



A Meeting of the Care Inspectorate Board is to take place from
10.30 am-1.00 pm on Thursday 11 May 2023 in Compass House, Dundee

Arrangements will be in place to enable attendees and observers to join by video-link.
 A public notice has been placed on the Care Inspectorate website.

AGENDA

PUBLIC SESSION

Item		Time
1.	Welcome	10:30
2.	Apologies	
3.	Declarations of Interest	
4.	Minutes of Board Meeting held on 30 March 2023 (paper attached)	10:35
5.	Action Record of Board meeting held on 30 March 2023 (paper attached)	
6.	Matters Arising	
7.	Chair's Report – Report No: B-01-2023/24	10:45
8.	Chief Executive's Report – Report No: B-02-2023/24	10:55
	STRATEGY AND POLICY	
	No items for this meeting.	
	MONITORING AND GOVERNANCE	
9.	Monitoring our Performance Report 2022/23 Quarter 4 – Report No: B-03-2023/24	11:05
10.	Annual Report and Accounts and Financial Position Update Report No: B-04-2023/24	11:20
11.	Member/Officer Working Group: Budget – (verbal update)	11:40
12.	Review of Counter Fraud, Bribery and Corruption Framework – Report No: B-05-2023/24	11:50

13.	Audit and Risk Committee Meeting held 30 March 2023 – Report No: B-06-2023/24	12:05
SHORT BREAK		12:10
OPERATIONAL ITEMS		
14.	HR Annual Report 2022/2023- Report No: B-07-2023/24	12:20
15.	Estates Update: (verbal update)	12:40
STANDING ITEMS		
16.	Identification of Risk	12:50
17.	Board Schedule of Business 2023/24 (paper attached)	
18.	Any Other Competent Business	12:55
19.	Close of Public Meeting and Date of Next Meeting: Thursday 10 August at 10.30 am in Compass House, Dundee	13:00



BOARD ACTION RECORD

Item No	Title	Action	Responsibility	Timescale	Status/Comments Completed
Actions from 15 December 2022					
13.0	COMPLAINTS ACTIVITY MID-YEAR REPORT – REPORT NO: B-41-2022	Further discussion on the reporting of complaints activity to be held by the Board as part of annual review of Board Governance	CE / Chair / EDIT&DT / Head of Legal Services	In time for Board Governance Review on 11.5.23	Open
Actions from 9 February 2023					
8.0	KEEPING THE PROMISE – AN OVERVIEW OF ACTIVITY 2021/2022: REPORT NO: B-47-2022/23	Consider options for impact evaluation/assessment for onward reporting to Board	CE/Chair		Open
Actions from 30 March 2023					
5.0	ACTION RECORD OF BOARD MEETING HELD ON 9 FEBRUARY 2023	Update action record to note that requested updates were provided in respect of item 15 Health and Safety Annual Report	ECSM	Immediate	Completed
8.0	CHIEF EXECUTIVE'S REPORT - REPORT NO: B-50-2022/23	Review CI's consultation on draft position paper on deprivation and restriction of liberty for children and young people, for reference to The Promise.	EDSA		

11.1	MONITORING OUR PERFORMANCE 2022/23 QUARTER 3 – REPORT NO: B-53-2022/23	Actions noted under KOI 3 and KPI 3 in the minutes.	Intelligence and Analysis Manager	Prior to May Board Meeting	
11.2	REVIEW OF PERFORMANCE MEASURES AND REPORTING – REPORT NO: B-54-2022/23	To apply the revised targets agreed by the Board and implement the change in format of quarterly report.	Intelligence and Analysis Manager	For next quarterly report to May Board meeting	Completed
17.0	HR QUARTERLY REPORT - REPORT NO: B-59-2022/23	<p>To revisit staff exit interviews to determine if there are any recurring themes or trends, particularly with regard to voluntary resignations</p> <p>To look at a breakdown of ethnic minority figures and how this links in with work being done on equalities.</p> <p><i>* Also action under item 19 below.</i></p>	HoHR	For next quarterly report to May Board meeting	Completed



Title:	CHAIR'S REPORT
Author:	Doug Moodie, Chair
Appendices:	None
Consultation:	n/a
Resource Implications:	No

EXECUTIVE SUMMARY

This Chair's report will sum up some of my activities since the Board meeting held on 30 March 2023.

The Board is invited to:

- Note the information contained in this report.

Links	Corporate Plan Outcome (Number/s)	All	Risk Register (Yes/No)	Yes
For Noting	X	For Discussion	For Assurance	For Decision

Equality Impact Assessment

Yes <input type="checkbox"/>	Not Yet <input type="checkbox"/>	No <input checked="" type="checkbox"/>
		Reason: This report is for information only.

If the report is marked Private/Confidential please complete section overleaf to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report:

Not applicable - this is a public board report.

BOARD MEETING 11 May 2023**Agenda item 7****Report Number: B-01-2023/24**

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

CHAIR'S REPORT

1.0 INTRODUCTION

This Chair's report will sum up some of my activities since the Board meeting held on 30 March 2023.

2.0 CARE INSPECTORATE BOARD MEMBER INTERVIEWS – 21 APRIL 2023

We received over 20 applicants for the two roles advertised, which was a tremendous result. Applicants came from a diverse and wide-ranging background of experience and careers and it was really pleasing to see this huge range of experience and read how applicants felt they could bring this to deliver positive outcomes for our organisation.

Meetings were then held in March to deliberate and shortlist. It was no easy task, but eventually we decided on six candidates for interview.

Interviews included a case study presentation based on a recent Care Inspectorate Board paper section – quarterly performance - and candidates were invited to comment on the paper and present their answers to three key questions to the interview panel.

The panel used this, as well as consideration of answers to other key questions, to decide on the two new appointments, with whom we hope to have acceptances and in place as new Board members later in May.

I have already reached out across Board members to volunteer to 'buddy' the new appointees, with a strong response – thank you.

3.0 JOINT HEALTHCARE IMPROVEMENT SCOTLAND/CARE INSPECTORATE CHAIR AND CHIEF EXECUTIVE MEETING – 30 MARCH 2023

This was a very positive meeting and it continues to focus on the key common challenges facing both organisations. We have shared opportunities with the various recent reviews from government as well as considering and sharing how we are managing budget pressures and operating within this environment. A problem shared is a problem cured is our mantra.

The meetings have also been most welcome as they have served to build closer relationships between both organisations, particularly discussions around best practice with joint scrutiny activity.

4.0 WEEKLY SYSTEMS PRESSURE MEETINGS WITH CABINET SECRETARY FOR HEALTH AND SOCIAL CARE

These have largely been on hold recently given the ministerial changes and I look forward to providing an update once they fully restart.

5.0 STRATEGIC SCRUTINY GROUP – 25 APRIL 2023

This group is relatively new and the discussions centred around governance, scope and terms of reference for the group moving forward, as well as appointing a chair. It was however clear that the group is more focussed on operational decision making, albeit of strategic assurance, as opposed to aims of a Board. I have therefore taken the decision, in consultation with the Care Inspectorate Executive team not to attend future meetings as the Care Inspectorate is already adequately represented across our Executive team in this group. The Executive team will undoubtedly provide the Board with updates from this group in the future, as and when appropriate.

6.0 UNDERSTANDING THE BLUEPRINT FOR GOOD GOVERNANCE EVENT: 26 APRIL 2023

This event was centred around best practice governance from across various organisations used as a template. There were more than 200 attendees both attending in person and virtually, with vast majority attending virtually. I will separately communicate with Board on key outputs from this event, but it largely concurred with how we currently operate as a Board, ensuring we have succession planning and appropriate skills and experience around the table at all times to ensure continued effectiveness.

7.0 SCOTTISH SOCIAL SERVICES COUNCIL (SSSC) MEMBERS' CONFERENCE: 27 APRIL 2023

The conference was really well attended by both SSSC staff and Council members with guest speakers from Workflexibly. It was split into two distinct sessions, morning and afternoon. The key takeaways were on providing staff with a summary of the new 2023-26 strategic plan, information on how the organisation was going to work 'agile', and for staff and Council members to interact and physically see one another, which for many individuals, was the first time since pandemic commenced. The event was really positive and testament to the hard work which Sandra Campbell, Maree Allison, and the wider Executive team put in to organising and hosting. It was a great opportunity for me personally to meet SSSC staff from all areas, introduce myself, and hear their stories and ambitions. A very worthwhile event.



Title:	CHIEF EXECUTIVE'S REPORT
Author:	Jackie Irvine, Chief Executive
Appendices:	None
Consultation:	N/A
Resource Implications:	No

EXECUTIVE SUMMARY
The Chief Executive's report to the Board underpins the successful delivery of the Care Inspectorate's Corporate Plan. This quarterly update highlights significant developments and new or completed activities that directly support the Corporate Plan and its strategic outcomes.
The Board is invited to:
1. Note the information contained in the report.

Links	Corporate Plan Outcome (Number/s)		Risk Register (Yes/No)	
For Noting	<input checked="" type="checkbox"/>	For Discussion	<input type="checkbox"/>	For Assurance
			<input type="checkbox"/>	For Decision
				<input type="checkbox"/>

Equality Impact Assessment		
Yes <input type="checkbox"/>	Not Yet <input type="checkbox"/>	No <input checked="" type="checkbox"/>
		Reason: Not required, this is an update report.

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report: Not applicable – this is a public board report.
Disclosure after: N/A

BOARD MEETING 11 MAY 2023

Agenda item 8
Report No: B-02-2023/24

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
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f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
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CHIEF EXECUTIVE'S REPORT

1.0 COLLABORATIVE/PARTNERSHIP WORKING

1.1 Learning Review Liaison Group

The fourth, quarterly meeting of the Learning Review Liaison Group was held in February. This group, initiated by us, includes representatives from Scottish Government and Child Protection Committees Scotland. Its purpose is to consider recommendations and findings from learning reviews that have national practice or policy implications and seek ways to address these. For example, the group has been considering the need for staff learning and development opportunities to increase awareness and good practice in relation to gender dysphoria in children and young people.

1.2 Early Childhood Ireland Conference

We attended a conference as a keynote speaker for Early Childhood Ireland, sharing a journey as an inspector with a focus on outdoor play. Ireland's Minister for Children, Equality, Disability, Integration and Youth, Roderic O'Gorman, highlighted that Ireland has "much to learn from the Care Inspectorate". A subsequent request was made for a follow up interview with the Irish Times, and this was undertaken on the 19 April.

1.3 Creative Leadership in Childhood Practice Conference

We contributed to Glasgow University's first annual conference - Creative Leadership in Childhood Practice: inspiring pedagogical innovation, our input was with a focus on innovation. The event was opened by the then Children's Minister Claire Haughey. Another speaker - Dr Sandra Ferguson, Associate Director for Psychology at NHS Education for Scotland, and the lead for the National Trauma Training Programme, has asked to establish links with the Care Inspectorates' role as a trauma informed organisation.

University of Glasgow's Dr Paul McCrorie also attended and has asked to link with the Care Inspectorate in relation to research he is currently undertaking in outdoor learning and children's health outcomes; he is looking at how using a systems approach can maximise the use of resources that have the greatest impact on outcomes for children. This approach "Leveraging Best Systems Approach" could also be explored in other sectors including Adults and CYP. Paul will link with our outdoor play group.

1.4 Collaboration with Care Quality Commission and Care Inspectorate Wales Care at Home

We have been working with the Care Quality Commission and Care Inspectorate Wales looking at sharing of good practice in inspecting care at home services.

We shared resources and the feedback to our framework, core assurances, and approach was praised. We have quarterly meetings to discuss mutual areas of work and collaborate on sharing practice.

1.5 Viability Group for Care Homes - Scottish Government

The Chief Inspector, Adults has joined the Scottish Government viability group for social care. This strategic group looks at intelligence, risk and supports strategic planning to address issues. We have shared our learning from care home closures and the toolkit developed with Health and Social Care Partnerships which we published in April.

1.6 Joint Work with Health and Safety Executive (HSE), Fire Safety and Environmental Health

We have been working with HSE to share intelligence and develop a system for sharing information. Meetings have been held and we have led the development of a webinar for care homes from regulators on findings from adverse events. This event will involve the HSE, The Scotland Fire and Rescue Services (SFRS), Environmental Health and the Care Inspectorate and is being held this month.

1.7 UK National Preventative Mechanism (NPM)

The Executive Director of Scrutiny and Assurance attended the UK National Preventative Mechanism Annual Conference in Belfast. The UK NPM exists by virtue of the United Nations Optional Protocol to the Convention Against Torture and other cruel, inhuman, or degrading treatment or punishment. The Care Inspectorate is one of the groups of 21 UK independent scrutiny bodies designated by Ministers to inspect, monitor and visit places of detention that forms the UK NPM.

1.8 Large Provider Group Meetings

During this quarter the Executive Director of Scrutiny and Assurance and the Chief Inspector Adults met with the Chief Executives and Senior Management Teams of two large provider groups, to discuss their plans for future development and improvement.

1.9 Care Inspectorate Wales – Provider Registration

In March the Executive Directorate of Scrutiny and Assurance met with the Deputy Chief Inspector of Care Inspectorate Wales having read about their provider registration legislation. Whilst it was a first meeting / discussion there was merit in some further consideration around potential of a similar approach in Scotland. As a result, we met with Dame Sue Bruce and Stuart Currie in April and shared this with them. We also shared this with our Sponsor Team for consideration. Care Inspectorate Wales has agreed to provide a formal

presentation and discussion on this to Dame Sue Bruce, Stuart Currie and our Strategic Leadership Group.

1.10 Occupational Therapy Student Placements

Two fourth year Occupational Therapy students from Glasgow Caledonian University have just completed an eight-week practice education placement with the Health and Social Care Improvement team. The students contributed to a national webinar on occupational justice and meaningful activity which attracted 180 participants as well as delivering CAPA workshops and supporting two services to introduce a new approach to supporting people experiencing care to engage in activities.

1.11 Scottish Child Abuse Inquiry

We continue to engage with and endeavour to assist the Scottish Child Abuse Inquiry. Doing so continues to place substantial demands upon the organisation, in particular upon its Legal and Business Support teams. We are currently dealing with a request for detailed information covering approximately 30 specific care services, and for the provision of a detailed report, all in preparation for hearings planned for later this year relating to secure accommodation and services of a similar nature. At times in recent months, significant numbers of our Business Support staff have been required to be redeployed to support this work, with these staff also having to do overtime to meet the Inquiry deadlines.

1.12 Covid-19 Inquiries

We were invited to provide a detailed response to a range of questions from the Scottish Covid-19 Inquiry and have done so. Our engagement with the UK Covid-19 Inquiry has thus far been limited.

2.0 WORKFORCE DEVELOPMENT AND PARTNERSHIP FORUM ENGAGEMENT

2.1 Pay Award

Following consideration of the two alternative proposals by Scottish Government, we confirmed to our recognised trade unions in March that we could not better the offer made on 8 December 2022.

The trade unions then undertook consultative processes with their respective members and decided to reject the pay offer. We are now re-entering negotiations with the trade unions on the pay award with any potential changes requiring approval by Scottish Government.

Given timings, we agreed with our trade unions that an interim payment would be made to staff in March based on the proposed offer. This was paid to all staff in March 2023 and backdated from April 2022. The rejection of the offer by the

trade unions does not affect the interim award applied to salaries in the March payment.

3.0 POLICY AND STRATEGIC DEVELOPMENT

3.1 National Care Service (Scotland) Bill

In June 2022, the National Care Service (Scotland) Bill was introduced to the Scottish Parliament by the Scottish Government. We continue to monitor the progress of the Bill. Most recently, the new Minister for Social Care, Mental Wellbeing and Sport, Maree Todd, wrote to the Health, Social Care and Sport Committee regarding the timetable for the Bill. She said the Scottish Government will be using time in the summer recess to find compromise and reach consensus with those who have raised concerns with the Bill. There is therefore a proposal to extend the Bill's Stage 1 deadline beyond June 2023. A series of regional forums will be held during the summer, providing an opportunity for Ministers and officials to engage directly with people with lived experience of accessing and delivering social care support locally.

3.2 Independent Review of Inspection, Scrutiny and Regulation

In September 2022, the Scottish Government announced it had commissioned an Independent Review of Inspection, Scrutiny and Regulation across social care support services. Since submitting our organisational response to the Review's call for evidence, we have facilitated a meeting with the Board and the Strategic Leadership team to discuss issues relevant to our work and their review. The Senior team has also had the opportunity to meet further with Dame Sue Bruce and Stewart Currie which has been very welcome.

3.3 Children (Care and Justice) (Scotland) Bill

The Children (Care and Justice) (Scotland) Bill was introduced to Parliament by the Scottish Government in December 2022. Among a range of provisions, the Bill introduces measures relating to the framework for approval of secure accommodation and the registration of relevant care services with the Care Inspectorate, with a view to addressing issues in relation to the hosting of cross border placements.

During Q4, the organisation responded to a call for evidence on the Bill and I gave evidence to the Scottish Parliament's Education, Children and Young People Committee in April alongside Social Work Scotland, COSLA, Children's Hearings Scotland, and the Information Commissioner's Office.

The wide-ranging session covered a number of areas, including the definition of a child, the complex issues around transportation of children, cross border placements, the financial implications of the Bill, information sharing, and the impact on the Children's Hearing System. During the session, I noted that we will be publishing our review of the Secure Care Pathway and Standards later this

year, which looks at before, during and after care, and noted our concerns at the proposal to create additional standards that would sit outside the already established Health and Social Care Standards.

3.4 Ministerial Visit

In April the Executive Director of Scrutiny and Assurance joined the new Health Secretary Michael Matheson at an award-winning Greenock Care Home. The Bagatelle Care Home is one of two operated by the Greenock Medical Aid Society. Their “meaningful visits” team, set-up during the pandemic to ensure residents had regular, safe contact with loved ones, won the Nursing Older People Award at the Royal College of Nursing Awards 2021. The most recent Care Inspectorate Inspection report had highlighted this good practice.

3.5 Visiting in Care Homes SG National Group

A Service Manager, Adults continues to represent the Care Inspectorate during meetings convened by Scottish Government to develop the draft directions on visiting, which will be aligned to the National Care Service Bill. They have worked to ensure a human rights-based approach is adopted, balancing absolute and qualifiable rights of life and family. Their input into this has resulted in further exploration into the matter, and amendments to the draft directions to place people experiencing care at the centre.

3.6 Anne’s Law

As part of our lead work on the Anne’s Law project on meaningful connection (working with Scottish Government and the care home relatives group), we have:

- Completed a literature review focusing on meaningful connection for people experiencing care in care home settings. This has been peer reviewed by the University of Edinburgh.
- Developed a self-evaluation tool for the use in care homes to evaluate and enhance meaningful connection. We will roll this out to the sector with webinars.
- Developed and implemented a new core assurance and trigger tool for use by inspectors during their scrutiny work.
- Launched a new area of our website, which is dedicated to promoting and signposting information on rights, standards and good practice to support meaningful connection with loved ones and communities for people living in care homes for older people and care homes for adults.
<https://www.careinspectorate.com/index.php/visiting-meaningful-connection-anne-s-law>

4.0 RESOURCES

4.1 Technology Enabled Care (TEC)

The Technology Enabled Care (TEC) workstream in the Improvement Support team has secured funding for Phase 2 of PainChek. PainChek is a digital app pain assessment tool. In addition to the Senior Improvement Adviser (TEC), the Care Inspectorate will provide input from two Senior Improvement Advisors from within the Health and Social Care Improvement Team (Medicines and Allied Health Professionals) to support the delivery of the spread and scaling up of this work.

4.2 Early Learning and Childcare (ELC) Improvement Programme

The Early Learning and Childcare (ELC) improvement programme has secured an extension of one year's funding from Scottish Government. The ELC Improvement Programme was established with the aim to support funded ELC settings across Scotland to improve the quality of ELC provision and meet the National Standard. In 2023/24 the targeted programme will run four cohorts of learning, reaching 120 services.

4.3 Care About Physical Activity (CAPA) Programme

The Care About Physical Activity (CAPA) programme has received an extension of funding until the end of March 2024. This funding will allow the Senior Improvement Adviser and one Improvement Adviser to continue working with social care services in remote, rural and island settings, as well as supporting family carers to encourage people experiencing care to remain as active and engaged in meaningful activities as possible.

4.4 Safe Staffing Programme

Scottish Government confirmed the continuation of grant funding for the Safe Staffing programme for 2023/24. This includes funding for two additional posts to enable us to expand the programme, increase stakeholder engagement and collaborate with the sector to increase knowledge and understanding of workforce planning in preparation for enactment of legislation in April 2024.

5.0 ORGANISATIONAL TRANSFORMATION

5.1 Stage 2 Digital Programme

The Stage 2 digital programme has continued to make steady progress. Since the last update we have now formally started the recruitment campaign for a Senior Business Owner- Transformation. This will be a critical role for the programme to maintain a business led approach to the delivery. Several discussions have also taken place on the governance arrangements that we will be putting in place to ensure the programme is managed appropriately. We have

also agreed with the Chair to give Board members an overview of the scope of the Stage 2 Business Case, and we are working on securing appropriate time for that discussion to take place as quickly as possible.

5.2 Performance Reporting

As planned, we have started to roll out operational monthly performance reporting dashboards to our senior colleagues from the Business Intelligence & Analysis team. These dashboards will assist and support our operational colleagues on focussing and taking the right operational actions to ensure we strive to continue to meet our agreed key performance areas. These reports will be a very valuable tool for the organisation that we will continue to monitor and evolve and ensure it delivers value.



Title:	MONITORING OUR PERFORMANCE 2022/23 – QUARTER 4 REPORT		
Authors:	Ingrid Gilray, Intelligence and Analysis Manager Al Scougal, Senior Intelligence Analyst Kaisha Wallace, Intelligence Researcher		
Responsible Director:	Gordon Mackie, Executive Director of IT, Transformation and Digital		
Appendices:	1.	Key Outcome Indicators (KOIs) and Scrutiny and Assurance Activities	
	2.	Technical notes	
Consultation:	N/A		
Resource Implications:	No		

EXECUTIVE SUMMARY

This report presents the Q4 2022/23 summary report on our performance. This is the first of a new style of performance report, which focusses primarily on performance against the organisation's KPIs.

Of the 8 Key Performance Indicators (KPIs) detailed in the Corporate Plan 2022-25, at the end of Q4 2022/23:

6 met or exceeded target.

2 were not assessed against target (both new in 2022/23).

This report provides a statistical account of performance against our KPIs and KOIs noting any remedial action where performance is below target. A broader account of our work in support of our strategic objectives is set out in the Chief Executive's report.

