we were able to carry out our regulatory work. We were unable to run competency assessments centres or undertake in person premises audits. Whilst this impacted our activity in the first and second quarter of the year, through introducing online competency assessments in September and undertaking remote audits we were able to overcome these challenges.

Our Business Plan objectives were achieved with the exception of 80% of Level 1 applications being decided within four months, where 53% were decided within 4 months and 73% within 6 months. This was due to no competency assessments taking place between April and September, and also applicants needing greater

flexibility due to illness, travel and work restrictions. However, the total number of assessments decided in the year exceeded that achieved in 2019/20.

The changes that have been put in place are working effectively and are more efficient than historical processes. We will continue to use these in both online audits and competency assessments next year when COVID-19 requirements relax.

Protect

Through the protect objective we:

- identified poor advice and services or unlawful activity and act in the interest of the complainant
- investigated and where appropriate take enforcement action against those who provide unlawful immigration advice and services

In 2020/21 we received 67 complaints against regulated advisers compared to 113 received in the previous business year, 83% of which were resolved within five months compared to 87% resolved in (2019/20). In 2020/21 45 (67%) complaints were resolved in favour of the complainant. Whilst we do not have statutory powers or authority to force an organisation to refund fees to a client, in 2020/21 we secured 11 refunds totalling £25,211.

We received 64 complaints against unregulated immigration advisers (45 Section 91 offences (providing unlawful immigration advice) and 19 Section 92B offences (advertising unlawful immigration advice). 48 were taken forward for formal investigation compared to 87 received in 2019/20.

We secured eight convictions were secured in 2020/21 all of whom received custodial or community sentences. Six of those convicted were also ordered to repay fees and or compensation towards their victims. A further eight are awaiting trial as at 31 March 2021. This is compared to seven convictions secured in 2019/20.

In addition:

- 16 unlawful websites were closed/changed
- three unregistered organisations were investigated and then applied for OISC registration
- eight Interventions – activity stopped*
- six reprimands were given**
- one Civil remedy pursued***
- Nil simple cautions applied (3 pending but cannot be administered due to COVID-19) ****
- 12 new prosecutions files awaiting review

* Letter sent to unregulated advisers warning them of potential Section 91/92B offences

** Official letter issued regarding unlawful activity, recorded on file, and can be used for any future prosecutions

*** Complainant is advised to seek remedy through the Civil Courts

**** Simple caution as used by the Police

Impact of COVID-19

Access to courts was the most significant impact of COVID-19 with cases both at Magistrates and Crown courts delayed. This will have an ongoing impact into 2021/22.

Both our work on complaints and criminal investigations were affected by COVID-19. Reduced access to advisers' case files caused delays in processing complaints. There were similar issues with interviewing witnesses and those being investigated. These were overcome to some extent by the introduction of a new process for conducting remote on-line interviews with witnesses.

Develop

In 2020/21 we published our new Corporate Plan (2020-2023) which establishes a new vision for the OISC that every person seeking immigration advice in the UK

- Makes an informed choice to seek advice only from a regulated immigration adviser
- Receives reliable and professional advice and service that they can have confidence and trust in

In 2020/21 we established a new development programme, designed to transform the OISC. At the heart of this is a new organisational construct of regional and national teams all working remotely. Three regional teams will provide operational frontline services on a local basis enabling improved awareness of advice seekers' needs and how these can be met, better engagement with local stakeholders, and improving the quality of services provided by immigration advisers and will look to implement this in 2021/22. We have established a programme board with formal programme and project management processes to ensure the overall aims are delivered.

Enable

To support our regulatory, enforcement and engagement work our corporate services have continued to support the organisation. In 2020/21 we have ensured our staff have the help they need whilst working in a new environment due to COVID-19. We continued to maintain our IT systems with an uptime of 99.9%. Our financial statements continue to be produced in line with Government's financial reporting guidance, and we continue to monitor performance and risk and have introduced a new approach to corporate risk management in line with best practice standards. We have achieved 93% staff retention rate, introduced a talent management strategy and plan, and implemented a revised performance and appraisal framework. We responded to all freedom of information and subject access requests within the required timeframes. We commenced a website review, refreshing content. We also produced a new social media strategy and internal communications strategy and implementation plan.

Impact of COVID-19

COVID-19 restrictions have impacted the way we work and also the morale and

wellbeing of staff. In March 2020 we moved all staff to working from home with access to our office limited to urgent business requirements only. This has remained in place throughout 2020/21 and there has been minimal impact on our ability to carry out our work. We have ensured all staff have the right equipment they need to work from home. In addition, we launched a staff wellbeing initiative OISConnect, to provide more social interactions and trained four new mental health first aiders.

As a result of COVID-19, the OISC expenditure increased by £193,815. Staff pay increased by £105,501, due to an increase in the holiday pay accrual, increased responsibilities and temporary promotions. There was minimal departure of staff and no consequential vacancies, as opposed to the historical figure of 90% occupancy. Other unbudgeted expenditure in supporting staff working from home in line with Government requirements amounted to £88,314. Supplementary Grant-in-Aid was provided by the Home Office. There were, however, a reduction in travel and subsistence and scanning costs.

EU Settlement Scheme (EUSS)

The OISC was granted £14k from the Home Office EU Exit communications fund. This was used to develop an OISC video to promote the EUSS and the importance of regulated immigration advice. This video was published on social media and shared with stakeholders.

