

Police and Crime
Commissioner
North Yorkshire



JOINT INTERNAL AUDIT COMMITTEE

19 SEPTEMBER 2017

Gallagher Bassett In House Claims Handling Audit – Report for Information

1. Report Purpose

- 1.1 The purpose of this report is to present the findings of an audit undertaken by Gallagher Bassett in March 2017, of public liability claims handled by Joint Corporate Legal Services (JCLS).

2. Key Information including Implications

- 2.1 Gallagher Bassett are external claims handlers who were instructed by NYP's liability insurers, QBE to conduct a due diligence and file handling audit of public liability claims handled by JCLS. This is the third audit that has taken place.
- 2.2 NYP's liability insurance policy arrangements allow for public liability claims up to a value of £50,000 to be dealt with in house. These claims are handled by the Police Lawyer (Civil Litigation) and Paralegals. The Force Solicitor and Head of Legal Services oversees the handling of the claims and approves financial settlement where required under the Scheme of Delegation.
- 2.3 The audit consisted of a review of 21 claims which were selected at random by Gallagher Bassett.
- 2.4 The summary of the findings are detailed in the report, however an overview of the rating for each area reviewed is as follows:
- Exemplary – policy coverage, investigation, validation of quantum and accident causation, offers, reserves, supervision, litigation, fraud process and key values .
 - Merit – new claim and key evaluation.
 - Satisfactory – communications and disclosure, closure and governance.
 - Requires Improvement – compensation recovery unit.

The overall assessment is 97.2% which is Exemplary. This is an improvement from 96.8% (Merit) for last year's which demonstrates continued progression.

NOT PROTECTIVELY MARKED

2.5 Gallagher Bassett identified 3 areas for improvement and 3 mandatory corrective actions. The corrective action plan is detailed in the audit report and summarised as follows:

- The Compensation Recovery Unit should be notified of all claims with an element of personal injury.
- The internal closure policy should be adhered to on all files.
- The diary system should be used to proactively handle claims and this should be evidenced on files.
- A Data Protection Fair Obtaining Notice should be included on all correspondence to advise the claimant who North Yorkshire Police will share personal data with.
- Ensure that there is visibility that steps have been taken to ensure that the claimant is not a US citizen before any payments are issued to them.
- Ensure that there is visibility that the financial sanctions list has been checked before any payments are released.

All actions have now been completed.

3. Proposals / Recommendations Requiring a Decision

3.1 The Committee are asked to note Appendix A - Audit report dated March 2017.

4. Consultations Carried Out

4.1 Both the PCC Chief Finance Officer and Chief Constables Chief Finance Officer have been consulted.

Report Information

Author(s): Julie Shuttleworth, Insurance and Litigation Manager

Head of Department: Jane Wintermeyer, Force Solicitor and Head of Legal Services

Executive Group Sponsor: Michael Porter, PCC Chief Finance Officer

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Background documents: Appendix A: Gallagher Bassett Claims Handling Audit Report