The Board is invited to:

1. Discuss and note the report.

Links	Corporate Plan Outcome (Number/s)	1,2,3,4	Risk Register (Yes/No)	Yes			
For Noting	X	For Discussion	X	For Assurance		For Decision	

Equality Impact Assessment		
Yes <input type="checkbox"/>	Not Yet <input type="checkbox"/>	No <input checked="" type="checkbox"/> Reason: Screening completed, and full assessment not required.

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report: N/A – This is a public Board report.
(see *Reasons for Exclusion*)

Disclosure after:

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
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MONITORING OUR PERFORMANCE 2022/23 - QUARTER 4 REPORT**1.0 INTRODUCTION / BACKGROUND****Structure of this report**

This report sets out our performance against our agreed performance measures, under each of the four strategic outcomes in our Corporate Plan 2022-25.

Further information on the work we have undertaken to deliver our strategic outcomes can be found in the Chief Executive's report to the Board.

The director with lead responsibility for action is noted under each measure. Our four strategic outcomes to achieve our vision for world-class social care and social work in Scotland, where everyone, in every community, experiences high-quality care, support and learning, tailored to their rights, needs and wishes are:

- High-quality care for all
- Improving outcomes for all
- Everyone's rights are respected and realised
- Our people are skilled, confident and well supported to carry out their roles

Types of performance measure

Our performance measures are split into two types: Key Performance Indicators (KPIs) which are specific and quantifiable measures against which the Care Inspectorate's performance can be assessed, and Key Outcome Indicators (KOIs) which are measures that the Care Inspectorate aims to influence by its work, but which it may have limited control over. A summary of performance against our KPIs is in the report below and performance against KOIs and other metrics is in appendix 1.

Detailed notes on the different types of performance measures we use and on how to interpret the charts used in this report are in appendix 2.

Summary of performance

This table shows a summary of performance for the **year to date** for each KPI.

Strategic outcome: High-quality care for all	Strategic outcome: Improving outcomes for all	Strategic outcome: Our people are skilled, confident and well supported to carry out their roles
KPI-1: % of people telling us that our scrutiny will improve care 95.2%	KPI-4: % of people telling us that our quality improvement support will improve care 94.2%	KPI-5: % staff completing core learning 69% for Data Protection, Equalities and Cyber Security
KPI-2: % scrutiny hours spent in high and medium risk services 69.8%		KPI-6: % staff absence 4.8%
KPI-3: % of complaints about care that were resolved within the relevant timescales (includes all methods of resolution) 81.5%		KPI-7: % staff turnover 9.8%
		KPI-8: Days per quarter that inspection volunteers and care experienced people are involved in our work 122.1 days
Colour code: Target achieved Slightly below target Significantly below target Initial reporting		

2.0 SUMMARY OF YEAR TO DATE PERFORMANCE UP TO 31 MARCH 2023

Strategic outcome: High-quality care for all

KPI-1: % of people telling us that our scrutiny will improve care		Ex Dir. Scrutiny & Assurance
Q4 to date (Target 90%)	95.2% (105 responses)	
KPI/KOI links:	KPI-4	
Analysis: <ul style="list-style-type: none"> Target met. 95.2% of respondents agreed our scrutiny will improve care in 2022-23. Paper surveys for the inspection process were introduced during Q2, resulting in a small increase in responses. Actions: <ul style="list-style-type: none"> Increase response rates: Promote surveys & deliver online inspection feedback surveys. 		

KPI-2: % scrutiny hours spent in high and medium risk services		Ex Dir. Scrutiny & Assurance
Q4 to date (Target 50%)	69.8% (126,167 of 180,722 hours)	
KPI/KOI links:	KPI-2, KOI-1, KOI-3	
Analysis: <ul style="list-style-type: none"> Performance remains above target and on trend. % of hours in high/medium risk services fell in Q4 compared to Q3. Actions: <ul style="list-style-type: none"> For 2023/24, the Board have approved a new target range which will highlight if the time spent in higher risk services is more or less than expected. 		

KPI-3: % of complaints about care resolved within relevant timescales		Ex Dir. Scrutiny & Assurance
Q4 to date (Target 80%)	81.5% (1,762 of 2,163)	
KPI/KOI links:	KPI-2, KPI-6	
Analysis: <ul style="list-style-type: none"> Performance is above target. 		

<ul style="list-style-type: none"> Performance has improved overall this year following successful recruitment and induction periods. <p>Actions:</p> <ul style="list-style-type: none"> We continue to support people to raise concerns and assess all concerns and complaints to ensure they are dealt with appropriately.

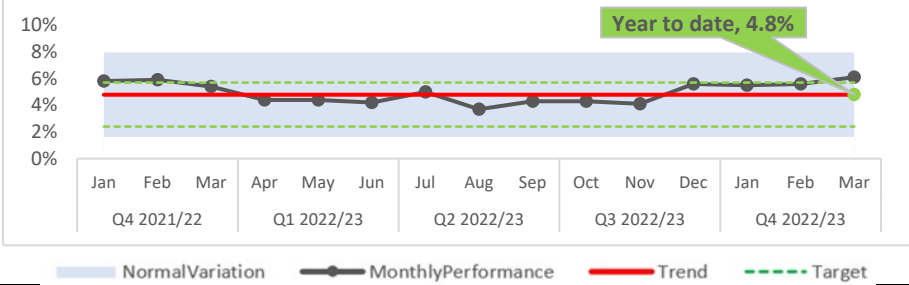
Strategic outcome: Improving outcomes for all

KPI-4: % of people telling us that our quality improvement support will improve care	Ex Dir. Strategy & Improvement
Q4 to date (Target TBC)	94.2% (860 responses)
<i>KPI/KOI links:</i>	KPI-1
<p>Analysis:</p> <ul style="list-style-type: none"> High level of performance. Year to date performance is above proposed new target of 90%. <p>Actions:</p> <ul style="list-style-type: none"> Ongoing work to check with services four months later, to establish if the quality improvement support work improved care, with the aim of using this metric as future KPI. 	

Strategic outcome: Our people are skilled, confident and well supported to carry out their roles

KPI-5: % staff completing core learning	Ex Dir. Strategy & Improvement
Q4 to date (Target 85%)	69% for Data Protection, Equalities and Cyber Security (Stay Safe Online)
<i>KPI/KOI links:</i>	N/A
<p>Analysis:</p> <ul style="list-style-type: none"> Performance is below target. Compliance for individual training programs is relatively high (79-85%) but drops when all programs are grouped together. Health and Safety training has been migrated to Learning Management System (LMS) but staff have until end of Q1 23/24 to complete. <p>Actions:</p> <ul style="list-style-type: none"> Implementing a new process to automatically reissue core learning to staff. Developing dashboards to give line managers access to compliance data to support staff. Submitting a report to Operational Leadership Team to propose an approach for managing core learning requirements. 	

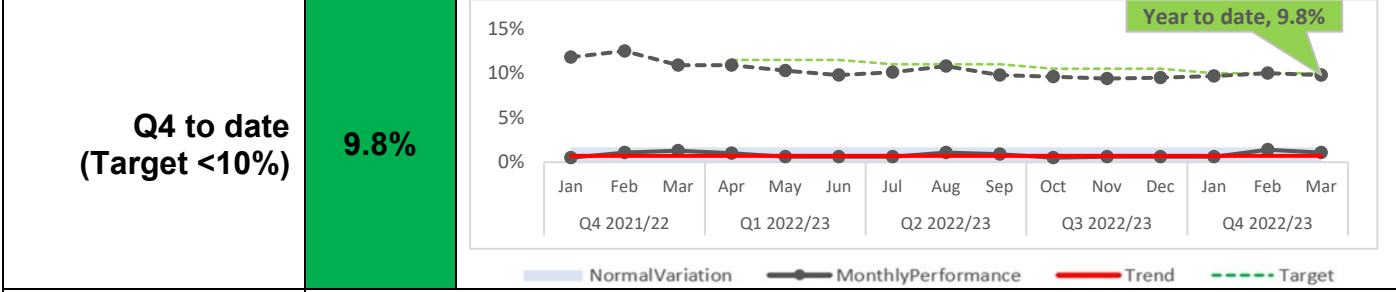
KPI-6: % staff absence	Ex Dir. Corporate and Customer Services
Q4 to date (Target 2.4-5.7%)	4.8%
<i>KPI/KOI links:</i>	KPI-2, KPI-3, KPI-7
<p>Analysis:</p> <ul style="list-style-type: none"> Performance remained within the acceptable target range. Compared to Q3 2022-23, long-term absence and mid-term absence increased, and short-term absence decreased. 	



Actions:

- Actively promoting staff health and wellbeing and supporting managers to manage absence effectively.

KPI-7: % staff turnover (monthly and rolling) Ex Dir. Corporate and Customer Services



KPI/KOI links: KPI-2, KPI-3, KPI-6

Analysis:

- We met our target of less than 10% by the end of 2022/23.
- The number of leavers in Q4 increased compared to the rest of the year.

Actions:

- Continue to monitor performance.

KPI-8: Days per quarter that inspection volunteers and care experienced people are involved in our work Ex Dir. Strategy & Improvement



KPI/KOI links: N/A

Analysis:

- Target met. 17% higher than Q4 2021/22.
- During Q4 alone, inspection volunteers were involved in our work on 124 days.

Actions:

- Continue to build on on-site inspection activity for 2023/24.
- Working to increase the number of volunteers who support our work.

3.0 IMPLICATIONS AND/OR DIRECT BENEFITS

In addition to the performance measures reported here, the following annual reports will be submitted separately to the Board:

- Annual health and safety report
- Annual reporting statement on compliance with information governance responsibilities
- Annual reporting on our progress against the public sector equality duty
- Budget monitoring, billing of care providers, debt analysis
- Annual procurement performance

3.1 Resources

There are no additional resource implications arising from this report.

3.2 Sustainability

There are no direct sustainability implications arising from this report.

3.3 How does this report directly/indirectly improve the provision of care?

This report relates to the monitoring of performance against the Care Inspectorate Corporate Plan 2022-25. This evidences the performance of the organisation in delivering strategic outcomes and as such provides a level of assurance and protection for people who experience care.

3.4 Customers (Internal and/or External)

This report includes a number of measures of customer satisfaction.

4.0 CONCLUSIONS/NEXT STEPS

The Board is invited to note and discuss this report.

Key Outcome Indicators (KOIs) and Scrutiny & Assurance activities

Strategic outcome: High-quality care for all

KOI-1: % services with good or better grades (across all KQs)		Ex Dir. Scrutiny & Assurance
Q4 to date	84.6%	
KPI/KOI links:	KPI-2, KOI-3, KOI-4, KOI-5, KOI-6	
Analysis: <ul style="list-style-type: none"> Performance continued to fall gradually to 84.6% of registered services, with a further small but statistically significant drop compared with Q3 (85.1%). Actions: <ul style="list-style-type: none"> Continue to focus scrutiny using intelligence and risk led approaches focusing on high risk services. 		

KOI-2: % of services with good or better grades at first inspection following registration		Ex Dir. Scrutiny & Assurance
Q4 to date	64.5% (273 of 423)	
KPI/KOI links:	KOI-1	
Analysis: <ul style="list-style-type: none"> Performance remains within range of expected variation. Drop in performance in March. Actions: <ul style="list-style-type: none"> Investigate any common themes for newly registered services not graded at least good at first inspection. 		

KOI-3: Average time a service continues to have a grade of less than adequate		Ex Dir. Scrutiny & Assurance
Q4 to date	9.8 months	
KPI/KOI links:	KPI-2, KOI-1	
Analysis: <ul style="list-style-type: none"> Performance remains within range of expected variation. Performance has gradually declined throughout the inspection year. Actions: <ul style="list-style-type: none"> Investigate any common issues in services which have been graded less than adequate for longer than 12 months. 		

KOI-4: % of services with expected grades or better		Ex Dir. Scrutiny & Assurance
Q4 to date	82.2% (1,178 inspections)	
KPI/KOI links:	KPI-2, KOI-1, KOI-3	
Analysis: <ul style="list-style-type: none"> Performance remained high during Q4 with 90.4% of services getting good or better grades as expected. Actions: <ul style="list-style-type: none"> Investigate common themes where services were not graded at least as good as expected. 		

Scrutiny and assurance activity

The following tables show the volume of key scrutiny and assurance activities.

Registered care services

	Number completed Q4 Year to Date 21/22	Number completed Q4 Year to Date 22/23	2022/23 vs 2021/22 year to date % change
Inspections completed	2,424	4,068	68%
Serious concern letters issued	56	46	-18%
Improvement notice enforcements	36	45	25%
Notice to cancel enforcements	6	8	33%
Total complaints resolved (not inc. concerns logged as intelligence)	1,669	2,163	30%
New registrations completed	456	403	-12%
Number of variations completed (not inc. typographical changes)	1,699	1,615	-5%

Strategic Inspections

	Number completed (published during 22/23) Q4 Year to Date 22/23
Inspections completed	23
Total staff survey responses	10,056
Total people experiencing care engaged with	1,201
Total number of case files read	2,282
Number of serious incident reviews, initial or serious case reviews, and learning reviews received	141

Strategic outcome: Improving outcomes for all

KOI-5: % of services with >90% of people telling us they are happy with the quality of care and support they receive		Ex Dir. Scrutiny & Assurance
Q4 to date	78.5% of services (237 services, 6,216 respondents)	
<i>KPI/KOI links:</i>	KOI-7	
Analysis:		
<ul style="list-style-type: none"> 78.5% of services had 90% or more respondents telling us they were happy with the quality of care and support they receive. 		
Actions:		
<ul style="list-style-type: none"> Increase response rates: Promote survey; deliver paper feedback surveys. 		

Improvement support and external communications summary year to date

	Number Q4 Year to Date 22/23
External improvement support events	132
Internal improvement support events	6
Number of unique services engaged	371
Number of individuals engaged (from Q2)	3,307
Website page views – Total / Unique	9,853,513 / 6,813,994
Hub page views – Total / Unique	461,868 / 322,190

Strategic outcome: Everyone’s rights are respected and realised

KOI-6: % services good or better for ‘How well do we support people’s wellbeing’		Ex Dir. Scrutiny and Assurance
Q4 to date	90.4%	
KPI/KOI links:	KOI-1, KPI-2, KOI-3, KOI-4, KOI-5	
Analysis: <ul style="list-style-type: none"> Trend indicates gradual small decline in this measure. Like KOI-1, we have seen a small decline in this measure over the past year. We have continued to focus on inspecting services where concerns about quality of care are greatest, and the grades of these services are more likely to fall as a result. Actions: <ul style="list-style-type: none"> Continue to inspect following intelligence and risk led approach. 		

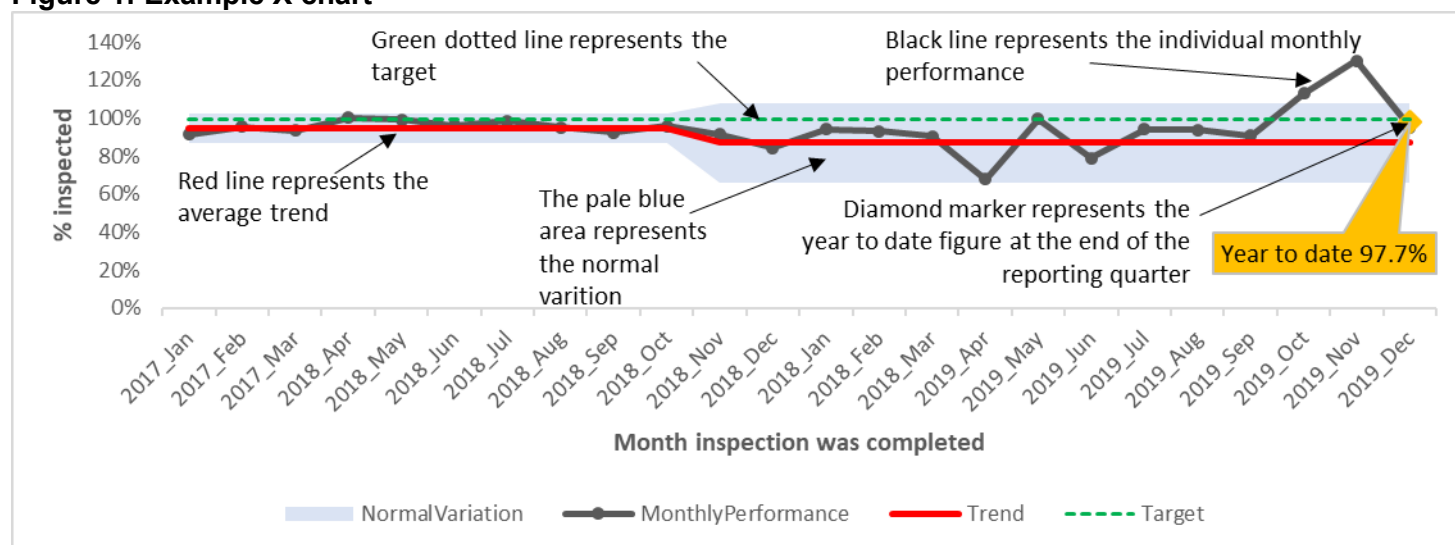
KOI-7: % of services with >90% of people telling us they make decisions about their own care		Ex Dir. Scrutiny and Assurance
Q4 to date	72.9% (258 services, 6,306 respondents)	
KPI/KOI links:	KOI-5	
Analysis: <ul style="list-style-type: none"> 72.9% of services had 90% or more respondents telling us they make decisions about their own care. Actions: <ul style="list-style-type: none"> Increase response rates: Promote survey; deliver paper feedback surveys. 		

Technical Notes

Notes on presentation

For some of the KPIs and KOIs a specific type of chart has been used to determine whether performance is within normal statistical control limits. This will help us to understand whether any month-to-month variation in performance is persistent and reflects a real change, or whether it is within an expected range of variation we would expect to see. The chart used is called an XmR chart and typically displays two charts (X chart and mR chart) for a measure. For simplicity and clarity, only X charts are displayed in the report whilst the mR charts have been used internally to aid analysis of performance. An X chart shows performance over time, average over time and upper and lower statistical control limits (see Figure 1 below).

Figure 1: Example X chart



The black line with markers shows a measure's performance over time whilst the red solid line shows the average performance for that measure for the first 6 time periods (months in the example above). The pale blue shaded area represents the range of routine variation and falls between the upper and lower statistical control limits. The green dotted line indicates the target for the KPI and a diamond marker with text box shows the year to date performance at the end of the quarter. If a measure's performance is consistently above or below the average line (8 consecutive time periods, 10 out of 12 or 12 out of 14 etc.) or it is near/outwith the control limits for 4 consecutive points then we can be confident there has been a real change in performance. The average line and control limits are then recalculated from the first period the change in performance started to show the new level of performance. Note also that, while we would usually follow good practice and start all vertical axes on charts at 0, in some cases we have not done this in order to focus on small but significant changes. Please be aware that this can make small changes appear much bigger visually than they actually are.

This report generally uses percentage points (%-points) to illustrate changes in performance. Percentage points reflect an absolute change (the difference in performance between two time periods) e.g. if the % of complaints investigated in relevant timescales was 40% in Q1 and 50% in Q2 the percentage points change would be 10 percentage points (%-points). This is different to percentage change which shows the relative change in performance (the difference in performance between two time periods as a percentage of performance in the earlier time period) e.g. if the % of complaints investigated in relevant timescales was 40% in Q1 and 50% in Q2 the percentage change would be 25%.



Title:	ANNUAL REPORT AND ACCOUNTS AND FINANCIAL POSITION UPDATE	
Author:	Kenny Dick, Head of Finance and Corporate Governance	
Responsible Director:	Jackie Mackenzie, Executive Director of Corporate and Customer Services	
Appendices:	1.	Movement in Projected Financial Position from last report to Board
	2.	Grant Funding Summary March 2023
	3.	Debt Analysis 2022/23
	4.	Debt Write Off 2022/23
Consultation:		
Resource Implications:	Yes	

EXECUTIVE SUMMARY

This report provides an update on the progress of the 2022/23 Annual Report and Accounts and the projected financial position for the year to 31 March 2023.

We are progressing the preparation of the 2022/23 Annual Report and Accounts and we are on track to submit to external auditors in accordance with the agreed timescales.

The projected outturns contained in this report reflect the 2022/23 pay remit previously approved by the Scottish Government's Pay Policy Unit. An interim pay award was made in employees' March salaries. Negotiations with the trade unions continue, with any changes to the interim award already paid requiring approval by the Scottish Government. The Sponsor agreed in March 2023 to provide additional grant of £2.000m to support the pay remit and other cost pressures.

As we are still preparing and reviewing the final year end transactions, the projected financial position is based on our ledger position at the end of February 2023. After expenditure delayed from 2021/22, additional core grant budget and adjustments and virements are accounted for, the projected financial position is a surplus of £0.034m. The Sponsor provided additional grant funding to support the 2022/23 pay remit and other cost pressures. This means we will not need to call on the £0.738m letter of comfort funding which was agreed at the start of the financial year. This will deliver a deficit which is £2.191m lower than the revised budgeted deficit.

The projected net expenditure position has decreased by £0.623m from the position reported to the Board on 30 March 2023 (which was based on the ledger to 31 January 2022). A summary of the movement in projected financial position is shown in Appendix 1 of this report.

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Report Number: B-04-2023/24

The Board is invited to:	
1.	Note the draft Annual Report and Accounts are expected to be completed and ready for submission to the external auditors on 11 August 2023.
2.	Note the projected financial position for the 2022/23 financial year.
3.	Note the effective 2022/23 income collection and debt management activity.
4.	Note the budget position including identified risks for 2023/24.

Links:	Corporate Plan Outcome (Number/s)	All	Risk Register (Yes/No)	Yes			
For Noting	<input checked="" type="checkbox"/>	For Discussion	<input checked="" type="checkbox"/>	For Assurance	<input type="checkbox"/>	For Decision	<input type="checkbox"/>

Equality Impact Assessment		
Yes <input type="checkbox"/>	Not Yet <input type="checkbox"/>	No <input checked="" type="checkbox"/> Reason: This report is for information and there is no direct impact on people with protected characteristics.

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report: N/A – this is a public Board report. <i>(see Reasons for Exclusion)</i>
Disclosure after:

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

BOARD MEETING 11 MAY 2023

Agenda item 10
Report Number: B-04-2023/24

FINANCE UPDATE**1.0 INTRODUCTION**

This report is to advise the Board on:

- The progress of the Annual Accounts and the latest projected financial position for 2022/23
- The income collection and debt management position for 2022/23
- The budget position for 2023/24

2.0 ANNUAL REPORT AND ACCOUNTS PROGRESS**2.1 Submission to External Audit**

Responsibility for the preparation of the Annual Report and Accounts is shared between several officers. The preparation of the Annual Report and Accounts is progressing satisfactorily, and it is expected that the draft documents will be submitted to our external auditors (Deloitte) for auditing purposes on 11 August 2023 in accordance with the agreed timetable.