1.2.3 Business Impact Target 13 December 2019 -12 December 2020

The Immigration Services Commissioner is a 'relevant regulator' for the purposes of section 22 of the Small Business, Enterprise and Employment Act 2015 and brings the OISC within the scope of the Regulators' Code. During the Business Impact Target reporting period 13 December 2019 to 12 December 2020, we have made no changes to our processes that met the qualifying threshold for submission as a Qualifying Regulatory Provision.

1.3 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, provides the Commissioner's 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 Northern Ireland, the General Council of the Bar of Northern Ireland, the Law Society of Scotland and the Faculty of Advocates.

The Law Society of Northern Ireland

The Law Society of Northern Ireland (the Society (NI)) continues with its focus on immigration, with its Immigration Practitioners Group meeting remotely online and planning its immigration conference.

The Society (NI) is currently awaiting the full enactment of the Legal Complaints and Regulation Act (NI) 2016 and are hopeful that secondary legislation will be introduced in the forthcoming year.

Currently one complaint is under investigation that was not referred by the OISC. The complaint relates to delays in lodging a visa application, failure to keep the client properly informed and acting contrary to the client's instructions. The client separately made an application to the Society's Professional Conduct Committee (PCC) seeking the repayment of monies paid to the solicitor and the PCC authorised the full return of the monies paid. There is also one ongoing matter before the Solicitors Disciplinary Tribunal which we will continue to follow.

During the year, the Society (NI) has also intervened in a practice that undertakes Immigration work and has liaised with other organisations to inform them of the intervention and to assist the immigration clients of the firm. The OISC will continue to monitor this situation.

The General Council of the Bar of Northern Ireland

No complaints were received or were outstanding as at 31 March 2021 in respect of the Bar Council.

The Law Society of Scotland

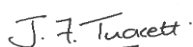
Liaison with the Law Society of Scotland (the Society (Scotland)), continues on immigration matters. The Society (Scotland) recently responded to Scottish Government's consultation on Amendments to Legal Complaints, and we will continue to monitor any outcome.

In 2020/21 the Society (Scotland) received two complaints from the Scottish Legal Complaints Commissioner (SLCC). These both were non OISC referral complaints and against the same solicitor. Both complaints concerned taking payments from the clients, not undertaking the work, and then not paying a refund. Both matters are still under investigation.

Three complaints were determined in the year. One of the complaints was closed due to lack of evidence, the second was against the wrong individual and the third was found to be factually incorrect. In addition, another complaint was closed, due to the death of the Solicitor.

The Faculty of Advocates.

No immigration complaints were received or were outstanding in the year.



John Tuckett
Immigration Services Commissioner and Accounting Officer
7 July 2021

Part 2: Accountability Report

2.1 Corporate governance report

2.1.1 Directors' Report

These financial statements report the results of the Office of the Immigration Services Commissioner (OISC) for the year 1 April 2020 to 31 March 2021 and incorporate the content required with a Directors' Report, as required by the Government Financial Reporting Manual (FRoM). 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).

Commissioners

The OISC is led by the Immigration Services Commissioner, who is a Corporation Sole. The Commissioner is supported by a Deputy Commissioner. Both the Commissioner and the Deputy Commissioner are appointed by the Secretary of State (Home Secretary). Mr John Tuckett was appointed as Immigration Services Commissioner on 8 July 2019 for a period of five years.

On 5 February 2021, Dr Ian Leigh stepped down as Deputy Commissioner following the completion of his second five year term as Deputy Commissioner. The position of Deputy Commissioner is currently vacant in accordance with the provisions of the Immigration and Asylum Act 1999.

Details on salary and pension benefits for the Commissioner and Deputy Commissioner can be found in the Remuneration and Staff Report.

Non-Executive Advisers

The Commissioner is supported by an Audit and Risk Assurance Committee (ARAC). Members are appointed by the Commissioner for a three year period with the option to extend for a further three. In March 2021 three members of ARAC were reappointed, with two members reappointed for a further three year term and one for a further two year period.

Member	Role	Appointment dates	Re Appointment dates
Simon Smith	ARAC Chair	January 2019 - December 2021	
Daniel Bunting	ARAC Member	April 2018 - March 2021	March 2021 – March 2023
Sue Gallone	ARAC Member	April 2018 - March 2021	March 2021 – March 2024
Jon Hayes	ARAC Member	April 2018 - March 2021	March 2021 – March 2024

Interests

During 2020/21 the Commissioner and Deputy Commissioner held no company directorships or other significant interests relating to the OISC's interests, and there were no significant interests held by any of the Non-Executive Advisers which may conflict with their responsibilities. A register of interests is held by the OISC.

Results for the period

The accounts for the year 1 April 2020 to 31 March 2021 are set out on pages 42 to 45. The notes on pages 46 to 56 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 2020 to 31 March 2021, 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 received was 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.

Total operating expenditure for the year was £4,061,943 (2019/20: £3,972,936) of which £3,046,393 (2019/20: £2,798,125) were employment costs.

Compliance with public sector payment policy

The OISC policy, in line with government policy, is to pay all invoices within 30 days of receipt, unless the amount billed is in dispute. In the year ended 31 March 2021, 100% of invoices were paid within 30 days of receipt (2019/20: 100%).

Suppliers can claim statutory interest where a buyer has not paid an undisputed and valid invoice within 30 days (or any earlier payment date agreed in the contract). No such claims were received during the year.

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. This includes energy-saving lighting, use of recycled materials where possible, recycling office waste and reducing use of paper through its digital first approach.

