

**Strategic Risk No: 1**  
**Strategic Risk Title: Corporate planning**

<b>LINK TO CORPORATE PLAN OBJECTIVE:</b>	To be linked with Corporate plan 2019 - 22
<b>RISK OWNER:</b>	Edith Macintosh, Interim Executive Director of Strategy and Improvement

<b>DESCRIPTION:</b> <b>What is the potential situation:</b>	The Care Inspectorate does not operate effectively to deliver on its core purpose of being a highly credible organisation that drives improvement and innovation in care and positively influence policy and practice.
<b>What could cause this to arise:</b>	<p>The Care Inspectorate corporate plan does not provide clarity of vision and direction.</p> <p>The Care Inspectorate does not monitor the implementation of the corporate plan and measure performance against the related KPIs, the scrutiny and improvement plan and the identified Scottish Government priorities.</p> <p>The Care Inspectorate does not develop and utilise it's risk and intelligence led approach.</p>
<b>What would the consequences be:</b>	<p>Inability to provide the desired level of scrutiny, assurance and improvement support.</p> <p>Reduction in the quality of care and protection for vulnerable people across Scotland.</p> <p>Reputational damage with reduced public and political confidence.</p> <p>Possible reduced SG funding.</p> <p>Lack of ability and credibility to positively influence change such as SG policy development and to drive innovation.</p>

<b>NUMERICAL SCORING OF RAW RISK (i.e. WITHOUT CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 4	What is the predicted <b>IMPACT</b> of the risk?	(B) 5	(A x B) What is the <b>TOTAL</b> risk score?	<b>20</b>

The <b>RAW</b> risk is therefore:	<b>Very High</b>
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<b>CONTROL MEASURES/ASSURANCES</b>	
<b>RISK VELOCITY</b>	<input type="checkbox"/> HIGH <input checked="" type="checkbox"/> MEDIUM <input type="checkbox"/> LOW
<p>What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?</p>	<p><b>Control Measures/Assurances</b></p> <p>Corporate Plan 2019 -22 in place, performance measures reported on and monitoring measures in place</p> <p>Board and Audit Committee oversight</p> <p>Directorate plans in place 2019-22</p> <p>Scrutiny and Improvement Plan in place and developed in consultation with a wide range of stakeholders</p> <p>Success measures in place to support good governance and performance management and monitoring</p> <p>Quality Assurance monitoring and management arrangements in place</p> <p>Increased involvement of user / carers to inform policy and practice through the refreshed Involvement Strategy</p> <p>Refreshed improvement strategy 2019 -22</p> <p>Fully functioning Tactical Tasking and Coordination Group</p> <p>Strengthening our approach to market insight of care and sharing information more effectively</p> <p>Intelligence programme - strengthening approach to risk and intelligence to direct our scrutiny, assurance and improvement support work and target our resources to where we can make the greatest impact</p> <p>Regular sponsor branch, SG/Ministerial meetings and engagement events</p> <p>Increased collaborative working with other organisations in relation to scrutiny and improvement support</p> <p>Regular liaison meetings with stakeholder groups</p> <p>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</p>

	<p>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</p> <p>Regular thematic publications on key policy issues that are rooted in evidence and analyse our findings from a practice and service-delivery perspective</p> <p>Our communications strategy provides a stronger focus on raising awareness of our findings more widely</p>
	<p>Additional Control Measures/Assurances requested by the Board</p>

**NUMERICAL SCORING OF RESIDUAL RISK (i.e. WITH CONTROLS IN PLACE)**

What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A)  2	What is the predicted <b>IMPACT</b> of the risk?	(B)  2	(A x B) What is the <b>TOTAL</b> risk score?	<b>4</b>
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The <b>RESIDUAL</b> risk is therefore:	<b>Low</b>
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**RISK INDICATORS**

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

- Increasing levels of negative feedback form stakeholders
- Increase in formal / informal complaints from stakeholders about the Care Inspectorate
- Downward trend in performance / success measures
- Significant adverse or negative media attention focusing on the Care Inspectorate
- Lack or reduction in engagement by/with stakeholders or difficulty in engaging with them
- Lack of collaborative working
- Inability to recruit and retain staff with the relevant skills, knowledge and expertise