2.2 2022/23 Projected Outturn

As noted in 2.1 above, the preparation of the 2022/23 financial statements is progressing satisfactorily. Given this Board meeting is taking place relatively early in the annual accounts process, the projected financial outturns are based on the ledger as at 28 February 2023. This is compared to the projected financial position previously reported to the Board on 30 March 2023, with the movements explained in Appendix 1.

2.3 Draft Summary Financial Position

The approved 2022/23 budgeted deficit of £2.046m has been amended for the following during the year to give a revised budgeted deficit of £2.157m, as follows:

	£m
Approved 2022/23 budgeted deficit	2.046
Adult Significant Case Review funding (£0.025m) and associated expenditure (£0.056m) transferred as part of core grant in aid	0.031
2021/22 expenditure incomplete before financial year end – funding carried forward in general reserve balance	0.100
Budget virement from core to grant funding in respect of new Inspector grade for Inspectors supporting grant funded programmes	(0.020)
Revised 2022/23 budgeted deficit	<u>2.157</u>

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The projected surplus of £0.034m detailed in the table below is a variance of £2.191m to the budgeted deficit position. As noted in the previous reports the projected outturn reflects the pay award originally proposed for 2022/23 (estimated at an additional cost of £1.341m). Following rejection of this pay offer however, further negotiations will now be entered into with the trade unions with potential changes again requiring approval by the Scottish Government.

	Approved 2022/23 Budget	Budget Virement and Adjustments 2022/23	Additional Core Grant 2022/23	Expenditure b/fwd from 2021/22	Revised 2022/23 Budget	Projected Expenditure	Variance
	£m	£m	£m	£m	£m	£m	£m
Staff costs	34.560	(0.280)	0.054	0.021	34.355	34.200	(0.155)
Accommodation costs	1.746	0.000	0.000	0.000	1.746	1.618	(0.128)
Administration costs	2.225	0.260	0.000	0.000	2.485	2.718	0.233
Travel costs	1.188	0.000	0.001	0.000	1.189	0.795	(0.394)
Supplies and services	1.952	0.000	0.001	0.079	2.032	1.923	(0.109)
Gross Expenditure	41.671	(0.020)	0.056	0.100	41.807	41.254	(0.553)
Grant in aid	(25.894)	0.000	(0.025)	0.000	(25.919)	(25.919)	0.000
Grant in aid - additional support	0.000	0.000	0.000	0.000	0.000	(2.000)	(2.000)
Fee income	(11.900)	0.000	0.000	0.000	(11.900)	(12.005)	(0.105)
Shared service income	(0.895)	0.000	0.000	0.000	(0.895)	(0.995)	(0.100)
Other income	(0.198)	0.000	0.000	0.000	(0.198)	(0.369)	(0.171)
Total Income	(38.887)	0.000	(0.025)	0.000	(38.912)	(41.288)	(2.376)
Net Expenditure before Letter of Comfort	2.784	(0.020)	0.031	0.100	2.895	(0.034)	(2.929)
Letter of Comfort	(0.738)	0.000	0.000	0.000	(0.738)	0.000	0.738
(Surplus) / Deficit	2.046	(0.020)	0.031	0.100	2.157	(0.034)	(2.191)

2.4 General Reserve Position

Our funding strategy provides a target for a general reserve balance of 1.0% to 1.5% of gross controlled expenditure. Based on the 2022/23 approved budget this is a range of £0.407m to £0.611m. With the additional £2.000m grant received to support the greater than budgeted pay remit and other pressures, our general reserve balance is projected to increase to £3.528m. This is £2.917m more than the maximum target balance.

The projected impact on the general reserve is as follows:

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	Revised Budget	Projected Position	Variance
	£m	£m	£m
Opening general reserve balance	3.289	4.060	0.771
2022/23 projected outturns:			
Operating Surplus / (Deficit)	(2.157)	0.034	2.191
2022/23 Grant Surplus / (Deficit)	(0.537)	(0.282)	0.255
Projected closing balance	0.595	3.812	
Less prepaid specific grant		(0.284)	
Available for general expenditure	0.595	<u>3.528</u>	2,933
Operational reserve target minimum (1.0%)		0.407	
Variance to target balance minimum (1.0%)		3.121	
Variance to target balance maximum (1.5%)		2.917	

The greater than anticipated general reserve opening balance and the additional grant received to fund the pay remit and other pressures means we have funded projected current year expenditure without the need to draw on the letter of comfort agreed with our Sponsor. The improved projected general reserve closing position will provide short term assistance towards our 2023/24 budget deficit.

2.5 Specific Grants

A deficit of £0.282m is projected on work funded by specific grants, as noted in Appendix 2. This is an underspend of £0.255m compared to the budgeted deficit (funded by prepaid grant held in the general reserve). Any unused grant in 2022/23 will be carried forward for use in the following year as part of our reserves.

We are continuing to engage with the Sponsor to convert short term specific grant funding into core grant in aid as appropriate.

The remainder of section 2 of this report focuses on the projected core budget financial position and the risks that remain until a final position for 2022/23 is established.

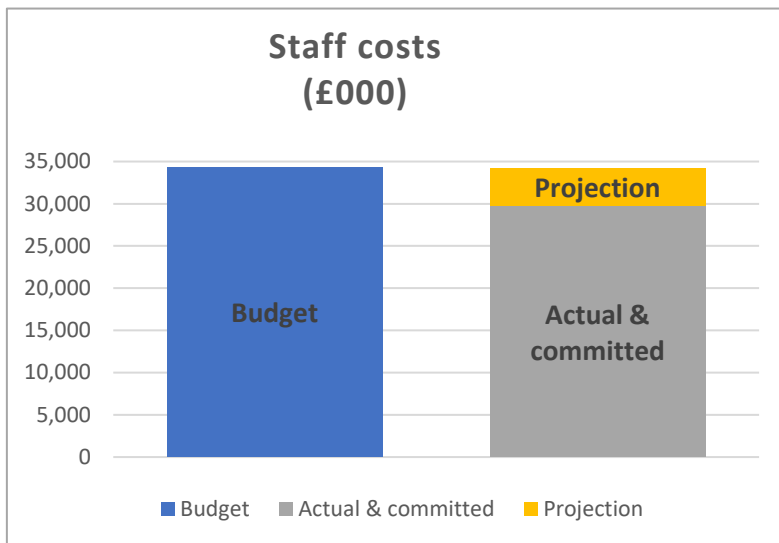
2.6 Staffing Update – Establishment Changes

The following permanent changes to the establishment have been approved since the 2022/23 budget was set:

Post (FTE / Grade)	Full Year Impact	Funding
Senior Methodology Adviser (1.0 FTE / Grade 8)	£63,518	Reduction of 1.13 Inspector FTEs within Methodology Team

2.7 Budget Variances

2.7.1 Staff Costs – projected underspend of £0.155m



The inclusion of the estimated additional cost of the pay remit has contributed £1.240m to the overall projected spend. In addition to this, there are a number of areas of over and underspend.

The main areas of underspend are:

- The cessation of the Health and Social Care Levy (HSCL) provides projected savings of £0.101m.
- Excluding the saving from the cessation of the (HSCL), a net underspend of £0.720m is projected in Scrutiny and Assurance. This is largely due to Inspectors vacancies (currently 9.42 FTE, which will not be filled until 2023/24). A similar estimated underspend of £0.755m is projected for Corporate and Customer Services.
- A saving of £0.033m on employers’ pension costs arising from the prepayment of expected contributions for 2022/23.
- Other budget variances totalling a net underspend of £0.171m.

These projected underspends have been partly offset by a projected overspend of £0.385m which comprises:

- A projected overspend of £0.178m which largely relates to the extension of temporary posts in Policy and Communications.

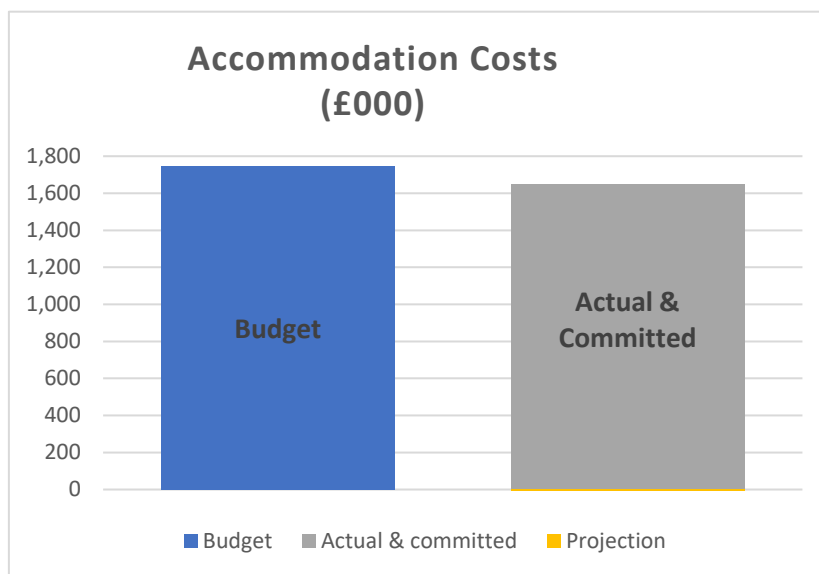
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- Backfill costs of £0.074m for Improvement Support staff on external secondments. This is offset in full by secondment income.
- The extension of the temporary Senior Information Analysts to 31 March 2023 at an additional cost of £0.032m.
- The extension of temporary IT and Digital Transformation agency staff to 31 March at an additional projected cost of £0.090m.
- An increase of £0.011m in the Apprentice Levy payable, recalculated to reflect the proposed pay settlement.

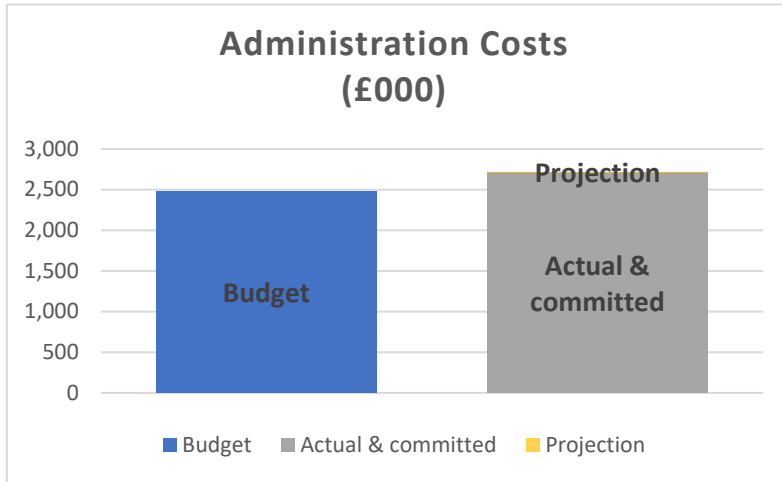
2.7.2 Accommodation costs – projected underspend of £0.128m



The budget set aside for Dunfermline and Stirling office moves is anticipated to underspend by £0.030m. This, along with a managed budget underspend of £0.040m, is to be used to purchase additional furniture and equipment that continues to be required for both new starts and existing employees to support hybrid working (see section 2.7.5).

An underspend of £0.058m is also projected for rent. Lease extensions in Dumfries, Dunfermline, Stirling and Elgin mean these leases are accounted for as assets, with a corresponding depreciation and interest charge reflected in Administration costs (see section 2.7.3).

2.7.3 Administration Costs – projected overspend of £0.233m

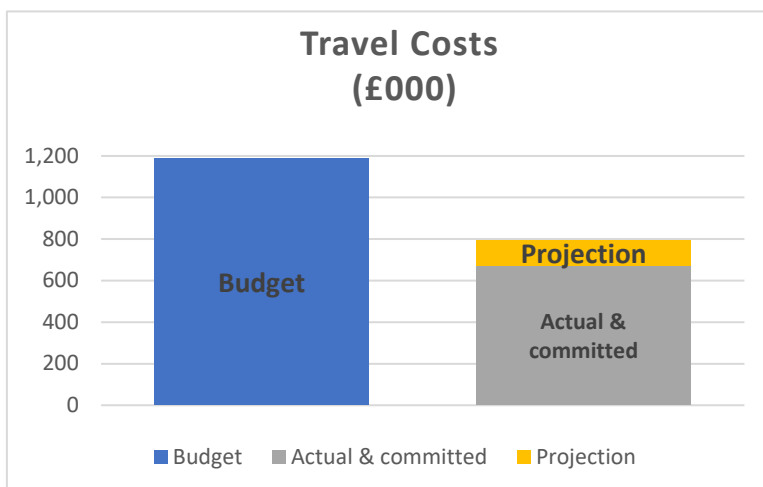


The projected overspend is primarily in professional fees to support the digital transformation programme to 31 March 2023. This includes developer, business analyst, Digital Architect and Scrum Master Services at an estimated cost of £0.479m.

Other administrative costs will overspend by £0.075m, reflecting the depreciation and interest associated with the lease of the Dumfries, Dunfermline, Stirling and Elgin offices. This presentation is a requirement of the recently introduced revised accounting treatment for leases.

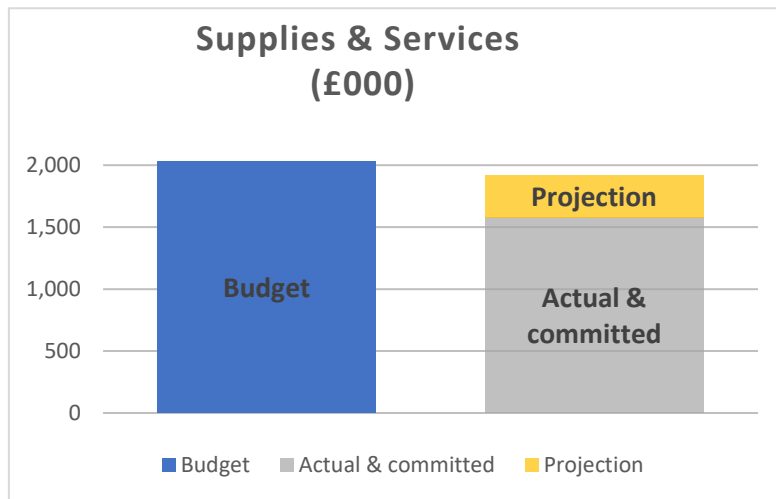
These overspends are partially offset by projected savings of £0.161m in legal fees budgeted for the Covid-19 and Historical Child Abuse Inquiries, £0.016m in telephony costs, £0.075m in printing, stationery and postages costs, and other administration costs of £0.069m.

2.7.4 Travel Costs – projected underspend of £0.394m



Whilst travel and in-person meetings and events continue to increase across the organisation, it is still less than pre-pandemic levels and analysis of travel and subsistence costs continue to suggest an underspend is likely.

2.7.5 Supplies and Services – projected underspend of £0.109m



The main areas of underspend are:

- A managed underspend of £0.129m is being made in ICT costs to specifically compensate for additional professional fees, hired agency costs and new service desk software.
- Compared to pre-pandemic levels, demand for hospitality and venue hire is expected to decrease by £0.026m.
- Other projected underspends totalling £0.032m.

This is partly offset by an additional £0.070m expenditure being incurred on furniture which is funded from a managed underspend in Accommodation costs as noted in section 2.7.2, and a projected overspend of £0.008m in storage and archiving costs.

2.7.6 Funding and Income – projected income increased by £1.638m

Core grant-in-aid is projected to be £2.000m higher than budgeted due to the additional funding announced in March 2023 to support the pay remit and other cost pressures. The additional funding offered through the Scottish Government's letter of comfort (£0.738m) is no longer required due to the wider outturn position and additional resources carried forward from 2021/22 in the general reserve.

Income from registration fees is projected to be £0.030m lower than budgeted, based on the number of new services with completed registrations by 31 March 2023.

Income from continuation fees is projected to be £0.135m more than budgeted. This is due to a difference in the size and mix of registered services operating during the year from when the budget was agreed.

Other income is projected to be £0.171m more than budgeted, due to income from staff on secondment to other organisations, joint inspection travel recharges and a marginally higher projection for VAT recovery.

Income from shared services is estimated to be £0.100m above budget.

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2.8 Risks to Financial Projections

Budget Area	Description of Risk	Sensitivity	Likelihood
Staff costs	Projected staff costs are based on staff in post and known changes. Projections include the pay remit approved by Scottish Government. The staff side of the Partnership Forum took this offer to their members who rejected it. Any improved offer will increase the 2022/23 staff costs.		High
Travel costs	Projected costs assume that travel will return to closer to normal levels in March 2023. Our spend patterns to date suggest that it may be 2023/24 before we see any increase therefore it is possible travel and subsistence may be lower than currently projected.	Projection could be overstated by up to £0.030m.	High
Fee income	Projected registration fee income has been based on a review of registrations expected to complete their registration by 31 March. Any variance to these assumptions will either increase or decrease fee income.	Projection risk in the range of £0.020m understated to £0.020m overstated	Medium

3.0 2022/23 INCOME COLLECTION AND DEBT MANAGEMENT

During the year invoices totalling £11.461m were issued. Collection rates remain good.

Appendix 3 provides details of outstanding debt as at 31 March 2023 and compares this to the position as at 31 March 2022.

Appendix 4 provides details of the £0.038m debt written off during 2022/23.

It should be noted that the Executive Framework provides the Chief Executive with delegated authority to approve the write off of debt up to the value of £10,000.

The Sponsor Department must approve any debt write off in excess of this figure. For the purposes of these authority limits it is the accumulated debt due from a service provider that is considered and not individual invoice values.

BOARD MEETING 11 MAY 2023**Agenda item 10****Report Number: B-04-2023/24****4.0 2023/24 BUDGET POSITION****4.1 Confirmation of Grant in Aid Funding**

We have received confirmation of our core grant in aid funding from the Sponsor. This includes the approved budgeted grant in aid and the transfer of the £2.467m specific grant to core grant. We also have confirmation of funding for some specific grant funded programmes.

4.2 2023/24 Budget

There is no formal budget monitoring in the first quarter of the financial year, however, there is no reason to predict a significant budget variance at this stage in the financial year.

As noted in section 2.4 our projected general reserve balance is greater than previously predicted providing some additional comfort for dealing with unexpected net expenditure variations.

5.0 2023/24 BUDGET RISKS**5.1 Pay Award**

The baseline budget provided for a pay award to staff based on the 2022/23 pay offer which has since been rejected. Negotiations with the trade union are continuing, however any increase to this offer will have a direct impact on the budgeted pay costs. The 2023/24 paybill is based on the 2023/24 Scottish Government Pay Strategy. Any increase to the 2022/23 or 2023/24 award will create a budget pressure.

5.2 Inflation

Over recent years inflation has been consistently low and to a significant extent pay and general inflation has been absorbed into the Care Inspectorate budget over several years. The cost of living crisis has made this very difficult, if not impossible, to do. Inflation is anticipated to reduce in 2023/24 and 2024/25 but upward pressure on pay and prices will still be present as we move back towards a more settled position.

5.3 Inspector Resource

Our efforts to improve Inspector recruitment is having an effect and we will start the 2023/24 financial year with fewer Inspector vacancies than has been the case in previous years. We are also reducing the time taken to fill vacant posts. This is very positive for delivering our Scrutiny and Improvement Plan.

However, the Care Inspectorate has operated with budget deficits each financial year from 2018/19 to date. The significant in-year underspends created by the difficulties we have had in maintaining Inspector numbers at or near budgeted levels has been a key element in assisting the Care Inspectorate to operate within and usually below budgeted funding.

More efficient recruitment will reduce the flexibility within our budget.

BOARD MEETING 11 MAY 2023**Agenda item 10****Report Number: B-04-2023/24****5.4 Hybrid Working Trial**

The hybrid working trial ended on 31 March 2023 and is being evaluated which is likely to have an impact on our estates strategy, travel, ICT and other furniture and equipment costs.

5.5 Public Inquiries

The 2023/24 agreed budget and indicative budgets for 2024/25 and 2025/26 include provision for up to £0.200m each year for additional legal fees arising from supporting public inquiries. This provision is an estimate that could change significantly. There is no provision for additional staff time that may require to be directed towards supporting inquiries.

5.6 National Care Service Change (NCS) / Independent Review of Inspection, Scrutiny and Regulation (IRISR)

It is not yet known what impact the introduction of the proposed national care service or the Independent Review of Inspection, Scrutiny and Regulation will have on the Care Inspectorate. There is little capacity and no funding for additional resources if preparatory work is required.

5.7 Specific Grant Funding

The 2023/24 budget includes significant grant funding tied to specific projects and outcomes. We have confirmed funding for these projects / workstreams except requested funding of circa £0.100m to support ELC expansion. We continue to engage with the funding provider to confirm funding.

6.0 IMPLICATIONS AND/OR DIRECT BENEFITS**6.1 Resources**

There are no direct resource implications associated with this Finance Update report. This section provides details of the Care Inspectorate's projected financial position.

6.2 Sustainability

There are no direct sustainability implications arising from this report.

6.3 How does this report directly / indirectly improve the provision of care?

This report considers how the Care Inspectorate uses and reports on the use of the funds entrusted to it. This is a key element of public accountability and corporate governance. Public accountability and the governance framework are key drivers towards ensuring that the resources available are directed in accordance with corporate plans and objectives, with the ultimate aim of bringing benefits to people who experience care.

6.4 Customers (Internal and/or External)

The budget represents the Care Inspectorate's plan in financial terms and the delivery of this plan supports all five customer services strategic themes.

7.0 CONCLUSION

An underspend of £2.191m against the 2022/23 budget is currently projected after foregoing drawing on the letter of comfort of up to £0.738m supplied by our Sponsor.

The greater than budgeted opening general reserve balance together with £2.000m of additional grant supplied late in the financial year to support our pay remit and other cost pressures means we are projecting our closing general reserve balance will be £2.933m more than budgeted. This greater than budgeted closing general reserve balance will assist with funding the 2023/24 budget deficit.

Income collection and debt management performance has been effective.