Employment policies

The OISC developed and implemented four new policies and procedures during 2020/21. The four new policies and procedures are:

- Guidance on recruitment and selection of staff
- Performance Appraisal Policy and Procedure
- The OISC Process for Organisational Change
- Requirement for the recording of meetings

The OISC also reviewed and implemented four existing policies and procedures:

- Gifts and Hospitality Policy and Procedure
- Flexible Working Hours, Time off in Lieu & Travelling Time Policy
- Flexible Working Policy
- Suggestion Box Procedure

Social matters, respect for human rights, anti-corruption and anti-bribery matters

We operate a Dignity at Work policy which fully supports the right of all its members of staff and external stakeholders it engages with to be treated with dignity and respect. All staff were required to undertake mandatory training in counter fraud, bribery and corruption over the last year.

The OISC is not required to produce a statement under the Modern Slavery Act, but we are committed to ensuring that there is no modern day slavery or human trafficking in any of our supply chains or in any part of our business. Any indication of such activity would be dealt with promptly and robustly. We take a similar approach to the maintenance of human rights, anti-corruption and anti-bribery.

Impact of COVID-19

In 2020/21 all staff continued to work from home with only essential travel allowed and any access to the OISC office restricted to business critical activities. This was to ensure the safety of staff and comply with Government guidelines. The impact on the OISC's capability to maintain business as usual was managed by introducing new online processes and procedures. This included the introduction of remote audits, online competency assessments and statements being taken through video calls. Access to the Courts impacted the ability to take forward cases and whilst cases were able to be heard from the latter part of 2020 the process was significantly slower than previous years. One area of concern due to COVID-19 was a decline in staff wellbeing and morale and a number of actions were taken to manage this including a staff wellbeing survey, financial support for purchasing of equipment, regular internal meetings and a new wellbeing scheme – OISConnect.

Going concern

The OISC's Grant-in-aid for 2020/21: £4,388k was approved, which included £552k of supplementary grant-in-aid (2019/20: £3,820k).

There is an expectation that the OISC will continue in operational existence and has a statutory obligation to continue to provide services in 2021/22 and for the foreseeable future. The future financing of the OISC's liabilities will be met by Grant-in-aid to support its operations, and future financial support. There is no indication that this will cease over the next twelve months.

Accordingly, it is appropriate to adopt a going concern basis for the preparation of these financial statements.

2.1.2 Statement of Accounting Officer's responsibilities

Under the Immigration and Asylum Act 1999, the Secretary of State for the Home Department 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.

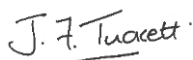
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FRoM) and in particular to:

- 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 FRoM have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable

The Accounting Officer of the Home Office designated the Immigration Services Commissioner as the Accounting Officer of the OISC on appointment on 8 July 2019. 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.

Disclosure of audit information to auditors

As Accounting Officer, I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that the OISC's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



John Tuckett

Immigration Services Commissioner
and Accounting Officer
7 July 2021

2.1.3 The Governance Statement

Overview

As the Office of the Immigration Services Commissioner's (OISC) Accounting Officer I am accountable for the management and control of the resources at the OISC, and for maintaining a sound system of risk management, governance and control in support of achieving the OISC's policies, aims and objectives.

Oversight and governance²

The OISC is a Non-Departmental Public Body established through the 1999 Immigration and Asylum Act. As Immigration Commissioner, I act as Corporation Sole and am accountable to the Home Secretary.

The OISC's sponsoring department is the Home Office, to which the OISC is accountable for its use of resources and performance. The corporate governance arrangements between the Home Office and OISC are set out in a framework document. Home Office oversight of the OISC is managed through the OISC's Senior Sponsor (Deputy Director for Human Rights & Family Unit within the Migration and Borders Group,) and the Home Office Sponsorship Unit (HOSU).

The OISC complies with the Cabinet Office code of corporate governance to the extent that it is applicable. Owing to the statutory framework under which the OISC was established with the Commissioner acting as Corporation Sole, the OISC does not have a management board with non-executive directors.

I am supported by an Audit and Risk Assurance Committee (ARAC) and a senior management team. The ARAC act as an advisory committee providing appropriate independent advice and challenge to give assurance on overall governance arrangements, financial and risk management and internal audit arrangements. The senior management team provide executive governance, reporting on financial, strategic and operational issues and on performance against the OISC's annual business plan. Their responsibilities are set out in detail in the OISC's Governance Framework.

Audit and Risk Assurance Committee

The ARAC currently comprises of four non-executive members, drawn from a variety of sectors. It provides an independent view and challenge on the OISC's governance, its financial, risk management and assurance processes. The formal responsibilities are set out in its Terms of Reference. These were considered and agreed at the ARAC held on 30th March 2021.

The ARAC meets at least four times a year. Meetings are attended by the Commissioner, Deputy Commissioner and relevant members of the OISC's senior management team. Representatives from internal and external audit, Home Office Sponsorship Unit and Home Office Senior Sponsor are also in attendance.

Additionally, the Commissioner asks ARAC members with relevant expertise to

² <https://www.gov.uk/government/organisations/office-of-the-immigration-services-commissioner/about/our-governance>

support a range of activities, including periodic attendance at meetings of the OISC’s Senior Management Team, and at the Design Authority and Programme Board responsible for the ‘transformation’ project. The ARAC has provided challenge on the delivery of the 20/21 Business Plan, reviewed the Strategic Risk Register and the OISC’s financial position at each meeting, and reviewed key policies. It conducts periodic ‘deep dives’ into particular aspects of the OISC’s operations, such as the audit processes for regulated entities. Individual members have provided Non-Executive input to recruitment activities, and to other operations.