**FURTHER ACTION REQUIRED**

Enhanced performance monitoring generally and of success measures by the Executive Group & Board across the Care Inspectorate's key functions, including support functions – revised performance monitoring report format for the Board being developed to support this process

Strengthening use of risk and intelligence to inform timing, prioritisation, nature and focus of all scrutiny, assurance and improvement support work during 2019

Strengthening further our governance arrangements of key strategic developments, in particular around our transformation programmes through the Programme Board

Development of a Workforce Plan aligned to the new Corporate Plan (2019-22)

**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 Risk Title: Financial Sustainability**

<b>LINK TO CORPORATE PLAN OBJECTIVE:</b>	To be linked with Corporate plan 2019 - 22
<b>RISK OWNER:</b>	Executive Director of Corporate and Customer Services

<b>DESCRIPTION:</b> <b>What is the potential situation:</b>	The Care Inspectorate is not able to deliver on its Corporate Plan objectives due to lack of financial resources.
<b>What could cause this to arise:</b>	The CI does not have up to date, comprehensive, forward looking financial plans aligned to its Corporate Plan.
<b>What would the consequences be:</b>	Resulting in adverse impact on our ability to deliver the scrutiny and improvement plan, reputational damage, reduced confidence in care and protection arrangements, reduced future funding, reduced ability to influence change and policy development.

<b>NUMERICAL SCORING OF RAW RISK (i.e. WITHOUT CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 4	What is the predicted <b>IMPACT</b> of the risk?	(B) 4	(A x B) What is the <b>TOTAL</b> risk score?	<b>16</b>

The <b>RAW</b> risk is therefore:	<b>High</b>
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<b>CONTROL MEASURES/ASSURANCES</b>	
<b>RISK VELOCITY</b>	<input type="checkbox"/> HIGH <input checked="" type="checkbox"/> MEDIUM <input type="checkbox"/> 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 <ul style="list-style-type: none"> <li>• Medium term budget and financial strategy considered by Resources Committee and Board (EDCCS-annual)</li> <li>• Positive working relationships developed and maintained with Scottish Government (CE-ongoing- report to board)</li> <li>• Best value programme (HoFGC-annual)</li> <li>• Financial modelling (HoFCG-ongoing)</li> <li>• Member/Officer/Partnership Forum budget working group (EDCCS-as required)</li> </ul>

	<ul style="list-style-type: none"> <li>Internal audit programme (Audit Committee- programme)</li> </ul> Additional Control Measures/Assurances requested by the Board
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<b>NUMERICAL SCORING OF RESIDUAL RISK (i.e. WITH CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 2	What is the predicted <b>IMPACT</b> of the risk?	(B) 4	(A x B) What is the <b>TOTAL</b> risk score?	<b>8</b>

The <b>RESIDUAL</b> risk is therefore:	<b>Medium</b>
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<p><b>RISK INDICATORS</b></p> <p>What risk indicators are/could be used to monitor the risk (ie what are the triggers for taking action)</p> <ul style="list-style-type: none"> <li>UK and Scottish Government budget announcements</li> <li>Scottish Government budget briefings/discussions</li> <li>Budget monitoring reports showing unbudgeted cost pressures</li> <li>Greater than anticipated demand led activity such as new registrations and complaints investigations</li> </ul>
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<p><b>FURTHER ACTION REQUIRED</b></p> <ul style="list-style-type: none"> <li>Board to revise and maintain the medium-term financial strategy EDCCS – annually</li> <li>Member/Officer/Partnership Forum working group to develop approach to budget development during 2019-20 (EDCCS Jun 19)</li> </ul>
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**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 2 key aspects to the tolerance statement for this risk : a) resource planning and b)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%>

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

bii) 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 Risk Title: Workforce planning**

<b>LINK TO CORPORATE PLAN OBJECTIVE:</b>	To be linked with Corporate plan 2019 - 22
<b>RISK OWNER:</b>	Edith Macintosh, Interim Executive Director of Strategy and Improvement

