



Office of the Immigration Services Commissioner

# Annual Report and Accounts 2011/12

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 2011 to 31 March 2012**

**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 16 July 2012.

HC 505

London: The Stationery Office

£21.25

© **Crown copyright 2012**

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto: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.

Any enquiries regarding this publication should be sent to us at  
Office of the Immigration Services Commissioner.

This publication is available for download at [www.official-documents.gov.uk](http://www.official-documents.gov.uk).  
This document is also available from our website at [www.oisc.homeoffice.gov.uk](http://www.oisc.homeoffice.gov.uk).

ISBN: 9780102980295

Printed in the UK for The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

ID P002474551 07/12

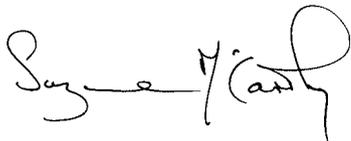
Printed on paper containing 75% recycled fibre content minimum.

## **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 2011 to 31 March 2012.

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

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

10 July 2012

---

# Contents

---

<b>Foreword</b>	<b>3</b>
<b>Annual Report</b>	<b>5</b>
<b>Chapter 1: Commissioner's Statement</b>	<b>5</b>
<b>Chapter 2: The organisation</b>	<b>12</b>
<b>Chapter 3: Statistical report</b>	<b>18</b>
Regulation of immigration advice	18
Complaints	24
Investigating illegal activity	25
<b>Chapter 4: Key Performance Indicators</b>	<b>28</b>
<b>Annex A: OISC publications</b>	<b>33</b>
<b>Annex B: Responses made to external consultations 2011-12</b>	<b>35</b>
<b>Annex C: Glossary</b>	<b>36</b>
<b>Statement of Accounts 2011/12</b>	<b>39</b>
<b>The Commissioner's Report on Regulation by the Designated Professional Bodies of their Members</b>	<b>79</b>

# Foreword

I was delighted by the Government's conclusion as part of its review of Arms Length Bodies to retain my Office in its current form. This decision demonstrates the strong value that Ministers place on the OISC as regulator of the UK's immigration advice sector and recognises the quality of the OISC's work.

This Annual Report describes both what the OISC did during 2011/12 and the OISC regulated advice sector as at 31st March 2012. As my Commissioner's Statement explains, the past year was eventful with ever increasing pressures placed on my organisation concurrent with our exploration of new ways of working to improve regulation. I am grateful to those advisers, stakeholders, officials and others with an interest in the immigration sector who contributed to our work. I particularly appreciated the opportunities I had to consider these issues with Damian Green, the Immigration Minister, and with the new head of the United Kingdom Border Agency (UKBA), Rob Whiteman. I especially welcomed the emphasis they both placed on improving communications and information sharing between the UKBA and the OISC. I was also delighted by the continued collaboration between my Office and Citizens UK, and the invitation that was extended to me to speak at the latter's inaugural Diaspora Peoples' Assembly in December 2011.

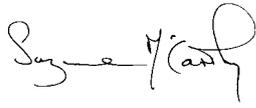
With the OISC's future secured, the Deputy Commissioner and I have focused our attention on starting the process of fundamentally re-evaluating the OISC business areas. As part of our review we are reconsidering all of the organisation's work streams – operational and support – in order to identify what constitutes successful outcomes for the OISC in the light of our 2012/15 corporate strategy.

We are very conscious that the public interest and those we regulate must be at the centre of our work. Ensuring that advisers' clients receive good advice from fit and competent individuals and organisations is the regulatory scheme's primary focus. Recognising this, we have decided that we will concentrate from 2012/13 on improving our regulatory effectiveness. The need to do this is increasingly vital, since, with immigration controls ever tightening and people undoubtedly becoming more desperate to gain entry or remain in the UK, the importance of ensuring that good immigration advice is delivered can only intensify. There are also other significant and influential factors impacting on the sector, such as changes in the giving of advice through new technology and social media forums and alterations in the balance between regulated not-for-profit and for-profit immigration advice organisations, which make our determination to improve our effectiveness essential.

I will be reporting on our progress in delivering our 2012/15 Corporate Plan in future Annual Reports. Our achievements will, as before, depend on the dedication and perseverance of my staff. Based on past evidence, I know that the Deputy

---

Commissioner and I can count on them to rise to this challenge. I would like to thank them and the Deputy Commissioner for all their hard work and support over the period of this Report, and I look forward to working with them in the years ahead.



Suzanne McCarthy  
Immigration Services Commissioner  
10 July 2012

# Chapter 1: Commissioner's Statement

## Introduction – Confirming the OISC

When I wrote my Statement last year the OISC's future was unclear. That uncertainty has now been removed. In November I was notified by the Head of the OISC's United Kingdom Border Agency's (UKBA) Sponsor Unit of the outcome of the correspondence that had passed between Damian Green, the Immigration Minister, and the Rt Hon Francis Maude, Minister for the Cabinet Office, regarding the OISC's future. When writing to the latter, Mr Green confirmed his decision to retain the OISC on the basis that there was "the clear and continuing need for Government intervention in the immigration advice sector given the threat posed by unscrupulous advisors and the inability of the sector to regulate itself effectively."<sup>1</sup> He also advised that the OISC had passed the Cabinet Office's retention test on the basis that it performs functions that require political impartiality. Further, he asserted that, to merge the OISC with another body, carried a high degree of risk to the "continued, effective, UK-wide regulation of the immigration advice and services sector". He therefore concluded that "the regulation of the immigration advice and services sector can best be delivered by retaining the OISC in its current form".

## Our 2012-15 Corporate Plan<sup>2</sup>

This decision to retain the OISC in its present form has motivated us to consider how the OISC can develop further as a regulator. With this in mind, we envisage building on the efficiency improvements already secured through the OISC's Reform and Remodel project, which was reported on in previous Annual Reports, by focusing now on enhancing our effectiveness, and our 2012/15 Corporate Plan reflects this. Our intention is to place greater emphasis in the years ahead on ensuring that those who wish to become OISC regulated advisers or organisations, or who are in the scheme already but wish to give advice at a higher level, can sufficiently demonstrate to us that they are suitably fit and competent. Complementing this we intend to place increased responsibility on the regulated for ensuring their own continued fitness and competence. Further, we will be focusing our enforcement activities both civil and criminal with particular regard to those persons and organisations which may be causing the most harm or posing the greatest threat to consumers. Wherever possible, we will be doing so by taking a collaborative, multi-disciplinary approach both internally and externally. We recognise that this will require improvements in the communication links we

<sup>1</sup> The quotes given in this paragraph are taken from the letter dated 10<sup>th</sup> November 2011 from Hugh Ind, Head of the OISC's Sponsor Unit, to the Immigration Services Commissioner.

<sup>2</sup> The OISC's 2012/15 Corporate and 2012/13 Business Plans can be found on the OISC's website <http://oisc.homeoffice.gov.uk/servefile.aspx?docid=286>

---

have already established between ourselves and the UKBA. This is something I know the Minister and Rob Whiteman, the UKBA's Chief Executive, are very supportive of. To that end, the Deputy Commissioner and I have met senior UKBA officials both in London and in the UKBA regions to discuss how our respective organisations can better work together.

The work we are taking forward under the 2012/15 Corporate Plan builds on a solid, established foundation. The evidence submitted by applicants advisers and organisations for entry into the regulatory scheme is carefully examined and evaluated; and the same is true if an adviser wishes to work at a higher level. For entry into the scheme we require the production of a satisfactory Criminal Records check, full, verifiable details of the applicant adviser's training and experience as well as making it mandatory for all advisers to be competence assessed. Business details including financial information must be provided by the organisation and, if required, they must agree to a pre-regulation audit.

Once in the scheme regulated organisations are systematically audited. The frequency of such audits is determined according to Better Regulation Principles by an assessment of risk to clients and to the public. In any event, all regulated organisations are audited at their premises before the end of their first year in the scheme. In addition, all advisers – for-profit and not-for-profit – must annually comply with the OISC's Continuing Professional Development (CPD) requirements according to their authorised advice level.

The OISC will continue to contribute to Home Office and wider government initiatives, including the debate over the future landscape of legal services regulation. We are maintaining a close interest in the Legal Services Board's current consultation process, and have developed close links with that body to ensure that the unique and well-defined role of the OISC is fully understood and is not compromised by a "one size fits all" approach to regulatory bodies. In our response (see Annex B) we explained that the OISC is a model of simple and accessible regulation which is aimed to help providers of immigration advice give a consumer-focused service while at the same time re-enforcing consumers confidence in the services they receive.<sup>3</sup>

In conjunction with improving my Office's effectiveness, I hope that Parliamentary time will be found for strengthening the OISC statutory powers. I need unambiguous authority to conduct unannounced audits for the purpose of checking that those in my scheme are compliant with my *Codes* and *Rules*.

---

<sup>3</sup> OISC response to the LSB consultation 'Enhancing Consumer Protection, Reducing Regulatory Restrictions' can be found on the OISC's website at <http://oisc.homeoffice.gov.uk/servefile.aspx?docid=264>.

---

In addition, it would be valuable to have the power to cancel a Registered (for-profit) organisation's registration at any time if I consider that such an organisation has fallen below the OISC's competency and/or fitness requirements. This would mirror the power I already have to remove an Exempt (not-for-profit) organisation from the scheme for the same reasons. Further, merging the current "registered" and "exempt" statutory categories of regulated organisations and bringing them under a single, "regulated" category would make for a simpler scheme and add clarity for clients.

## **Changes to the OISC's *Guidance on Competence and Complaint Scheme***

We have not stood still while decisions were being taken about the OISC's future. During this past year important changes were made to both the OISC's *Guidance on Competence* and *Complaint Scheme*. The new edition of the *Guidance* came into force on the 1st January 2012, and was different from the previous edition both as to look and content. It contains more detail on, for example, important issues such as supervision and OISC advisers working with third parties such as barristers and solicitors. While the OISC's three Advice Levels remain unchanged, there are now only two categories of work – "Asylum and Protection", which covers advice and services related to refugee and asylum law and detention issues, and "Immigration", which covers work previously included under Entry Clearance, Nationality, EU and Detention. Further, Advice Level 1 was renamed, "Advice and Assistance", which is more appropriate given the work carried out at that Level than the former title, "Initial Advice". These changes were made with clients especially in mind, as I expect that, with the introduction of this simpler and clearer system of categories, they will be able to understand better what work their adviser is authorised to carry out for them as well as allowing advisers to provide a wider variety of services for their clients.