ARAC members last reviewed their effectiveness in August 2020 using an NAO Effectiveness checklist (November 2017 edition). Each member was also interviewed by the Chair, and he was interviewed by his colleagues. The results were documented and reported to the Commissioner. The conclusion was that the ARAC was effective and was meeting its Terms of Reference.

ARAC members are also invited to attend and advise on strategic management meetings.

Name of ARAC member	Attendance
Simon Smith	4/4
Daniel Bunting	4/4
Sue Gallone	4/4
Jon Hayes	4/4

Risk management

The OISC proactively manages corporate risks, through its risk management process and Corporate Risk Register. The risk management process enables the identification, prioritisation, and escalation of operational and corporate risk. It identifies risk owner, pre control risk level, mitigating actions and post control risk level. The Corporate Risk Register and risk review process is managed by the Head of Corporate Strategy and Communications and formally considered by the senior management team and ARAC on a quarterly basis. In 2020 the Corporate Risk Register and risk management process was reviewed and a new Corporate Risk Register and risk management process adopted in July 2020. The new register and process were reviewed and commended by Internal Audit in March 2021. Recommendations are being taken forward to align the operational risk register to the new approach.

2020/21 key risks

All the risks within the corporate risk register have been managed effectively, and none are considered to pose any significant threat to the OISC. In 2020/21 the corporate risks mitigated through the OISC’s risk management process included financial management, COVID-19, stakeholder engagement, IT and data security and staff wellbeing.

The three principal risks to the OISC in 2020/21 were on:

- financial management due to unexpected costs relating to the impact of COVID-19, limited movement of staff due to COVID-19 and additional building service charge rates
- longer term financial risk posed due to 2020 spending review outcomes for both capital and revenue financial allocations
- impact of COVID-19 restrictions on operational activities

Both financial risks were successfully mitigated, through liaison with Home Office finance and policy. The COVID-19 risk was mitigated through the introduction of new remote systems where possible including online assessment, remote audits and remote statements.

Audit

Internal

The Government Internal Audit Agency provide internal audit services for the OISC. A programme of four internal audits were carried out in 2020/21. These were:

- Intelligence Processes (Moderate)
- Corporate Governance (Moderate)
- Data Governance (Moderate)
- Risk Management (Moderate)

All four of the audits resulted in a 'Moderate' assurance, confirming that the systems reviewed operated effectively with no critical actions being identified.

Other matters

Internal controls are in place to mitigate against risk in relation to financial loss, handling of information, health and safety, security incidents, business continuity. All policies and processes relating to these matters are reviewed at appropriate intervals and are effective.

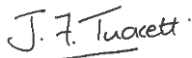
In July 2020, a small number of staff opened a phishing email which compromised the OISC's IT security. The breach was reported to the Information Commissioner's Office who decided that no further action was necessary. There have been no other incidents during the year relating to these matters that have required reporting to the Home Office.

Whistleblowing

The OISC 'Whistleblowing Policy and Procedure' aligns with the principles of the model policy recommended by Cabinet Office. The OISC policy allows staff to raise legitimate issues of public interest via the Head of Human Resources and Corporate Support, through a confidential central reporting email address. To support the Whistleblowing Policy and Procedure, the policy has been communicated across the OISC with the message of positively encouraging staff to feel safe to challenge and feel safe to report any concern. During the reporting year, no whistleblowing cases were received.

Conclusion

I confirm that the systems have been in place for the year under review and up to the date of approval of the annual report and accounts. I am therefore satisfied that throughout 2020/21 the resources for which I am responsible were subject to appropriate controls.



John Tuckett
Immigration Services Commissioner and Accounting Officer
7 July 2021

2.2. Remuneration and staff report

Remuneration report

Part V of the Immigration and Asylum Act 1999 created the role of the Immigration Services Commissioner. The Commissioner heads the Office of the Immigration Services Commissioner (OISC) and is supported by a Deputy Commissioner. Both the Commissioner and Deputy Commissioner are Ministerial appointees.

In accordance with schedule 5 of the Immigration and Asylum Act 1999, Mr John Tuckett was appointed to the position of Immigration Services Commissioner for a period of five years commencing 8 July 2019. Dr Ian Leigh was appointed as Deputy Commissioner and commenced on 7 February 2011 for five years. Dr Leigh was subsequently reappointed and completed his second term on 6 February 2021.

Remuneration policy

The Commissioners' salaries are determined by the Secretary of State for the Home Department. Salary increases are awarded to both the Commissioner and the Deputy Commissioner in accordance with the Senior Salaries Review Body's annual recommendations. In 2020/21, only the Deputy Commissioner had a salary increase.

Salary and pension entitlements

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 allowance to the extent that it is subject to UK taxation.