<b>DESCRIPTION:</b> <b>What is the potential situation:</b>	The Care Inspectorate is unable to deliver on its Corporate Plan objectives due to a lack of workforce capacity.
<b>What could cause this to arise:</b>	<p>The Care Inspectorate does not have an effective strategic workforce plan to support the delivery of the corporate plan objectives</p> <p>The age profile of the organisation highlights a future high turnover rate due to retirements.</p> <p>The Care Inspectorate does not have effective workforce planning at Directorate and team level to support the delivery of the corporate plan objectives.</p> <p>The Care Inspectorate does not monitor workload and capacity well enough to identify and mitigate risks in a timely way.</p> <p>The Care Inspectorate does not have an effective staff learning and development plan</p>
<b>What would the consequences be:</b>	<p>Inability to provide the desired level of scrutiny, assurance and improvement support</p> <p>Reduction in the quality of care and protection for vulnerable people across Scotland</p> <p>Reputational damage with reduced public and political confidence</p> <p>Possible reduced SG funding</p> <p>Lack of ability and credibility to positively influence change such as SG policy development and to drive innovation</p>

<b>NUMERICAL SCORING OF RAW RISK (i.e. WITHOUT CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the	(A) 4	What is the predicted <b>IMPACT</b> of the risk?	(B) 4	(A x B) What is the <b>TOTAL</b> risk score?	<b>16</b>



situation occurring?					
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The <b>RAW</b> risk is therefore:	<b>High</b>
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<b>CONTROL MEASURES/ASSURANCES</b>	
<b>RISK VELOCITY</b>	<input type="checkbox"/> HIGH <input checked="" type="checkbox"/> MEDIUM <input type="checkbox"/> LOW
What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?	<p><b>Control Measures/Assurances</b></p> <p>Development of a strategic workforce plan to establish a vision for staffing to be aligned to new Corporate Plan 2019 - 22</p> <p>Corporate Plan 2019 -22 in place, performance measures reported on and monitoring measures in place related to workforce and capacity</p> <p>Medium term budget and financial strategy agreed by EG and Board</p> <p>Board and Audit Committee oversight</p> <p>Regular Partnership Forum discussions and meetings</p> <p>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 ongoing</p> <p>Development of new initiatives to improve the culture and make the Care Inspectorate a destination employer including embedding a coaching culture and a more consultative approach to change management</p> <p>Monthly workforce planning meetings led by the Scrutiny and Assurance Directorate, with professional input from Finance, HR and OD, to identify issues</p> <p>The new Lead and LMS system implemented to enable the workforce to support the objectives of the Corporate Plan and develop the appropriate skills to do so. Also provides a system to facilitate regular catch ups and discussion and to provide related workforce data.</p> <p>Regular review of information on staff absences at EG</p> <p>A review of pay and grading initiated.</p>

	<p>Review of the recruitment process to improve the speed and impact of recruitment by HR</p> <p>Ongoing review and further development of SQA-accredited Professional Development Award in Care Scrutiny and Improvement</p> <p>Scrutiny and Improvement Plan in place and developed in consultation with a wide range of stakeholders</p> <p>Quality Assurance monitoring and management arrangements in place</p> <p>Regular sponsor branch meetings and ongoing discussion regarding resource allocation</p> <p>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</p> <p>Additional Control Measures/Assurances requested by the Board</p>
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**NUMERICAL SCORING OF RESIDUAL RISK (i.e. WITH CONTROLS IN PLACE)**

What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A)  2	What is the predicted <b>IMPACT</b> of the risk?	(B)  4	(A x B) What is the <b>TOTAL</b> risk score?	<b>8</b>
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The <b>RESIDUAL</b> risk is therefore:	<b>Medium</b>
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**RISK INDICATORS**

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

- 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
- Vacancy and absence rates

Feedback from staff exit and return to work interviews  
Increase in formal / informal complaints from stakeholders about the Care Inspectorate  
Downward trend in performance / success measures  
Budget monitoring - budget pressures that begin to impact on the Corporate Plan, Scrutiny, Assurance and Improvement support and Directorate plans  
Inability to recruit and retain staff with the relevant skills, knowledge and expertise

**FURTHER ACTION REQUIRED**

Implementation of strategic workforce plan for the organisation.