The change I made to the *Complaints Scheme* was done in order to bring the OISC in line with the remarks made by Lord Hoffman in the House of Lords' case of *re B (Children) [2008] UKHL 35*.<sup>4</sup> As required by statute before altering the scheme I consulted interested parties. Further, all regulated advisers were informed of the consultation. I carefully considered the responses received, and particularly those from bodies which regulate elements of the legal sector. As a result, I decided that paragraph 25 of the Scheme, which deals with the standard of proof I should apply

---

<sup>4</sup> Schedule 5, paragraph 5(2) of the Immigration and Asylum Act 1999. A copy of the report of the consultation can be found at <http://oisc.Homeoffice.gov.uk/servefile.aspx?>



in determining complaints, should be amended by requiring that the standard should be, without exception, the civil standard of the balance of probabilities.

## Improving effectiveness and value for money

We have also worked to improve the service we provide to advisers and others, and to achieve this our staff training and development programme this year included a specific module on providing good customer services. We have also done work on how to enhance the clarity of our complaints determination documents. In addition, the OISC's Internal Auditors' programme of audits for 2011/12 specifically examined areas where we have striven to improve our efficiency and value for money. While the auditors commented that further improvements could be made in all areas they examined, (and we are taking forward their recommendations), I was particularly pleased that their review of our new applications process confirmed that the improvements we had made for downloading application forms on the OISC website were easy to follow and that the re-written guidance on completing the application was easy to understand. The auditors also looked at our procurement processes and were "generally satisfied" with the internal controls we have in place for the procurement processes particularly in relation to purchase orders and procurement (credit) card expenditure.

This year we have undertaken many important, but resource-intensive exercises to demonstrate and to ensure our continuing compliance with good practice in corporate governance, risk management and financial control. Our Finance Team has been heavily involved in preparing Financial Process Assessment and Controls Assurance statements at the behest of the Home Office, and in submitting consolidated quarterly returns. We have also participated in a number of major initiatives including a fundamental review of anti-fraud, bribery and corruption processes and the enforced transfer of our commercial banking arrangements. Such activities, which represent a significant overhead on my organisation, are set to continue.

Data quality is important to the good delivery of the OISC's functions as it allows us, for example, to track our performance against our Key Performance Indicators, which is reported in such documents as our Annual Reports. The auditors, as a result of their audit on data quality, drew my attention to several significant issues regarding the inputting of data and the quality assurance of the data held on our system. I am very pleased that they did so, and my Office has been working closely with the auditors in addressing these issues. A further audit was conducted in March 2012 to confirm that the necessary safeguards had been

---

introduced. Following that audit, the auditors advised me that overall they were satisfied that the actions required with respect to their areas of highest concern had been addressed and that processes were in place to manage the risks they had identified going forward.

We can also learn from the OISC's overseas sister organisations. The Chief Executive and her Deputy at the OISC's Australian equivalent, the Migration Agents Registration Authority (MARA) have been in regular contact with us during this year, and the intention is for our discussions to continue and also to include the head and senior staff of the New Zealand Immigration Advisers Authority.

## **Commissioners Meetings and OISC Workshops**

With the Deputy Commissioner joining us towards the end of 2010/11, it was possible for me this year to engage more with advisers and other stakeholders. Regarding the former, the Deputy Commissioner and I have held a series of meetings with small groups of advisers who share certain characteristics such as their advice level, how long they have been regulated or whether they work for a for-profit or not-for-profit organisation. Each of these meetings has produced constructive contributions, which have stimulated thought internally and produced changes and innovations in the way we do things. For example, comments made about the audit process resulted in the audit appointment letter being redrafted, and remarks regarding CPD have led to an annual certificate of compliance with CPD requirements being issued to advisers starting at the completion of the 2011/12 CPD year. Further, we have begun to establish better contacts with detention centres and prisons to ensure that those detained are aware of how to contact an OISC regulated adviser should they require immigration advice or should they wish to complain about the immigration advice or services they have received.

During 2011/12 the OISC also embarked on delivering a new programme of interactive adviser workshops. During the year we ran 39 workshops in various places across the UK which were attended by 528 advisers. The workshop topics were on subjects that advisers themselves identified as useful to them and included such areas as working with third parties and effective referrals; supervision, audit and compliance; complaints; and working in the best interests of clients. The responses from attendees has been uniformly positive, and we intend to continue with this programme next year.

---

## Engaging with Minority Ethnic Communities and MPs

It has also been important for me to engage with those communities whose members often need to consult an immigration adviser. I therefore very much welcomed the invitation from Citizens UK to work with them as part of their initiative to assist people in finding good immigration advisers. I was particularly privileged to be invited to speak at their inaugural Diaspora Peoples' Assembly which over five hundred community leaders from thirty different communities attended. I also this year distributed an article that I had specially prepared for minority ethnic community press outlets, both written and electronic. I am pleased that several publications such as the Chinese Business Gazette (European Edition), *The Promota*, a publication that specializes in African Diaspora issues, and the *Epoch Times* published it. I also was delighted that my article was reported by *Ngoma Radio* a Ugandan broadcaster, and to be invited as a guest on *Colourful Radio's* breakfast show.

Often when people require help with their immigration status or are unhappy about the service they have received from their adviser they contact their MP. It is thus important that MPs and their staff are aware of the OISC and understand how I can assist. I was therefore eager to accept Damian Green's suggestion that I participate in the November event that UKBA held for MPs and their staff. Following on from that, I wrote to all who attended similar events, and I am following this up with meetings with individual MPs and/or members of their staff.

## Taking Enforcement Action

Taking action to prevent those who I do not feel should be within my scheme or removing those within the scheme who I do not feel should continue to give immigration advice as well as working to prevent giving immigration advice illegally are, of course, important elements of my role. Chapter 3 includes data on the work my Office did this year in these areas. As explained, we pursued a number of civil cases before the First-tier Tribunal (Immigration Services). One of these involved a person who we discovered had been charged with immigration and passport offences in Pakistan, which, if convicted, carried a custodial sentence of between three to five years. This investigation was on-going at the time he applied to me for regulation, which was refused. He appealed my decision to the Tribunal, which upheld it saying that it was "entirely proper and reasonable [for me] to take those offences and those circumstances into consideration". In another case, we acted on information provided to us by an undercover reporter regarding an adviser's involvement in arranging sham marriages. In that case the

---

Tribunal agreed with my submission that the adviser should be indefinitely prohibited from providing immigration advice.

On the criminal side, my Office has been involved in a number of important prosecutions of persons giving unregulated, illegal immigration advice. One such case was that of Janette Gordon-Edwards, a former Home Office official. At the end of her hearing in November 2011 she was sentenced to 12 months' imprisonment suspended for two years, ordered to complete 250 hours unpaid work and to pay £4,000 compensation. Another defendant, Nicholas George, was sentenced at Southwark Crown Court to six months' imprisonment suspended for 12 months and a community order of 100 hours of unpaid work.

## Conclusion

In concluding this Statement I would like to express my warm thanks to the Deputy Commissioner, the OISC's senior management team and to the OISC's staff for their contribution in delivering the responsibilities that Parliament placed upon me and my Office. I especially wish to thank Tim Cole who stepped down this year as the independent, Non-Executive Chairman of the OISC's Audit Committee. His leadership of that Committee and his constructive advice to me as the organisation's Accounting Officer over the period of his chairmanship was greatly valued. I am, however, very pleased that Mr Terry Price has agreed to accept the appointment of Chairman of that committee on Tim's departure, and I am delighted to welcome Mr Alan Rummins and Mr Peter Wrench as members of the Committee. I look forward to working with them, and with all the OISC's stakeholders in the years ahead.

## 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 team.

### The Operational Teams

Separate, but interlinked teams perform the OISC's regulatory functions.

#### 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 premise 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 works with the Open University in administering the CPD programme.

#### b. Applications and First Contact Team

The Applications and First Contact Team (AFCT) deals 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 makes final decisions on the more straightforward applications. AFCT also administers Criminal Records Bureau checks on behalf of the Office.



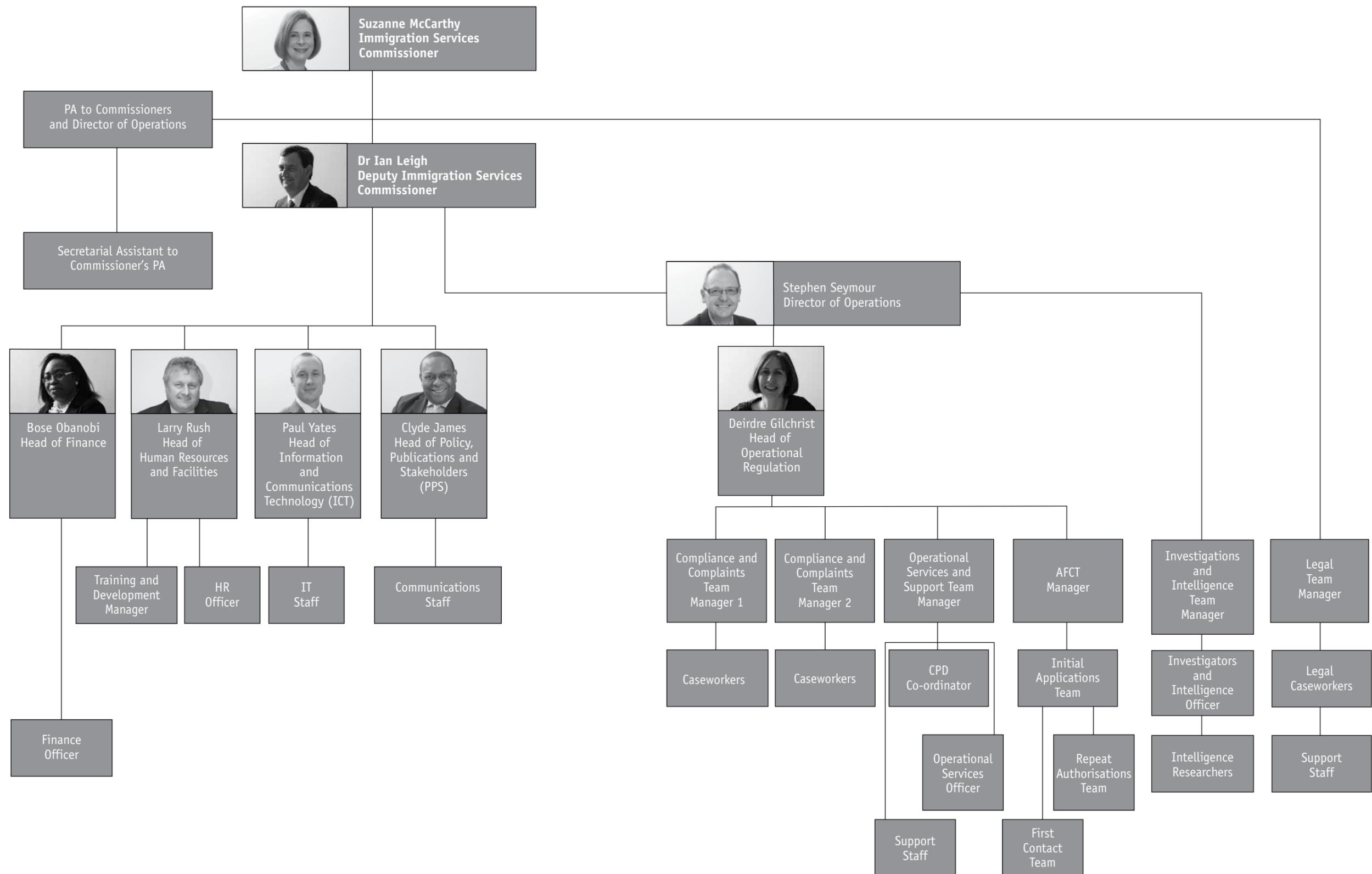
---

### **c. The Investigations and Intelligence Team**

The Investigations and Intelligence team seeks out and investigates alone or jointly with other UK investigative bodies allegations of unregulated 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, 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 79).