Senior staff remuneration and fair pay disclosure (audited)

	2020/21			2019/20		
	Salary	Non-Consolidated Performance Pay	Total	Salary	Non-Consolidated Performance Pay	Total
	£'000	£'000	£'000	£'000	£'000	£'000
John Tuckett Commissioner	65 – 70* 110 – 115**	0	65 – 70* 110 – 115**	45 - 50* 110 - 115**	0	45-50* 110-115**
Dr. Ian Leigh Deputy Commissioner	50 – 55* 70 – 75**	0	50 – 55* 70 – 75**	55 - 60* 70 - 75**	0	55 - 60* 70 - 75**
Band of Highest Paid Commissioner's Remuneration (annualised) – (£'000)	110 - 115			110 - 115		
Range of Staff Remuneration, excluding highest paid above (annualised) - (£'000)	26 - 71			25 - 70		
Median Total Remuneration - (£)	37,220			36,313		
Ratio	3.00			3.1		

* The Commissioner works 0.80fte (from 7 February 2021). He worked 0.60 FTE from 8 July 2019 to 6 February 2021. The Deputy Commissioner worked 0.83fte and stepped down from the OISC on 5 February 2021.

During the year ended 31 March 2021 neither were members of the Civil Service pension arrangements whilst working for the OISC.

** Full time equivalent salary.

Amounts paid to members of the Audit and Risk Assurance Committee are not included in this table since they are not members of the management board but are appointed as advisers by the Commissioner, a Corporation Sole.

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 2020/21 or 2019/20.

Pension benefits (audited)

During the year ended 31 March 2021 neither the Commissioner nor the Deputy Commissioner were members of the Civil Service pension arrangements.

Fair pay multiples (audited)

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

Audit and Risk Assurance Committee (ARAC)

The non-executive members of the Audit and Risk Assurance Committee were paid £375 per day (£425 Chair of Committee) until February 2021, and a flat annual rate of £3,750 per annum (£4,250 Chair of Committee) from March 2021 for attendance at OISC meetings in 2020/21. All received more than £2,000 during the year in this capacity.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements through either Principal Civil Service Pension Scheme or ALPHA scheme which was introduced 1 April 2015. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Staff Report

Staff costs (audited)

	2020/21			2019/20
	Total	Permanently Employed	Others	Total
	£'000	£'000	£'000	£'000
Wages and salaries	2,260	2,260	0	2,072
Social security costs	236	236	0	216
Other pension costs	550	550	0	510
	3,046	3,046	0	2,798

Average number of persons employed (audited)

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

	2020/21	2019/20
Directly employed	57.60	55.00
Others	0.00	0.48
Total	57.60	55.48

The Commissioner and Deputy Commissioner are Ministerial appointments and are not included in the above. The Deputy Commissioner completed his second term on 6 February 2021. The position of Deputy Commissioner is currently vacant in accordance with the provisions of the Immigration and Asylum Act 1999.

Pensions contributions

The Civil Service Pension Scheme (CSPS) 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 2016. Details of the resource accounts of the Cabinet Office: Civil Superannuation can be found at www.civilservicepensionscheme.org.uk.

For 2020/21, employer contributions of £540,625 were payable to the CSPS (2019/20: £503,828) at one of three rates in the range 26.6%% to 30.30% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the costs of benefits accruing during 2020/21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account – a stakeholder pension with an employer contribution. Employer contributions of £8,704 (2019/20: £6,235) were paid to the appointed stakeholder pension providers. Employer contributions are age-related and for the period 1 April 2020 to 31 March 2021 ranged from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

Contributions of £303 were due to Partnership Pension providers at 31 March 2021 (2019/20: £1,212).

Reporting of Civil Service and other compensation schemes – exit packages (audited)

During 2020/21 there were no exit packages (2019/20: £nil).

Number of persons of each sex employed

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

	2020/21	2019/20
Commissioner*	1	1
Deputy Commissioner*	1	1
Female (F) Staff	35	41
Male (M) Staff	24	25
Total	61	68

*Both the Commissioner and Deputy Commissioner (M) are male and ministerial appointments.

Sickness data

During the period from 1 April 2020 to 31 March 2021, 170 sick days were taken by OISC staff (2019/20: 330). 27 (16%) were taken as short-term sickness absence (2019/20: 226 (68%)) and 143 (84%) were taken as long-term sickness absence (2019/20: 104 (32%)). This equates to 4.6 days average per person overall compared to the latest comparison figures available from the public sector of 7.9 days average per person. Long-term sick absence has a disproportionate impact on the organisation, given our small number of staff. The OISC’s short-term absence figure equates to an average sickness rate of 4.0 days per person (2019/20: 3.88).

Staff turnover

During 2020/21 the annual turnover of staff was 7%, equating to 4 members of OISC staff. This is based on the number of employees leaving the OISC as a percentage of the total number of staff (headcount) employed.

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. During 2020/21 we have published internally a Diversity and Inclusion Strategy and Plan.

Staff involvement and development

The OISC is committed to keeping its members of staff informed of performance, career and personal development and progress. The OISC encourages members of staff involvement in its development and recognises the Public and Commercial Services Union for collective bargaining purposes.

During this financial year, the OISC began the creation of a new set of organisational values, conducted homeworking surveys and commenced discussions regarding the introduction of a hybrid operating model. All these activities led to a number of employee consultations and participation. Also, the Human Resources and Corporate Support department prepared a risk assessment that covered risks relating to remote working from home during the COVID-19 pandemic. The risk assessment considered the physical and mental wellbeing of staff working from home during the pandemic. The homeworking survey that was also conducted led to the Commissioner approving four Mental Health First Aiders, which have also been trained and appointed.

Following the government guidance for a salary increase of up to 2.00%, the Commissioner awarded 2.00% to all members of staff (excluding the Commissioners).