Development of succession planning.

Ongoing work related to the review of our culture strategy

Ongoing monitoring of risk controls with Audit Committee oversight.

Evaluation of Career Pathway work and subsequent implementation of recommendations.

Strengthening use of risk and intelligence to inform timing, prioritisation, nature and focus of all scrutiny, assurance and improvement support work during 2019 providing the ability to refocus our business model

**Risk Tolerance**

The risk tolerance for workforce planning is **averse** recognising that in order to deliver on the Corporate Plan objectives and our core purpose of scrutiny, assurance and improvement support we require the right workforce which has capacity and capability to do the work with the right supports in place to provide effective learning and development.

The Executive Group will escalate issues as required to the Audit Committee and Board.

**Strategic Risk No: 4**  
**Strategic Risk Title: Partnership Working**

<b>LINK TO CORPORATE PLAN OBJECTIVE:</b>	To be linked with Corporate plan 2019 - 22
<b>RISK OWNER:</b>	Executive Director of Scrutiny & Assurance

<b>DESCRIPTION:</b> <b>What is the potential situation:</b>	The Care Inspectorate is not able to: <ul style="list-style-type: none"> <li>• participate in, or progress, work which would help deliver our strategic objectives</li> <li>• deliver public service scrutiny in a joined up and collaborative way</li> <li>• deliver our agreed scrutiny and improvement plan</li> </ul>
<b>What could cause this to arise:</b>	Competing priorities of scrutiny and delivery partners and their inability / unwillingness to provide staff with the relevant skills, knowledge and experience or otherwise support our work .
<b>What would the consequences be:</b>	Loss of credibility and confidence in our ability to provide scrutiny assurance and support improvement, reduced organisational impact, reduced intelligence, loss of confidence, adverse impact on reputation.

<b>NUMERICAL SCORING OF RAW RISK (i.e. WITHOUT CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 4	What is the predicted <b>IMPACT</b> of the risk?	(B) 4	(A x B) What is the <b>TOTAL</b> risk score?	<b>16</b>

The <b>RAW</b> risk is therefore:	<b>High</b>
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<b>CONTROL MEASURES/ASSURANCES</b>	
<b>RISK VELOCITY</b>	<input type="checkbox"/> HIGH <input checked="" type="checkbox"/> MEDIUM <input type="checkbox"/> LOW
What controls/	Control Measures/Assurances

<p>procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?</p>	<ul style="list-style-type: none"> <li>• The duty of co-operation is established in legislation for some aspects of our work.</li> <li>• The Scrutiny, Assurance &amp; Improvement Plan is approved by Scottish Ministers and scrutiny partners were consulted on it (and the implications in it for them)</li> <li>• Memoranda of understanding and information-sharing agreements in place for key relationships</li> <li>• Reciprocal board membership for the Chair with the equivalents at HIS and SSSC</li> <li>• Membership of HIS' strategic advisory forum</li> <li>• Executive Group level meetings with other organisations</li> <li>• Active participation in the Sharing Intelligence for Health and Social Care Group</li> <li>• Active participation in the Strategic Scrutiny Group together with the publication of the National Scrutiny Plan, and the LAN process</li> <li>• Existing programme of shared inspection with Education Scotland and the development of a shared inspection framework for ELC scrutiny</li> <li>• 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</li> <li>• Wide engagement in Scottish Government and sector-led groups, committees and other fora</li> <li>• Quality Conversations in place, and other liaison meetings with the sector</li> <li>• An external communications strategy and function to make clear our role, function, activities and findings to a wide range of audiences</li> <li>• A forward programme of publications and reports based on our findings</li> <li>• Co-production of resources and materials with a wide range of partners</li> <li>• Regular qualitative performance reporting to the Board</li> </ul>
	<p>Additional Control Measures/Assurances requested by the Board</p>

<b>NUMERICAL SCORING OF RESIDUAL RISK (i.e. WITH CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the situation	(A)  2	What is the predicted <b>IMPACT</b> of the risk?	(B)  4	(A x B) What is the <b>TOTAL</b> risk score?	<b>8</b>

occurring?			
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The <b>RESIDUAL</b> risk is therefore:	<b>Medium</b>
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**RISK INDICATORS**

