

# Scottish Orthopaedic Research Trust - Into Trauma

RECEIVED  
- 4 JUL 2005  
DC

198 Craigmook Road  
Hillpark  
Blackhall  
Edinburgh  
EH4 7BQ

Telephone 0131-312-7501  
0131-336-2555

FAX 0131-336-2555

email:

[william.macdonald@craigcrookms.co.uk](mailto:william.macdonald@craigcrookms.co.uk)

01 July 2005

Ms Fiona Warne  
Charity Bill Accounts Regulation Consultation  
Voluntary Issues Unit  
Scottish Executive Development Department  
2-G Victoria Quay  
Edinburgh  
EH6 6QQ

Dear Ms Warne

## Charities and Trustee Investment (Scotland) Bill Draft Charity Accounting Regulations

We have reviewed the draft Charity Accounting Regulations. We are supportive the proposed changes but have concern about one aspect of the regulations about when an audit is required.

The draft regulations are proposing bringing the thresholds for an audit for Charitable Trusts and Charitable Companies to a common figure. Therefore for Charities with income between £90,000 and £250,000 their Accounts will be subject to an Independent Examination. Only Trusts and Companies with an income of over £250,000 will be subject to Audit.

There is no requirement for the Independent Examiner to be a qualified Accountant but only that they be a "competent" person. The responsibility for the competence of the Independent Examiner falls on the Trustees or Directors of the Charity. As the Independent Examiner must formally confirm that the Accounts have been prepared in accordance with the Accounting SORP we think that it will be a difficult duty for anyone other than a qualified Accountant to carry out.

**SORT - IT**

Trustees: Charles M. Court - Brown MD, FRCS (Chairman), Margaret M. McQueen MD, FRCS (Vice Chairman), Michael E.L. Weir WS, (Vice Chairman),  
The Rev. Robin D. Buchanan - Smith BA, James Christie FRCS, Ivor R. Guild CBE, WS, Brian C. Henderson CI, Prof. J.D. Hutchison PhD, FRCS,  
J.F. Keating M Phil, FRCS, The Lord Kinross WS, James Loudon FRCS, William S. Macdonald MBA, Donald A.D. Macleod FRCS,  
Prof D.I. Rowley B Med Biol, MD, FRCS, Gisela Thurston - Smith BDS.

Registered Office: Directorate of Orthopaedic Surgery, Royal Infirmary of Edinburgh NHS Trust, Lauriston Place, Edinburgh EH3 9YW  
Tel: 0131 536 3721 Fax: 0131 536 3409

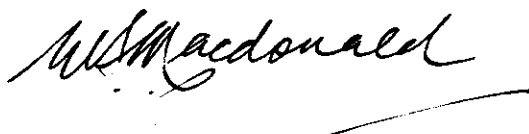
Company limited by Guarantee in Scotland No. 142054 / Inland Revenue Charity No. SC020955.

Furthermore we believe these provisions could open up an opportunity for those of a fraudulent bent of thinking to use a Charity for their scam and appointing one of their associates as the Independent Examiner. There would therefore not be proper scrutiny of the finances and financial statements of these Charities. This is surely at odds with the objective of the new Charity Law to tighten up regulation of Charities so as to prevent a repetition of the recent scandals.

We suggest that only people professionally qualified as Accountants should be allowed to carry out the Independent Examination of Charity Accounts.

With best wishes

Yours sincerely

A handwritten signature in black ink, appearing to read 'W. Macdonald', with a long horizontal flourish extending to the right.

William Macdonald  
Treasurer and Trustee/Director