## The Corporate Support Service Teams

### 1. The Finance Team

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

The Head of Finance provides secretariat support to the OISC's Audit Committee, and has responsibility for asset management. She liaises with the UKBA Sponsor Unit in relation to general finance and other audit issues. She represents the OISC on Home Office working groups on all financial and reporting matters.

Other specific team responsibilities include maintenance of the OISC's accounting records, creditor payments, administering payroll and staff expenses, production of the OISC's annual accounts and consolidation returns and other financial reporting including financial returns to the Home Office and HM Treasury.

### 2. The Human Resources and Facilities Team

The Team is responsible for providing a comprehensive personnel and training and development service for OISC staff. It is also responsible for health and safety and facilities management issues within the OISC. During 2011/12 the team continued its ongoing review of HR policies, ensuring the Office's continued compliance with employment legislation. The OISC published its own Equality Scheme on 1 August 2011. Several recruitment exercises were undertaken during the year.

The Head of HR is also responsible for the investigation of any complaints made against the OISC and its staff. During 2011/12 seven substantive complaints were investigated. One complainant withdrew their complaint and one was upheld. Five were not upheld.

Staff attended 325 training and development days. Several staff received support in their further education studies.

Work also commenced in preparation for the OISC leaving its current accommodation in September 2013. That work will continue into 2012/13.

---

### **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 maintenance and development of the OISC's case management system, Themis; and
- providing IT advice and information

During 2011/12 the ICT team concentrated on two particular areas of work. The first was Themis, where an ongoing stream of improvements has been made to the case management system. In addition, the ICT team has been instrumental in preparing staff training on the Themis system.

Other areas of significant work in the year have been in relation to Knowledge Management and the launch of a new Intranet.

### **4. The Policy, Publications and Stakeholders Team**

This team provides guidance on the OISC's regulatory scheme, on the interpretation of relevant legislation, case law and on wider regulatory concerns. It also contributes to discussions on possible legislative changes and engages 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. Additionally, it is responsible for a range of events including a series of workshops for advisers on specific topics.

## Chapter 3: Statistical Report

### Regulation of immigration advice

It is illegal to offer immigration advice and services without being directly regulated by the OISC. The only exceptions to this are those who are regulated by a DPB, such as the Law Society of Scotland, or those who have been exempted by a Ministerial Order.<sup>5</sup>

The organisations that the OISC regulates range widely from small community-based organisations and sole traders through to national charities with multiple offices and large specialist profit-making advisory services. The Immigration and Asylum Act 1999 distinguishes between OISC regulated organisations by dividing them into two specific categories: 'Registered' and 'Exempt'. The OISC defines these as follows:

- Registered organisations are mainly those operating in the private sector. They charge for their advice or services either through a straightforward fee or via charges made as part of a larger package. This category would include, for example, a private college that offers advice as part of their student services. If voluntary and community sector organisations including charities and local authorities charge for their services to cover their costs, they are also included in this group. Some Registered organisations hold Legal Services Commission contracts enabling them to provide free advice to some clients while charging others.
- Exempt organisations generally operate in the voluntary or community sector. They do not charge clients for the advice or services they provide, and are referred to as 'Exempt' only because they do not have to pay the OISC's application fee.

The OISC's regulatory framework is based on four cornerstone documents: *The Code of Standards*, *The Commissioner's Rules*, the *Guidance on Competence* and the *Complaints Scheme*. The *Rules*, which focus mainly on financial management and control, apply only to Registered organisations, while the other three documents apply to all organisations. These documents set out what is expected of regulated immigration advisers in terms of skills, experience and aptitudes required.

The OISC's approach to regulation is targeted and proportionate. Wherever possible, the OISC supports and encourages organisations to come into its scheme and to develop and improve the level of service they offer to their clients. The OISC measures adviser competence and fitness in a number of ways – through its

<sup>5</sup> Ministerial Orders give specific exemption from regulation and relate to the NHS, publicly funded educational institutions and relevant employers.

application processes, through competence assessments and through its audit programme.

### Statistics on regulated organisations and advisers as at 31 March 2012

The following data give information on the size and breakdown of the OISC regulated sector at the end of 2011/12. We have made some adjustments to the tables presented in earlier Annual Reports in order to better reflect the current regulated constituency.

**Table 1: Total number of regulated organisations**

	As at 31 March 2012	As at 31 March 2011
Registered	1,053	966
Exempt*	877	885
<b>Total number of regulated organisations</b>	<b>1,930</b>	<b>1,851</b>

\* includes Citizens Advice Bureaux offices at Level 1<sup>6</sup>

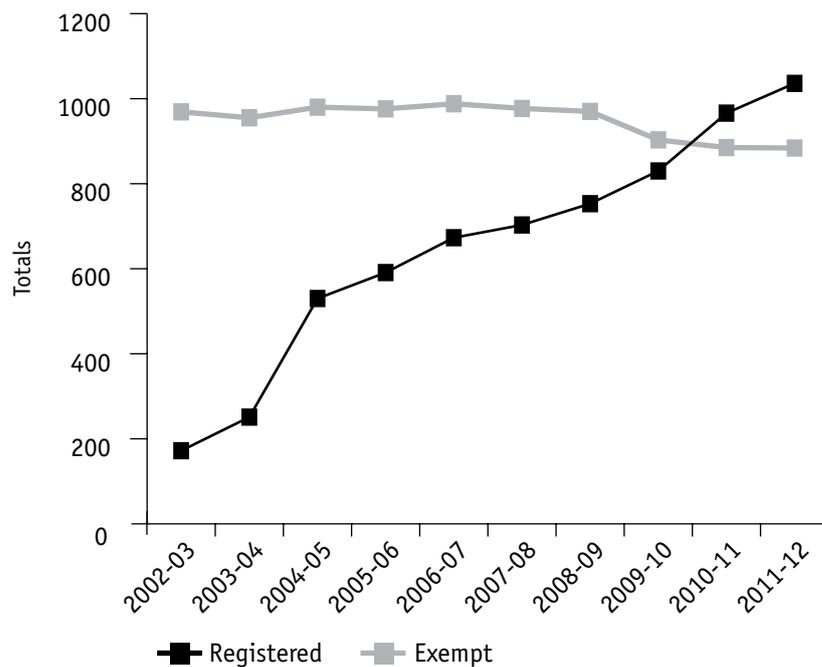
**Table 2: Total number of regulated advisers**

	As at 31 March 2012	As at 31 March 2011
Registered	2,499	2,396
Exempt*	862	942
Registered and Exempted	14	8
Total number of regulated advisers**	3,375	3,346
<b>Total number of regulated advisers including CAB*</b>	<b>3,971</b>	<b>3,942</b>

\* Excluding advisers regulated through Citizens Advice Bureaux offices (596)

\*\* Advisers who work for both Registered and Exempt organisations have not been double counted in the total

<sup>6</sup> There are over 500 Citizens Advice Bureaux (CAB) offices operating throughout the UK that are regulated to give immigration advice and services mostly at Level 1. The Commissioner is satisfied with the CAB's internal mechanisms for dealing with complaints and service provision and as a result has granted a block exemption to the CAB.

**Figure 1: Totals of Registered and Exempt organisations 2003–2012**

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

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

The Advice Level an organisation is regulated at is tied to the highest authorised adviser in that organisation.

**Table 3: Total number of regulated organisations per region per level\***

	Level 1		Level 2		Level 3		Total		Overall total
	Registered	Exempt	Registered	Exempt	Registered	Exempt	Registered	Exempt	
East Midlands	20	44	4	3	14	3	38	50	88
East England	30	74	6	4	21	2	57	80	137
London	327	104	65	24	201	32	593	160	753
North East	12	26	1	3	5	1	18	30	48
Northern Ireland	3	30	1	0	0	3	4	33	37
North West	53	75	9	2	39	7	101	84	185
Scotland	22	78	2	2	4	0	28	80	108
South East England	50	110	6	6	26	6	82	122	204
South West England	14	57	3	1	5	4	22	62	84
Wales	10	40	0	0	3	2	13	42	55
West Midlands	38	58	7	4	31	5	76	67	143
Yorkshire	28	48	4	9	27	12	59	69	128
Other	24	25	5	1	23	4	52	30	82
<b>Total</b>	<b>631</b>	<b>769</b>	<b>113</b>	<b>59</b>	<b>399</b>	<b>81</b>	<b>1,143</b>	<b>909</b>	<b>2,052</b>

\* Organisations with premises in more than 1 region are counted in these figures more than once.

**Table 4: The Number of Regulated Advisers by Advice Level as at 31 March 2012**

	Registered	Exempt	Registered and Exempt	CABs	Total
Level 1	1,854	604	2	596	3,056
Level 2	208	151	4	0	363
Level 3	437	107	8	0	552
<b>Total</b>	<b>2,499</b>	<b>862</b>	<b>14</b>	<b>596</b>	<b>3,971</b>



### 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 such, they may be required to apply for entry into the OISC scheme.<sup>7</sup> Table 5 shows the number of such applications the OISC received during 2011/12.

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

	Registered	Exempt	Total
New Applications Received	232	28	<b>260</b>
Applications brought forward from 2010/11	68	6	<b>74</b>
Applications approved	236	20	<b>256</b>
Applications refused	9	4	<b>13</b>
Applications withdrawn	5	5	<b>10</b>
Applications carried forward into 2012/13	50	5	<b>55</b>

Once in the scheme, the Commissioner may change an organisation's or an adviser's Advice Level either by raising or lowering it.

Regulated organisations may also apply to add new advisers or vary the categories of work they undertake. The following tables reflect this.

**Table 6(a): Movement within the Regulated Sector (organisations)**

Applications from new organisations processed	Organisations in the scheme that changed levels	Organisation in the scheme that changed Registered/Exempt status	Continued registration applications processed	Total applications processed during the year
279	55	5	850	<b>1,189</b>

**Table 6(b): Movement within the Regulated Sector (individual advisers)**

New adviser applications processed	Adviser changed Levels	Adviser changed Registered/Exempt status	Total adviser applications processed*
296	39	2	337

\*This figure includes applications processed that were subsequently refused

<sup>7</sup> This does not include an already regulated OISC organisation wishing to add new advisers, an application by a registered organisation to continue within the scheme or an application to vary an organisation's existing Advice Level authorisation.

