Strategic Risk No: 1

STRATEGIC OBJECTIVE:	To be linked to new Strategic Plan
OWNER:	Executive Director of Scrutiny & Assurance

DESCRIPTION: What is the risk:	The Care Inspectorate does not clearly articulate its purpose and deliver its agreed objectives in alignment with the Scottish Government's national priorities.
What are the possible consequences if the risk was to emerge:	Lack of public and political confidence in the Care Inspectorate through inability to provide the desired level of public assurance, scrutiny and improvement

NUMERICAL SCORING OF RAW RISK (ie WITHOUT CONTROLS IN PLACE)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 5	What is the predicted **IMPACT** of the risk?	(B) 5	(A x B) What is the **TOTAL** risk score?	**25**

The **RAW** risk is therefore:	**Very High**

CONTROL MEASURES/ASSURANCES

RISK VELOCITY	☐ HIGH ☒ MEDIUM ☐ LOW
What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?	Control Measures/Assurances • Corporate Plan in place and being revised for 2018-21 • Transformation Plan (revised) to support revised Corporate Plan 2018-21 under development • Scrutiny and Improvement Plan in place and developed in consultation with a wide range of stakeholders. • Success measures in place to support good governance and performance management and monitoring • Quality Assurance monitoring and management arrangements in place • Increased involvement of user / carers to inform policy and practice through Involvement Strategy • Regular sponsor/ SG/ Chief Social Work Adviser/ Ministerial meetings and engagement events. Senior CI staff engage regularly with a wide range of civil servants and public bodies to explain our work and collaborate where possible • New ways of collaborative working with scrutiny partners;

	delivery partners; providers and umbrella groups • Regular meetings with stakeholder groups • Public reporting strategy in place • Trends in complaints about care services and the Care Inspectorate regularly reviewed by the Executive Group and the Board to support our learning, development and continuous improvement. • Focus and methodology for scrutiny, assurance and improvement support aligns with emerging policy so we are able to report, at the right time, on the impact of new legislation and policy initiatives. • Regular thematic publications on key policy issues that are rooted in evidence and analyse our findings from a practice and service-delivery perspective • Our communications strategy provides a stronger focus on raising awareness of our findings more widely • A strengthening approach to risk and intelligence to direct our scrutiny, assurance and improvement work and target our resources to where we can make the greatest impact • Strengthening our approach to market insight of care and sharing information more effectively.
	Additional Control Measures/Assurances requested by the Board

NUMERICAL SCORING OF RESIDUAL RISK (ie WITH CONTROLS IN PLACE)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 2	What is the predicted **IMPACT** of the risk?	(B) 2	(A x B) What is the **TOTAL** risk score?	**4**

The **RESIDUAL** risk is therefore:	**Low**

RISK INDICATORS

What risk indicators are/could be used to monitor risk (ie what are the triggers for taking action)

• Increasing levels of negative feedback form stakeholders detailed above
• Increase in formal / informal complaints from stakeholders about the Care Inspectorate
• Downward trend in performance / success measures

- Adverse or negative media attention focusing on the Care Inspectorate
- Lack of engagement by/with stakeholders or difficulty in engaging with them
- Budget pressures that begin to impact on the Corporate Plan, Transformation Plan or Scrutiny, Assurance and Improvement plan
- Failing to deliver on aspects of the Corporate Plan, Transformation Plan or Scrutiny, Assurance and Improvement plan that cannot be reasonably explained
- Inability to recruit and retain staff with the relevant skills, knowledge and expertise