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

- Delays in developing and delivering scrutiny, assurance and improvement support approaches that are contingent on a collaborative approach
- Challenges in resourcing our scrutiny, assurance and improvement approaches where these are contingent on a collaborative approach
- Unwillingness of key scrutiny and delivery partners to meet with us including delays in setting up meetings or repeatedly cancelling meetings
- Complaints made by or against our staff by other scrutiny / delivery partners

**FURTHER ACTION REQUIRED**

**Risk Tolerance**

**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 **averse**. 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: 5**  
**Strategic Risk Title: Corporate Governance**

<b>LINK TO CORPORATE PLAN OBJECTIVE:</b>	To be linked with Corporate plan 2019 - 22
<b>RISK OWNER:</b>	Executive Director of Corporate and Customer Services

<b>DESCRIPTION:</b> <b>What is the potential situation:</b>	There is a corporate governance failure – including a failure our best value duty or in our shared service arrangements.
<b>What could cause this to arise:</b>	There are gaps or inadequate coverage in the Care Inspectorate’s corporate governance arrangements.
<b>What would the consequences be:</b>	Resulting in loss of stakeholder confidence, inefficiency and effectiveness in delivering and demonstrating public value, likely lack of organisational focus on priorities.

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

The <b>RAW</b> risk is therefore:	<b>High</b>
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<b>CONTROL MEASURES/ASSURANCES</b>	
<b>RISK VELOCITY</b>	<input checked="" type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> 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 <ul style="list-style-type: none"> <li>• Regular review of the Code of Corporate governance incorporating policies, disclosure arrangements, strategies, planning systems and performance management arrangements (CE and Directors – ongoing)</li> <li>• Annual review of Board and Committee effectiveness</li> </ul>

	<p>(Chair – annual)</p> <ul style="list-style-type: none"> <li>• External governance review (CIPFA – 3 yearly)</li> <li>• On Board training and Member induction (Chair – as required)</li> <li>• Performance management regime (Board-annual)</li> <li>• Performance appraisals (members and staff – full implementation)</li> <li>• Internal &amp; External Audit assurance (Audit Committee – per audit plan)</li> <li>• Risk Review and embedding of risk management (annual report and review)</li> <li>• Review of effectiveness of shared services arrangements (Chief Exec and Audit Committee)</li> <li>• Board &amp; staff members with corporate governance qualifications (Chair and CE – as required)</li> </ul>
	Additional Control Measures/Assurances requested by the Board

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

What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 2	What is the predicted <b>IMPACT</b> of the risk?	(B) 2	(A x B) What is the <b>TOTAL</b> risk score?	<b>4</b>
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The **RESIDUAL** risk is therefore:

**Low**

**RISK INDICATORS**

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

- Results from self-assessments, reviews and external assurance reports

**FURTHER ACTION REQUIRED**

- The full implementation of the action plan from the CIPFA mark of Excellence assessment – Exec Group to review periodically during 2019-20.

**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**  
**Strategic Risk Title: ICT Data Access and Cyber Security**

<b>LINK TO CORPORATE PLAN OBJECTIVE:</b>	To be linked with Corporate plan 2019 - 22
<b>RISK OWNER:</b>	Executive Director of Corporate and Customer Services

<b>DESCRIPTION:</b> <b>What is the potential situation:</b>	Staff are unable to access or update key systems.
<b>What could cause this to arise:</b>	A failure in our data systems and/or cyber security.
<b>What would the consequences be:</b>	Resulting in serious disruption to activities, inefficient deployment of resources – manual “work-arounds” for e.g. complaints handling or payments, potential loss of intelligence, impact on public / political confidence, loss of reputation, additional recovery costs, increased risk of fraud

<b>NUMERICAL SCORING OF RAW RISK (i.e. WITHOUT CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 5	What is the predicted <b>IMPACT</b> of the risk?	(B) 4	(A x B) What is the <b>TOTAL</b> risk score?	<b>20</b>