Regulated organisations may leave the scheme for a variety of reasons. During 2011/12, 171 organisations and 258 advisers left the regulatory scheme.

### Appeals made against a Commissioner's Decision and Charges brought by the Commissioner heard by the First-Tier Tribunal (Immigration Services)

It is the Commissioner's statutory duty to protect the public from unfit or incompetent immigration advisers. Rejecting an application for continued registration or withdrawing an organisation's exemption and thus removing them 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, an adviser may be prohibited from giving immigration advice for a particular period or indefinitely.

**Table 7: Breakdown of appeals and charges 2003/04–2011/12**

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Appeals received	9	21	11	14	11	8	6	7	10
Appeals allowed	4	4	1	0	1	1	2	0	3
Appeals dismissed	2	5	3	5	3	4	3	1	3
Appeals withdrawn	0	0	5	4	6	2	3	4	2
Charges brought	0	1	2	2	0	0	2	3	0
Charges upheld	0	1	0	2	0	0	0	1	0
Charges dismissed	0	0	1	2	0	0	0	0	2*
Charges withdrawn	0	0	0	0	0	0	0	0	0

\*One charge is being appealed to the Upper Tribunal

## Complaints

The OISC's Complaints Scheme is an important part of the regulatory framework. Complaints against regulated advisers help the OISC to monitor competence and fitness while complaints against unregulated advisers help to bring illegal activity to the OISC's attention.

The OISC receives complaints from a wide range of sources.

**Table 8: Breakdown of total complaints received 2001/02–2011/12**

	Complaints against OISC regulated advisers	Complaints against DPB regulated advisers	Complaints against unregulated advisers	Total number of complaints received
2001/02	120	178	91	389
2002/03	120	204	178	502
2003/04	138	217	116	471
2004/05	238	163	140	541
2005/06	255	170	143	568
2006/07	239	114	144	497
2007/08	238	98	158	494
2008/09	280	116	105	501
2009/10	379	74	125	578
2010/11	316	68	54	438
2011/12*	296	54	142	492
<b>Total</b>	<b>2,619</b>	<b>1,456</b>	<b>1,396</b>	<b>5,471</b>

\*From 1st April 2011 the Commissioner's oversight regulation was limited to the DPBs in Northern Ireland and Scotland, as explained in *The Commissioner's Report on Regulation by the Designated Professional Bodies of their Members*, included as a separate document under cover of this *Annual Report and Accounts*.

**Table 9: How the OISC disposed of complaint cases against regulated advisers\***

Substantiated	Unsubstantiated	Conciliated	Suspended investigation	No supporting evidence	Not OISC regulated	Withdrawn	Passed to Intelligence	Redirected successfully	Other	Total
111	28	4	5	8	22	6	2	39	20	245

\*These totals include formal complaints carried forward from previous years

**Definitions:**

Substantiated:	The organisation was found to have breached the Commissioner's <i>Rules or Code of Standards</i> and/or a sanction was imposed
Unsubstantiated:	No breach was found
Conciliated:	The complainant and the organisation came to an agreed settlement (for example, the organisation handed over the complainant's file in return for unpaid fees) and the OISC was satisfied that no further investigation was required
Suspended investigation:	The investigation of the complaint was suspended because, for example, either the firm or the complainant was involved in ongoing legal proceedings
No supporting evidence:	Evidence was not forthcoming to support the complaint
Not OISC regulated:	The organisation left the regulatory scheme before the complaint could be determined or the complaint did not relate to a matter with which the OISC can deal
Withdrawn:	The complainant withdrew their complaint
Passed to Intelligence:	The details of the complaint were passed to the OISC's Investigations and Intelligence Team for analysis as the complaint did not relate to a regulated adviser, member of a DPB or someone otherwise exempt. Although the matter is not 'closed', it is no longer considered a complaint under the Immigration and Asylum Act 1999
Redirected successfully:	A complaint referred back to the adviser complained about to process under their organisation's OISC approved complaints scheme
Other:	For example the complaint was made anonymously and did not provide enough information for the OISC to open an investigation

## Investigating illegal activity

The OISC undertakes investigations based on information received from a range of sources. The OISC has its own in-house Investigations Team which proactively gathers intelligence. As in previous years, the public remain the OISC's main source of information leading to investigations.

## Disposal of investigations

On 1st April 2011 there were 149 open cases. During 2011/12 we received a further 142 complaints about alleged unregulated advisers. A total of 129 investigations were closed. At the end of 2011/12 there were 25 defendants awaiting trial.

**Table 10: Disposal of investigations**

Prosecutions	Not in public interest	Under DPB supervision	Cautions	Witness/Suspect left UK	Insufficient evidence	Passed to another agency	Failure of witness co-operation	Outside time/jurisdiction
25*	27	4	5**	21	29	4	9	5

\* 14 people were prosecuted for 25 separate offences

\*\* 4 people were cautioned for 5 separate offences

**Table 11: Breakdown of prosecutions 2001/02–2011/12**

Year	Prosecutions	Formal cautions administered
2001/02	1	0
2002/03	8	1
2003/04	13	3
2004/05	7	3
2005/06	14	8
2006/07	8	5
2007/08	15	28
2008/09	13	27
2009/10	26	9
2010/11	24	8
2011/12	14	4
<b>Total</b>	<b>143</b>	<b>96</b>

If they agree, an offender may be dealt with by the OISC by way of formal caution. In deciding if a caution is appropriate, the Commissioner will take the following into account:

- The offence is in isolation and is of a less serious nature
- The offence is considered minor
- The impact on the victim is minimal
- There is only minor financial gain
- The risk of reoffending is minimal
- The court is likely to impose a nominal penalty

- 
- The offender's antecedents, as known to the OISC
  - The steps taken by the offender to stop providing unlawful advice/services
  - The steps taken by the offender to provide advice/services lawfully
  - The adviser caused only minor abuse when acting above their authorised level.

**Table 12: Breakdown of sanction and conviction 2011/12**

Prison	2
Suspended prison sentence	7
Community punishment order	2
Conditional discharge	3

In passing sentence some defendants received additional ancillary punishments. In 2011/12 this included offenders being ordered to pay a total of £24,580 in compensation and £11,741 in costs.

## Chapter 4: Key Performance Indicators

### Introduction

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

The OISC's current KPIs measure three main areas:

- Performance in relation to 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 activity.
- Performance in relation to internal operations, particularly the acknowledging of applications and complaints and the payment of undisputed invoices.

	Target	Outcome	Result
<b>KPI 1: New Applications</b>			
a) Percentage of completed applications closed within 3 months of receipt	75	71	x
b) Percentage of completed applications closed within 6 months of receipt	95	94	x
<b>KPI 2: Continued Registration</b>			
a) Percentage of completed applications processed within 15 working days of receipt	70	74	✓
b) Percentage of completed applications closed within 3 months of receipt	80	91	✓
c) Percentage of completed applications closed within 5 months of receipt	95	95	✓
<b>KPI 3: Audits</b>			
Number of audits to be undertaken in the Business Year	350	368	✓
<b>KPI 4: Complaints</b>			
a) Percentage of complaints about OISC advisers closed within 6 months of receipt	75	80	✓
b) Percentage of complaints about OISC advisers closed within 12 months of receipt	95	99	✓
<b>KPI 5: Appeals</b>			
Percentage of Commissioner's decisions to stand following an appeal lodged with the First-tier Tribunal (Immigration Services)	75	50	x

	Target	Outcome	Result
<b>KPI 6: Unregulated Organisations</b>			
Number of unregulated organisations identified in the Business Year	400	409	✓
<b>KPI 7: Unregulated Organisations</b>			
Resolve the status of unregulated organisations	200	238	✓
<b>KPI 8: Internal Response Targets</b>			
a) Percentage of applications acknowledged within 5 working days of receipt	95	99	✓
b) Percentage of written complaints acknowledged within 5 working days of receipt	95	98	✓
<b>KPI 9: Internal Response Targets</b>			
a) Percentage of undisputed invoices paid within 10 working days	60	80	✓
b) Percentage of undisputed invoices paid within 20 working days	80	96	✓
c) Percentage of undisputed invoices paid within 30 working days	100	100	✓

## KPIs for 2011/12

### KPIs that measure regulatory activity – applications and audits

Applications fall into various types – applications from organisations to join the regulatory scheme, organisations that wish to change their advice level, change their advisers or make some other substantive alteration in their activities, and annual applications from for-profit organisations which wish to renew their registration. Of these the OISC captures in its KPIs its processing of initial applications and applications for continued registration.

### New applications

The time given for meeting the throughput percentage targets for the two KPIs in this category was tightened in 2011/12 from five months to three months and from eight months to six months respectively. This has to be taken into account when considering the level of success the OISC achieved in meeting these targets during this period. Thus, although neither target was met, the percentages achieved were commendable considering the ratcheting up of the target levels.

KPI 1a – 75% of completed applications decided within three months of receipt. The OISC decided 71% of new applications within three months.

---

KPI 1b – *95% of completed applications decided within six months of receipt.*  
The OISC decided 94% of new applications within six months.

At the end of 2011/12 there were 54 applications open of which five were applications over six months old.

### **Applications for Continued Registration**

Again, for two of the KPIs in this category the OISC worked to much tighter targets than in the previous financial year, the 2011/12 targets being 70% of completed applications processed within 15 working days of receipt, 80% within three months of receipt and 95% within 5 months of receipt respectively.

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

KPI 2(a) – *70% of completed applications processed within 15 working days of receipt.* The OISC decided 74% of continued registration applications within the time period.

KPI 2(b) – *80% of completed applications processed within three months of receipt.* The OISC decided 91% of these applications within the time period.

KPI 3(c) – *95% of completed applications processed within five months of receipt.* The OISC decided 95% of continued application within the time period.

### **Audits**

KPI 3 – *350 audits to be completed between 1 April 2011 and 31 March 2012*  
Before 2010/11 the OISC measured its success in this area against a target of having completed audits of at least 25% of Advice Level 2 and 3 organisations that were regulated at the end of the previous financial year.

While recognising the need to continue to audit those organisations that are doing more complex work, the OISC felt that greater use could be made of audit as a tool to help the OISC ensure that only fit and competent advisers are allowed into the regulatory scheme and remain there. To that end the OISC decided to increase the number of audits to be carried out and to count under this KPI not only audits conducted of higher Advice Level organisations, but also those carried out before an organisation was allowed into the regulatory scheme (pre-registration audits) and of Advice Level 1 organisations.