Trade union facility time

The OISC has an agreement in place with the Public and Commercial Services Union, the trade union it has recognised, for its Branch Executive Committee (BEC) members to have access to 52 days facility time which can be used between them to carry out trade union duties. In addition, the BEC's Health and Safety Committee and the Union Learning and Development Working Group Representatives each have a total of 10 days paid leave to attend training for their respective roles. All BEC members work within the allotted allowances.

Consultancy

There were no consultancy assignments in the year or in the previous year.

Off payroll engagement

No employee was paid through their own limited company.

2.3 Parliamentary Accountability and Audit Report

These notes and disclosures are audited.

Losses and special payments

OISC incurred £nil extra-contractual costs in the year ended 31 March 2021. In 2019/20 it incurred £13,961 extra-contractual costs in respect of legal services for criminal investigations.

There were no losses and special payments in the year ended 31 March 2021 (none in 2019/20).

Material remote contingent liabilities

There is one ongoing Tribunal matter that is potentially a material remote contingent liability as at 31 March 2021 (31 March 2020: two).

Gifts

There were no gifts for the year ended 31 March 2021 (2019/20: none).

Fees and charges

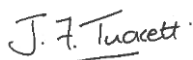
OISC costs and fee income are as follows:

	2020/21			2019/20		
	Costs	Income	Deficit	Cost	Income	Deficit
	£'000	£'000	£'000	£'000	£'000	£'000
Adviser fees*	4,062	(986)	(3,076)	3,973	(922)	(3,051)
	4,062	(986)	(3,076)	3,973	(922)	(3,051)

* 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.

Regularity of expenditure

The Office of the Immigration Services Commissioner operates within a Framework Document dated 14 February 2017 which sets out the financial transaction limits to which the OISC may operate without further referral to the Home Office. During the course of 2020/21, there were no additional expenditure controls. The Commissioner also operates to the standards set out in HM Treasury's 'Managing Public Money' and can confirm no irregularity with any of the provisions contained therein.



John Tuckett

Immigration Services Commissioner and
Accounting Officer

7 July 2021

2.3.1 The certificate and report of the comptroller and auditor general to the houses of parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Office of the Immigration Services Commissioner for the year ended 31 March 2021 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, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as interpreted by HM Treasury's Government Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

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 2021 and of net expenditure for the year then ended;
- have been properly prepared in accordance with the Immigration and Asylum Act 1999 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure 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.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Office of the Immigration Services Commissioner in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Office of the Immigration Services Commissioner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Office of the Immigration Services Commissioner's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Office of the Immigration Services Commissioner is adopted in consideration of the requirements set out in International Financial Reporting Standards and interpreted by HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Immigration and Asylum Act 1999; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Office of the Immigration Services Commissioner and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports. 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 parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Report Manual are not made; 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.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- assessing the Office of the Immigration Services Commissioner's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Office of the Immigration Services Commissioner will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Immigration and Asylum Act 1999.

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the Office of the Immigration Services Commissioner's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation in respect of the Office of the Immigration Services' Commissioner's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Office of the Immigration Services Commissioner's controls relating to the Immigration and Asylum Act 1999 and Managing Public Money;
- discussing among the engagement team and where required, involving relevant internal and or external specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, appropriateness of expenditure and posting of unusual journals;
- obtaining an understanding of the Office of the Immigration Services Commissioner's framework of authority as well as other legal and regulatory frameworks that the Office of the Immigration Services Commissioner operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Office of the Immigration Services Commissioner. The key laws and regulations I considered in this context included the Immigration and Asylum Act 1999, Managing Public Money and relevant employment law and tax legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is

located on the Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date: 15 July 2021

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

Part 3: Financial Statements

3.1 Statement of Comprehensive Net Expenditure

For the year ended 31 March 2021

	Note	2020/21		2019/20	
		£'000	£'000	£'000	£'000
Revenue from contracts with customers	3	(986)		(922)	
Other operating income	3	(15)		(3)	
Total operating income			(1,001)		(925)
Staff costs	4	3,046		2,798	
Other expenditure	5	1,016		1,175	
Total operating expenditure			4,062		3,973
Net expenditure			3,061		3,048

All income and expenditure is derived from continuing activities. There is no other Comprehensive Net Expenditure.

The notes on pages 46 to 56 form part of these accounts.

3.2 Statement of Financial Position

As at 31 March 2021

	Note	31 March 2021		31 March 2020	
		£'000	£'000	£'000	£'000
Non-current Assets					
Property, plant and equipment	6	22		36	
Intangible assets	7	37		46	
Total non-current assets			59		82
Current assets					
Trade and other receivables	8	144		163	
Cash and cash equivalents	11	943		419	
Total current assets			1,087		582
Total assets			1,146		664
Current liabilities					
Trade and other payables	9	(734)		(558)	
Total current liabilities			(734)		(558)
Non-current assets plus net current assets			412		106
Non-current liabilities					
Trade and other payables	9	(33)		(73)	
Provisions for liabilities and charges	10	(147)		(99)	
Total non-current liabilities			(180)		(172)
Assets less liabilities			232		(66)
Taxpayers' equity					
General fund			232		(66)
Total taxpayers' equity	SoCTE		232		(66)

J. F. Tuckett

John Tuckett

Immigration Services Commissioner and

Accounting Officer

7 July 2021

The notes on pages 46 to 56 form part of these accounts.