The <b>RAW</b> risk is therefore:	<b>Very High</b>
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<b>CONTROL MEASURES/ASSURANCES</b>	
<b>RISK VELOCITY</b>	<input checked="" type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW
What controls/ procedures are in place/ needed to reduce the likelihood and impact of the risk to a more acceptable level?	<b>Control Measures/Assurances</b> <ul style="list-style-type: none"> <li>• 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</li> <li>• Trained ICT staff, user training, security policies, change control planning</li> <li>• Physical security measures – secure entry systems, secure server rooms, annual property risk assessments,</li> </ul>

	<p>asset register</p> <ul style="list-style-type: none"> <li>• ICT Business Continuity/Disaster Recovery plans in place</li> <li>• Internal Audit Recommendations (18-19) implemented</li> </ul>
	Additional Control Measures/Assurances requested by the Board

**NUMERICAL SCORING OF RESIDUAL RISK (i.e. WITH CONTROLS IN PLACE)**

What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A)  3	What is the predicted <b>IMPACT</b> of the risk?	(B)  3	(A x B) What is the <b>TOTAL</b> risk score?	<b>9</b>
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The **RESIDUAL** risk is therefore:

**Medium**

**RISK INDICATORS**

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

- ICT network performance metrics
- Major system failure reports
- Security breaches
- New technical advice / guidance from Scottish Government
- Results of 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 **averse** 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 the ICT support team to management as required

**Strategic Risk No: 7**  
**Strategic Risk Title: Change Management**

<b>LINK TO CORPORATE PLAN OBJECTIVE:</b>	To be linked with Corporate plan 2019 - 22
<b>RISK OWNER:</b>	Chief Executive

<b>DESCRIPTION:</b> <b>What is the potential situation:</b>	Required organisational change and development is not delivered within agreed timescales or to the required quality.
<b>What could cause this to arise:</b>	The Care Inspectorate does not carry out essential change management effectively.
<b>What would the consequences be:</b>	Adverse impact on our ability to deliver the corporate plan, poor employee relations, poor delivery of best value.

<b>NUMERICAL SCORING OF RAW RISK (i.e. WITHOUT CONTROLS IN PLACE)<sup>4</sup></b>					
What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 4	What is the predicted <b>IMPACT</b> of the risk?	(B) 4	(A x B) What is the <b>TOTAL</b> risk score?	<b>16</b>

The <b>RAW</b> risk is therefore:	<b>High</b>
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<b>CONTROL MEASURES/ASSURANCES</b>	
<b>RISK VELOCITY</b>	<input type="checkbox"/> HIGH <input checked="" type="checkbox"/> MEDIUM <input type="checkbox"/> 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 <ul style="list-style-type: none"> <li>• Full programme governance arrangements developed and in place</li> <li>• Board and Audit committee oversight</li> <li>• Audit Committee and Internal Audit review and support of the change programmes</li> <li>• Assurance maps to be developed and reviewed by Audit Committee</li> <li>• Regular assurance updates to Audit Committee</li> <li>• Multi year budgets developed where applicable-</li> </ul>

	<p>Budget monitoring in place and regularly reviewed by the Programme Board along with progress updates</p> <ul style="list-style-type: none"> <li>• Post implementation Best Value review following implementation of each phase.</li> </ul>
	<p>Additional Control Measures/Assurances requested by the Board</p>

<b>NUMERICAL SCORING OF RESIDUAL RISK (i.e. WITH CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 2	What is the predicted <b>IMPACT</b> of the risk?	(B) 2	(A x B) What is the <b>TOTAL</b> risk score?	<b>4</b>

The <b>RESIDUAL</b> risk is therefore:	<b>Low</b>
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<p><b>RISK INDICATORS</b></p> <p>What risk indicators are/could be used to monitor the risk (i.e. what are the triggers for taking action)</p> <ul style="list-style-type: none"> <li>• Delays in achieving key milestones</li> <li>• Adverse budget monitoring position</li> <li>• Delays in implementing recommendations from external assessments</li> </ul>
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<p><b>FURTHER ACTION REQUIRED</b></p> <ul style="list-style-type: none"> <li>• Development of the programme assurance regime</li> </ul>
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**Risk Tolerance**

The success of the change programmes is critical to the future business models and financial sustainability of the CI and therefore the risk tolerance to programme failure is **averse**.