The OISC exceeded the target this year, conducting 368 audits (36 more than in 2011/12, but with only the same level of resources). Of these 60 audits were pre-registration audits.

---

### **KPIs that measure complaint processing**

108 complaints made against OISC advisers were brought forward from 2010/11.<sup>8</sup> During 2011/12 the OISC received 296 complaints against OISC regulated organisations and closed 245 complaints, with 92 complaints being redirected back to the organisation against which they were made. 159 complaints were carried forward into 2012/13.

#### **KPI 4**

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

The OISC succeeded in meeting both of the above targets closing 80% of complaints about OISC advisers within six months of receipt and 99% within 12 months. Another measure is the number of complaints over six months old at the end of the year. As at 31st March 2012 only 15 complaints remained open more than six months after their receipt.

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

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

During the 2011/12 financial year 10 cases were lodged with the Tribunal against the Commissioner's decisions. This was in addition to the two appeals and two charges that were ongoing as at the end of 2011. Of the cases closed during the year, three were won and three were lost with eight cases ongoing. The OISC's success rate for 2010/11 was a disappointing 50%, but this has to be seen in the context of the number of cases actually concluded and those remaining still to be decided.

---

<sup>8</sup> The 2010/11 Annual Report incorrectly stated that 95 complaints were being carried over into 2011/12.

---

## **KPIs that measure the OISC's control of illegal immigration advice and services activities**

*KPI 6 – Identification of 400 unregulated organisations*

*KPI 7 – Resolution of the status of 200 unregulated organisations*

The OISC met both these KPIs by identifying 409 unregulated organisations and resolving the status of 238 unregulated organisations.

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

*KPI 8 – 95% of applications and written complaints acknowledged within five working days of receipt.*

The OISC acknowledged 99% of applications and 98% of written complaints within five working days of receipt.

**KPI 9**

- a) *60% of full year undisputed invoices paid within 10 working days*
- b) *80% of full year undisputed invoices paid within 11-20 working days*
- c) *100% of full year undisputed invoices paid within 30 working days*

The OISC met all of its finance KPIs by paying 80% of full year undisputed invoices within 10 working days, 96% of such invoices within 20 working days and 100% within 30 working days.

## Annex A: OISC publications

### General information

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

### Materials relating to the regulatory scheme

- The Code of Standards and the Commissioner's Rules
- Guidance on Competence

### Materials relating to the application process

Application Form for Regulation

Application for Regulation Guidance Notes

- Application for Regulation of a New Legal Entity
- Application for Regulation of a New Legal Entity – Guidance Notes
- New Adviser Application and Competence Statement
- Application Notes for Regulated Organisations Raising Levels
- Adviser Raising Levels Competence Statement
- Continued Registration Application Form
- Repeat Authorisation Form
- Application for Regulation of a New Legal Entity

### Guidance notes for regulated advisers

- Cover in the Absence of an Adviser
- Meeting Clients' Needs and Client Care
- Premises
- Promotional Material and the Promotion of Business
- Resolution of Complaints
- Signposting and Referrals
- Supervision
- Business Names
- the relationship between OISC Advisers and Parliamentarians

---

### **Practice notes for regulated advisers**

- Bail
- Fees and Accounts
- Licensed Access
- Working with Solicitors
- The use of the Public Access Scheme by OISC regulated advisers
- Elected Officials Position Paper

### **Materials relating to the Complaints Scheme**

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

### **Materials relating to CPD**

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

---

## **Annex B: Responses made to external consultations 2011–12**

---

Tribunal Procedure Committee's Consultation on Proposed Amendments to the Tribunal Procedure (Upper Tribunal) Rules 2008 – Fresh Claim Judicial Review – Consultation response 13 June 2011

UK Border Agency consultation on Family Migration – Consultation response 5th October 2011

Legal Services Board – Enhancing Consumer Protection, Reducing Regulatory Restrictions – Consultation response 10th October 2011

Bar Standards Board Consultation – Public Access Rules – Review and amendments to rule 2(i) and rule 3(1) – Consultation response 9 March 2012

All consultation responses are available on the OISC website at <http://oisc.homeoffice.gov.uk>

## Annex C: Glossary

<b>ARIA</b>	<p><b>Association of Regulated Immigration Advisers</b></p> <p>ARIA is a professional membership body whose membership is open to OISC advisers and others.</p>
<b>DPB</b>	<p><b>Designated Professional Body</b></p> <p>The DPBs are the:</p> <ul style="list-style-type: none"> <li>• Law Society of Scotland;</li> <li>• Law Society of Northern Ireland;</li> <li>• General Council of the Bar of Northern Ireland; and</li> <li>• Faculty of Advocates.</li> </ul> <p>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.</p>
<b>DQR</b>	<p><b>Designated Qualifying Regulator</b></p> <p>The DQRs are the:</p> <ul style="list-style-type: none"> <li>• Law Society of England and Wales;</li> <li>• Institute of Legal Executives; and</li> <li>• General Council of the Bar of England and Wales.</li> </ul>
<b>Exempt organisations</b>	<p>OISC regulated organisations classified as 'Exempt' generally operate in the voluntary or community sector. They do not charge clients for the advice or services they provide, and are referred to as 'Exempt' only because they do not have to pay the OISC's fee.</p>
<b>First Tier Tribunal (Immigration and Asylum Chamber)</b>	<p>The First-tier Tribunal (Immigration and Asylum Chamber) deals with appeals against decisions made by the Home Secretary and her officials in immigration, asylum and nationality matters.</p>
<b>First Tier Tribunal (Immigration Services)</b>	<p>The First-tier Tribunal (Immigration Services) hears appeals against decisions made by the Immigration Services Commissioner and considers disciplinary charges brought against immigration advisers by the Commissioner. Assumed the work previously done by IMSeT.</p>
<b>Home Office</b>	<p>The Home Office is the UK government department with responsibility for immigration, asylum, nationality and citizenship matters.</p>

---

---

<b>ILPA</b>	<b>Immigration Law Practitioners' Association</b> ILPA is a professional membership body whose membership is open to OISC advisers and others.
<b>IMSeT</b>	<b>Immigration Services Tribunal</b> See First-tier Tribunal (Immigration Services).
<b>Registered organisations</b>	OISC regulated organisations classified as 'Registered' are mainly those operating in the private sector. They charge for their advice or services either through a straightforward fee or via charges made as part of a larger package. This category would include, for example, a private college that offers advice as part of their student services. If voluntary and community sector organisations including charities and local authorities charge for their services to cover their costs, they are also contained in this group. Some Registered organisations may hold Legal Services Commission contracts enabling them to provide free advice to some clients while charging others.
<b>UKBA</b>	<b>The UK Border Agency</b> The UKBA is the Home Office agency that deals with immigration, asylum, nationality and citizenship issues.
<b>Upper Tribunal</b>	The Upper Tribunal (Immigration and Asylum Chamber) is a superior court of record dealing with appeals against decisions made by the First-tier Tribunal (Immigration and Asylum Chamber).

# Statement of Accounts 2011/12

## Foreword

This Statement of Accounts reports the results of the Office of the Immigration Services Commissioner (OISC) for the year 1 April 2011 to 31 March 2012. 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 Secretary of State for the Home Department is answerable to Parliament for the OISC and is responsible for making financial provision to meet its needs. The Commissioner is a corporation sole.

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

The OISC occupies offices at 53 Tooley Street, London SE1 2QN.

## 2. Principal activities

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

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

- 
- prepare and maintain a register of qualified persons registered under the Act, which must be available for inspection during reasonable hours and copies of the register must be provided on payment of a reasonable fee;
  - prepare and issue a code setting standards of conduct, which those to whom the code applies are expected to meet;
  - exempt, under section 84 (4) (a) of the Act, persons providing immigration advice or services from the requirement to register;
  - keep a record of persons to whom a certificate of exemption has been issued under section 84 (4) (a) of the Act;
  - establish a scheme for the investigation of relevant complaints made to the OISC in accordance with the provisions of the scheme;
  - determine complaints under the complaints scheme and give a decision in writing; and
  - investigate all allegations of criminal behaviour involving the unlawful provision of immigration advice or services, or the advertising of such, and where necessary prosecute offenders through the criminal courts.

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

### 3. Commissioner and Deputy Commissioner

The Home Secretary under the Act appointed Suzanne McCarthy as the Immigration Services Commissioner for a period of five years from 5 September 2005. During the year 2010/11 Mrs McCarthy was 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 2011/12 neither the Commissioner nor the Deputy Commissioner held company directorships or other significant interests which could have posed a conflict with their management responsibilities at the OISC.

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

- Non-Executive Director – Public Guardian Board;
- Non-Executive Director – Human Tissue Authority; and
- Member, The Pensions Regulator's Determinations Panel.

---

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 52 to 55 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.

During 2011/12, £15,018 (2010/11: £14,443) was paid to the Audit and Assurance Unit in respect of audit services.

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 2011/12 was £20,000 (2010/11: £22,000).

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

- Tim Cole (Chairman) – Resigned 31 December 2011;
- Terry Price – appointed Chairman from 1 January 2012 until 31 December 2014;
- John King – appointed until 31 October 2015;
- Alan Rummins – appointed 13 March 2012 until 12 March 2015; and
- Peter Wrench – appointed 13 March 2012 until 12 March 2015;

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 2011 to 31 March 2012 are set out on pages 59 to 62. The notes on pages 63 to 78 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 2011 to 31 March 2012, 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 2011/12 the resource allocated to the OISC by the Home Office was £3,680,800 (2010/11: £4,092,000). This resource has been used efficiently to meet the year's business plan targets. Any additional expenditure (Capital Reserve) that has been met out of cash brought forward from previous accounting periods has had the approval of the Sponsor Unit.

The total net expenditure for the year was £4,266,073 of which £2,584,009 were employment costs.

## 6. Research and development

The OISC incurred development costs of £Nil (2010/11: £Nil) on the CPD platform during the year ended 31 March 2012 and £8,832 (2010/11: £46,066) on developing its database.

## 7. Charitable donations

No charitable donations were made in the year ended 31 March 2012.

## 8. Changes in non-current assets

The OISC purchased additional IT equipment worth £6,879. Total additions were £20,000, of which £13,000 was due to increase in the dilapidations provision.

---

## 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 2012 80.00% (2010/11: 84.87%) 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 as far as it applies to the OISC. The OISC benefits from energy saving lighting in its office premises, and seeks to use recycled materials where such alternatives are available and provide value for money. It seeks to reduce the use of paper by maximising its intranet and website for the dissemination of information. The OISC also sorts its waste paper and other waste for recycling purposes.

## 12. Employment policies

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

---

### **13. 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.

### **14. Staff involvement and development**

The OISC is committed to keeping its staff informed of performance, development and progress. The OISC encourages staff involvement in its development.

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

### **15. 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 which specified 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.