FURTHER ACTION REQUIRED

- Enhanced quality assurance approaches across the Care Inspectorate's key functions, including support functions – this wil be built into the Directorate Planning process during 2018-19.
- Enhanced performance monitoring generally and of success measures by the Executive Group & Board across the Care Inspectorate's key functions, including support functions – revised proposals being piloted in Corporate & Customer Services Directorate Q3 2018-19. Board development activity scheduled for Q3/Q4 2018-19.
- Real-time feedback from users of care services – this will be built into the new digital platform over the next 3 years.
- Strengthening use of risk and intelligence to inform timing, prioritisation, nature and focus of all scrutiny, assurance and improvement responses from April 2019
- Strengthening further our governance arrangements of key strategic developments, in particular around business/digital transformation – Report to Programme Board July 2018
- Development of a Workforce Plan aligned to the new Corporate Plan and Transformation Plan (2018-21) – tba following Corprate Plan revision
- Development and implementation of outcome based based budgeting – update report to Resources Committee/Board Q3 2018-19

Risk Tolerance

The Risk Appetite on the Care Inspectorate's reputation and credibility where there are public protection issues is **averse** and our view is that we must clearly align our activities to the Scottish Government's national priorities and ensure they deliver effective results. The Board and Executive Group have a critical and shared agenda in this regard will continue to ensure there is effective corporate planning, stakeholder feedback and monitoring and review of organisational performance.

There is therefore a low tolerance regarding developments or indicators that impact on this risk. The Executive Group will escalate issues as required to the Audit Committee and Board.

Strategic Risk No: 2

STRATEGIC OBJECTIVE:	To be linked to new Strategic Plan
OWNER:	Executive Director of Corporate & Customer Services

DESCRIPTION: What is the risk:	The Care Inspectorate does not plan and ensure its capacity (including financial resources, staff numbers, expertise, motivation, performance and capability) to deliver its organisational objectives
What are the possible consequences if the risk was to emerge:	• Inability to deliver the scrutiny and improvement plan • loss of credibility and confidence in our ability to provide desired (required) level of public protection • Impact on delivery of objectives to agreed quality standards

NUMERICAL SCORING OF RAW RISK (ie WITHOUT CONTROLS IN PLACE)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4	What is the predicted **IMPACT** of the risk?	(B) 4	(A x B) What is the **TOTAL** risk score?	16

The **RAW** risk is therefore:	**High**

CONTROL MEASURES/ASSURANCES

RISK VELOCITY	☐ HIGH ☒ MEDIUM ☐ LOW
What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?	Control Measures/Assurances proposed by Executive Team **In place or imminent** • Medium term budget and financial strategy considered by Resources Committee and Board (EDCCS-annual) • Positive working relationships developed and maintained with Scottish Government (CE-ongoing- report to board) • Best value programme (HoFGC-annual) • Financial modelling (HoFCG-ongoing) • Member/Officer/Partnership Forum budget working group (EDCCS-as required) • Internal audit programme (Audit Committee- programme) • Development of career pathways to widen the pool of people who can enter the Care Inspectorate as an

	inspector, enhance the role administrative staff can play in evidence gathering, and support the retention of skilled staff seeking promotion (HoOD-operational plan) • Development of new initiatives to improve the culture and make the Care Inspectorate a destination employer, including UGR work, embedding a coaching culture, and effective Partnership Forum in place, and a more consultative approach to change management (HoOD-operational plan) • Monthly workforce planning meetings led by the Scrutiny and Assurance Directorate, with professional input from Finance, HR and OD, to identify issues (EDS&A monthly) • Review of the of the recruitment process to improve the speed and impact of recruitment (HoHR-operational plan) • Improved interventions to improve health at work and reduce days lost to illness (H&SC-quarterly review) • A revised success measures framework which ensures that the totality of the Care Inspectorate's activity is measured effectively (CE-ongoing) • Ongoing discussion with Scottish Government regarding resource allocation (CE ongoing) • Development of an SQA-accredited Professional Development Award in Care Scrutiny and Improvement (HoOD operational plan) **Proposed or under development** • Development of a strategic workforce plan to establish a 5 year vision for staffing (HoOD -work at early stage – to be aligned to new Corporate Plan) • Development of a stronger offer around workforce skills (HoOD 2018-19). • A review of PDRS systems (HoOD – pilot stage –new L&D platform linked to new PDRS – July 2018). • A review of pay and grading (EDCCS – working group established - to report to Partnership Forum Q2 2018-19)
	Additional Control Measures/Assurances requested by the Board