Movement in Projected Net Expenditure from the Position Reported to Board on 30 March 2023

Budget Area	Increase/ (Decrease) £m	Main Reasons
Staff costs	(0.119)	<ul style="list-style-type: none"> • A decrease of £0.066m within Strategy & Improvement to reflect the transfer of costs to the Safe Staffing Programme for time incurred working on the programme. • A decrease of £0.025m within hired agency costs, mainly due to agency staff leaving before their contracted end date. • A £0.021m reduction in training and development costs within OWD. • A projected increase in recruitment slippage of £0.003m. • Other net movements across the organisation (leavers, maternity leave, additional hours, sickness pay adjustments) of £0.004m.
Accommodation costs	(0.123)	<ul style="list-style-type: none"> • As the Dundee lease arrangements have still to be finalised, the works to reconfigure the space within the Dundee offices could not be completed before the year end. The works will now be completed in 2023/24.
Administration costs	(0.179)	<ul style="list-style-type: none"> • The highlighted risk that legal fees relating to the Covid-19 and Historical Child Abuse Inquiries will not be required in full this financial year is expected to be realised, with a decrease in spend of £0.140m projected. • Some planned programmes of work could not be completed this year, with a projected decrease of £0.041m in professional fees. • A projected decrease in conference advertising and publicity costs of £0.005m. • These decreases totalling £0.186m are partially offset by a projected increase of £0.007m in telephony costs.
Travel costs	(0.150)	<ul style="list-style-type: none"> • The risk that travel and subsistence expenditure would be considerably less than previously projected is expected to be realised, with a further decrease of £0.150m projected. We are expecting to see an increase in travel and subsistence in future years in line with our increased scrutiny and improvement activity.
Supplies and services costs	(0.018)	<ul style="list-style-type: none"> • The projected decrease of £0.018m is largely due to a reduction in ICT development spend.

Budget Area	Increase/ (Decrease) £m	Main Reasons
Income	(0.034)	<ul style="list-style-type: none"> • A review of services expected to complete their application for registration has been undertaken by the Registration Team. This review has identified a lower volume of services expecting to have their application to register complete by 31 March 2023, with a projected decrease of £0.030m in fees. • Continuation fee income is projected to increase by £0.060m. This is due to a difference in the size and mix of registered services operating during the year from when the budget was agreed. • Additional miscellaneous income of £0.004m is anticipated for VAT and travel recovery.
Total	(0.623)	(Increase) / Decrease in general reserve position

Projected Grant Funded Programme of Expenditure as at 31 March 2023

	STRATEGY & IMPROVEMENT					SCRUTINY & ASSURANCE					
	Technology Enabled Care (incl. My Active World) ₁	ELC Improvement ₁	Meds Care Home Project	Care About Physical Activity	Safe Staffing ₁	ELC Expansion	Adult Support and Protection	National Child Death Review Hub ₁	Anne's Law (Care Home Connections)	Telecare Services	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Grant Income	0.0	(221.0)	(157.0)	(194.0)	(338.9)	(738.0)	(559.0)	0.0	(186.0)	(73.0)	(2,466.9)
Projected Expenditure	60.5	252.7	109.6	188.8	585.9	779.7	543.1	96.9	107.3	24.5	2,749.0
Projected deficit/(surplus) at 31 March 2023	60.5	31.7	(47.4)	(5.2)	247.0	41.7	(15.9)	96.9	(78.7)	(48.5)	282.1

1 The projected deficits in Technology Enabled Care, ELC Improvement, Safe Staffing, ELC Expansion and National Child Death Review Hub are budgeted deficits and are funded by prepaid grant held in the General Reserve.

DEBT ANALYSIS - 2022/23

Position as at 31 March 2023

Financial Year	Total Debt Outstanding		Referred for Legal Recovery Invoice Value	Balance of Debt Outstanding Invoice Value	%age of Total Billed
	No. Of Invoices	Invoice Value			
Care Commission	4	£232	£34	£198	0.00%
2011/12	5	£85	£34	£51	0.00%
2012/13	12	£204	£34	£170	0.00%
2013/14	23	£2,211	£34	£2,177	0.02%
2014/15	31	£1,958	£34	£1,924	0.02%
2015/16	53	£26,955	£34	£26,921	0.24%
2016/17	62	£4,139	£34	£4,105	0.04%
2017/18	99	£3,759	£199	£3,560	0.03%
2018/19	168	£8,169	£865	£7,304	0.07%
2019/20	174	£41,394	£1,880	£39,514	0.36%
2020/21	394	£86,048	£4,107	£81,941	0.76%
2021/22	779	£323,243	£3,561	£319,682	2.81%
2022/23	1,200	£904,386	£2,152	£902,234	7.89%
Total	3,004	£1,402,783	£13,002	£1,389,781	0.63%

Position as at 31 March 2022

Financial Year	Total Debt Outstanding		Referred for Legal Recovery Invoice Value	Balance of Debt Outstanding Invoice Value	%age of Total Billed
	No. Of Invoices	Invoice Value			
Care Commission	5	£744	£51	£693	0.00%
2011/12	7	£119	£51	£68	0.00%
2012/13	18	£306	£51	£255	0.00%
2013/14	26	£2,444	£65	£2,379	0.02%
2014/15	36	£2,043	£68	£1,975	0.02%
2015/16	62	£27,093	£68	£27,025	0.24%
2016/17	72	£4,309	£68	£4,241	0.04%
2017/18	123	£5,679	£1,097	£4,582	0.05%
2018/19	208	£14,516	£4,481	£10,035	0.13%
2019/20	221	£46,952	£16,394	£30,558	0.41%
2020/21	604	£132,863	£58,576	£74,287	1.18%
2021/22	1,626	£1,082,153	£91,481	£990,672	9.41%
Total	3,008	£1,319,221	£172,451	£1,146,770	0.63%
Movement	(4)	£83,562	£(159,449)	£243,011	

Movement Analysis

Financial Year	Total Debt Outstanding		Referred for Legal Recovery Invoice Value	Balance of Debt Outstanding Invoice Value
	No. Of Invoices	Invoice Value		
Care Commission	(1)	£(512)	£(17)	£(495)
2011/12	(2)	£(34)	£(17)	£(17)
2012/13	(6)	£(102)	£(17)	£(85)
2013/14	(3)	£(233)	£(31)	£(202)
2014/15	(5)	£(85)	£(34)	£(51)
2015/16	(9)	£(138)	£(34)	£(104)
2016/17	(10)	£(170)	£(34)	£(136)
2017/18	(24)	£(1,920)	£(898)	£(1,022)
2018/19	(40)	£(6,347)	£(3,616)	£(2,731)
2019/20	(47)	£(5,558)	£(14,514)	£8,956
2020/21	(210)	£(46,815)	£(54,469)	£7,655
2021/22	(847)	£(758,910)	£(87,920)	£(670,990)
2022/23	1,200	£904,386	£2,152	£902,234
Total	(4)	£83,562	£(159,449)	£243,011

Debt Write Off 2022/23 - Summary

Debt Written Off By Service Type and Reason 31 March 2023

Service Type	No. of Invoices	Uneconomic to Pursue £	Legal Advice £	Service Insolvent £	Other £	Total £
Care Home	8	0.60		16,783.81		16,784.41
Childminder	344	5,848.00				5,848.00
Day Care of Children	46	1,525.00	1,801.00	1,221.00		4,547.00
Support Service Care at Home	9	511.20	902.00	5,005.10	1,476.00	7,894.30
Other	4		1,048.50	1,273.00		2,321.50
	411	7,884.80	3,751.50	24,282.91	1,476.00	37,395.21

Debt Written Off By Service Type and Financial Year:

Service Type	SCRC £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2122/23 £	Total £
Care home										4,208.11	0.60	11,727.90	847.80	16,784.41
Childminder	17.00	34.00	68.00	68.00	85.00	102.00	153.00	255.00	374.00	629.00	1,054.00	1,853.00	1,156.00	5,848.00
Day Care of Children							17.00	182.00	512.00	578.00	942.00	910.00	1,406.00	4,547.00
Support Service Care at Home										902.00	2,528.00	4,329.10	135.20	7,894.30
Other								699.00			574.00	1,048.50		2,321.50
	17.00	34.00	68.00	68.00	85.00	102.00	170.00	1,136.00	886.00	6,317.11	5,098.60	19,868.50	3,545.00	37,395.21



Title:	REVIEW OF COUNTER FRAUD, BRIBERY & CORRUPTION FRAMEWORK				
Author:	Kenny Dick, Head of Finance and Corporate Governance				
Responsible Director:	Jackie Mackenzie, Executive Director of Corporate and Customer Services				
Appendices:	<table border="1"> <tr> <td>1.</td> <td>Draft Revised Counter Fraud, Bribery and Corruption Framework (tracked changes)</td> </tr> <tr> <td>2.</td> <td>Draft Revised Counter Fraud, Bribery and Corruption Framework ("clean")</td> </tr> </table>	1.	Draft Revised Counter Fraud, Bribery and Corruption Framework (tracked changes)	2.	Draft Revised Counter Fraud, Bribery and Corruption Framework ("clean")
1.	Draft Revised Counter Fraud, Bribery and Corruption Framework (tracked changes)				
2.	Draft Revised Counter Fraud, Bribery and Corruption Framework ("clean")				
Consultation:	NHS Counter Fraud Services				
Resource Implications:	No				

EXECUTIVE SUMMARY

Our Counter Fraud, Bribery and Corruption Framework is reviewed annually. The substantive change to the Framework is the inclusion of a new fraud principles section in the Fraud Policy. There are some other minor corrections and amendments. A tracked change and "clean" version of the Framework has been provided as appendices 1 and 2 to this cover report.

The Counter Fraud, Bribery and Corruption Framework has four elements:

1. Counter Fraud, Bribery and Corruption Policy
2. Counter Fraud, Bribery and Corruption Strategy
3. Formal Action Policy
4. Counter Fraud Services; Financial Crime Response Plan

Elements 1 to 3 set out our overall approach and element 4 provides the detail of the process to be followed if fraud, bribery or corruption was suspected.

Appendix 3 of the Counter Fraud Services; Financial Crime Response Plan is a critical document for all staff to be aware of and have access to.

The Board is invited to:

1. Approve the revised Counter Fraud, Bribery and Corruption Framework.

BOARD MEETING 11 MAY 2023

**Agenda item 12
Report No: B-05-2023/24**

Links	Corporate Plan Outcome (Number/s)	Outcomes 1, 2, 3 and 4	Risk Register (Yes/No)	Yes
For Noting		For Discussion	x	For Assurance
				For Decision
				X

Equality Impact Assessment		
Yes <input type="checkbox"/>	Not Yet <input type="checkbox"/>	No <input checked="" type="checkbox"/> Reason: An EQIA screening process was completed which determined that a full EQIA was not required.

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report: N/A – this is a public board report <i>(see Reasons for Exclusion)</i>
Disclosure after: N/A

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.



Counter Fraud, Bribery and Corruption Framework

Our Counter Fraud, Bribery and Corruption Framework is a series of inter-related documents designed to prevent and detect fraud, bribery or corruption and to take robust action where it is suspected.

The Framework consists of:

	Page
1. Counter Fraud, Bribery and Corruption Policy	2
2. Counter Fraud, Bribery and Corruption Strategy	11
3. Formal Action Policy	20
4. Counter Fraud Services; Financial Crime Response Plan	21

COUNTER FRAUD, BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION

- 1.1 Fraud and corruption are ever present risks to all organisations, be they public, private or not-for-profit. Fraud and corruption can have a significant negative impact on organisations through disruption to the services provided or undermining the achievement of objectives. The Cross Government Fraud Landscape Report 2022 contains the following estimate of the scale of the problem in the UK public sector: "Our estimate (including tax and welfare) is that every year at least £33.2bn of taxpayers' money is subject to fraud and error" (for the year 2020/21).
- 1.2 We want to protect against, detect and respond to fraud and corruption in order to protect the interests of people who use care services, their carers, service providers, employees and other stakeholders while maintaining a high ethical standing.
- 1.3 We take our responsibilities to protect the public purse very seriously and we are committed to the highest standards of openness and accountability in order to ensure the proper use and protection of public funds and assets. We will not, therefore, tolerate fraud, bribery or corruption in any area of our activity and we will take all reasonable steps to prevent fraud (where possible), investigate fraud where it is detected or reported and pursue appropriate formal action against those involved in fraudulent or corrupt activities.
- 1.4 Our approach to this is based on 3 key themes:

Prevent	Detect	Investigate
Preventing and detecting more fraud	Acknowledging and understanding fraud and fraud risks	Being stronger in punishing fraud and recovering losses
<ul style="list-style-type: none"> • Making better use of information technology • Enhancing fraud controls and processes • Developing a more effective anti-fraud culture 	<ul style="list-style-type: none"> • Assessing and understanding fraud risks • Committing support and resources to tackling fraud • Maintaining a robust anti-fraud response 	<ul style="list-style-type: none"> • Prioritising fraud recovery and the use of civil sanctions • Developing capability and capacity to punish fraudsters • Effective collaboration across the public sector and with law enforcement

1.5 Our Counter Fraud, Bribery and Corruption Strategy is informed by the Scottish Government and NHS Scotland Strategy. We work in partnership with NHS National Shared Services Counter Fraud Services (CFS) to implement, maintain and develop the Strategy and associated Financial Crime Action Plan. The Audit and Risk Committee is responsible for overseeing and monitoring the effectiveness of our counter fraud, bribery and corruption arrangements.

2. PRINCIPLES

The Care Inspectorate and our partner CFS aligns to the five internationally recognised counter fraud principles:

1. **There is always going to be fraud** - It is a fact that some individuals will look to make gains where there is opportunity, and organisations need robust processes in place to prevent, detect and respond to fraud and corruption.
2. **Finding fraud is a good thing** - If you don't find fraud you can't fight it. This requires a change in perspective, so the identification of fraud is viewed as a positive and proactive achievement.
3. **There is no one solution** - Addressing fraud needs a holistic response incorporating detection, prevention, enforcement and redress, underpinned by a strong understanding of risk. It also requires cooperation between organisations under a spirit of collaboration.

4. **Fraud and corruption are ever changing** - Fraud, and counter fraud practices, evolve very quickly and organisations must be agile and change their approach to deal with these evolutions.
5. **Prevention is the most effective way to address fraud and corruption** - Preventing fraud through effective counter fraud practices reduces the loss and reputational damage. It also requires less resources than an approach focused on detection and recovery.

3. OUR AIMS

- 3.1 This Counter Fraud, Bribery and Corruption Policy and accompanying documents, intend to set out our stance on fraud, bribery corruption or other dishonest acts and reinforce an open and honest culture. We are committed to the highest possible standards of openness, probity and accountability. We expect that Board members and officers at all levels will protect the Care Inspectorate (CI) and its resources and lead by example, ensuring high standards of personal conduct and adherence to our policies, procedures and rules.
- 3.2 We expect the same level of honesty from our partners, agents, contractors, suppliers and the public in all interactions.
- 3.3 This Policy Statement identifies our overall stance relating to fraud and corruption, our expectations and provides a definition of fraud and corruption. The Policy Statement is part of a framework containing:
 - **The Strategy** describes our approach to minimising the risk of fraud. The key objectives of the Strategy are to minimise risk and any losses due to fraud, bribery and/or corruption and to embed the management of fraud risk within the culture of the organisation.
 - **The Financial Crime Action Plan** outlines our approach to dealing with detected and reported instances of fraud, bribery and corruption and how this fits with our other policies and procedures. This also outlines our commitment to seek remedy and take action/prosecute those responsible for fraudulent or corrupt acts.
- 3.4 Specifically, this framework and its elements aim to:
 - promote a culture of honesty
 - define and explain the roles of key parties to this framework
 - promote the prevention of fraud and corruption
 - aid the detection of fraud and corruption
 - ensure the effective investigation in all cases where suspected fraud or corruption has occurred
 - explain what we will do if we identify any cases of fraud, bribery and/or corruption and what action we will take.

- 3.5 This framework specifically applies to:
- Board members (including co-opted)
 - employees
 - secondees
 - agency staff
 - contractors
 - consultants
 - suppliers
 - care service providers
 - partner organisations.

4. WHAT ARE FRAUD, THEFT AND BRIBERY?

Fraud

- 4.1 The Fraud Act 2006 does not apply to Scotland where fraud offences are mainly dealt with under common law, although there are also some statutory offences of fraud. There are three types of fraud:
- Common law fraud
 - Uttering
 - Embezzlement.
- 4.2 Each of the above (4.1) has a slightly different fraud definition. The three main definitions are given below.

Common Law Fraud

Fraud is committed when someone is caused to do something they would not otherwise have done by use of deception. In order for a fraud to have taken place, there must be an intention to deceive. The range of conduct held by Scottish Courts to amount to fraud is very wide.

Uttering

Uttering occurs when someone tries to pass off a forged document as being genuine to the prejudice of another person. There must be an intention to defraud or to cause prejudice for an offence to have been committed.

Embezzlement

Embezzlement is the appropriation of property without the consent of the owner by a person in a position of trust, such as an employee. In most cases, embezzlement involves the appropriation of money.

- 4.3 Put simply, fraud offences are a dishonest act where an individual deliberately does something dishonest or abuses their position with the

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intent of gaining a benefit/advantage for themselves or to cause someone else a disadvantage. Benefits can be cash, the avoidance of a fine or penalty or the receipt of goods and services.

4.4 Some examples of fraud include:

- dishonest completion of expense or mileage claims
- abuse of Care Inspectorate services or equipment for personal use
- dishonest awards of contracts to family or friends
- dishonest completion of flexi sheets to claim time not worked
- dishonest manipulation of performance information or targets to ensure award of pay increments or other incentives.

Theft

4.5 Fraud is different to theft. The Theft Act 1968 does not apply to Scotland where theft offences are mainly dealt with under common law. A definition of theft is the taking of the goods or property of another with the intention of depriving the owner of them.

4.6 Put simply, theft offences are again a dishonesty offence where an individual deliberately and dishonestly takes something (this can be something physical such as cash or an item or an intellectual property item such as an idea or design), that is not theirs to take and uses it for their own purposes without permission.

4.7 Examples of theft include the stealing of assets / goods / stocks, misuse of public funds for purposes other than they were made available or theft of cash or equipment.

Bribery

4.8 Bribery is defined in the Bribery Act 2010. Broadly, the Act defines bribery as "*giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith*".

4.9 Put simply, bribery is the offering or acceptance of an incentive in order to do something that you know that you shouldn't or not do something that you know you should. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.

4.10 The act created four main bribery offences

- bribing another person
- requesting or accepting a bribe
- bribing a foreign official
- failure of a commercial organisation to prevent bribery.

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- 4.11 Whilst the Care Inspectorate is not normally considered to be a “commercial organisation”, the term is used to describe any organisation in the UK that engages in commercial activities regardless of whether it pursues charitable, education aims or purely public functions. For the purposes of applying the Bribery Act 2010, the Care Inspectorate is treated as a commercial organisation and, therefore, needs to take appropriate steps, including the provision of appropriate procedures, to prevent bribery taking place.
- 4.12 Examples of bribery would include: the offering or acceptance, by any Board Member, officer or representative, of any incentive for them to do something that they should not such as: make a decision contrary to policies or procedures or disclose information that they should not. This could be offering tickets to a football match to gain advantage or information on the awarding of a contract but there are many other possibilities.
- 4.13 Previously, the term ‘corruption’ was used to describe fraudulent acts and bribes. This term is now used collectively to refer to dishonest acts covered by the outlined acts.

5. COUNTER FRAUD, BRIBERY AND CORRUPTION FRAMEWORK

- 5.1 Our Counter Fraud, Bribery and Corruption Policy, Strategy, and Financial Crime Action Plan is a series of inter-related actions and procedures designed to prevent and detect fraud, bribery or corruption and to take robust action where it is suspected.
- 5.2 We are committed to the continuous development of the Framework to ensure that it remains up to date and valid in the light of the dynamic risk environment in which we operate.
- 5.3 The Framework forms part of our wider governance arrangements that are designed to ensure we conduct our business effectively and properly, including safeguarding our resources and effectively meeting our responsibility for the safe stewardship of public money.

6. EXPECTATIONS

- 6.1 The Care Inspectorate expects all Board Members, employees and those acting as its agents to conduct themselves in accordance with the nine general principles set out in the Ethical Standards in Public Life etc. (Scotland) Act 2000.
- 6.2 The Ethical Standards in Public Life etc. (Scotland) Act 2000 is intended to apply to local authority councillors and members of relevant public bodies. However, we view the above principles to be an extension of the principles first published by the Nolan Committee in 1995. We therefore view the nine principles to apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally or locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, non-departmental public bodies, in health, education and social and care services. All public office holders are both servants of the public and stewards of public

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resources. These principles also apply to those in other services delivering public services. These principles are as follows:

Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the Care Inspectorate's interests and in accordance with its core functions and duties.

Selflessness

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

You must make decisions solely on merit and in a way that is consistent with the functions of the Care Inspectorate when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the Care Inspectorate uses its resources prudently and in accordance with the law.

Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of the Care Inspectorate in conducting public business.

Respect

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You must respect colleagues and the role they play, treating them with courtesy at all times. Similarly you must respect members of the public when performing your duties as a representative of the Care Inspectorate.

- 6.3 We require Board Members and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.
- 6.4 We require executive directors and other senior managers to design and operate systems and procedures that will minimise losses due to fraud, bribery, and other dishonest action.
- 6.5 We expect Board Members and employees to be alert to the possibility of fraud, bribery and corruption in all their dealings and report suspicious activity.
- 6.6 We will not tolerate fraud. Employees found to be committing fraud or corrupt acts face dismissal under the disciplinary process. Criminal and/or civil action will be taken against those responsible for fraudulent or corrupt acts wherever it is in the public interest to do so.

7. RELATED POLICIES AND PROCEDURES

7.1 Whilst the Counter Fraud, Bribery and Corruption Framework forms part of our wider governance arrangements, there are a number of policies and procedures that are particularly relevant. These are as follows:

- The Whistleblowing Policy
- The Grievance Policy and Procedures
- The Employee Code of Conduct
- The Board Members Code of Conduct
- The Complaints Policy
- Disciplinary Policy and Procedures
- ICT and Cyber Security Policy
- Gifts and Hospitality Policy and Register
- Conflict of Interests Policy and Register

8. RESPONSIBILITY FOR THIS DOCUMENT

8.1 The Chief Executive has overall responsibility for the maintenance and operation of this framework. The Chief Executive is supported in this by the Executive Director of Corporate and Customer Services, Head of Finance and Corporate Governance, Head of Legal, Head of Human Resources, CFS and the lead of our internal audit service.