### **16. Sickness data**

The OISC lost 417 working days owing to sick absence during 2011/12 (2010/11: 543 days), the equivalent of 3.21% (2010/11: 4.14%) of the total number of working days available.

### **17. Future developments**

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

---

## 18. Going Concern

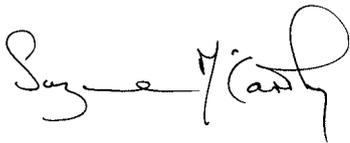
Following a formal review of the OISC under the government's Public Bodies Reform programme, Ministers announced in November 2011 that this organisation should be retained in its existing form on the grounds of performing functions requiring impartiality.

The OISC's Grant-in-Aid for 2012-13 was approved with a 3% increase on 2011/12 grant to cover operational programme costs.

## 19. 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**  
**10 July 2012**

---

## Remuneration Report (Audited)

Part V of the Immigration and Asylum Act 1999, as amended, created the role of the Immigration Services Commissioner and the Office of the Immigration Services Commissioner, an independent, UK-wide, non-departmental public body (NDPB). The Commissioner heads the OISC, and she and the Deputy Commissioner are Ministerial 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 5 years in accordance with schedule 5 of the Immigration and Asylum Act 1999.

### 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 allowances to the extent that it is subject to UK taxation.

There were no bonuses paid in the year.

2011/12				2010/11			
	Salary (exc Non- Consol Perf Pay)	Non- Consolidated Performance Pay	Benefits in Kind		Salary (exc Non- Consol Perf Pay)	Non- Consolidated Performance Pay	Benefits in Kind
	£'000	£'000	Nearest £100		£'000	£'000	£'000
Suzanne McCarthy Commissioner	65–67.5* 110–112.5**	0	0	Suzanne McCarthy Commissioner	65–67.5* 110–112.5**	0	0
Dr. Ian Leigh Deputy Commissioner	52.5–55* 65–67.5**	0	0	Dr. Ian Leigh Deputy Commissioner	7.5–10*** 65–67.5**	0	0
Band of Highest Paid Commissioner's Total Remuneration (£'000)	110–112.5			Band of Highest Paid Commissioner's Total Remuneration (£'000)	110–112.5		
Median Total Remuneration (£'000)	35–37.5			Median Total Remuneration (£'000)	35–37.5		
Ratio	3			Ratio	3		

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

\*\* Full time equivalent salary.

\*\*\* Deputy Commissioner from 7 February 2011.

### 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 2011/12 or 2010/11.

## Pension benefits

	Accrued pension at pension age as at 31/3/12 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/11	CETV at 31/03/12	Real increase in CETV as funded by employer
	£'000	£'000	£'000	£'000	£'000
Suzanne McCarthy Commissioner	£0-5k	£0-2.5k	£55k	£79k	£20k
Dr. Ian Leigh* Deputy Commissioner	N/A	N/A	N/A	N/A	N/A

\* Deputy Commissioner is currently not an active member of the scheme and as such there are no pension figures to disclose.

## 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 Prices 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 of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his 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 three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

### 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**  
**10 July 2012**

---

## 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* (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; and
- prepare the financial statements on a going concern basis.

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

---

## OISC Governance Statement 2011/12

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 do not carry out functions on behalf of the Crown, nor am I a servant of the Crown.

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 unable to discharge my functions.

I am advised by an Audit Committee, consisting of 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 Audit and Assurance Unit (AAU) and the National Audit Office respectively). In 2011/12 there was full attendance at all meetings of the Committee, apart from the unavoidable absence of one member for one meeting.

In March 2012 membership of the Audit Committee was refreshed following the departure of its long-serving chairman. One of the remaining members accepted the role of Chairman, thereby ensuring continuity and, following an open competition, two new members were appointed increasing the size of the Committee from three to four and broadening its skill mix.

The OISC operates under the terms of a Management Statement and Financial Memorandum agreed with the United Kingdom Border Agency (UKBA). However, as Corporation Sole and Accounting Officer I have the right to make all decisions regarding the running of the OISC. The organisation does not have a management board with non-executive members. The OISC's executive Senior Management Team (SMT) acts in this 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 each section manager. All corporate policies are reviewed on a rolling three-year cycle (or earlier if changes are required) and are made available to all staff electronically.

I receive external assurance on the robustness of the OISC's corporate governance arrangements principally through a formal audit conducted annually by the AAU. The audit undertaken in February 2012 concluded that the organisation had adequate and appropriate control, risk and information management systems in place, which operated consistently and effectively. Risks to the Accounting Officer were considered to be well managed throughout the business.

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 the Audit Committee at every meeting. The format of this register was substantially revised in 2011/12 in line with recommendations from the AAU. Each Team within the OISC 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 2011/12 key areas covered by the OISC's corporate risk register included: financial management, relationships with government, reputation, information security, staffing and accommodation. Ministerial confirmation of the OISC's continuing existence as an executive non-departmental public body has contributed to a reduction in the perceived risk in a number of areas.

The greatest risk addressed in the course of the year has concerned managing within the organisation's approved budget where two unforeseeable and uncontrollable events were promptly identified, requiring me to seek additional funding from the UKBA. First, legal advice was received confirming that certain staff were entitled to pay increases which had not been predicted or budgeted-for; and second, the OISC's landlord unilaterally opted to register the accommodation the OISC occupies as liable for VAT – adding 20% to our rental charges without warning. Additional measures were taken to reduce expenditure (for example by delaying the recruitment of staff to fill vacancies) and the risk was mitigated, successfully minimising the budget overspend.

A wide-ranging programme of internal audit is undertaken each year. This addresses activities identified by management, auditors and independent Audit Committee members, and is informed by an analysis of the risk to which the OISC is exposed and by the Home Office Assurance Framework. In 2011/12 audits were undertaken covering:

- 
- Compliance with procurement processes;
  - New applications process;
  - Operational data quality and reporting;
  - Investigations Team processes; and
  - Corporate Governance.

All recommendations for improvement arising from these reports are being addressed. Only one ('Operational data quality and reporting') highlighted any critical risks leading initially to a low assurance rating. These were addressed immediately and a supplementary review later in the year confirmed that the key issues had been satisfactorily resolved. The AAU's Annual Opinion based on the audit coverage during 2011/12 concluded that risks to the Accounting Officer are generally well managed, material errors and failures which arise are detected and rectified promptly and effectively.

The majority of the risks facing the OISC are mitigated by maintaining rigorous internal procedures and controls, but in order to fulfil its role as an effective regulator it must also manage risks associated with actions taken against regulated and unregulated advisers at Tribunal hearings and in the courts. Such risks are primarily reputational, but may also have significant financial implications. Historically the OISC has maintained an excellent record in this area, but I am conscious that there is a danger in becoming complacent and risk-averse.

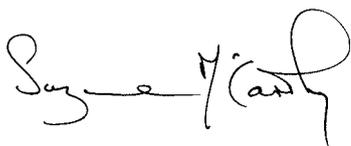
In 2011/12 we have enjoyed continuing success in bringing criminal prosecutions, but we have also suffered a few setbacks. However, I am confident that the lessons we have learned from these situations have been of great benefit to us in identifying areas where our regulatory processes were in need of strengthening, and that they fully vindicate a move towards more robustly challenging potential threats to the regulatory regime. For example, as a result of a decision by the Tribunal we have addressed a weakness in identifying and recording a regulated entity's legal status; and we have introduced new mechanisms to provide additional quality control in relation to complaints determinations rendering them less susceptible to challenge.

The OISC continues to report regularly against the Home Office Assurance Framework. In addition to corporate governance (covering management structures, risk, management information and audit) as described above, the OISC has provided assurance in relation to: policy process and development; delivery arrangements and performance management; financial management; people management; and information management. Highlights not mentioned previously in this Statement include:

- 
- The OISC Complaints Scheme has been revised and reissued in accordance with correct development and consultation processes, taking effect from 1 November 2011.
  - Specific aspects of the Guidance on Competence have been revised and reissued in accordance with these principles taking effect from 1 January 2012.
  - Key finance staff have undertaken training in 2011 to achieve greater familiarity with Home Office processes.
  - Complying with requirements of the Managing the Risk of Financial Loss (MRoFL) initiative has assisted the OISC to document and embed financial management controls in its organisational procedures, thereby reducing the associated risks.
  - The OISC has contributed to a Home Office-wide survey of anti-fraud, bribery and corruption processes. Mechanisms are now in place commensurate with the risks faced and formal policies have been reviewed to ensure that best practice is implemented.
  - The OISC's Whistleblowing Policy has been amended to include reference to specific access to the independent chair of the OISC's Audit Committee.
  - An Information Security Monitoring Board has been established and an Information Security Policy approved and disseminated.
  - Corporate policies on 'file creation and content management' and 'file retention and disposal' have been reviewed, updated and endorsed by SMT lending additional confidence to records management.

There have been no non-trivial lapses of data security and no occurrences of fraud, corruption or bribery in 2011/12. No significant new risks have been identified during the year.

In summary, I am therefore 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**  
**10 July 2012**

---

## **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 2012 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 2012 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 Foreword 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.

**Amyas C E Morse**  
**Comptroller and Auditor General**  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP  
11 July 2012

## Statement of Comprehensive Net Expenditure

For the year ended 31 March 2012

		2011/12		Restated 2010/11	
	Note	£'000	£'000	£'000	£'000
<i>Expenditure</i>					
Staff costs	4		2,584		2,495
Other expenditure	5		<u>1,690</u>		<u>1,437</u>
			<b>4,274</b>		<b>3,932</b>
<i>Other income – payable to the Home Office</i>					
Fee income	3	(1,001)		(995)	
Other income	3	(8)		(18)	
Interest receivable		(1)		(1)	
Corporation tax		<u>(6)</u>		<u>0</u>	
		<b>(1,016)</b>		<b>(1,014)</b>	
Appropriation due to the Home Office		<u>1,008</u>		<u>1,002</u>	
			<b>(8)</b>		<b>(12)</b>
<b>Net expenditure *</b>			<b>4,266</b>		<b>3,920</b>

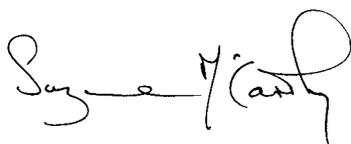
\* All income and expenditure is derived from continuing activities.

The notes on pages 63 to 78 form part of these accounts.