**Strategic Risk No: 8**  
**Strategic Risk Title: Digital Transformation**

<b>LINK TO CORPORATE PLAN OBJECTIVE:</b>	To be linked with Corporate plan 2019 - 22
<b>RISK OWNER:</b>	Exec Director of Corporate & Customer Services

<b>DESCRIPTION:</b> <b>What is the potential situation:</b>	The digital transformation programme is not successful.
<b>What could cause this to arise:</b>	There is ineffective implementation of our digital transformation programme.
<b>What would the consequences be:</b>	Resulting in a significant impact on our aspiration to modernise, become intelligence-led and to be more efficient and effective, reputational loss, adverse public opinion, poor targeting of resources, impact on medium term financial strategy.

<b>NUMERICAL SCORING OF RAW RISK (i.e. WITHOUT CONTROLS IN PLACE)</b>					
What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A) 4	What is the predicted <b>IMPACT</b> of the risk?	(B) 4	(A x B) What is the <b>TOTAL</b> risk score?	<b>16</b>

The <b>RAW</b> risk is therefore:	<b>High</b>
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<b>CONTROL MEASURES/ASSURANCES</b>	
<b>RISK VELOCITY</b>	<input type="checkbox"/> HIGH <input checked="" type="checkbox"/> MEDIUM <input type="checkbox"/> 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 <ul style="list-style-type: none"> <li>• Business case developed and funding in place</li> <li>• Full programme governance arrangements developed and in place</li> <li>• Board and Audit committee oversight</li> <li>• Internal Audit review and support of the Digital programme</li> <li>• Assurance map developed and reviewed by Audit Committee</li> </ul>

	<ul style="list-style-type: none"> <li>• Regular assurance updates to Audit Committee</li> <li>• External assurance from the Digital First Assessment – ongoing process in 2019-20</li> <li>• Self assessment against Audit Scotland’s 23 Principles for a Digital Future</li> <li>• Multi year budget developed - Budget monitoring in place and regularly reviewed by the Programme Board along with progress updates</li> <li>• The Board has agreed to ring-fence Business Support associated savings to ensure financial benefits realisation is achieved.</li> <li>• HR/OWD working to establish future digital team staffing structure.</li> <li>• Post implementation Best Value review following deployment of each application.</li> </ul>
	Additional Control Measures/Assurances requested by the Board

**NUMERICAL SCORING OF RESIDUAL RISK (i.e. WITH CONTROLS IN PLACE)**

What is the predicted <b>LIKELIHOOD</b> of the situation occurring?	(A)  3	What is the predicted <b>IMPACT</b> of the risk?	(B)  3	(A x B) What is the <b>TOTAL</b> risk score?	<b>9</b>
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The <b>RESIDUAL</b> risk is therefore:	<b>Medium</b>
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**RISK INDICATORS**

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

- Delays in achieving key milestones
- “Burn-down” charts showing under-estimation of development effort to deliver apps
- Vacancy levels in the development team
- Adverse budget monitoring position
- Delays in implementing recommendations from external assessments



#### FURTHER ACTION REQUIRED

- Implement the recommendations from the Digital First Assessment and the follow up assessments planned in 2019-20 – regular updates will be provided to the Audit Committee and Board during 2019-20
- HR/OWD working to establish future digital team staffing structure
- Work underway to identify a source of support and advice to the Board on digital leadership

#### Risk Tolerance

The success of the digital transformation is critical to the future business models and financial sustainability of the CI and therefore the risk tolerance to programme failure is **averse**. In addition, the CI is carrying significant risk from the continued operation of its outdated PMS system as if it fails, it may be very difficult to repair and re-instate. The likelihood of this risk materialising will reduce significantly when the “Registration” application becomes live (currently scheduled for September 2019). We will continue to rely on PMS for enforcement activity beyond this point but as this is relatively small in volume then temporary alternative solutions to digital application development could be considered.