

REPORT TO A MEETING OF THE TOWN COUNCIL OF ROYAL LEAMINGTON SPA TO BE HELD ON 19TH MARCH 2018

ASSESSMENT OF CORPORATE RISK

1. PURPOSE OF THE REPORT

To consider the Council's current arrangements for managing risk and ensuring continuity of its business operations.

2. INTRODUCTION

2.1 The Council is required to periodically review arrangements to ensure that all risks arising from its activities and internal processes are appropriately managed. The Annual Return of Accounts required as part of the auditing of activity undertaken at the close of each financial year requires the Council to complete the following statement:-

" We carried out an assessment of the risks facing the Council and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover, where required."

2.2 The methods of managing the majority of risks faced by the Council are through its Standing Orders, Financial Regulations and Insurance arrangements. This Report assesses the effectiveness of these measures and identifies any other issues which the Council may need to address in the immediate term.

3 INSURANCE ARRANGEMENTS

3.1 The Council currently maintains an all risks insurance policy with Zurich Municipal which supplies insurance products to a wide range of organisations including local Councils. The Council's Policy which is due for renewal with effect from the 25th March 2018 provides for the following levels of cover for the Council's principal risks:-

Public Indemnity	£15 million
Employers' Liability	£10 million
Corporate Manslaughter	Up to £5 million
Fidelity Guarantee (employees & members)	£500,000
Personal Accident	£500,000
Defamation	£1 Million

3.2 The levels of cover in relation to the risks faced by the Council are considered adequate and therefore no change to the current policy is required at this time. The annual premium has been fixed for a period of 3 years and remains competitive at £2,294.63 (£2210 – 2017).

- 3.3 The Council has agreed to participate in the national beacon lighting ceremony taking place across the United Kingdom on 11th November 2018 which will entail undertaking suitable assessment and management of risk to both contractors and members of the public in relation to activities associated with this event. Suitable guidance has been sought from the Insurer and should there be a need to procure additional indemnity for this event a separate report will be made to the Council.

4. **PROCEDURAL SAFEGUARDS**

- 4.1 All Council activity is regulated by the Council's Standing Orders and Financial Regulations and these documents are provided to every Member upon election. They are reflective of legislative requirements and changes and as such are periodically reviewed to ensure compliance. The Council last undertook a review of these documents in May, 2015 and will therefore warrant review before the election of a new Council in May 2019.
- 4.2 Other risks faced by the Council are largely managed through appropriate oversight by the relevant Committee of the Council and adherence to recommended good practice by Officers. As a larger Local Council and member of the National Association of Local Councils, the Town Council benefits from direct access to advice available from the Legal Department of NALC. This ensures that in those instances where professional legal assistance is needed it is accessible within reasonable time frames at minimal cost.
- 4.3 Financial risk represents potentially the single most significant risk to the Council. For example misappropriation of funds or the failure to maintain adequate balances to meet the Council's on-going revenue spending commitments. These risks are managed both through the Council's Financial Regulations, Standing Orders and Insurance. They are identified along with other operational risks in the summary at Appendix 1.
- 4.4 Security of Data integrity, particularly in the light of changes to legislation, remains an important area of risk and this is also emphasised in the measures in the audit of risks at Appendix 1.

5. **RECOMMENDATION**

- 5.1 The Council is recommended to:-

(1) approve the methodology for review of the risks faced by the Council and the measures for controlling them set out at Appendix 1; and

(2) approve the renewal of the Council's insurance Policy with Zurich Municipal in the sum of £ £2,294.63 for the year 2018/19;