## Statement of Financial Position

For the year ended 31 March 2012

	Note	31 March 2012		Restated 31 March 2011		Restated 1 April 2010	
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current Assets</b>							
Property, plant and equipment	6		259		412		347
Intangible assets	7		285		386		460
<b>Total Non-Current Assets</b>			<u>544</u>		<u>798</u>		<u>807</u>
<b>Current assets</b>							
Trade and other receivables	8	366		323		308	
<b>Cash and cash equivalents</b>	11	<u>174</u>		<u>509</u>		<u>186</u>	
<b>Total Current Assets</b>			<u>540</u>		<u>832</u>		<u>494</u>
<b>Total assets</b>			<b>1,084</b>		<b>1,630</b>		<b>1,301</b>
<b>Payables and Provisions</b>							
Amounts due within one year	9	(314)		(249)		(253)	
<b>Total current liabilities</b>			<u>(314)</u>		<u>(249)</u>		<u>(253)</u>
<b>Total net current assets</b>			<b>770</b>		<b>1,381</b>		<b>1,048</b>
<b>Non-current Liabilities</b>							
Amounts due after more than 1 year	9	(19)		(58)		(97)	
Provisions for liabilities and charges	10	<u>(266)</u>		<u>(253)</u>		<u>(54)</u>	
			(285)		(311)		(151)
<b>Assets less liabilities</b>			<u><b>485</b></u>		<u><b>1,070</b></u>		<u><b>897</b></u>
<b>Taxpayers' Equity</b>							
General Fund			470		1,055		882
Revaluation reserve			15		15		15
<b>Total Taxpayers' Equity</b>			<u><b>485</b></u>		<u><b>1,070</b></u>		<u><b>897</b></u>



**Suzanne McCarthy**  
**Immigration Services Commissioner and Accounting Officer**  
**10 July 2012**

The notes on pages 63 to 78 form part of these accounts.

## Statement of Cash Flows

For the year ended 31 March 2012

	2011/12	Restated 2010/11
	£'000	£'000
<b>Cash flows from operating activities</b>		
Net deficit after interest paid	(4,266)	(3,920)
<i>Adjustments for non-cash costs</i>		
Adjustment for depreciation and amortisation	283	277
Interest received	(1)	(1)
(Increase)/Decrease in trade and other receivables	(43)	(15)
Increase/(Decrease) in trade payables	26	(51)
<i>Net cash outflow from operating activities</i>	<u>(4,001)</u>	<u>(3,710)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(7)	(14)
Purchase of intangible assets	(9)	(46)
Interest received	1	1
<i>Net cash outflow from investing activities</i>	<u>(15)</u>	<u>(59)</u>
<b>Cash flows from financing activities</b>		
Grant in Aid Capital	15	15
Grant in Aid Revenue	3,666	4,077
<i>Net cash flow from financing activities</i>	<u>3,681</u>	<u>4,092</u>
Net (decrease)/increase in cash and cash equivalents in the period	(335)	323
Cash and cash equivalents at the beginning of the period	509	186
<b>Cash and cash equivalents at the end of the period</b>	<u>174</u>	<u>509</u>

The notes on pages 63 to 78 form part of these accounts.

## Statement of Changes in Taxpayer Equity

For the year ended 31 March 2012

	Note	General Reserve £'000	Capital Reserve £'000	Revaluation Reserve £'000	Total £'000
<b>Balance at 31 March 2010</b>		<b>588</b>	<b>295</b>	<b>15</b>	<b>898</b>
Change in accounting policy	1	295	(295)	0	0
<b>Balance at 1 April 2010</b>		<b>883</b>	<b>0</b>	<b>15</b>	<b>898</b>
<b>Changes in taxpayers' equity for 2010/11</b>					
Net Expenditure for Year Ended 31 March 2011		(3,920)	0	0	(3,920)
<b>Total recognised Income and Expense for 2010/11</b>		<b>(3,920)</b>	<b>0</b>	<b>0</b>	<b>(3,920)</b>
Capital Grant-in-Aid		15	0	0	15
Resource Grant-in-Aid		4,077	0	0	4,077
<b>Balance at 31 March 2011</b>		<b>1,055</b>	<b>0</b>	<b>15</b>	<b>1,070</b>
<b>Changes in taxpayers' equity for 2011/12</b>					
Net Expenditure for Year Ended 31 March 2011		(4,266)	0	0	(4,266)
<b>Total recognised Income and Expense for 2011/12</b>		<b>(4,266)</b>	<b>0</b>	<b>0</b>	<b>(4,266)</b>
Capital Grant-in-Aid		15	0	0	15
Resource Grant-in-Aid		3,666	0	0	3,666
<b>Balance at 31 March 2012</b>		<b>470</b>	<b>0</b>	<b>15</b>	<b>485</b>

The notes on pages 63 to 78 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 2011/12 *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

Following a formal review of the OISC under the government's Public Bodies Reform programme, Ministers announced in November 2011 that this organisation should be retained in its existing form on the grounds of performing functions requiring impartiality.

The OISC's Grant-in-Aid for 2012/13 was approved with a 3% increase on 2011/12 budget to cover operational programme costs.

### 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 3.5 years
Furniture and office equipment	on a straight-line basis over 3.5 years
Database software	on a 20% reducing balance basis
CPD platform	on a straight-line basis over 3.5 years
CPD licences	on a straight-line basis over the life of the licence

### The dilapidation provision

For property provisions, the OISC recognises a dilapidation provision for the leased premises currently occupied where it has an obligation to bring the property into a good state of repair at the end of lease. In line with IAS37 'Provisions, contingent liabilities and assets', the costs of reinstatement have also been recognised as a tangible non-current asset, under the fit-out costs for Counting House, and will be depreciated over the period to the first break clause of the lease.

---

A provision for Floor 5, Counting House, 53 Tooley Street, London SE1 2QN has been created for £266,000 which will be depreciated over 3.5 years to the first break clause in the lease to 30th September 2013.

### **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.

### **Change in accounting policy**

There has been a change in 2011/12 to the way Government Grant is to be accounted for and this represents a change in accounting policy under IAS 8.

As Deferred Government Grant was previously released on the face of the Statement of Comprehensive Net Expenditure, there is an impact on the comparative figure for total net expenditure as follows.

---



---

Statement of Comprehensive Net Expenditure

	<b>£'000</b>
Net expenditure for 2010/11 as previously reported	3,863
Reversal of release of government grant	57
Net expenditure for 2010/11 as restated	<u>3,920</u>

The balance previously shown in the Statement of Financial Position under Capital Reserve has also been released to the General Fund.

Statement of Financial Position

	<b>As previously reported 31 March 2011 £'000</b>	<b>Restatement £'000</b>	<b>As restated 31 March 2011 £'000</b>
Taxpayers' equity			
General Fund	817	238	1,055
Capital Reserve	238	(238)	0
Revaluation Reserve	15	0	15
	<u>1,070</u>	<u>0</u>	<u>1,070</u>

### Operating leases

The OISC has an operating lease in respect of the premises it occupies in Tooley Street, London. The OISC's commitments are disclosed in Note 13. There are no finance leases.

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

### Pension Costs

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

time to time by the Government Actuary and advised by HM Treasury. Contributions are charged to the 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 2011/12: £84,147 (2010/11: £93,222).

### 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

	2011/12	2010/11
	£'000	£'000
Designated Professional Bodies	0*	112
Adviser fees	1,001	883
	<u>1,001</u>	<u>995</u>

\*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 qualifying regulators (QRs) as defined by the Legal Services Act 2007. The Commissioner, as confirmed by the UKBA, 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 UKBA.

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

### Fees and charges

Costs relating to fee income are as follows:

	2011/12			2010/11		
	Costs	Income	Surplus/ (Deficit)	Costs	Income	Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Designated Professional Bodies	0	0	0	112	(112)	0
Adviser fees	4,274	(1,001)	(3,273)	3,820	(883)	(2,937)
	<b>4,274</b>	<b>(1,001)</b>	<b>(3,273)</b>	<b>3,932</b>	<b>(995)</b>	<b>(2,937)</b>

### Other income

	2011/12	2010/11
	£'000	£'000
Court costs	7	18
Other income	1	0
	<b>8</b>	<b>18</b>

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	Permanently employed staff 2011/12	Others	2010/11
	£'000	£'000	£'000	£'000
Wages and salaries	2,063	2,063	0	1,976
Social security costs	171	171	0	156
Other pension costs	350	350	0	363
	<u>2,584</u>	<u>2,584</u>	<u>0</u>	<u>2,495</u>
Less recoveries in respect of outward secondments	0	0	0	0
	<u>2,584</u>	<u>2,584</u>	<u>0</u>	<u>2,495</u>

#### Average number of persons employed

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

	2011/12	2010/11
	Total	Total
Directly employed	60	61
Others	0	0
Staff engaged on capital projects	0	0
<b>Total</b>	<b>60</b>	<b>61</b>

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.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

For 2011/12, employer contributions of £349,919 were payable to the PCSPS (2010/11: £370,486) at one of four rates in the range 17.1% to 25.5% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. From 2009/10,

the salary bands were revised but the rates remained the same. The contribution rates are set to meet the costs of benefits accruing during 2011/12 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 £6,680 (2010/11: £5,803) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

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

### Audit Committee

The non-executive members of the Audit Committee are paid £350 per day (£400 Chair of Committee) plus travel costs for attendance at Audit Committee meetings. None has received more than £1,500 during the year.

## 5 Other expenditure

	2011/12	2010/11
	£'000	£'000
Running costs:		
Accommodation	357	316
Information technology	96	41
Legal costs	126	92
Advertising and publicity	25	35
Office supplies and services	80	74
Website	3	0
Training	47	52
External audit fee	20	22
CPD cost	81	103
Other running costs	199	85
Rentals under operating leases	373	340
Interest charges	0	0
Non-cash items:		
Depreciation, amortisation and revaluation	283	277
	<u>1,690</u>	<u>1,437</u>

## 6 Property, plant and equipment

	2011/12			Total
	Office refurbishments	Furniture and office equipment	Computer equipment	
	£'000	£'000	£'000	
<b>Cost at 1 April 2011</b>	<b>648</b>	<b>269</b>	<b>305</b>	<b>1,222</b>
Additions	13	0	7	20
Disposals	0	0	0	0
Revaluation	0	0	0	0
<b>Cost at 31 March 2012</b>	<b>661</b>	<b>269</b>	<b>312</b>	<b>1,242</b>
<b>Depreciation at 1 April 2011</b>	<b>(401)</b>	<b>(204)</b>	<b>(205)</b>	<b>(810)</b>
Charged during the year	(104)	(27)	(42)	(173)
On disposals	0	0	0	0
Revaluation	0	0	0	0
<b>Depreciation at 31 March 2012</b>	<b>(505)</b>	<b>(231)</b>	<b>(247)</b>	<b>(983)</b>
<b>Net book value at 31 March 2012</b>	<b>156</b>	<b>38</b>	<b>65</b>	<b>259</b>
Net book value at 31 March 2011	247	65	100	412

	2010/11			Total £'000
	Office refurbishments	Furniture and office equipment	Computer equipment	
	£'000	£'000	£'000	
<b>Cost at 1 April 2010</b>	<b>395</b>	<b>269</b>	<b>283</b>	<b>947</b>
Additions	253	0	22	275
Disposals	0	0	0	0
Revaluation	0	0	0	0
<b>Cost at 31 March 2011</b>	<b>648</b>	<b>269</b>	<b>305</b>	<b>1,222</b>
<b>Depreciation at 1 April 2010</b>	<b>(248)</b>	<b>(176)</b>	<b>(176)</b>	<b>(600)</b>
Additions*	(54)	0	0	(54)
Charged during the year	(99)	(28)	(29)	(156)
On disposals	0	0	0	0
Revaluation	0	0	0	0
<b>Depreciation at 31 March 2011</b>	<b>(401)</b>	<b>(204)</b>	<b>(205)</b>	<b>(810)</b>
<b>Net book value at 31 March 2011</b>	<b>247</b>	<b>65</b>	<b>100</b>	<b>412</b>
Net book value at 31 March 2010	147	93	107	347

\*The £54,000 addition to office refurbishments relates to the reclassification of amounts charged to the provision in prior years.