9. REVIEW

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- 9.1. Counter fraud, bribery and corruption arrangements require to be continually reviewed. An annual review of this framework is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.
- 9.2. In assessing the effectiveness of our arrangements, we will consider:
- the extent to which key personnel are trained in detecting and investigating fraud and corruption
 - fraud and corruption risks and new areas of fraud / corruption – fraud and corruption is an ever developing risk and arrangements need to continually evolve in order to maintain a robust response
 - identified incidents of fraud and corruption
 - action taken against perpetrators and attempts to recover losses
 - our response to identified weaknesses in our systems and controls
 - opportunities arising from developments in technology affecting our ability to prevent and detect fraud, bribery and corruption
 - how we use data sharing and joint working initiatives to prevent and detect fraud.
- 9.3 An Annual Fraud Report is produced showing the outcomes of our counter fraud and corruption work.
- 9.4 In order to keep abreast of key changes we undertake ongoing reviews of national issues and developments. Information from a range of sources is obtained and used in keeping our plans up to date, including from CFS, Audit Scotland, CIPFA Better Governance Forum and Scottish Government.

COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY

1. INTRODUCTION

- 1.1 The Strategy describes our approach to minimising the risk of fraud, bribery and corruption and dealing with any identified or suspected instances of fraud and/or corruption. The key objectives of the Strategy are to reduce the opportunity for fraud and corruption and to create a culture where fraud and corruption is unacceptable.
- 1.2 This strategy takes into account the Scottish Government Strategy and the Government Functional Standard GovS 013: Counter Fraud.
- 1.3 The responsibility for counter fraud, bribery and corruption arrangements is widely dispersed. Board Members, in particular through the Board and the Audit and Risk Committee, have to give clear support to the Care Inspectorate arrangements. The Strategic Leadership Team and the Operational Leadership Team must provide strong leadership by advocating and promoting our arrangements and supporting strong action when the arrangements are ignored. There is a strong correlation/relationship between good governance and good counter fraud operations.
- 1.4 The Chief Executive and the Executive Director of Corporate and Customer Services are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud, bribery and corruption and ensuring the interests of the Care Inspectorate are safeguarded, including our reputation.

2. COUNTER FRAUD SERVICES

- 2.1. The Care Inspectorate has entered into a contract for services with the NHS Scotland Counter Fraud Services (CFS). This contract is formed as a partnership agreement (referred to as "partnership agreement" within this framework), whereby CFS will work proactively to embed an anti-fraud culture and reduce fraud. The aim of CFS work is for our staff to gain a greater awareness of fraud and its impact and come to regard fraud as unacceptable.

3. KEY ELEMENTS - DETECT

- 3.1 The Counter Fraud, Bribery and Corruption Framework is part of the wider governance framework which includes other key policies such as the Codes of Conduct, financial and contract procedure rules, whistleblowing policy etc.
- 3.2 Recognising that fraud and/or corruption exists is key to tackling fraud and corruption in any organisation. Fraud and corruption is an ever evolving problem. It can range from a simple theft, con or scam to complex fraud affecting financial statements involving many companies and transactions. Fraudulent acts now make more and more use of new technologies and technological changes are always at risk of being exploited by fraudsters.

- 3.3 We acknowledge our responsibility for combatting fraud, bribery and corruption from both within and external to the organisation.
- 3.4 Fraud, bribery and corruption risk is managed through the existence, and application, of appropriate policies and procedures and through the introduction of relevant control systems. These systems and their effective operation are the responsibility of managers throughout the Care Inspectorate. Consideration of fraud and corruption risks must be an integral part of everyday business decisions, project and change management and overall strategy.
- 3.5 Managers have overall responsibility for acknowledging, assessing and managing the individual fraud risks relevant to their service areas. Advice and assistance with this is available from Finance where requested.
- 3.6 Internal audit will acknowledge and seek to include the review of fraud risks on any internal audit work carried out.
- 3.7 It is the responsibility of the Chief Executive in conjunction with the Executive Director of Corporate and Customer Services to determine, and provide for, an appropriate level of resources to counter the risk of fraud and corruption. In practice, this is informed by the level of detected fraud, identified fraud and corruption risks and assessments of counter fraud and corruption activities.
- 3.8 A list of potential fraud and corruption areas is included below. Please note that this list is not exhaustive:
- procurement
 - insurance claims
 - inappropriate access to business systems
 - creditor payments
 - failure to pursue valid debt
 - payroll and expense claims and payments
 - recruitment
 - misuse of, misappropriation or theft of assets
 - cash collection and cash payment systems
 - manipulation of scrutiny findings e.g. grading or not taking enforcement action

4. KEY ELEMENTS – PREVENT

- 4.1 We have an agreed Code of Corporate Governance, Scheme of Delegation and Financial Regulations which identify responsibilities for decision making and includes various contract and financial procedure rules. All Board Members and officers are required to act in accordance with these rules and requirements when carrying out their duties.

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- 4.2 We aim to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with managers. Support is given by CFS and our internal audit service, which provides an independent appraisal of the integrity of internal control systems.
- 4.3 Key internal procedural and control initiatives in place to prevent fraud include:
- an effective Counter Fraud, Bribery and Corruption Framework that maintains a culture in which we will not tolerate fraud, bribery or corruption
 - a strong high level scheme of delegation
 - strong and clear Financial Regulations
 - compliance by officers and Board members with respective codes of conduct
 - a Register of Interests to enable Board Members and employees to record any financial or non-financial interests that may bring about conflict with the Care Inspectorate's interests
 - a Register of Gifts and Hospitality to enable employees and Board members to record gifts and hospitality either received, or offered and declined
 - a Risk Management policy, strategy and procedures
 - suitable and enforced Procurement Rules
 - robust recruitment and selection procedures
 - robust internal control environments designed and implemented by managers and challenged through Internal Audit arrangements.
- 4.4 Deterring fraud is a large part of fraud prevention. We are committed to taking all viable steps to prevent, deter, detect and remedy instances of fraud and corruption whether the threat is internal to the organisation or external to it. Key to this is the development and maintenance of a counter fraud, bribery and corruption culture. Key counter fraud, bribery and corruption deterrent measures include:
- clear and active disciplinary and grievance arrangements
 - a commitment to pursue actions against those who commit fraud, bribery and corruption through an agreed prosecutions and civil recovery policy and use of internal disciplinary arrangements
 - publication of an annual fraud report to publicise activity undertaken and its results
 - counter fraud, bribery and corruption training
 - awareness of fraud risks by managers
 - confidential reporting (whistleblowing) procedures

- deep dive risk interrogation.

4.5 In addition to the above, proactive fraud, bribery and corruption detection and assurance activities both increase awareness and overall fraud detection levels. The primary responsibility for internal control activities lies with operational managers; however, there are other proactive initiatives that help to control these risks. Examples include:

- participation in the National Fraud Initiative
- periodic checks on systems, processes and areas by internal audit
- process/procedure compliance checks
- provision of advisory services by Legal Services, Finance, HR and internal audit to managers.
- provision of detection and prevention products, by CFS as agreed under the partnership agreement.

5. KEY ELEMENTS – INVESTIGATE

Investigate

- 5.1 Pursuing suspected fraud and error is also a key factor in the success of counter fraud, bribery and corruption activities across any organisation. In collaboration with CFS we have devised a Financial Crime Action Plan which provides detailed fraud and corruption response arrangements to enable any information gained or allegations made to be properly and effectively dealt with. The plan explains how any fraud allegations will be dealt with and who is responsible for their investigation.
- 5.2 Details on how to refer suspected fraud, bribery or corruption for investigation can be found in Appendix 3 of the Financial Crime Response Plan "What to do if you suspect fraud, bribery or corruption", in the Financial Crime Action Plan or Whistleblowing Policy. These are available on our intranet and website.
- 5.3 In addition to the above, it is recognised that the complaints against the Care Inspectorate's procedures also have a part to play. Complaints against the Care Inspectorate can be the first port of call for non-employees wishing to raise a concern about a process or event. It is important that concerns being raised through this route are dealt with properly and that it is recognised that where concerns are about fraud, bribery or corruption that they are dealt with through Counter Fraud, Bribery and Corruption Framework rather than as complaint against the Care Inspectorate.
- 5.4 It is important that any fraud, bribery or corruption is investigated by suitable individuals. We liaise with CFS to ensure this is achieved (see the Financial Crime Response Plan).
- 5.5 During any investigation, it is important to consider whether the police need to be involved in any investigation and at what stage this involvement should start. We will work in partnership with the CFS to investigate and prosecute detected fraud and corruption. No referrals should be made to the Police for

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fraud, bribery or corruption without consultation and agreement between CFS and the Chief Executive and/or the Executive Director of Corporate and Customer Services, as defined within the partnership agreement.

Formal Action

- 5.6 The final stage in the pursue element is to take action against those where fraud, bribery and/or corruption has been confirmed. We have an agreed Financial Crime Action Plan, that outlines action that will be taken against any party committing fraud or corrupt acts against the Care Inspectorate. Action will be taken against those responsible for fraudulent or corrupt acts wherever it is in the public interest to do so.

6. CFS – SPECIALIST REPORTING AGENCY

- 6.1. CFS in their role as a Specialist Reporting Agency to the Crown Office and Procurators Fiscal Service (COPFS) will advise the Care Inspectorate if there is sufficient evidence to proceed, with a report to the COPFS. Under the terms of the partnership agreement a decision will then be made as to whether a report should be made, and any other civil or disciplinary sanctions should be commenced.
- 6.2. Where employees have committed a fraudulent or corrupt act, the Disciplinary Policy and associated procedures are also an important element. Consideration will be given in each case to determine whether any prosecution is undertaken at the same time as internal disciplinary processes are undertaken. So called "parallel action" will be undertaken wherever possible and this is in the public interest.
- 6.3. CFS seek to work with our partner agencies and other government agencies to take action against those that commit fraudulent or corrupt acts. We will share information as appropriate with partner agencies wherever there is a clear and legal path for doing so. Generally, information required for the prevention and detection of fraud and corruption is exempt from the requirements of the Data Protection Act 2018 and UK General Data Protection Regulations ("data protection law") although any information requested must always be proportionate to the issue being investigated. The Care Inspectorate will comply with the requirements of data protection law and with the Regulation of Investigatory Powers (Scotland) Act 2000 ("RIP(S)A") in all its fraud and corruption investigations.
- 6.4. Details of action taken and investigations of any suspected fraudulent or corrupt acts are reported annually in the Annual Fraud, Bribery and Corruption Report to the Audit and Risk Committee each year.

7. Roles and Responsibilities

- 7.1 Throughout this framework, reference has been made to the various roles and responsibilities of individuals or services. For reference, these responsibilities are summarised below.
- 7.2 **General responsibilities (all persons)**

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- To report suspected concerns or irregularities through the arrangements in Appendix 3 of the Financial Crime Response Plan “What to do if you suspect fraud, bribery or corruption”.
- To uphold a positive counter fraud, bribery and corruption culture.
- To undertake counter fraud, bribery and corruption training as arranged.
- To comply with the Board Member or employee Code of Conduct as appropriate together with any additional code of conduct or ethics relating to their professional qualifications or status.
- To act in accordance with Financial Regulations and Procurement Policy.
- To declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Care Inspectorate.
- To make annual declarations of interest to enable managers to effectively manage situations where a conflict of interest may occur.

7.3 **Manager responsibilities**

- To design and apply controls in their area as appropriate to prevent and detect fraud, bribery and corruption.
- To deal with conflicts of interest raised by their staff in an appropriate and responsible way.
- To ensure all their staff are adequately trained on procedures and controls to be complied with.
- To ensure proper procedures are being followed.
- To follow prescribed recruitment procedures aimed at recruiting high quality and honest staff.
- To assist those charged with the investigation of a concern and provide evidence to support any investigation or to investigate concerns, where agreed, using the disciplinary procedure where the outcome of an investigation indicates improper behaviour.
- To ensure that all suspected financial irregularities or financial impropriety brought to their attention is reported.

7.4 **Chief Executive responsibilities**

- To be responsible for the overall management arrangements of the Care inspectorate.
- To promote an organisational culture that accords with the principles of public life.
- Develop and maintain a Counter Fraud, Bribery and Corruption Framework.
- To agree sanctions with CFS.

7.5 **Executive Director of Corporate and Customer Services**

- To maintain adequate and effective internal control arrangements.
- To agree sanctions with CFS.
- To ensure that sufficient resources and that sufficiently trained staff are provided to fulfil our counter fraud, bribery and corruption aims and properly investigate suspicions of fraud and corruption.
- To advise on legal proceedings where there have been legal breaches.
- To advise on the recovery of assets and losses where appropriate.
- To provide advice to employees wishing to raise concerns.
- To advise departmental managers required to make decisions with regards to suspension and disciplinary proceedings.
- To ensure recruitment and selection policy and procedures delivers high quality personnel with suitable levels of integrity into the Care Inspectorate's employment.

7.6 **Audit and Risk Committee responsibilities**

- To review the risk management arrangements for the Care Inspectorate and the effectiveness of the Internal Audit function.
- To monitor, via reports from Internal Audit Services, the implementation of agreed management actions to improve the control environment and take action where these actions are not being implemented.

7.7 **Internal Audit responsibilities**

- To support managers in preventing and detecting fraud, bribery and corruption.
- To provide assurance on the appropriateness and effectiveness of systems and procedures.
- To work with CFS to support the investigation of fraud or corruption and as appropriate, liaise with managers to recommend changes in procedures to prevent further losses to the authority.

7.8 **External Auditor responsibilities**

- To carry out specific reviews designed to test (amongst other things) the adequacy of the authority's internal financial and other controls and arrangements for preventing and detecting fraud and corruption.
- To review the Care Inspectorate's accounts to ensure they are free from significant fraud and error.
- To refer and liaise with CFS when a fraud referral is received directly.

7.9 **NHS Counter Fraud Services (CFS)**

- To reduce fraud through proficient education and awareness initiatives, deter fraud through effective interventions and prevent fraud through targeted proactive projects.

- To proactively detect fraud.
- To investigate alleged cases of fraud by staff, contractors or suppliers, third parties and to pursue vigorously all cases to an appropriate conclusion.
- To, where necessary, undertake directed surveillance and covert human intelligence source (CHIS) management in relation to fraud in accordance with RIP(S)A.
- To provide specialist advice to assist in the formulation of national and UK wide counter fraud policy, regulations and guidance.
- To assist in the recovery of resources fraudulently or corruptly obtained from the Care Inspectorate.

7.10 **Fraud Liaison Officer**

The Head of Finance and Corporate Governance is the designated Fraud Liaison Officer (FLO).

- To act as the lead conduit and key channel of communication between the Care Inspectorate and CFS.
- To be responsible for facilitating investigations and liaising between CFS and those within the Care Inspectorate whose interests are closely linked to any fraud referral to CFS.
- To be responsible for briefing the Chief Executive and other senior executives on specific cases.
- To work with the Head of HR to ensure that staff governance is observed and particularly timing of actions which may involve staff.
- To ensure that the Audit & Risk Committee is kept informed.
- To facilitate deterrence and awareness initiatives.
- To make regular reports and/or presentations to the Audit and Risk Committee.

7.11 **Fraud Champion**

The Executive Director of Corporate and Customer Services (is the designated Fraud Champion).

- To raise the profile of counter fraud and bribery initiatives and publicity.
- To have oversight of and, where possible be involved in, any initiatives for deterring and disabling fraud and bribery.
- To monitor the degree to which recommendations resulting from investigations by CFS have been implemented and take steps to ensure full compliance.
- To support and liaise with the FLO.
- To work with Organisation and Workforce Development to promote an anti-fraud and bribery culture within the Care Inspectorate.

FORMAL ACTION POLICY

1. Policy Statement

- 1.1 After any investigation, sanctions should be applied where fraud, bribery or corruption has been found to have been committed. We will pursue criminal and civil action in a robust, consistent and proportionate manner wherever this is in the public interest.
- 1.2 The Care Inspectorate will pursue a range of options, as appropriate to each case, including:
 - pursuit of civil or criminal sanctions through the courts (in conjunction with CFS and as determined by the Counter Fraud, Bribery and Corruption Strategy)
 - internal disciplinary action against any employee committing fraudulent or corrupt acts using the Care Inspectorate's Disciplinary Policy
 - recovery of losses by recovering assets owned by an employee or third party found guilty of committing fraudulent or corrupt acts through the Proceeds of Crime (Scotland) Act 1995 and POCA (Proceeds of Crime Act) legislation
 - applying for sequestration where an individual has a poor history of paying
 - recovery from any current salaries or by way of an earnings arrestment
 - referral of any detected fraudulent or corrupt acts through to the relevant professional bodies as appropriate.
- 1.3 The Care Inspectorate condemns any breaches and abuses of its financial systems and procedures and is committed to deterring all such intentional breaches and abuses. In all cases where it is in the public interest, criminal or civil action will be taken by the Care Inspectorate in collaboration with the CFS as appropriate. Any cases where prosecutions are successful will be published in order to act as a further fraud and corruption deterrent.
- 1.4 We will, if satisfied that we have suitable grounds for doing so, seek to recover from any person or member of staff who has abused its financial systems and procedures, any losses incurred to the public purse.

COUNTER FRAUD SERVICES: FINANCIAL CRIME ACTION PLAN

1. INTRODUCTION

- 1.1 This Financial Crime Action Plan describes the background responsibilities and process to be followed in circumstances where fraud or bribery is suspected. This operational plan is an element of our Counter Fraud, Bribery and Corruption Framework.

2. COUNTER FRAUD SERVICES (CFS)

2.1 CFS Partnership with the Care Inspectorate

CFS, in partnership with the Care Inspectorate, will work actively to promote an anti-fraud culture, the aim being that employees, contractors, consultants and others will come to regard fraud as unacceptable. CFS carry out both prevention work (raising awareness; delivering and/or facilitating training; building relationships and developing networks; proactive exercises/investigations) and investigations (against perceived, alleged, or actual fraud) and will provide support and facilitation for the Counter Fraud Champion in their work.

2.2 Role of CFS

The role of CFS, in partnership with CI/SSSC is to:

- reduce fraud through proficient education and awareness initiatives, deter fraud through effective interventions and prevent fraud through targeted proactive projects
- proactively detect fraud
- investigate alleged cases of fraud by staff, contractors or suppliers, third parties and to pursue vigorously all cases to an appropriate conclusion
- where necessary, undertake directed surveillance and CHIS management in relation to fraud in accordance with RIP(S)A
- provide specialist advice to assist in the formulation of national and UK wide counter fraud policy, regulations and guidance
- assist in the recovery of resources fraudulently or corruptly obtained from the Care Inspectorate.

2.3 CFS Investigation Report

Where CFS investigates a case of fraud, a final report outlining the case will be issued to the Care Inspectorate. Where appropriate, a range of recommended civil or disciplinary actions and an estimate of potential civil recoveries will be

included in the report. On occasions, CFS will also include counter fraud recommendations in reports. The Care Inspectorate has a responsibility to make a management response to any recommendations made in the reports. In the case of criminal prosecution, a Standard Prosecution Report will be sent directly to the Procurator Fiscal by CFS on behalf of the Care Inspectorate.

2.4 **CFS / Care Inspectorate Disagreement on Sanctions**

In any case where there is disagreement between the Care Inspectorate and CFS over the application of the full range of sanctions that may be recommended in the CFS report, then the Care Inspectorate's Accountable Officer and CFS must submit their concerns to Scottish Government for a decision.

2.5 **Disclosure of Information**

Information concerning work carried out on behalf of a client body may only be disclosed out with the confines of CFS with the express permission of the Care Inspectorate, except for disclosure to the Scottish Government Health and Social Care Directorate, other UK law enforcement agencies where relevant, the appointed auditor, or the Crown Office and Procurator Fiscal Service or Police.

2.6 **Employees Responsibility**

All staff have a duty to protect the assets of the Care Inspectorate, which include information, physical property and cash. The Care Inspectorate will maintain an honest and open culture and wishes to encourage anyone having suspicions of theft, fraud, bribery, corruption or embezzlement to report them without delay.

2.7 **National Fraud Initiative (NFI)**

The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland, assisted by the Cabinet Office. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems and databases, to identify circumstances (matches) that might suggest the existence of fraud or error.

2.8 **The NFI allows:**

- public bodies to investigate these matches and, if fraud or error has taken place, to stop payments and attempt to recover the amounts involved
- auditors to assess the arrangements that the bodies have put in place to prevent and detect fraud, including how they approach the NFI exercise itself. The Care Inspectorate participates in this exercise which is carried out every two years.

3. PUBLIC INTEREST DISCLOSURE ACT 1998

- 3.1 As noted in the policy statement, the Care Inspectorate will maintain an honest and open culture and wishes to encourage anyone having suspicions of theft, fraud, corruption or embezzlement to report them without delay. The Care Inspectorate is required to provide a secure environment for staff, to be able to report suspected frauds and the Care Inspectorate's Whistleblowing Policy is outlined for staff within the Care Inspectorate's wider policy framework, intranet and staff leaflets.
- 3.2 Guidance has been issued by Audit Scotland to organisation's recommending actions to be taken when staff suspect that fraudulent activity is being perpetrated. This guidance takes the form of booklets for managers and staff entitled 'Don't turn a blind eye'. Further information is also available on www.whistleblowing.org.uk. The FLO is authorised to receive enquiries from staff "in confidence" and anonymously. The FLO is responsible for the decision as to whether the matter raised, should be reported to the Executive Director of Corporate and Customer Services and/or the Chair of the Audit and Risk Committee. The Care Inspectorate's (external) Appointed Auditor is also so authorised.

4. REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000

- 4.1 The use of covert surveillance or covert human intelligence sources by public authorities in Scotland is strictly controlled by the provisions of RIP(S)A. The Common Services Agency (the official name for National Services Scotland) is a named authority under RIP(S)A. The CFS may authorise directed surveillance and the use of covert human intelligence sources (CHIS) in respect of activities affecting the Care Inspectorate.
- 4.2 On advice from the Surveillance Commissioner and on the grounds of the health and safety of its employees and its duty of care for any CHIS, should CFS use its powers under RIP(S)A, it will not normally inform the Care Inspectorate until after the directed surveillance or covert human intelligence source work has been completed.
- 4.3 The CFS website (secure area) has further guidance for Care Inspectorate on how to ensure directed surveillance is not undertaken by their staff inadvertently, leaving the Care Inspectorate potentially open to legal challenge or allegations in relation to the infringement of Article 8 of the Human Rights Act 1998 – The right to respect for private and family life and/or breach of the 1998 Act. Care Inspectorate should also consult their Data Protection Officer to ensure that all surveillance (including CCTV and monitoring of employee emails/internet usage) and other activities is carried out in accordance with data protection law and all relevant Codes of Practice.
- 4.4 All investigations undertaken by CFS investigators will be conducted in compliance with relevant extant legislation including to the extent applicable the Criminal Procedure (Scotland) Act 2016, the Criminal Justice and Licensing (Scotland) Act 2010, the Investigatory Powers Act 2016 ("IPA"), the Regulation of Investigatory Powers (Scotland) Act 2000 ("RIP(S)A"), the Data Protection Act 2018, the UK General Data Protection Regulation (Regulation (EU) 2016/679

and 2016/680) and all relevant Regulations and Codes of Practice, recognising the considerations of the Human Rights Act 1998.