NUMERICAL SCORING OF RESIDUAL RISK (ie WITH CONTROLS IN PLACE)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 2	What is the predicted **IMPACT** of the risk?	(B) 4	(A x B) What is the **TOTAL** risk score?	8

The **RESIDUAL** risk is therefore:	**Medium**

RISK INDICATORS

What risk indicators are/could be used to monitor risk (ie what are the triggers for taking action)

- UK and Scottish Government budget announcements
- Scottish Government budget briefings/discussions
- Budget monitoring reports showing unbudgeted cost pressures
- Greater than anticipated demand led activity such as new registrations and complaints investigations
- Quarterly reports and success measures
- Vacancy and absence rates
- Budget monitoring
- Monitoring of effectiveness of performance review
- Feedback from staff exit and return to work interviews

FURTHER ACTION REQUIRED

- Resources Committee to revise and maintain the medium term financial strategy EDCCS – annually
- Member/Officer/Partnership Forum working group to develop priority based approach to budget development during 2018-19 (EDCCS Jan 19)
- Ongoing monitoring of risk controls with Audit Committee oversight (EDCCS quarterly)
- Further development and implementation of workforce strategy (HoOD progress reports during 18-19 to Resources Committee / Board)

Risk Tolerance : - split between qualitative and quantitative
The risk appetite for financial / VFM issues over the medium term is **cautious** as a high percentage of our funding comes from Scottish Government. In addition, we are severely constrained in generating and utilising reserves (including use of reserves to restructure the workforce) and our ability to control staff costs is impacted by the no compulsory redundancy policy.

There are 3 key aspects to the tolerance statement for this risk : a) resource planning b) workforce planning and c)cost and income control

a) Once plans are agreed, there is a low tolerance for in year budget deficits (overspends) and unplanned surpluses – budget surplus/deficit % tolerances are set as <1%>

b) Any significant slippage to implementation of the workforce plan (as assessed by the Executive Group) will be escalated to the Audit Committee / Board

ci) Debt collection % tolerances – income collection is as important as cost control – tolerance levels are set at <97%

cii) Scottish Government expectations and accountable officer responsibilities are clear. There is a low tolerance to breaches of standing instructions, financial regulations and scheme of delegation thresholds. These set the framework for ensuring that spending plans are properly costed and agreed and that income is collected timeously.

Strategic Risk No: 3

STRATEGIC OBJECTIVE:	To be linked to new Strategic Plan
OWNER:	Executive Director of Strategy and Improvement

DESCRIPTION: What is the risk:	The Care Inspectorate is not able to demonstrate its contribution to, and the impact of, partnership / collaborative working in contributing to the successful delivery of strategic objectives (or those of partners)
What are the possible consequences if the risk was to emerge:	• Inability to participate in, or progress, work which would help deliver our strategic objectives • Inability to deliver public service scrutiny in a joined up and collaborative way • Inability to deliver our agreed scrutiny and improvement plan • Loss of credibility and confidence in our ability to provide assurance and support improvement

NUMERICAL SCORING OF RAW RISK (ie WITHOUT CONTROLS IN PLACE)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4	What is the predicted **IMPACT** of the risk?	(B) 4	(A x B) What is the **TOTAL** risk score?	**16**

The **RAW** risk is therefore:	**High**

CONTROL MEASURES/ASSURANCES

RISK VELOCITY	☐ HIGH ☒ MEDIUM ☐ LOW
What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?	Control Measures/Assurances proposed by Executive Team **In place or imminent** • The duty of co-operation is established in law • Arrangements for new joint inspections of children's services are advanced, and new arrangements for adult services are now in place and operational • Scrutiny and improvement plan is in place and clearly aligned to Scottish Government's national objectives, with a new approach to a three-year rolling plan • Importance of collaboration is one of the 4 themes in the transformation plan • Memoranda of understanding and information-sharing