## 7 Intangible assets

	2011/12			Total £'000
	Themis software £'000	CPD platform £'000	CPD licences £'000	
<b>Cost at 1 April 2011</b>	<b>284</b>	<b>347</b>	<b>12</b>	<b>643</b>
Additions	9	0	0	9
Disposals	0	0	0	0
<b>Cost at 31 March 2012</b>	<b>293</b>	<b>347</b>	<b>12</b>	<b>652</b>
<b>Amortisation at 1 April 2011</b>	<b>(57)</b>	<b>(188)</b>	<b>(12)</b>	<b>(257)</b>
Provided during the year	(47)	(63)	0	(110)
On disposals	0	0	0	0
<b>Amortisation at 31 March 2012</b>	<b>(104)</b>	<b>(251)</b>	<b>(12)</b>	<b>(367)</b>
<b>Net book value at 31 March 2012</b>	<b>189</b>	<b>96</b>	<b>0</b>	<b>285</b>
<i>Net book value at 31 March 2011</i>	<i>227</i>	<i>159</i>	<i>0</i>	<i>386</i>
	2010/11			
	Themis software £'000	CPD platform £'000	CPD licences £'000	Total £'000
<b>Cost at 1 April 2010</b>	<b>238</b>	<b>347</b>	<b>12</b>	<b>597</b>
Additions	46	0	0	46
Disposals	0	0	0	0
<b>Cost at 31 March 2011</b>	<b>284</b>	<b>347</b>	<b>12</b>	<b>643</b>
<b>Amortisation at 1 April 2010</b>	<b>0</b>	<b>(125)</b>	<b>(12)</b>	<b>(137)</b>
Provided during the year	(57)	(63)	0	(120)
On disposals	0	0	0	0
<b>Amortisation at 31 March 2011</b>	<b>(57)</b>	<b>(188)</b>	<b>(12)</b>	<b>(257)</b>
<b>Net book value at 31 March 2011</b>	<b>227</b>	<b>159</b>	<b>0</b>	<b>386</b>
<i>Net book value at 31 March 2010</i>	<i>238</i>	<i>222</i>	<i>0</i>	<i>460</i>

---

## 8 Trade receivables and other current assets

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
<b>Amounts falling due within one year</b>			
Trade receivables	174	173	161
Other receivables:			
Season ticket loans to staff	30	22	22
Prepayments and accrued income	313	170	162
Provision for bad and doubtful debts	(151)	(42)	(37)
<b>Total</b>	<b>366</b>	<b>323</b>	<b>308</b>
<b>Intra-government balances</b>			
Balances with central government bodies	0	0	0
Balances with local authorities	0	0	0
Balances with bodies external to government	366	323	308
<b>Total</b>	<b>366</b>	<b>323</b>	<b>308</b>

## 9 Trade payables and other current liabilities

	31 March 2012	31 March 2011	1 April 2010
	£'000	£'000	£'000
<b>Amounts falling due within one year</b>			
Trade payables	17	11	52
Other payables	9	0	0
Accruals and deferred income	194	142	107
Taxation & social security	55	57	55
Accommodation rent free period*	39	39	39
<b>Total</b>	<b>314</b>	<b>249</b>	<b>253</b>
<b>Intra-government balances</b>			
Balances with Central Government bodies	55	57	59
Balances with Local Authorities	0	0	0
Balances with bodies external to Government	259	192	194
<b>Total</b>	<b>314</b>	<b>249</b>	<b>253</b>
<b>Amounts falling due after more than one year</b>			
Accommodation rent-free period*	19	58	97
<b>Total</b>	<b>19</b>	<b>58</b>	<b>97</b>

\*Accrued rent: During 2003-05, the OISC negotiated a 10-year lease on Floor 5, Counting House, 53 Tooley Street, London SE1 2QN. As part of this agreement the OISC was granted an 18-month rent free period, from 29 September 2003 to 31 March 2005. In accordance with 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 28 September 2013. As a result, notional rent charges for the rent free period have been charged to the Statement of Comprehensive Net Expenditure.

## 10 Provisions for liabilities and charges

	Dilapidations Provisions	Total Provisions
	£'000	£'000
<b>Balance at 1 April 2010</b>	<b>54</b>	<b>54</b>
Movement in the year	199	199
Provision not required written back	0	0
<b>Balance at 31 March 2011</b>	<b>253</b>	<b>253</b>
<b>Balance at 1 April 2011</b>	<b>253</b>	<b>253</b>
Movement in the year	13	13
Provision not required written back	0	0
<b>Balance at 31 March 2012</b>	<b>266</b>	<b>266</b>

*The OISC lease states that at the end of the lease term (28 September 2013) the landlord may require the tenant, i.e. the OISC, to reinstate the property to the condition as it was when the tenant first took on the lease. The cost of reinstatement has been estimated at £265,779. A non-current asset has been recognised and will be depreciated over the remaining life of the lease.*

## 11 Analysis of changes in cash and cash equivalents

	<b>£'000</b>
Balance at 1 April 2010	186
Net change in cash and cash equivalent balances	323
<b>Balance at 31 March 2011</b>	<b>509</b>
<b>Balance at 1 April 2011</b>	<b>509</b>
Net change in cash and cash equivalent balances	(335)
<b>Balance at 31 March 2012</b>	<b>174</b>

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

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

## 12 Capital commitments

At 31 March 2012 there were no capital commitments (31 March 2011: £Nil).

## 13 Commitments under operating leases

	31 March 2012		31 March 2011		1 April 2010	
	Land and Building	Equipment	Land and Building	Equipment	Land and Building	Equipment
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Operating leases that expire:</i>						
Not later than 1 year	416	5	347	5	347	7
Later than 1 year and not later than 5 years	208	-	521	-	868	-

## 14 Contingent liabilities

There was one contingent liability as at 31 March 2012 (31 March 2011: £Nil). The matter is in the High Court and being vigorously defended by the OISC. The matter if concluded against the OISC will result in loss to the OISC, which at this time is unquantifiable.

## 15 Post reporting period events

There are no post reporting period events to report. These financial statements were authorised for issue on the same date that the Comptroller and Auditor General signed his certificate.

## 16 Related party transactions

The UK Border Agency, as sponsor department for the OISC, is a related party to the OISC. During the year ended 31 March 2012, the UK Border Agency provided the OISC with Grant in Aid. A small number of transactions were made with other government departments and other central government bodies.

During the year ended 31 March 2012 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 & 9.

---

### **17 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.

### **18 Financial instruments**

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

# The Commissioner's Report on Regulation by the Designated Professional Bodies of their Members

## Introduction

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

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.

Following the commencement of Schedule 18 of the Legal Services Act 2007, from the 1st April 2011 oversight regulatory responsibilities for the Law Society of England and Wales, the General Council of the Bar of England and Wales and the Institute of Legal Executives transferred from me to the Legal Services Board (LSB) when these bodies became Designated Qualifying Regulators (DQRs).

Complaints relating to members of the Law Society of England and Wales; the Institute of Legal Executives and General Council of the Bar of England and Wales are referred directly to Legal Ombudsman's Office (LeO). The Memorandum of Understanding (MoU) between the OISC and LeO is working well, and representatives from my Office have met with LeO staff to review procedures.

## The Law Society of Scotland (LSS)

The LSS continues to investigate conduct complaints, and I am pleased to note that they now investigate these internally rather than outsourcing them to external reporters. This new process is still in its early stages and my Office will continue to monitor its progress over the coming year.

I referred in my last report to the Scottish Legal Complaints Commission (SLCC) and their role in investigating service complaints. My Office continues to refer such complaints to the SLCC. The MOU agreed between our two bodies is reviewed annually.

## Legal services reform

Although the Legal Services (Scotland) Act 2010 received Royal Assent in November 2010, that Act has yet to be implemented. The LSS intends to apply to become an approved regulator once the Act is fully implemented.

### Statistics

**Table 8: Immigration complaints received by the LSS, 2011/12**

From the OISC	From other sources	Total
0*	1	1

**Table 9a: Immigration complaints closed by the LSS, 2011/12**

From the OISC	From other sources	Total
1	8	9

**Table 9b: Outcomes of closed LSS immigration complaints, 2011/12**

Upheld	Conciliated	Not upheld	Withdrawn	No response	Other	Total
1	0	6	1	1	0	9

**Table 9c: Age profile of closed LSS immigration complaints, 2011/12**

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

## The Law Society of Northern Ireland (LSNI)

**Table 10: Immigration complaints received by the LSNI, 2011/12**

From the OISC	From other sources	Total
0	1	1

**Table 11a: Immigration complaints closed by the LSNI, 2011/12**

From the OISC	From other sources	Total
0	1	1

**Table 11b: Outcomes of closed LSNI immigration complaints, 2011/12**

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

\* Since May 2009, the OISC has referred all complaints it has received about solicitors practising in Scotland to the Scottish Legal Complaints Commission.

---

**Table 11c: Age profile of closed LSNI immigration complaints, 2011/12**

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

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

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



Published by TSO (The Stationery Office) and available from:

**Online**

[www.tsoshop.co.uk](http://www.tsoshop.co.uk)

**Mail, telephone, fax & email**

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-call: 0845 7 023474

Fax orders: 0870 600 5533

Email: [customer.services@tso.co.uk](mailto:customer.services@tso.co.uk)

Textphone: 0870 240 3701

**The Parliamentary Bookshop**

12 Bridge Street, Parliament Square,  
London SW1A 2JX

Telephone orders/General enquiries: 020 7219 3890

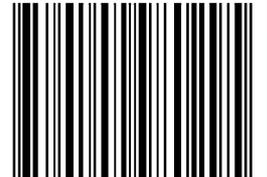
Fax orders: 020 7219 3866

Email: [bookshop@parliament.uk](mailto:bookshop@parliament.uk)

Internet: [www.bookshop.parliament.uk](http://www.bookshop.parliament.uk)

**TSO@Blackwell and other Accredited Agents**

ISBN 978-0-10-298029-5



9 780102 980295