5. THE ACTION PLAN

5.1 Responsibilities

The "Financial Crime Action Plan" details the Care inspectorate's responsibilities in respect of cooperating with CFS's proactive and counter fraud programmes of work. The Care Inspectorate must adopt and implement its own Plans.

5.2 Required Actions

The flowchart below describes the required actions with respect to a reported suspicion of fraud. The flowchart provides procedures that allow for the gathering and collation of evidence, in a manner that will facilitate informed initial decisions, whilst ensuring that evidence gathered will be admissible in any possible future criminal or civil actions. Each situation is different, therefore the guidance in the flowcharts will need to be considered carefully in relation to the actual circumstances of each case before action is taken.

5.3 Communication

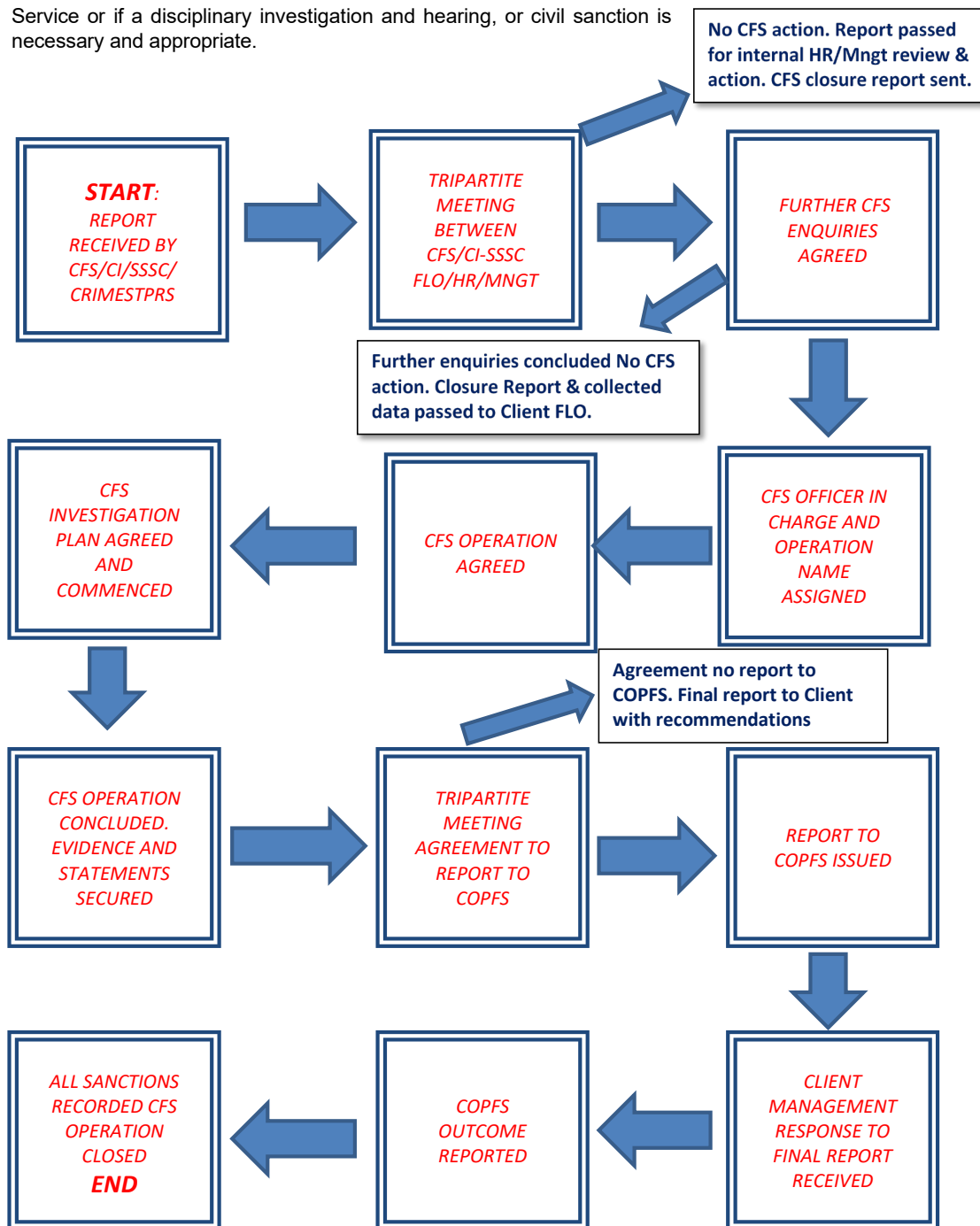
Under no circumstances should a member of staff speak or write to representatives of the press, TV or radio, about a suspected fraud without the express authority of the Chief Executive (see the media protocol for further information). Guidance to Care Inspectorate staff who may have suspicions or concerns about possible irregularities including fraud is set out in Appendix 3 of this document. Care needs to be taken to ensure that no action is taken that could give rise to an action for defamation. In some cases, eg if a major diversion of funds is suspected, speed of response will be crucial to avoid financial loss.

5.4 Named Officer involved as a Witness or Suspect

In all cases, if any of the named officials in the flowchart, are the suspect or a witness, the duties described for them in the flowchart moves to the next highest official within the organisation e.g. if Fraud Liaison Officer is a witness, the Executive Director of Corporate and Customer Services becomes FLO, or if the Executive Director of Corporate and Customer Services is the suspect, the Chief Executive or a Board member takes on their duties.

5.5. Guide to dealing with reports of potential fraud, bribery & corruption, theft or other financial irregularity

Flowchart 1 - Fraud and other financial irregularities – shows the steps to be taken to establish the facts and then to decide if the case should be referred to the Counter Fraud Service or if a disciplinary investigation and hearing, or civil sanction is necessary and appropriate.



5.6 Sources of reports of fraud and other irregularities

The Care Inspectorate may receive reports of alleged fraud or other irregularities from the following sources:

5.7 Employees

An employee should normally discuss any suspicions with his/her line manager. The employee may also, or instead, discuss the matter in confidence, with the FLO or contact CFS Crimestoppers direct.

The line manager and the FLO will then agree on the next course of action. If, after consideration, the suspicion seems well founded, the Executive Director of Corporate and Customer Services / Fraud Liaison Officer should consult with CFS to ascertain whether the investigation will proceed on a criminal and/or civil/disciplinary basis. The FLO will inform the Head of Human Resources, the Internal Auditor and the reporting employee. After consultation with CFS, the line manager may inform the suspect of the allegation made about them.

If an employee suspects his/her line manager, the employee should report the suspicions to someone more senior or directly to the Executive Director of Corporate and Customer Services / Fraud Liaison Officer or may discuss the matter with the Lead Internal Auditor. If this is not appropriate, eg the suspect is the Executive Director of Corporate and Customer Services, then this should be reported directly to their line manager i.e. the Chief Executive and Internal Audit.

An employee may use the CFS Fraud Reporting Line 08000 151628 (powered by Crimestoppers) or report their suspicions (anonymously if desired) through the CFS Website www.cfs.scot.nhs.uk.

If the suspicion involves the chief executive or an executive director the matter should be reported to the Chair of the Audit & Risk Committee or the Chair of the Board, or to Internal/External Audit or directly to CFS (as detailed above).

These reporting routes should be clearly defined in staff induction documentation and awareness raised for existing staff.

5.8 Contractors/Suppliers/Police/CFS

The Care Inspectorate's policy, is that all allegations of fraud or other irregularities, reported by an employee, should be made in the first instance to the FLO (Head of Finance and Corporate Governance) / Fraud Champion (Executive Director of Corporate and Customer Services) or the Lead Internal Auditor. If the suspicion involves an executive director, the chief executive or a Board member the matter should be reported to the Convenor of the Audit & Risk Committee or the Chair of the Board.

The CFS, through its Fraud Reporting Hotline and website, is another conduit for reporting allegations of fraud and other irregularities. The partnership

agreement states that any such allegations will be reported to the appropriate Care Inspectorate officer within 48 hours of notification to the CFS.

The FLO (involving the Executive Director of Corporate and Customer Services, Chief Executive, the Chair of the Audit and Risk Committee and/or Chair of the Board as appropriate) will consult with CFS to ascertain whether the investigation will proceed on a criminal and/or civil/ disciplinary basis.

These reporting routes should be clearly defined in employee information leaflets, contract documentation, and CFS publicity material.

In all such internal and external documentation, it should be noted that time may be of the utmost importance to prevent further loss to the Care Inspectorate.

5.9 Subject of Allegation

The allegation of fraud or other irregularity may be in respect of:

- an employee
- a Board member
- an independent contractor
- a supplier
- a care service provider
- partner organisation.

The above list is illustrative in nature and is not exhaustive.

5.10 Criminal Prosecution

If the allegation is theft, this will be reported directly to the police for investigation and possible prosecution. In all cases where the allegation is fraud or other financial irregularity then CFS will lead the investigation, which potentially may lead to a criminal prosecution.

If the allegation concerns an employee, the CFS will take account of the Care Inspectorate's Human Resources policies and will consult with the Head of Human Resources in respect of relevant issues including suspension. Consultation in such circumstances is essential; no unilateral action will be taken by the Care Inspectorate or the CFS.

If the allegation concerns a Board member or the chief executive, the CFS will undertake all consultation with the Convenor of the Audit and Risk Committee or Chair of the Board and will involve the Head of Human Resources and Lead Internal Auditor, where appropriate.

Where the allegation is in respect of an independent contractor, or a supplier, CFS will undertake a consultation with the FLO, Executive Director of Corporate and Customer Services and Internal Auditor.

It is expected that CFS will undertake all investigations, in co-operation with Care Inspectorate's internal auditors, in respect of contractors, suppliers and partners. The procedures that will be followed by the CFS in all investigations are detailed in the partnership agreement.

5.11 Discipline or Civil Recovery

Where, following consultation between Care Inspectorate and the CFS, an investigation limited to disciplinary/civil recovery action is appropriate; the following paragraphs outline the actions to be followed.

Where the allegation is in respect of an employee, the Executive Director of Corporate and Customer Services will seek advice from the Head of Human Resources on whether to suspend a suspected employee or redeploy them temporarily.

Where the allegation is in respect of a Board member or Chief Executive, the Convenor of the Audit and Risk Committee / Chair of the Board will involve the Head of Human Resources, where appropriate, in making any decision regarding suspension. When taking action to suspend an employee or Board member it is important to communicate the reason for taking the action.

Where, however, due to the nature of the allegation, suspension is deemed inappropriate, e.g. it would alert the suspect and as such may lead to the destruction and removal of evidence, no action to inform the suspect that an investigation was taking place should be taken (in compliance with DPA 2018 Part 3).

5.12 Involvement of the CFS in Disciplinary/Civil Recovery cases

The Care Inspectorate / CFS Partnership Agreement outlines where it may be possible to utilise some of the work carried out by the CFS in a criminal case for disciplinary or civil recovery proceedings.

This will always be subject to approval from the relevant Procurator Fiscal and may require advice from the Care Inspectorate's legal advisors.

Subject to those caveats, the work done by CFS, particularly with respect to witness and suspect interviews, could reduce the work required by the Care Inspectorate's investigation team.

5.13 Log of Fraud (Incident Log) or other Illegal Acts

The Fraud Liaison Officer will enter details of all reported suspicions, including those dismissed as minor or otherwise not investigated, into an Incident Log. It will also contain details of the alleged incident, any losses that may have occurred, all actions taken and conclusions reached. If the suspicion appears groundless a record of the incident will be retained in the Incident Log only. If a suspicion appears grounded and further action is required, the incident will also be recorded in the Fraud Log. The Audit and Risk Committee will review the incident and fraud logs at least once each year and will report any significant matters to the Board.

5.14 Internal Communications

The Executive Director of Corporate and Customer Services / FLO shall inform and consult with the Chief Executive at the first opportunity in all cases of suspected fraud or where the incident may lead to adverse publicity. The FLO shall notify the Audit & Risk Committee of all frauds discovered and also of all losses arising from any criminal or suspected offences.

5.15 External Communications

The person reporting the concern, whistleblowers and complainants will be kept informed about the progress of an investigation as appropriate. However, detailed information on progress or detailed findings will not be released wherever there is a concern that it may damage an investigation. In releasing any information, those investigating must be aware of the requirements of data protection law and must not release any information relating to action being taken against an individual.

The Chief Executive (or nominated representative) will deal with any press or publicity in connection with any investigated case. Where appropriate the details of successful prosecutions and/or fraud or corruption investigations will be released to the media through the Communications Team. Staff and managers must not directly disclose any information to the press except through the Communications Team.

The aim of any press release is to deter further fraud and corruption and show the Care Inspectorate's commitment to preventing, detecting and prosecuting those who commit fraud against it.

5.16 Managing the Investigation

Investigation procedures to be followed are detailed below.

5.17 Appointment of Investigating Officer

An Investigating Officer will be appointed in accordance with the Disciplinary Policy. The circumstances of each case will dictate who will be involved and when. The following general guidance is intended to assist managers in deciding the best course of action.

5.18 Diary of Events

The manager overseeing the investigation (referred to hereafter as the Investigation Manager) should initiate a Diary of Events to record the progress of the investigation.

5.19 Has a criminal act taken place?

Although in preliminary discussions with the CFS, this question may appear to have been answered, in some cases this question may be asked more than once during an investigation. In practice it may not be obvious that a criminal act has taken place. However, if at any time during the investigation, a criminal act is believed to have occurred, the agreed procedure involving CFS must be invoked immediately.

5.20 Internal Investigation

Employees - Internal investigations must be carried out as per the Care Inspectorate Disciplinary Policy as well as determining what may need to be done to improve internal controls to prevent the event happening again.

Non-Employee - The internal investigation must determine the facts; whether there is a case to answer; what can be done to recover any loss; and what may need to be done to improve internal control to prevent the event happening again.

5.21 Recovering a loss

Where recovering a loss is likely to require a civil action, it will be necessary to seek legal advice. Such action should only be progressed under the authority of the Executive Director of Corporate and Customer Services.

5.22 Disciplinary/Dismissal Procedures

The Care Inspectorate's disciplinary procedures must be followed in any disciplinary action taken by the Care Inspectorate towards an employee (including dismissal).

5.23 Physical evidence

Upon taking control of any physical evidence, it is very important that a record is made of the time and place it is taken. If evidence consists of several items, for example many documents, each one should be tagged with a reference number corresponding to the written record. Care with evidence gathering is important as that which may initially be treated as a discipline case, could become a criminal prosecution. If during a disciplinary investigation the possibility of potential criminal action arises, the Investigating Officer must contact the FLO. The FLO will then consult with CFS. The investigation will be undertaken by CFS if there is a chance that there may be a criminal prosecution.

5.24 Computer Evidence

Where evidence is believed to be held on individual computers; laptops; smartphones; tablets; camera systems; or on a business network, great care should be taken in securing copies of files, emails and logs. Strict criminal procedures must be followed to allow this type of evidence to be admissible in prosecution proceedings and accessing this information prior to securing a forensic image may be considered by a Court as tampering with the evidence. CFS will provide advice to the Care Inspectorate on developing a plan to secure digital evidence.

5.25 Witnesses

If a witness to the event is prepared to give a written statement, it is best practice for a trained investigator to take a chronological record using the witness's own words. The witness must agree to sign and date the document as a true record, but the involvement of an independent person usually helps to keep the statement to relevant facts. In circumstances where the witness is

the Fraud Liaison Officer then the “role” of Fraud Liaison Officer moves to the next most senior member of staff.

5.26 Post-investigation review

It will be important for the Executive Director of Corporate and Customer Services, in conjunction with the Lead Internal Auditor, to consider actions to be taken to minimise the risk of a potential repeat of the incident. The actions will include implementation of CFS recommendations, review of lessons learned and completion of a risk assessment.

5.27 Involving the Counter Fraud Services

Where there is any suggestion that a fraud or other irregularity has been perpetrated, CFS must be involved in any decision regarding the action to be taken.

This aims to ensure timely and effective action can be taken to:

- minimise the risk of inappropriate investigative action by employees or managers
- minimise the risk that someone will inappropriately disclose information about a concern or investigation that could compromise it
- ensure that there is a clear understanding about who will lead on any investigation and ensure managers and other departments are involved as appropriate
- secure evidence relating to any investigation and ensure that such evidence is adequately protected
- prevent further losses of funds or other assets where fraud or corruption has occurred and maximise the chances to recover any losses
- ensure that there is sufficient evidence to support any allegation before civil, criminal or internal disciplinary action is started
- minimise any adverse publicity for the Care Inspectorate as caused by dishonest fraudulent or corrupt acts.

Some common misconceptions are:

- CFS is only interested if the alleged criminal offence is greater than a specific £ value
- CFS are not interested because the potentially complex issues involved render little chance of a successful prosecution
- The Care Inspectorate would prefer to deal with the incident, in an attempt to minimise attention while implementing dismissal and pursuing recovery

through civil action

- CFS want hard evidence before they will pursue investigations, but when it is provided they advise that the rules of evidence have not been complied with
- the disciplinary process has to await a CFS investigation and/or prosecution.

5.28 Counter Fraud Services contact details:

General enquiries: 01506 705200

Fraud hotline: 08000 151628

Website: www.cfs.scot.nhs.uk

Counter Fraud Services hotline and online reporting services are powered by **Crimestoppers**. This offers access 24 hours a day and seven days a week, with complete anonymity and confidentiality.

6. THE LAW AND ITS REMEDIES

- 6.1 Criminal law may impose sanctions on the suspect for causing loss, while civil law may assist the Care Inspectorate to recover its loss.
- 6.2 In civil law the method of concealment (in the case of fraud) is unlikely to be a key factor in the value of compensation or the drafting of the statement of claim. Criminal law now allows for the restraint (i.e. freezing) and confiscation of the proceeds of crime, following conviction. CFS, in conjunction with the police and fiscal service, will always press to have the full effect of the Proceeds of Crime Act 2002 applied whenever it is appropriate.
- 6.3. Subject to CFS obtaining approval from the procurator fiscal concerned, there is no reason why the criminal prosecution and civil process cannot be taken at the same time if the evidence supports such action.

6.4 Civil Law Remedies

The following is a brief description of some of the more common civil law remedies. It is not comprehensive and legal advice should be sought from the Care Inspectorate's legal team before action is taken.

6.5 Monies had and received

The claim will refer to funds of the pursuer, which have been 'had and received' by the defender at the pursuer's expense - and will seek their recovery.

6.6 Interest

The pursuer may be entitled to interest on the amount lost, and there are claims for interest under court rules and statute.

6.7 **Interdict, Arrestment or Inhibition**

In some cases, a court order can be used to freeze the assets of a person suspected of fraud or a person who has been convicted of a criminal offence in respect of their fraudulent activity.

These procedures can be used to prevent the disposal of assets of the suspect or defender.

6.8 **Damages for deceit**

A defender may become liable to the pursuer for damages arising out of the act, and if the pursuer can establish this liability he is entitled to be put back into the position that he would have been in if the act had not been committed. If successful, this claim may result in the award of damages beyond mere recovery of assets stolen.

FINANCIAL CRIME ACTION PLAN: APPENDIX 1

ILLUSTRATIVE LIST OF POSSIBLE FRAUDS

1.1 There are numerous types of fraud that can be perpetrated by staff and some examples are given below. This list is not exhaustive:

- dishonest action by staff to obtain a benefit eg working whilst on sick leave, false expenses, false overtime, false annual leave/flexi recording, embezzlement of cash or goods and procurement fraud
- account fraud eg fraudulent account transfers to employee account, fraudulent account transfer to third party account and fraudulent account withdrawal
- employment application fraud eg false qualifications, false references or use of false identity
- unlawfully obtaining or disclosure of personal data eg fraudulent use of customer/payroll data, modification of customer payment instructions and contravention of IT security policy with intent to facilitate the commission of a criminal offence
- unlawfully obtaining or disclosure of commercial data eg contravention of IT security policy with intent to facilitate the commission of a criminal offence.

1.2 The remit of CFS is focused upon matters of theft, dishonesty, deception and/or manipulation of documents/records where there is a loss to Care Inspectorate property or funds. The following is a list of offences which, following the consultation process between the Care Inspectorate FLO and CFS, CFS may investigate:

- fraud
- embezzlement - is the felonious appropriation of property (ie a thing or things belonging to someone) that has been entrusted to the accused with certain powers of management or control
- forgery and uttering (ie the making and publishing of a writing feloniously intended to represent and pass for the genuine writing of another person. Uttering means the tendering or presenting of a document)
- Bribery and Corruption - the Bribery Act 2010 makes it a criminal offence to take part in 'active' or 'passive' bribery or to fail to prevent bribery in an organisation. Active bribery (section 1 of the Act) makes it an offence for a person to offer, give or promise to give a financial or other advantage to another individual in exchange for improperly performing a relevant function or activity. Passive Bribery (section 2 of the Act) makes it an offence for a person to request, accept or agree to accept a financial or other advantage in exchange for improperly performing a relevant function or activity. Corporate offence (section 7 of the Act)

states that an organisation may be liable if it fails to have adequate procedures in place to prevent bribery.

- Theft, attempted theft of Care Inspectorate property or funds - whilst it is accepted that instances of theft of property or funds are generally reported and investigated by the police, the Care Inspectorate should recognise that in cases of a series of thefts, it may be appropriate for CFS to be notified and provide additional assistance. The Care Inspectorate should seek the advice of CFS as appropriate.

1.3 Definition of offences

Section 3 of our Counter Fraud, Bribery and Corruption Policy provides definitions of fraud, theft and bribery offences.

Where an employee has been suspected of theft, which does not involve the type of offences listed, the matter will be reported to the Police or Procurator Fiscal, and any investigation is to be left up to the Police, in accordance with current practice.