agreements in place for key relationships
- Reciprocal board membership for the Chair with the equivalents at HIS and SSSC
- Membership of HIS' strategic advisory forum
- Joint Board and Executive Team meetings with other organisations
- Active participation in the Sharing Intelligence for Health and Social Care Group
- Active participation in the Strategic Scrutiny Group, the existence of the national scrutiny plan, and the LAN process
- Existing programme of shared inspection with Education Scotland and the development of a shared inspection framework for ELC scrutiny
- Executive-level willingness and keenness to collaborate with a wide range of public sector bodies and providers to support improvement, with a clear improvement strategy
- Wide engagement in Scottish Government and sector-led groups, committees and other fora
- Quality Conversations in place, and other liaison meetings with the sector
- An external communications strategy and function to make clear our role, function, activities and findings to a wide range of audiences
- A forward programme of publications and reports based on our findings
- Co-production of resources and materials with a wide range of partners
- Regular qualitative performance reporting to the Board

Proposed
- Re-establish more formalised strategic-level relationships with Education Scotland and MWC (EDS&A/EDS&I Dec 18)
- Revised success measures aligned to the next corporate plan which provide quantitative and qualitative measures in this area – as for Risk #1.

Additional Control Measures/Assurances requested by the Board

NUMERICAL SCORING OF RESIDUAL RISK (ie WITH CONTROLS IN PLACE)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 2	What is the predicted **IMPACT** of the risk?	(B) 4	(A x B) What is the **TOTAL** risk score?	8

The **RESIDUAL** risk is therefore:	**Medium**

RISK INDICATORS

What risk indicators are/could be used to monitor risk (ie what are the triggers for taking action):

- delays in progressing or publishing joint inspection reports or other joint publications
- formal and informal feedback from partners and stakeholders
- inability to progress joint work, or share or receive information
- breakdown of formalised joint working arrangements
- lack of involvement in partners' decision-making

FURTHER ACTION REQUIRED

- Monitor risk indicators, and also regular review of quarterly performance reports (Audit Committee / Board – ongoing 2018-19).

Risk Tolerance

The risk tolerance for effective collaborative working in relation to progressing our agreed scrutiny and improvement plan, or similar strategic plans from other organisations, is low. The delivery of these joint programmes of work are mission-critical and approved by Scottish Ministers pursuant to the Public Services Reform (Scotland) Act 2010.

However, the risk appetite for the development of other forms of joint scrutiny and improvement interventions is **open**. We recognise the significant benefits that come from collaborative working, and not all collaborative working will lead to the successful delivery of joint programmes of work. The preferred course of action may be to build relationships with a view to future programmes of work being successfully delivered. We are willing to work with a wide range of partners across sectors, including partners with whom we have not worked before, and are keen to be seen as a good and exciting partner with whom to work.

Where these relationships develop into work programmes with clear deliverables, our risk tolerance will be either medium or low, depending on the nature of the work. In these cases, appropriate controls will focus on ensuring that the collaboration aligns to our strategic objectives, has clear benefits for people experiencing care or their carers,

and has proportionate but robust governance arrangements in places to oversee successful delivery.

Triggers for escalation will be significant slippage against planned activity and delivery of anticipated results.

Strategic Risk No: 4

STRATEGIC OBJECTIVE:	To be linked to new Strategic Plan
OWNER:	Chief Executive

DESCRIPTION: What is the risk:	We are not able to influence/persuade Government on matters that need to change to enable us to support innovation across health & social care
What are the possible consequences if the risk was to emerge:	Services are unable to innovate effectively due to our inability to reflect proportionate and improvement-led scrutiny approaches resulting in loss of credibility for the Care Inspectorate

NUMERICAL SCORING OF RAW RISK (ie WITHOUT CONTROLS IN PLACE)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4	What is the predicted **IMPACT** of the risk?	(B) 4	(A x B) What is the **TOTAL** risk score?	**16**