3.3 Statement of Cash Flows

For the year ended 31 March 2021

	Note	2020/21 £'000	2019/20 £'000
Cash flows from operating activities			
Net expenditure	SoCNE	(3,061)	(3,048)
Adjustments for non-cash costs			
Depreciation and amortisation	5	23	59
Decrease in trade and other receivables	8	19	138
Increase in trade and other payables	9	136	166
Increase in provision for liabilities and charges	10	48	48
Net cash outflow from operating activities		(2,835)	(2,637)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	0	(8)
Net cash outflow from investing activities		0	(8)
Cash flows from financing activities			
Grant-in-aid	SoCTE	4,388	3,820
Appropriation of fees to the Home Office	SoCTE	(1,029)	(918)
Net cash inflow from financing activities		3,359	2,902
Net increase in cash and cash equivalents in the year	11	524	257
Cash and cash equivalents at the beginning of the year	11	419	162
Cash and cash equivalents at the end of the year	11	943	419

The notes on pages 46 to 56 form part of these accounts.

3.4 Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2021

	General Reserve
	£'000
Balance at 31 March 2019	80
Changes in taxpayers' equity for 2019/20	
Appropriation of fees to the Home Office	(918)
Net Expenditure for Year Ended 31 March 2020	(3,048)
Grant-in-aid	3,820
Balance at 31 March 2020	(66)
Changes in taxpayers' equity for 2020/21	
Appropriation of fees to the Home Office	(1,029)
Net Expenditure for Year Ended 31 March 2021	(3,061)
Grant-in-aid	4,388
Balance at 31 March 2021	232

The notes on pages 46 to 56 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 2020/21 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. Depreciated historic cost is used as a proxy for current value in existing use.

Changes in accounting policies and standards: New accounting standards adopted

There are no new accounting standards applicable this year.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2020 and not early adopted

IFRS 16: Leases will be applicable to OISC from 1 April 22 and will change the way OISC recognises, measures, presents and discloses leases that it holds. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is short term (less than 12 months) or the underlying asset has a low value. The impact of IFRS 16 on OISC is not considered to have a material impact due to the short-term lease and low value exemptions.

Grant-in-aid

Grant-in-aid and grant 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 grant-in-aid for 2020/21: £4,388k was approved, which included £552k of supplementary grant-in-aid (2019/20: £3,820k).

There is an expectation that the OISC will continue in operational existence and has a statutory obligation to continue to provide services in 2021/22 and for the foreseeable future. The future financing of the OISC’s liabilities will be met by Grant-in-Aid to support its operations, and future financial support. There is no indication that this will cease over the next twelve months.

Accordingly, it is appropriate to adopt a going concern basis for the preparation of these financial statements.

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. The OISC has elected to adopt a depreciated historical cost basis as a proxy for current value in existing use for assets that have short useful lives or low values.

Depreciation and amortisation

Depreciation is provided on all property, plant and equipment over life of the tenancy agreement, March 2014 to November 2022. Amortisation on intangible assets is provided for on a 20% reducing balance basis.

Office refurbishments	on a straight-line basis
Computer equipment	on a straight-line basis
Furniture and office equipment	on a straight-line basis
Themis software	on a 20% reducing balance basis
Office Software	on a 20% reducing balance 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. The provision is recognised annually as wear and tear is incurred, on a straight line basis.

Revenue from contracts with customers

Fees that accompany applications to the Commissioner for registration or continued registration are recognised in the Statement of Comprehensive Net Expenditure at the point in time when a decision is made as to whether to register the applicant as an immigration adviser.

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.

Where the Commissioner is in receipt of fees for which decisions have not yet been made on the applications at year end, the fees are held in contract liabilities and only recognised when the decision has been made.

Appropriation of fees to the Home Office

All fees are held by the Commissioner in a separate bank account from that used for the running expenses of his Office and are remitted in full to the Home Office on a quarterly basis. These payments are disclosed as an appropriation within the Statement of Changes in Taxpayer's Equity.

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 12. There are no finance leases.

Payments made under operating leases are charged to expenditure on a straight-line basis over the term of the lease. In accordance with the principles of IAS17 (leases) and the supplementary guidance specified in SIC 15 (operating lease incentives), OISC has spread the value of rent free periods over the lease term.

Pension costs

Past and present employees are covered by the provisions of the Civil Servants and Others Pension Scheme for those in the alpha pension scheme and the Principal Civil Service Pension Scheme (PCSPS) for those in one of the other civil service occupational pension schemes, which are defined benefit schemes and are unfunded and non-contributory. As it is a multi-employer scheme, OISC is unable to identify its share of underlying assets and liabilities. 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 appropriate scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Civil Servants and Other Pension Scheme and 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 OISC staff as at the end of the financial year. The calculation is based on 229 working days excluding annual and privilege leave. Total holiday accrual at 31 March 2021: £156,635 (31 March 2020: £104,768).

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 of operating segments as envisaged by IFRS 8.

3. Income

Revenue from contracts with customers

	2020/21	2019/20
	£'000	£'000
Adviser fees	986	922
	986	922

Other Operating Income

	2020/21	2019/20
	£'000	£'000
Court costs	1	3
Other income	14*	0
	15	3

* £14k EU Exit Communications Funding Video Messaging

The monies received from fees and other income are passed to the Home Office each quarter. These are shown in the Statement of Comprehensive Net Expenditure.