FINANCIAL CRIME ACTION PLAN: APPENDIX 2

HUMAN RESOURCES PROTOCOL

1. APPLICATION OF SANCTIONS – HR/CFS COMPLEMENTARY POLICIES

- 1.1 In accordance with the relevant staff governance policy framework, where the actions of an employee are such that it is considered to be appropriate to invoke the disciplinary procedure, no disciplinary action will be considered until a thorough investigation has been carried out, and a manager will be identified to undertake the investigation.
- 1.2 Following consultation with the HR and Partnership Forums, it has been agreed that:
- where the actions of the employee are such that the Care Inspectorate considers that the disciplinary procedure should be invoked
 - there is a suspicion that the action of the employee may amount to the commission of a specified offence and criminal sanctions are to be sought CFS will conduct the investigation in line with the Care Inspectorate disciplinary procedures

the responsibility of CFS in discipline terms would be limited to the scope of the actions currently undertaken by the appointed "investigating officer" in interviewing witnesses and recording witness statements. However, CFS will not interview the employee under investigation as part of that disciplinary procedure. This disciplinary interview would remain the responsibility of management and the Human Resources Department of the employing department.

- 1.3 None of the foregoing would affect the rights of CFS to conduct a criminal suspect interview with the employee at the conclusion of the criminal investigation.
- 1.4 The rationale behind this agreement is that where such allegations would in any event be referred to CFS for criminal investigation, there seems to be no reason for witnesses to be interviewed twice, ie by CFS and by the appointed manager conducting the disciplinary procedure. All statements recorded by CFS can be used in disciplinary, civil and criminal proceedings; and subject to agreement from the Crown Office and Procurator Fiscal Service will be released to the investigating manager for presentation to the disciplining manager at the appropriate hearing.
- 1.5 CFS investigators will remain bound by the principles of the NHS PIN Guidelines detailing the investigation of disciplinary allegations, including reference in particular to the prompt gathering of all relevant facts; witnesses being accompanied at interview by union/professional organisation representative, or a colleague not involved in the investigation; notification to witnesses that statements may be used as evidence in disciplinary hearings.

2. DISCIPLINARY HEARINGS

- 2.1 In every case where it is proposed to proceed to a disciplinary hearing whilst there is a criminal case pending based on the same or related allegations, the advice of the Head of HR is to be sought before proceeding. There is no requirement under the criminal law for staff to be retained on full pay pending the criminal case. However, it may be considered inappropriate to proceed with a disciplinary hearing if the individual concerned declines to attend. In every such case, the Head of HR will advise on whether the evidence is in itself sufficiently strong and compelling to justify dismissal in absentia, if necessary. In practice, such action will be the exception rather than the rule.

3. SUSPENSION

- 3.1 This is not a disciplinary sanction and is a neutral act and would normally only be considered where the behaviour alleged would if proved, constitute an offence of a serious nature and time is needed to investigate the circumstances further. The employee must be informed of the reason for the suspension against which there is no appeal.
- 3.2 Where there is to be an investigation by CFS, the Head of HR should where practicable, consult CFS prior to recommending suspending any member of staff. It must be stressed that CFS are not proposing that they take any part in the decision as to whether or not suspension is appropriate. Rather CFS would seek to be in a position to make recommendations about the timing of the suspension in the interest of securing the integrity of any potential evidence.
- 3.3 Where the suspension takes place outside of standard office hours, CFS should be notified as soon as possible thereafter.
- 3.4 For example, if the alleged offence concerned conduct within Care Inspectorate premises, such as payroll fraud or improper application of tendering regulations, and the decision to suspend has been taken, CFS may recommend that the individual be escorted from the premises in order that evidence could not be tampered with.
- 3.5 If however, the allegation concerned the theft of property, CFS may recommend that it was more appropriate to reasonably delay the suspension in order to enable the searching (under warrant) of the garage (for example) at the home of the individual concerned.

FINANCIAL CRIME ACTION PLAN: APPENDIX 3

REPORTING SUSPECTED FRAUD, THEFT OR OTHER FINANCIAL IRREGULARITY

- 1.1 If you suspect fraud or wrong-doing, you should report this via one of the following routes:
- Contact the Head of Finance and Corporate Governance (Fraud Liaison Officer)
 - Contact the Executive Director of Corporate and Customer Services (Fraud Champion)
 - Contact Crimestoppers on 08000 151628
 - You may report your suspicions via the CFS Website www.cfs.scot.nhs.uk.
 - You may if you prefer contact the Lead Internal Auditor of our outsourced internal audit service. Contact details are David Archibald, 01382 200055 or David.Archibald@hlca.co.uk
 - You may also follow the Whistleblowing Policy to raise your concern.

Please note:

Counter Fraud Services hotline and online reporting services are powered by **Crimestoppers**. This offers access 24 hours a day and seven days a week, with complete anonymity and confidentiality.

- 1.2 After your concern is raised, a decision will be made about who is best placed and has the right skills to investigate the concern.

It is important that you do not:

- try to investigate any concerns yourself
- discuss your concerns outside of the contact routes described in 1.1 above
- confront anyone, whether an employee or not, about your suspicions
- ignore your concerns.

- 1.3 This is because:

- you may alert those you suspect to a potential investigation
- evidence could be destroyed
- evidence could be compromised and may not be usable in any investigation or prosecution if it has been interfered with

- relationships between employees, suppliers or partner agencies could be damaged
- the Care Inspectorate's reputation could be damaged unnecessarily.



Title:	HR ANNUAL REPORT 2022-2023
Author:	Lucy Finn, Head of Human Resources
Responsible Director:	Jackie Mackenzie, Executive Director Corporate and Customer Services
Appendices:	1. Workforce Profile
Consultation:	n/a
Resource Implications:	No

EXECUTIVE SUMMARY

The purpose of this report is to outline:

- An overview of the activity and progress achieved during the period April 2022 to March 2023.
- The key priorities for human resources during 2023/2024.
- The current workforce profile.

HR, as part of Shared Services, continue to make positive changes in the way the team works, supporting both the Care Inspectorate and SSSC to meet organisational strategic objectives. The aim is to ensure the workforce are fully engaged and supported to deliver their roles appropriately. The priorities for HR are designed and delivered to reflect both HR and the organisation's continuous drive to maintain an employer of choice status as set out in our Strategic Workforce Plan.

The key focus for the HR team is to support the organisation to attract and retain people with talent and experience from a range of sectors and all walks of life; to be an employer of choice; to develop cost-effective and flexible reward structures; to create a healthy working environment and actively encourage our staff to flourish and achieve their full potential for the benefit of themselves and our organisation.

The Board is invited to:

1. Note the content of the report
2. Advise on any format or content changes required for future annual reports.

Links	Corporate Plan Outcome (Number/s)	1, 2 and 3	Risk Register (Yes/No)	No
For Noting	x	For Discussion	For Assurance	For Decision

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Equality Impact Assessment		
Yes <input type="checkbox"/>	Not Yet <input type="checkbox"/> One is planned or is already in progress	No <input checked="" type="checkbox"/> Reason: n/a – equalities impacts covered by other assessments in place in HR

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report: <i>(see Reasons for Exclusion)</i> This is a public board report
Disclosure after: n/a

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

HR ANNUAL REPORT 2022/2023

1.0 INTRODUCTION / BACKGROUND

The Human Resources (HR) Annual report provides the Board with an update on the activities of the HR team during 2022-23. It also sets out the key areas for development for the coming year.

We have provided information and analysis on the organisation's workforce profile as Appendix 1.

- 1.1 The HR team is a shared service between the Care Inspectorate and the Scottish Social Services Council (SSSC), ensuring that we provide an effective HR service to our managers and employees across both organisations.

2.0 PROGRESS MADE 2022/2023

The revised HR team structure has now been in place for a year, since 1 April 2022. This was designed to support the best use of resources and deliver an efficient and effective shared service to both the SSSC and the CI. The basic principles of the structure are:

1. To realise the system efficiencies in a shared service through transactions and recruitment processes
2. An HR business partnering approach in the CI and SSSC to allow HR to work more closely with managers to support the achievement of strategic aims and organisational objectives.

Not all posts in the structure were filled at 1 April and so the team was under capacity at times. In addition, during the period the team had a number of new members who were still getting up to speed with the work. This means that the principles have not been fully realised but the changes have been positive, and we are moving towards a more focussed and professional service.

- 2.2 The key achievements in the previous year are summarised below with further details provided later in the report:

2.2.1 Accreditations

Maintained Disability Confident Level 2 (The Employer Award) to work towards a more diverse and inclusive workplace for the recruitment, retention and career development of disabled people.

We retained our Investors in Young People standard after passing the accreditation process in September 2022.

2.2.2 Shared Service developments

The shared services oversight group is now well established and HR update progress on performance on a quarterly basis.

2.2.3 Recruitment

- Between 1 April 2022 and 31 March 2023, we worked with all directorates to complete 78 recruitment campaigns.
- We have filled 155 vacancies in total. 111 external appointments (of which 53 were inspectors), and 44 internal appointments.
- There has been a decrease of 24 campaigns on last year although we have recruited to 37 more vacancies.
- The vacancy fill rate during this period was 87.5%
- In this period up to 31 March 2023, 14 agency workers were recruited. As of 1 April 2023, 3 agency workers are employed.

2.2.4 Case Management

- Supported 10 employee relations cases – capability (5), grievances (3 – 1 a group submission) and disciplinaries (2) through to resolution.
- Continued to provide support to managers managing 75 long term sickness absence cases, 31 at work with health condition cases and 4 short term sickness absence cases where employees met short term triggers.

In 2021-2022 we supported 46 long term sickness cases so there has been a large increase over the last year. We believe that one of the reasons for this is that absence management had not been given the attention it should have been and some cases were not being attended to. The business partnering team have focussed on absence by monitoring sickness absence reports each month and worked closely with managers following timescales set within the policy.

We have also delivered sessions to managers on managing absence, performance, discipline and grievance and will continue to offer these monthly sessions for new and existing managers.

2.2.5 People management policy development

- At the start of the period, we progressed moving HR policies back into the HR team. Policy work had not been completed as per the policy review dates as this was paused during the pandemic while HR and OWD focussed on more immediate concerns. The delay continued while the HR restructure was worked on and the team was under capacity.
- We have now established clear review and consultation processes and have started to work through the policies requiring review, focussing on those that are most urgent.
- The Head of HR has taken on a role as one of the Trauma Champions for the organisation and we will be reviewing policies with a trauma lens approach.
- We have been heavily involved in the development of a new policy supporting hybrid working and a review to our homeworking arrangements.

We have supported organisational working groups such as the Staff Survey group, Health, Safety and Wellbeing Committee, Corporate Equalities Group, Corporate Parenting Group and Future Working Group.

2.2.6 Pay and Grading including payroll

We worked with Partnership Forum and our Sponsor to reach a solution to the Inspector pay and grading issue and implemented the changes in July and August 2022. The 2022-2023 pay remit has not reached a final resolution but we agreed with unions to make an interim payment to staff in March 2023.

This was a complicated payment as it consisted of varying percentage increases at different grades as well as a non-consolidated element for some lower paid staff. The payroll team worked extremely hard to get this processed in time.

3.0 HR STRUCTURE AND SHARED SERVICES

- 3.1** At the start of 2022-23 we had recruited 3 new Senior HR staff representing a Business Partner in the Care Inspectorate and SSSC respectively to provide dedicated HR support for each organisation and a Senior Advisor to manage the transactional services and payroll interface across the team. Unfortunately the CI Business Partner left after only a couple of months to take up a new role. We went out to recruit again and the new Business Partner has been in the role since August 2022.

We finalised the structure for the HR Advisor roles with 2 positions in the CI and 1 in the SSSC.

- 3.2** A third HR Assistant was recruited to the team at the beginning of March 2023. This additional capacity will reduce pressure on the team and help them better meet the recruitment needs of the organisation.
- 3.3** We have also recruited a permanent HR Advisor in the transactions and payroll team. This role focusses on payroll management and processing transactional requests and will allow the Senior HR Advisor to spend more time developing management information and improving systems.

4.0 HR/PAYROLL AND ASSOCIATED SERVICES

- 4.1** Our work this year has continued to focus on making improvements to our systems regarding HR and payroll processes.

We hold regular operational payroll meetings with Zellis staff performing outsourced services and regular service meetings with Zellis account managers to discuss service provision and address any system issues proactively.

Improvements made this year include:

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- Launching a new pay documents module in March 2023, providing an improved user experience and analytics for employees about their pay. This new module also provides a better experience on mobile devices and introduces the ability to download pay documents as PDF's, individually or in bulk.
- A new time management dashboard as of March 2023. Providing an improved user experience, more accurate details on absence, empowering managers and staff to control their own information and reducing manual tasks in the HR function.

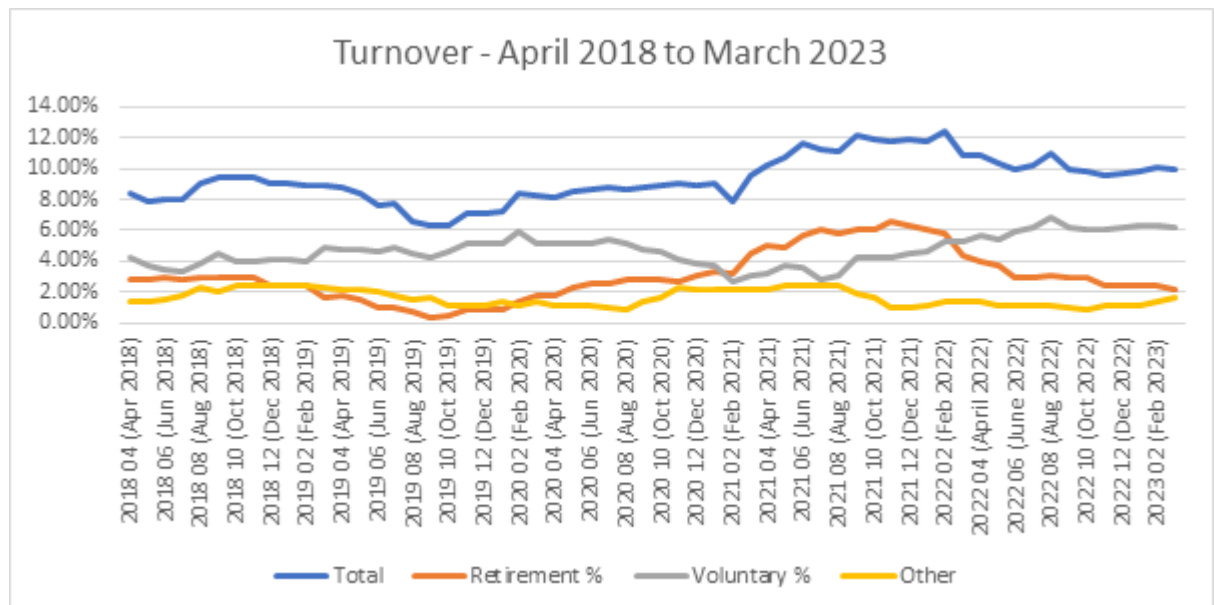
5.0 WORKFORCE DATA

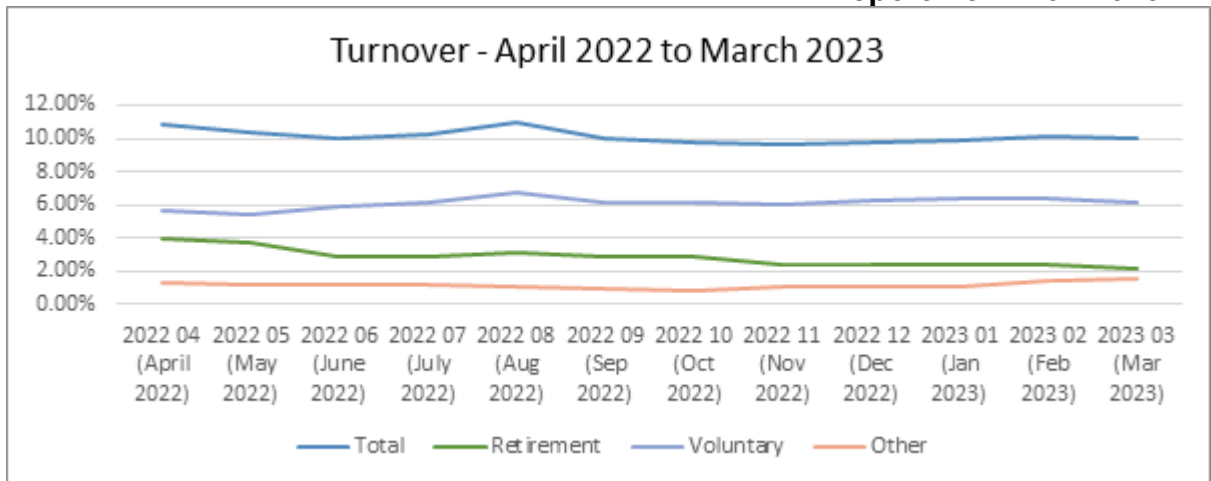
Appendix 1 provides an analysis of our current workforce profile including details of our headcount, age and gender profiles, length of service, geographical spread and flexible working details.

5.1 Turnover

Our overall turnover rate for 2022-23 so far is 10.1%. A breakdown of turnover by type for the last four years and for the 2022-2023 is shown in the charts below. Rates observed in 2022-2023 for other reasons for turnover (1.1%) has decreased from the previous year, as has voluntary turnover (2.85%). Retirement (6.1%) has increased.

Other reasons for turnover include ending of fixed term contracts, ill health retirement, dismissals and in previous years voluntary severance.





Month	Total	Retirement	Voluntary	Other
April 2022	10.88%	3.96%	5.61%	1.32%
May 2022	10.34%	3.77%	5.42%	1.15%
June 2022	9.97%	2.94%	5.89%	1.14%
July 2022	10.26%	2.93%	6.19%	1.14%
Aug 2022	11.00%	3.07%	6.80%	1.13%
Sep 2022	10.01%	2.91%	6.13%	0.97%
Oct 2022	9.79%	2.89%	6.10%	0.80%
Nov 2022	9.59%	2.40%	6.07%	1.12%
Dec 2022	9.72%	2.39%	6.22%	1.12%
Jan 2023	9.86%	2.39%	6.36%	1.11%
Feb 2023	10.14%	2.38%	6.34%	1.43%
Mar 2023	9.95%	2.21%	6.16%	1.58%

We now have a greater focus on exit interviews since the Senior Business Partner has joined and are encouraging a greater uptake. We will report on any trends or themes arising in future Board reports.

5.2 Flexible Working

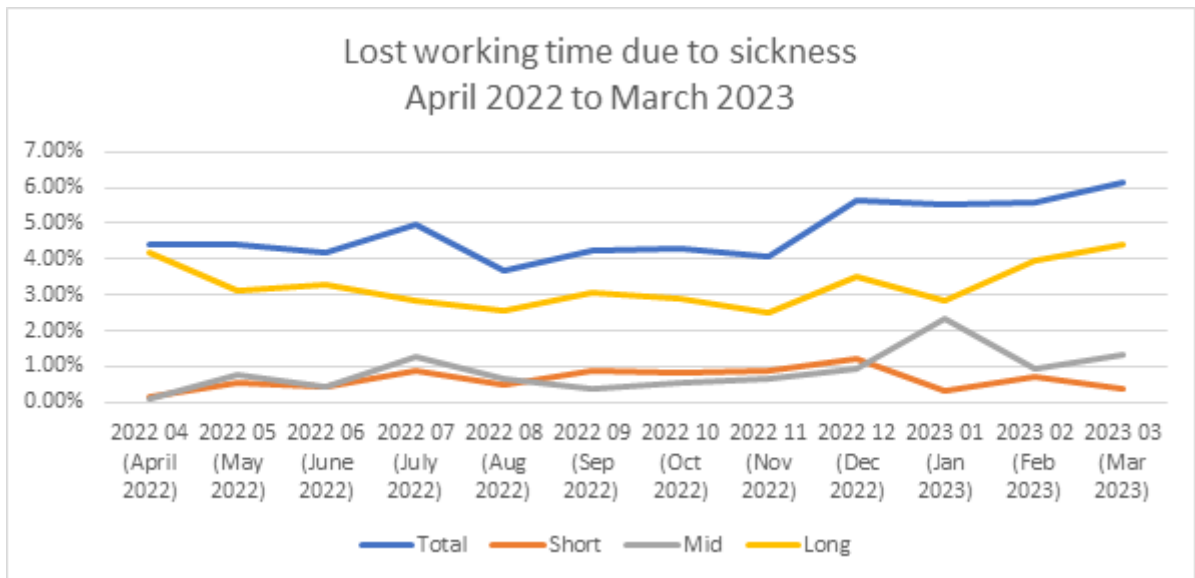
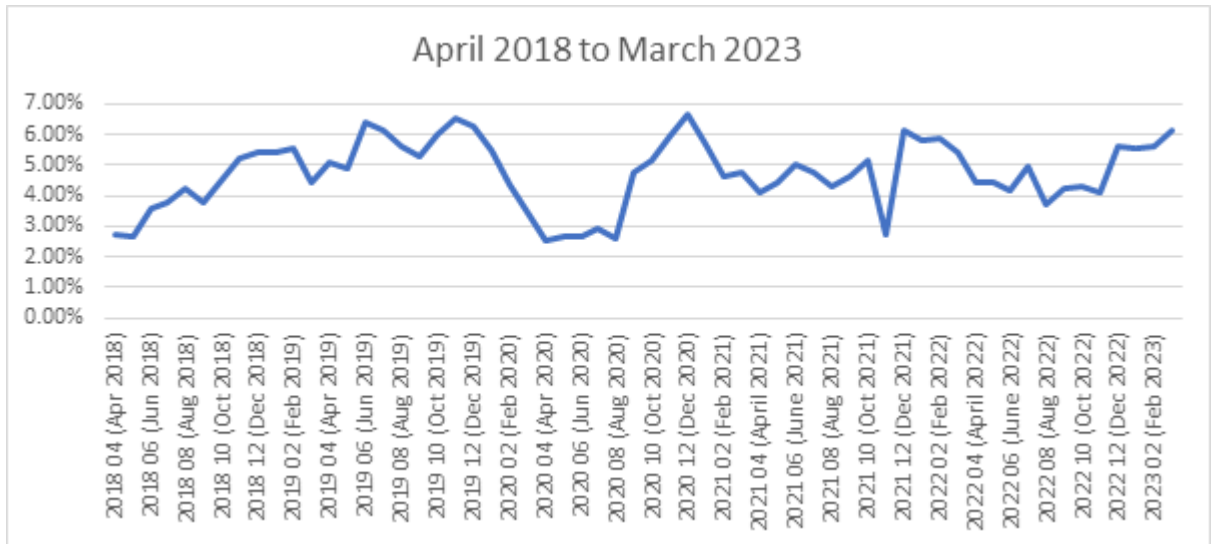
Appendix 1 identifies the proportion of flexible working (including flexible retirement) contracts across our organisation. Flexible working comprises arrangements such as term time working, reduced hours, part time and condensed hours.