The **RAW** risk is therefore:	**High**

CONTROL MEASURES/ASSURANCES

RISK VELOCITY	☐ HIGH ☐ MEDIUM ☒ LOW
What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?	Control Measures/Assurances proposed by Executive Team: • Regular sponsor/SG/Ministerial meetings • Cross Government policy liaison and sponsor branch relationships • Tracking and influencing of key developments in scrutiny, inspection and regulation • CI intelligence and advice is used by SG for policy and legislative planning – this includes intel and advice gained through involvement of service users and their carers • Restrictive legislation is flagged to SG legal advisors
	Additional Control Measures/Assurances requested by the Board

NUMERICAL SCORING OF RESIDUAL RISK (ie WITH CONTROLS IN PLACE)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3	What is the predicted **IMPACT** of the risk?	(B) 4	(A x B) What is the **TOTAL** risk score?	12

The **RESIDUAL** risk is therefore:	**High**

RISK INDICATORS

What risk indicators are/could be used to monitor risk (ie what are the triggers for taking action)

- Intel / reports of services that are unable to provide innovative approaches due to restrictive legislation
- Legislation and regulations are not regularly reviewed and updated where necessary
- Intel / reports of services that are unable to respond to the needs, preferences and aspirations of people using services
- Working relationships with SG colleagues not effective or credible

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FURTHER ACTION REQUIRED

- Awareness raising with SG – ongoing during 2018-19
- Ongoing monitoring of risk
- Accelerated discussion with SG legal advisers about registration categories in an integrated setting Q1/Q2 2018-19

Risk Tolerance Statement

There are long outstanding issues regarding this risk.

We continue to raise the matter of the proposed review of care service definitions. The Care inspectorate has long been of the view that the existing definitions as set out in Schedule 12 of the Public Service Reform (Scotland) Act 2010 are misaligned with many of the ways in which care is now provided, and can often serve to inhibit innovation in the provision of care. The definitions themselves can be traced to at least 2001 – they are the same definitions as appeared in the Regulation of Care (Scotland) Act 2001.

Changes to the service definitions will also impact on the Care Inspectorate fee regime.

The Scottish Government has recently appointed new staff to the Sponsor Team with effect from April 2018 and the topic has therefore been raised again. We have been advised that Sponsor colleagues are meeting with Scottish Government legal staff to discuss advice on recent proposals from our Chief Executive. In the meantime, our tolerance relating to the risk remains low.

Strategic Risk No: 5

STRATEGIC OBJECTIVE:	To be linked to new Strategic Plan
OWNER:	Executive Director of Corporate & Customer Services

DESCRIPTION: What is the risk:	There are gaps or inadequate coverage in the Care Inspectorate's corporate governance arrangements
What are the possible consequences if the risk was to emerge:	Poor corporate governance is likely to lead to inefficiency, ineffectiveness in delivering and demonstrating public value, poor quality decision making, increased risk of fraud and a significant loss of stakeholder confidence

NUMERICAL SCORING OF RAW RISK (ie WITHOUT CONTROLS IN PLACE)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4	What is the predicted **IMPACT** of the risk?	(B) 4	(A x B) What is the **TOTAL** risk score?	**16**

The **RAW** risk is therefore:	**High**

CONTROL MEASURES/ASSURANCES	
RISK VELOCITY	[X] HIGH [ ] MEDIUM [ ] LOW
What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?	Control Measures/Assurances proposed by Executive Team • Regular review of the Code of Corporate governance incorporating policies, disclosure arrangements, strategies, planning systems and performance management arrangements (CE and Directors – ongoing) • Annual review of Board and Committee effectiveness (Chair – annual) • External governance review (CIPFA – 3 yearly) • On Board training and Member induction (Chair – as required) • Performance management regime (Board-annual) • Performance appraisals (members and staff – full implementation) • Internal & External Audit assurance (Audit Committee – per audit plan)

	• Risk Review and embedding of risk management (annual report and review) • Board & staff members with corporate governance qualifications (Chair and CE – as required)
	Additional Control Measures/Assurances requested by the Board