4. Staff costs

Staff costs comprise:

	Total	2020/21 Permanently Employed	Others	2019/20
	£'000	£'000	£'000	£'000
Wages and salaries	2,260	2,260	0	2,072
Social security costs	236	236	0	216
Other pension costs	550	550	0	510
	3,046	3,046	0	2,798

5. Other expenditure

	2020/21	2019/20
	£'000	£'000
Running costs		
Accommodation	303	283
Information technology	71	68
Legal costs*	124	190
Advertising and publicity	26	14
Office supplies and services	28	37
Website	0	2
Training	15	28
External audit fee**	21	20
Other running costs***	111	181
Rentals under operating leases	246	245
Non-cash items		
Depreciation and Amortisation	23	59
Dilapidation provision charge	48	48
	1,016	1,175

*Reduction in external legal costs due to employment of in-house lawyer and court hearings postponed due to COVID -19.

**External audit fees do not include any non-audit work undertaken by the National Audit Office (NAO). Total fees paid to NAO for non-audit work £0 (2019/20: nil)

*** Decrease due to reduction in staff subsistence, scanning of documents and coaching costs, as a result of staff remote working and budget caps.

6. Property, plant and equipment

	2020/21			
	Office Refurbishment	Furniture and Office Equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000
Cost at 1 April 2020	94	58	279	431
Additions	0	0	0	0
Cost at 31 March 2021	94	58	279	431
Depreciation at 1 April 2020	(66)	(56)	(273)	(395)
Charged during the year	(11)	(1)	(2)	(14)
Depreciation at 31 March 2021	(77)	(57)	(275)	(409)
Net book value at 31 March 2021	17	1	4	22
Net book value at 31 March 2020	28	2	6	36

	2019/20			
	Office Refurbishment	Furniture and Office Equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000
Cost at 1 April 2019	94	54	275	423
Additions	0	4	4	8
Cost at 31 March 2020	94	58	279	431
Depreciation at 1 April 2019	(55)	(46)	(246)	(347)
Charged during the year	(11)	(10)	(27)	(48)
Depreciation at 31 March 2020	(66)	(56)	(273)	(395)
Net book value at 31 March 2020	28	2	6	36
Net book value at 31 March 2019	39	8	29	76

7. Intangible assets

2020/21			
	Themis Software	Office Software	Total
	£'000	£'000	£'000
Cost at 1 April 2020	293	26	319
Additions	0	0	0
Cost at 31 March 2021	293	26	319
Amortisation at 1 April 2020	(262)	(11)	(273)
Provided during the year	(6)	(3)	(9)
Amortisation at 31 March 2021	(268)	(14)	(282)
Net book value at 31 March 2021	25	12	37
Net book value at 31 March 2020	31	15	46

2019/20			
	Themis Software	Office Software	Total
	£'000	£'000	£'000
Cost at 1 April 2019	293	26	319
Additions	0	0	0
Cost at 31 March 2020	293	26	319
Amortisation at 1 April 2019	(254)	(8)	(262)
Provided during the year	(8)	(3)	(11)
Amortisation at 31 March 2020	(262)	(11)	(273)
Net book value at 31 March 2020	31	15	46
Net book value at 31 March 2019	39	18	57

8. Trade and other receivables

	31 March 2021	31 March 2020
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	6	10
Impairment allowance for bad and doubtful debts	0	(2)
Other receivables:		
Season ticket loans to staff	0	12
Prepayments and accrued income	138	143
Total	144	163

9. Trade and other payables

	31 March 2021	31 March 2020
	£'000	£'000
Amounts falling due within one year:		
Contract liabilities*	108	66
Accruals	585	458
Accommodation rent-free period	41	34
Total	734	558
Amounts falling due after more than one year		
Accommodation rent-free period	33	73
Total	33	73

*Contract liabilities arising from IFRS 15 Revenue from Contracts with customers.

10. Provisions for liabilities and charges

	£'000
Balance at 1 April 2019	51
Additional provision	48
Balance at 31 March 2020	99
Balance at 1 April 2020	99
Additional provision	48
Balance at 31 March 2021	147
Amounts falling due:	
Not later than 1 year	0
Later than 1 year and not later than 5 years	147
Later than 5 years	0
Total	147

11. Analysis of changes in cash and cash equivalents

	£'000
Balance at 1 April 2019	162
Net Change in cash and cash equivalents balances	257
Balance at 31 March 2020	419
Balance at 1 April 2020	419
Net Change in cash and cash equivalents balances	524
Balance at 31 March 2021*	943

*£552k Supplementary Grant received in 2020/21 (2019/20: £nil)

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).

The OISC does not have any liabilities arising from financing activities.

12. Commitments under operating leases

	31 March 2021		31 March 2020	
	Land and Building	Equipment	Land and Building	Equipment
	£'000	£'000	£'000	£'000
Operating leases that expire:				
Not later than 1 year	295	4	289	4
Later than 1 year and not later than 5 years	187	2	482	6
Later than 5 years	0	0	0	0

13. Events after the reporting period

There were no post reporting period events.

These Financial Statements were authorised for issue by the Commissioner on the date they were certified by the Comptroller and Auditor General.

14. Related party transactions

The Home Office, as sponsor body for the OISC throughout 2020/21 is a related party to the OISC. During the year ended 31 March 2021, the Home Office provided the OISC with grant-in-aid of £4,387,831 (2019/20: £3,820,000).

A number of transactions were made with other government departments and other central government bodies namely – HM Revenue and Customs (HMRC) £236,334 (2019/20: £211,987) and The Principal Civil Service Pension Scheme (PCSPS): £549,632 (2019/20: £510,063).

During the year ended 31 March 2021 neither the Commissioner, Deputy Commissioner, key managerial staff nor other related parties undertook any material transactions with the OISC.

15. 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.



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