We use the 'Happy to talk Flexible Working' logo on our job adverts and support flexible working opportunities providing that the arrangements will continue to meet the operational needs of the organisation.

As of 31 March 2023 the organisation has completed its hybrid working trial and HR are now supporting implementation of a new hybrid policy and revised homeworking arrangements.

5.3 Sickness Absence

Around 4.75% of working time was lost to sickness absence in 2022/23, with a low of 3.71% in August 2022 and a peak of 6.12% in March 2023. This is a mean average of around 10 working days per employee per year which is similar as experienced in the previous financial year and within our KPI measure in the Strategic Workforce plan of 2.4% to 5.7%.



Long term sickness (4 weeks or more) has decreased over the financial year compared to the previous year. 3.25% of working time was lost to long term sickness, rates of short term sickness (up to a week) at 0.6% and medium term sickness (1 to 4 weeks) at 0.8% remained similar to previous years.

5.3.1 The following support measures were provided to our staff to support those who were absence and facilitate a quicker return to work:

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- *Occupational Health (OH) support:* a total of 79 OH referrals were undertaken, 38% related to mental health reasons, 19% for musculoskeletal conditions, 13% for respiratory reasons due to Long Covid and 30% for other reasons such as chronic conditions. This is an increase of 40 from 2021-2022.
- *Risk Assessments:* Within 2022-2023, we supported 59 risk assessments to be put in place. This increased from 33 in 2021-2022.
- *Carer's Leave:* 10.5% of special leave days taken were for carer's leave.
- *Monthly case management meetings:* We hold monthly case management meetings as an HR team to ensure consistency of approach with absence management and to share any learning across the team.
- *Other support measures:* we have organised specific inputs from our Occupational Health provider and we also signpost all employees to the Employee Assistance Programme on a regular basis.

6.0 RECRUITMENT ACTIVITY**6.1** From April 2022 through March 2023 the following recruitment activity has taken place across the Care Inspectorate:

We have run 78 recruitment campaigns of which 38 were internal only.

There were 43 campaigns for temporary posts and 36 campaigns for permanent posts. (Note: this adds up to 79 as one campaign was for one temporary and one permanent post).

- Scrutiny and Assurance – 18 in total
- Corporate and Customer Services – 29 in total
- Strategy and Improvement – 23 in total
- ICT & Digital Transformation – 7 in total
- Executive – 1

We have however had to re-run 8 external campaigns due to the tight labour market. We have found it difficult to recruit to niche roles, for example: researcher/analyst, level 3+ IT roles, etc.

To mitigate this we have advised that: the organisation should try to recruit to permanent roles (where possible), have a clear position on what hybrid working/flexibility means for an applicant, have clarity in job profiles/person specifications, support longer advertising periods and prioritise time to interview with enough notice for candidates to attend.

We have filled 155 vacancies in total. 111 external appointments, of which 53 were Inspectors, and 44 internal appointments.

The number of vacancies filled by directorate was:

- Scrutiny and Assurance – 90 externally / 19 internally = 109 in total
- Corporate and Customer Services – 13 externally / 10 internally = 23 in total

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- Strategy and Improvement – 5 externally / 14 internally = 19 in total
- ICT & Digital Transformation – 2 externally / 1 internally = 3 in total
- Executive – 1 externally / 0 internally = 1 in total

There has been a decrease of 24 campaigns on last year although we have recruited to 37 more vacancies – reducing duplication of effort and delivering efficiencies in service.

We have processed 1,064 applications in total. The average number of applications per campaign is 13 – this figure is up by 2.57 compared to last year. However, without inspector applications this is just over 4 applications per individual campaign.

In view of the demanding labour market, we have worked hard to maintain our fill rate of 87.5% by increasing our spend on targeted advertising and increasing the advertising period of campaigns from 2 to 4 weeks (where agreeable to recruiting managers).

Throughout the year, we have managed to maintain the average number of days to process a campaign at 74 calendar days (from vacancy going live to the employee's first day not including volume campaigns) and based on last year, this is a substantial decrease of 12 days. This efficiency is primarily due to the online processing of PVG's/disclosure checks and a sustained effort, by our dedicated recruitment team, to make sure our new starts join the organisation on a timely basis.

Of the 14 agency workers recruited, we currently have 3 who remain with us. Also, the following temporary arrangements ended on 31 March - 6 fixed term contracts, 2 temporary additional responsibility payments and 8 internal secondments returned to their substantive posts.

6.2 Diversity

We are now offering to support both online and face to face selection assessments. Although, Inclusion Scotland underlines the use of Teams for interviews especially as a reasonable adjustment. We continue to support candidates who identify as having a disability and now actively discuss what reasonable adjustments would be appropriate to tailor and meet the requirements of the individual candidate.

We have started work with CEMVO Race for Human Rights Programme (R4HR) – CEMVO Scotland to encourage future employees from ethnic minority communities.

We are also in the process of making a firm commitment, other than advertising suitable vacancies in “My World of Work, to the Young Person’s Guarantee. And, in alignment with the organisations’ Corporate Parenting objectives, we are working with the Corporate Parenting Group to trial a guaranteed interview scheme for care experienced young people.

6.3. Scrutiny and Assurance Recruitment

Following our last inspector campaign, 17 new starts joined the organisation in February. We currently have 14 preferred candidates (11 ELC and 3 Adult) in our talent pool which we will use to backfill vacancies going forward.

We have recently launched an Adults, Complaints and CYP inspector campaign to target specific locations and add to the talent pool for future vacancies. Those who are appointed will join the organisation on 16 October 2023.

On request from the adults inspection teams, we ran a session in March 2023 for team managers to focus on their recruitment practice. It produced the following outcomes: clarity in messaging, improved recruitment and selection skills, consistency in practice and an understanding of recruitment best practice. A second session is planned for May 2023.

7.0 EMPLOYEE RELATIONS

HR supported the following employee relations cases in 2022-2023:

- 5 capability cases
- 3 grievances
- 2 disciplinary cases
- We had no dignity at work cases

8.0 TERMS AND CONDITIONS

We have undertaken job evaluation exercises as required in various roles and departments and work to implement any changes arising from these.

Pay is only one element of the overall benefit package available to our staff and we have highlighted this more extensively in recent recruitment campaigns as part of our attraction strategy.

We have reviewed our policy on home working and drafted a new hybrid working policy that is in the process of being implemented.

9.0 HEALTHY WORKING AND WELLBEING

In 2022, Healthy Working Lives announced they would no longer deliver the award. However, they continue to support organisations to focus on actions that will make the biggest difference to workforce health and wellbeing.

We still hold the gold level award and we have continued to raise awareness of many topics throughout the year including: Stress Awareness Month, Men's Health Week, World Breastfeeding Week, Cycle to Work Day, Christmas Jumper Day (Save the Children), Cervical Cancer Prevention Week and Time to Talk Day.

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In January 2023 we did a new year health and fitness promotion to remind colleagues of the different ways to get fitter and feel better.

We reminded staff of the importance of the covid and flu vaccination and that they can get this for free by claiming the cost back through expenses on MyView.

10.0 KEY PRIORITIES FOR HR 2023-2024

The main priority is to build on the new structure and progress to a operating as a high functioning and high performing team. Specific priorities are:

10.1 Recruitment and Retention

- Work on our recruitment analytics to produce relevant metrics on recruitment in terms of diversity measures – in particular age, disability and ethnicity to support our commitments in these areas
- Focus on reducing the number of re-run campaigns by trying to recruit “right first time”
- Review exit interview data to ascertain whether there are any trends for people leaving the organisation and consider the use of ‘stay interviews’ as a new initiative to discuss retention with staff before they leave
- The IT Digital Transformation project will continue to require support from recruitment. We have completed the first phase of recruitment to the project with only one niche role outstanding and have now moved into the second phase of recruitment.
- Recruitment will continue to work closely with Business Partnering and OWD on the project to support the relevant conversations, develop job profiles/person specifications and deliver on tight timelines to meet expectations.

10.2 Pay and Grading

- Deliver a final pay award for 2022-2023 early in 2023 and progress negotiations for 2023-2024.
- Undertake a review of our grading structure as appropriate
- Continue to benchmark against developments in other sectors which may impact on our ability to recruit from these sectors or our appeal as an employer of choice.

10.3 Wellbeing

- Continue to support our managers to effectively support employees with absence by having robust policies and offering targeted training on absence management processes.
- Roll out Occupational Health training for managers, union representatives and HR to make sure that we are utilising the service in the most effective way to support staff. The first session was held in April 2023 and was very well attended and received and we will hold further such sessions.

10.4 Systems and Analytics

- Launch Myview single sign on using Microsoft 365 credentials in April 2023. This will increase the security of the system with multifactor authentication while providing ease of access to encourage usage.
- Provide a mobile app from May 2023, improving the experience of using MyView on mobile devices.
- An onboarding module for new starts targeted for May/June 2023
- Sickness reporting incorporated into the time management dashboard launch in May/June 2023.
- Continue to develop the staff record to support establishment and equality reporting. The transfer of the organisational hierarchy and equalities data into the HR system is on track for June 2023.
- The integration of the HR System with Microsoft 365 and Power BI is nearing completion. Power BI integration will streamline the reporting process and allow HR to deliver live data via dynamic reports and dashboards to stakeholders.

10.5 Business Partnering

- Continue management training in HR processes and procedures, focussing on supporting managers to have difficult conversations and use policies effectively
- Use HR analytics to support proactive inputs on case work, absence and restructures
- Embed the full team structure
- Progress policy work as per timetable

11.0 IMPLICATIONS AND/OR DIRECT BENEFITS

11.1 Resources

There are no additional resource implications as a result of this report. The revised HR structure supports the delivery of an effective HR service to meet the shared services model on a permanent basis.

11.2 Sustainability

This report is for information only and there are no sustainability issues or benefits because of it.

11.3 Policy

There are few direct policy implications in relation to this report but issues around recruitment and pay should be considered within the context of the organisation not having reached agreement on the 2022-2023 pay remit and the Scottish Government's Pay Policy for 2023-24. We continued to see pressure on recruitment, retention and employment conditions across the social care sector during the period covered by this report and expect that to be ongoing throughout the coming year.

We expected the National Care Service and the Independent Review to progress further over the last year and have a greater impact on the CI an SSSC. At the time of this report there still remains an unknown in terms of the impact of these and therefore the support that will be required from HR. We will keep a close eye on developments and resource plan accordingly.

11.4 How does this report directly/indirectly improve the provision of care?

It is important that the organisation is in good shape and our employees are well supported and equipped to deliver their roles in line with the objectives set in our Corporate Plan. A committed and well skilled workforce will deliver a high-quality service which will in turn benefit people who use care services and their carers.

11.5 Customers (Internal and/or External)

This report is for information only and there are no direct customer issues or benefits because of it. However, customer service remains a key priority for HR and we will seek customer feedback as appropriate to inform and improve our service.

12.0 CONCLUSIONS/NEXT STEPS

This report highlights some of the key tasks and HR metrics for the Care Inspectorate which we continue to monitor and review in line with our aims of the Strategic Workforce Plan.

Looking ahead, HR plan to continue to meet our objectives in the strategic workforce plan, to transform the way we recruit, create a healthy working environment to allow staff to flourish, continue to proactively manage employee relation cases including absence and provide training and guidance to line managers to deal with people related issues through a structured plan of training activities.

Following feedback from the Board, we will report on employee relations appeals in the quarterly Board updates as well as progress made on policies against the review schedule.

WORKFORCE PROFILE DETAILS

Headcount and FTE

Directorate	Headcount	FTE
Corporate & Customer Services	131	119.58
Executive Team	5	4.75
IT, Transformation & Digital	19	18.66
Scrutiny & Assurance	409	385.00
Strategy & Improvement	80	72.67
Grand Total	644	600.65

*These figures exclude any locum staff, agency staff and consultants. It includes all staff on payroll whether they are currently at work or not (ie includes maternities, long term sick, etc).

We have 3 locum staff, all in Scrutiny and Assurance.

Age profile

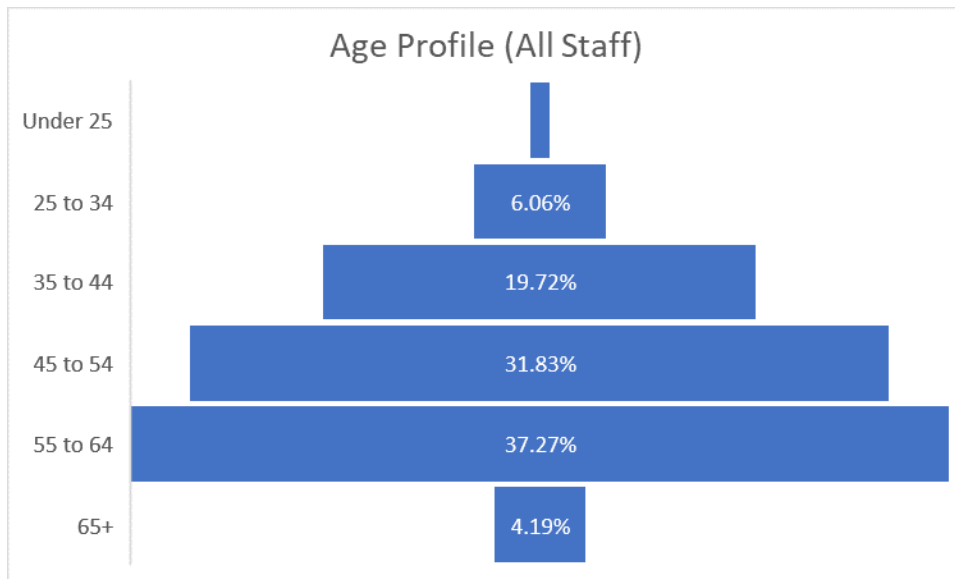
We have an aging workforce – particularly in our Scrutiny and Assurance Directorate (17 staff are 65 or over, with a further 15 staff turning 65 within the next 2 years).

Approximately 40% of the Scrutiny and Assurance workforce are 55 or over.

The age range of staff in other Directorates is wider and includes 6 staff under the age of 25.

The table below shows percentages of staff in each age range by Directorate.

Directorate	Under 25	25 to 34	35 to 44	45 to 54	55 to 64	65+
Corporate & Customer Services	4.58	10.69	18.32	24.43	35.11	6.87
Executive Team	0.00	0.00	0.00	20.00	80.00	0.00
IT, Transformation & Digital	0.00	5.26	31.58	36.84	26.32	0.00
Scrutiny & Assurance	0.00	3.18	18.58	33.74	40.34	4.16
Strategy & Improvement	0.00	13.75	26.25	33.75	25.00	1.25
Grand Total	0.93	6.06	19.72	31.83	37.27	4.19



Gender Profile

Over three quarters of the workforce are female.

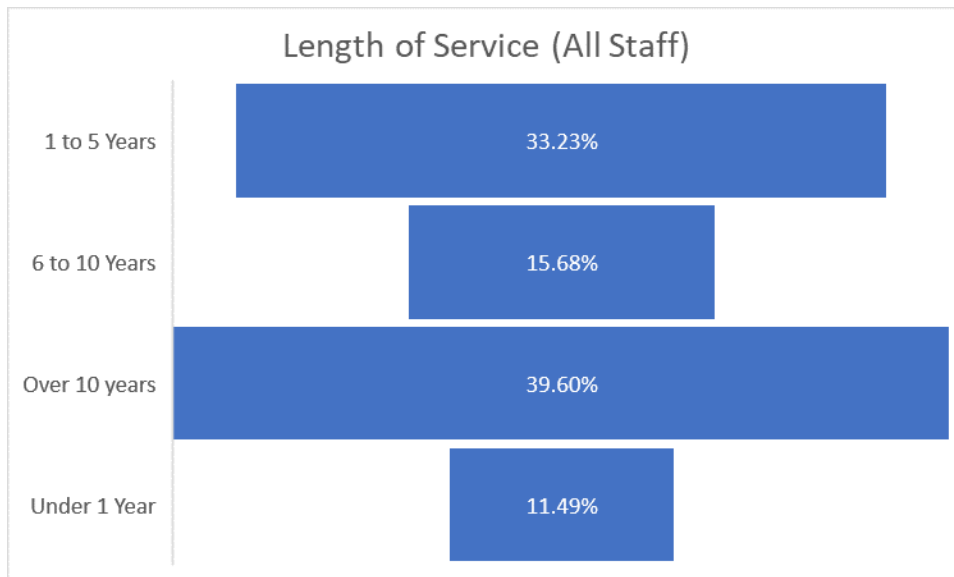
Directorate	F	%	M	%	Total
Corporate & Customer Services	117	89.31	14	10.69	131
Executive Team	3	60.00	2	40.00	5
IT, Transformation & Digital	7	36.84	12	63.16	19
Scrutiny & Assurance	334	81.66	75	18.34	409
Strategy & Improvement	58	72.50	22	27.50	80
Grand Total	519	80.59	125	19.41	644

Length of Service

Service length by Directorate as a percentage of staff

Directorate	1 to 5 Years	6 to 10 Years	Over 10 years	Under 1 Year
Corporate & Customer Services	19.85	12.98	57.25	9.92
Executive Team	40.00	0.00	40.00	20.00
IT, Transformation & Digital	26.32	21.05	42.11	10.53
Scrutiny & Assurance	37.41	14.91	34.47	13.20
Strategy & Improvement	35.00	23.75	36.25	5.00
Grand Total	33.23	15.68	39.60	11.49

Over a third of the workforce have more than 10 years' service, with this figure being nearer 60% for staff in Corporate and Customer Services.



Geographical spread

We have 511 staff based in one of our offices and 133 who are contractual home workers. Dundee and Paisley are by far our biggest office bases.

Directorate/Office	Aber	Dumfries	Dundee	Dunferm	Edin	Elgin	Ham
Scrutiny & Assurance	31	6	49	36	53	5	44
Other	13	4	101	12	20	1	19
Grand Total	44	10	150	48	73	6	63

Directorate/Office	Inver	Oban	Paisley	Selkirk	Shetland	Stir	Storn
Scrutiny & Assurance	17	3	122	11		31	1
Other	5	2	38	4	1	14	1
Grand Total	22	5	160	15	1	45	2

Flexible working

Our staff have considerable flexibility around when they work (eg 140 hours over 4 weeks for Inspectors and a flexi time scheme for most other staff). Over and above this, we have several formalised flexible working arrangements (part-time and full-time). Flexible full-time denotes condensed working patterns – almost 7% of staff work these types of arrangements.

Just under 19% of our staff are part time (16.9% of Scrutiny and Assurance Directorate). This table shows working arrangements by staff age grouping with the charts following showing how working arrangements are broken down within Directorates.

Working Arrangements by Age Group and Percentage

Age Group	Flexible Full Time	Full Time	Part Time
25 to 34	2.56	76.92	20.51
35 to 44	3.85	81.54	14.62
45 to 54	3.81	86.67	9.52
55 to 64	11.43	64.08	24.49
65+	0.00	41.38	58.62
Under 25	0.00	83.33	16.67
Grand Total	6.37	74.66	18.97



BOARD

Schedule of Business 2023/24

BUSINESS TOPIC	11 May 2023	10 Aug 2023	9 Nov 2023	8 Feb 2024	28 Mar 2024 (Budget Only)
Chair's Report (quarterly)	✓	✓	✓	✓	
Chief Executive Report (quarterly)	✓	✓	✓	✓	
STRATEGY AND POLICY ITEMS					
Approval of Care Inspectorate Strategies on a rolling/as required basis <ul style="list-style-type: none"> • Customer Engagement Strategy • Communications Strategy • Estates Strategy • Financial Strategy (to August meeting) • Health and Safety Strategy • ICT Strategy • Improvement and Involvement Support Strategy and Delivery Plan (2022-25) • Information Governance Strategy • Intelligence Strategy • Legal Services Strategy • Shared Services Strategy • Workforce Strategy (Plan to Feb 2023 Board) • Procurement Strategy (3 year cycle, next due 2026-29, to last meeting of Board cycle) 		✓			
Scrutiny and Assurance Strategy and Plan 2024/25 (Plan to be marked as " Private item ")				✓ (Plan)	

BUSINESS TOPIC	11 May 2023	10 Aug 2023	9 Nov 2023	8 Feb 2024	28 Mar 2024 (Budget Only)
Budget and Indicative Budgets					✓
Strategic Risk Register 2023/24		✓			
Approval of Risk Appetite and Risk Policy		✓			
MOWG Budget Development – update report	✓(verbal)				
MONITORING AND GOVERNANCE ITEMS					
Monitoring our Performance Quarterly Report	✓ (Q4)	✓ (Q1)	✓ (Q2)	✓ (Q3)	
Minutes/Report of Audit and Risk Committee	✓ (30 March 2023 meeting)	✓ (25 May meeting)	✓	✓	
Complaints Activity Report (<i>normally to 1st meeting of Board cycle, but to August meeting in 2023/24</i>)		✓ (annual)	(mid-year – tbc)		
Annual Accounts 2022/23 Progress Report (<i>to 1st Quarter meeting of Board</i>)	✓				
Annual Report and Accounts - Audit and Risk Committee Annual Report - Draft Annual Report and Accounts 2022/23 - Combined ISA260 Report to those Charged with Governance and Annual Report on the Audit			(tbc)		
Budget Monitoring and Staffing Update	✓	✓	✓	✓	
Health and Safety Annual Report 2022/23 (<i>normally to 1st meeting of Board cycle, but to August meeting in 2023/24</i>)		✓			
UNCRC Report		✓			
Equality Duty Reporting – Annual Progress Report				✓	
Annual Review of the CI's Financial Regs				✓	
Annual Procurement Performance Report			✓		
OPERATIONAL ITEMS					
HR Quarterly Update report	✓(Q4)/Annual	✓(Q1)	✓(Q2)	✓(Q3)	
Estates Update Report (Annual - to first meeting of cycle w.e.f 2024/25)	✓ (verbal update)				

BUSINESS TOPIC	11 May 2023	10 Aug 2023	9 Nov 2023	8 Feb 2024	28 Mar 2024 (Budget Only)
Board and Committee Cycle 2023/24: meeting dates		✓			
Shared Services Update Report Annual Report		✓			
Corporate Parenting Plan Progress Update				✓	
Approval of Pay Remit for submission to Scottish Government (tbc)					
Update on Significant Organisational Restructures <i>(when required)</i>					
Approval of Compensation Payments <i>(when required)</i>					
STANDING ITEMS					
Identification of Risk	✓	✓	✓	✓	✓
Schedule of Board Business	✓	✓	✓	✓	
CI Employee Relations Appeals <i>(standing item, but only when required)</i>					
PRIVATE AND CONFIDENTIAL ITEMS					
Scrutiny and Assurance Plan 2024-25				✓	