NUMERICAL SCORING OF RESIDUAL RISK (ie WITH CONTROLS IN PLACE)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 2	What is the predicted **IMPACT** of the risk?	(B) 2	(A x B) What is the **TOTAL** risk score?	**4**

The **RESIDUAL** risk is therefore:	**Low**

RISK INDICATORS
What risk indicators are/could be used to monitor risk (ie what are the triggers for taking action) • Results from self-assessments and external assurance measures and reviews

FURTHER ACTION REQUIRED
• The action plan from the CIPFA mark of Excellence assessment will be implemented – Exec Group to review periodically during 2018-19

Risk Tolerance :
The risk appetite for regulatory and legal compliance is averse and there is therefore a low tolerance for this risk.

Any significant slippage to implementation of the action plan resulting from the CIPFA review (as assessed by the Executive Group) will be escalated to the Audit Committee / Board. The Executive Group will have initial oversight of implementation of audit recommendations

Strategic Risk No: 6 – Internal Risk

STRATEGIC OBJECTIVE:	To be linked to new Strategic Plan
OWNER:	Executive Director of Corporate & Customer Services

DESCRIPTION: What is the risk:	The Care Inspectorate experiences serious disruption from a failure in its cyber security arrangements
What are the possible consequences if the risk was to emerge:	Financial, data or reputational loss impacting on public or political confidence, available resources and/or ability to provide the desired level of public protection

NUMERICAL SCORING OF RAW RISK (ie WITHOUT CONTROLS IN PLACE)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 5	What is the predicted **IMPACT** of the risk?	(B) 4	(A x B) What is the **TOTAL** risk score?	**20**

The **RAW** risk is therefore:	**Very High**

CONTROL MEASURES/ASSURANCES

RISK VELOCITY	☐ HIGH ☒ MEDIUM ☐ LOW
What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?	Control Measures/Assurances proposed by Executive Team **In place** • ICT security including perimeter firewall, anti-malware software, password security, mirrored infrastructure, server resilience, offsite backup storage, encrypted devices and data delivery etc – full list of controls is available on request • Trained ICT staff, user training, security policies, change control planning • Physical security measures – secure entry systems, secure server rooms, annual property risk assessments, asset register • ICT Business Continuity/Disaster Recovery plans in place **Proposed or under development** • Reviewing results of internal audit for additional suggestions / recommendations Q2/Q3 2018-19

	Additional Control Measures/Assurances requested by the Board

NUMERICAL SCORING OF RESIDUAL RISK (ie WITH CONTROLS IN PLACE)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3	What is the predicted **IMPACT** of the risk?	(B) 3	(A x B) What is the **TOTAL** risk score?	9

The **RESIDUAL** risk is therefore:	**Medium**

RISK INDICATORS

What risk indicators are/could be used to monitor risk (ie what are the triggers for taking action)

- ICT performance metrics
- Major system failure reports
- Security breaches
- New technical advice / guidance from Scottish Government
- Independent IT Healthcheck

FURTHER ACTION REQUIRED

- Continue regular network penetration testing (CTO – ongoing)
- Continue regular testing of backup arrangements (CTO – ongoing)
- Maintain the programme of software patching upgrades (CTO – ongoing)
- Implementation of the business / digital transformation programme to the point where we can stop using PMS – refer to Project Plan

Risk Tolerance : The tolerance for this risk is low for a risk of serious disruption however, it is recognised that given the number of staff / services / customers involved as users of our ICT services, that it is almost inevitable that occurrences will arise from time to time. The focus for control measures is therefore on both prevention and impact minimisation.

Triggers for risk escalation will include :

- where a cyber attack / pattern is affecting one or more user
- common / re-occurring technical failures will be escalated through 1st line support to 2nd then 3rd line support then management as required

Major Projects :

The summary risk registers for the following projects will be included in future reports to the Audit Committee :

a) Information Governance

b) Business and Digital Transformation