

## CARE INSPECTORATE RISK APPETITE STATEMENT

2019-20 Draft

As a scrutiny body that supports improvement we manage risk on a day to day basis. Through use of evidence and intelligence, we monitor and assess whether providers, community planning partners and health and social care partners are managing the different risks for people who experience care and their carers to deliver positive outcomes that meet the needs, rights and choices of individuals. We use this risk based intelligence to inform how we best deploy our finite resources to scrutinise and support improvement across care services and the broader care sector.

As a regulator, we must ensure that we are managing the risks to our organisation in a highly effective way and set the standard that we expect of others. We need to do this in a way that balances safeguarding public protection and providing assurance on the quality of care with supporting the need for innovation in the way that services are planned, commissioned and delivered.

### Reputation and Credibility

- We understand that reputational risk is of critical importance to the work we do. We therefore aim to be open, transparent and proportionate in our scrutiny and improvement work as issues arise. This is of significance across all our regulatory activities and the use of evidence and professional judgement and evaluation must be underpinned by sound and consistent approaches to risk assessment and quality assurance. Our overall approach to risk where there are public protection issues needs to be evidence informed and **averse**.
- However, we do recognise that there will be occasions when we need to take risks to protect the public or support new ways of service design and delivery. We will take these risks in an informed, deliberate and thoughtful way with qualitative evaluation being an inherent part of our approach, knowing that some examples of innovation may not be successful or viable – in this regard, our risk appetite is **open**.
- The Care Inspectorate's risk appetite allows for decisions to be taken that have the potential to expose the Care Inspectorate to additional scrutiny from e.g. Government or media but only where appropriate steps have been taken to minimise any adverse exposure. Our approach in this regard is **cautious**.

### Operational and Policy Delivery

- We are willing to consider all potential delivery options and choose one that is most likely to result in successful delivery while also providing an acceptable level of reward (best value, stakeholder satisfaction etc.). Rather than avoiding innovation, we are open to innovation as long as there are commensurate quality assurance processes, evaluation and robust internal controls. Our appetite in this regard is therefore **open**.

### **Financial/Value for Money**

- The Care Inspectorate operates within a tightly controlled and audited financial regime. We generally maintain a **cautious** risk appetite and our preference is for a relatively conservative approach. We are also willing to consider the benefits of any proposed course of action and in doing so, are prepared to accept the possibility of some limited financial loss (specifically, but not exclusively around fee income versus enforcement action). The expectation is that the executive will closely monitor overall level of financial and other risk faced by the organisation.
  
- Efficiency is a very high priority to maximise our ability to pursue our strategic goals and achieve sustainability. Furthermore, efficiency is within our control and should be a key performance indicator and focus for all business activities. We therefore have an **open** risk appetite for exploring best value / efficiency initiatives.

### **Regulatory and Legal Compliance**

- We aim to reduce our risk of failing to meet our legal and financial obligations to a managed position of being ‘as low as reasonably practicable’. The tolerance for risk taking is generally **averse** and is limited to those events where there is little chance of any significant repercussion for the Care Inspectorate should there be a compliance failure.

### **People and Culture**

- We recognise that our staff are critical to the achievement of our strategic priorities. The support of our staff is key to making the Care inspectorate an inspiring and safe place to work. We have an **open** risk appetite for decisions that involve staffing or culture to support transformational change and an **averse** appetite when considering staff safety and wellbeing.

<b>Appetite</b>	<b>Descriptor</b>
<b>Averse</b>	Activities undertaken will be considered to be very safe in the achievement of deliverables or initiatives. Activities will only be undertaken where there is a low degree of inherent risk. The associated potential for reward / benefits realisation is not a key driver for decisions.
<b>Cautious</b>	We are willing to accept a degree of risk is selecting which activities to undertake where we have identified scope to achieve significant comparative reward or realise a benefit. Activities may carry significant inherent risk that is deemed controllable to a large extent.
<b>Open</b>	We will undertake activities balancing the likelihood of successful delivery with the potential reward or value of the benefits that could be realised. Activities may carry, or contribute to, a high degree of residual risk.