

**INSURANCE AND RISK MANAGEMENT
BEST VALUE REVIEW IMPROVEMENT PLAN
PROGRESS REPORT**

Report of Director of Finance

SUMMARY OF REPORT

- 1.1 The Council Cabinet is asked to consider the progress made to date, and to be aware of the changes that have been made to the service improvement plan arising from the Best Value Review of the Insurance and Risk Management function.

OPTIONS CONSIDERED

- 2.1 None in relation to this report.

RECOMMENDATIONS

- 3.1 To consider the progress report on the Insurance and Risk Management Best Value Review Service Improvement Plan.
- 3.2 To refer the report on progress made on the improvement plan to the Scrutiny Management Commission for comment.

REASONS FOR RECOMMENDATIONS

- 4.1 The report is intended to give Members an indication of progress with improvements to the Insurance and Risk Management function.

MATTER FOR CONSIDERATION

- 5.1 A Best Value review of the Insurance and Risk Management function was undertaken in 2001. From this review a service improvement plan was produced and it is the progress on these improvements that is addressed in this report.
- 5.2 As part of the Best Value review of insurance and risk management a new post of Head of Risk Management and Tax was proposed in order to focus in on developing the strategic risk management agenda across the Council.

- 5.3 Unfortunately we have been unsuccessful in recruiting to this post and so we have taken the opportunity to review whether an alternative approach might be more appropriate.
- 5.4 In reviewing the post, it was felt that it was unlikely that another recruitment exercise would identify a suitable candidate. Furthermore, in the light of the feedback from CPA and external audit feedback on corporate governance and strategic risk management, it was felt that a different approach might be more appropriate.
- 5.5 The focus of internal audit is increasingly moving towards a more risk-based approach with a wider corporate governance role emerging. Strategic risk management fits very closely within this corporate governance framework and there are clear synergies to be exploited in considering the merging of strategic risk management within this developing audit role.
- 5.6 On the 3 February the Insurance and Risk Management Section underwent a re-structuring. A decision was made to create a new Corporate Governance Audit Team, in the restructured Internal Audit and Corporate Governance Section. The team will be responsible for proactively promoting the identification, monitoring and control of strategic and operational risks. The team will also be responsible for conducting Corporate Governance Audits. The Insurance Section is now under the control of the Head of Tax and Insurance. The separation of insurance and risk management highlights the importance of risk management in a corporate governance light rather than looking only at insurable risks.
- 5.7 Appendix 1 to this report contains the Service Improvement Plan with full details of progress to date. In summary the key achievements are:
- ❖ the Internal Audit and Corporate Governance Section has been established, to co-ordinate strategic risk management within the authority
 - ❖ a revised risk management strategy for the Council has been approved, along with a strategic risk management framework
 - ❖ a standard method for undertaking risk assessments has been included in the best value toolkit
 - ❖ a self assessment on how the Council compares against the Corporate Governance standard has been completed and an action plan approved
 - ❖ the tender for the Insurance Brokers contract has been completed and a broker appointed
 - ❖ the re-tendering process for the Council's insurance programme has commenced and the tenders are being evaluated
 - ❖ the claims information supplied to Departments has been revised and improved to ensure better awareness of insurance claims processing.

FINANCIAL IMPLICATIONS

- 6.1 None directly arising from this report.

LEGAL IMPLICATIONS

7.1 None directly arising from this report.

PERSONNEL IMPLICATIONS

8.1 None

ENVIRONMENTAL IMPLICATIONS

9.1 None

EQUALITIES IMPLICATIONS

10.1 None directly arising from this report.

Background Papers:

Insurance and Risk Management Best Value Review

Executive Committee - 8 January 2002

Scrutiny Management Commission – 5 February 2002

Executive Committee – 12 February 2002

Executive Committee – 17 September 2002