

ITEM NO. 7

DECISION-MAKER:	AUDIT COMMITTEE		
SUBJECT:	RISK FINANCING STRATEGY		
DATE OF DECISION:	27 TH SEPTEMBER 2007		
REPORT OF:	Carolyn Williamson – Executive Director of Resources		
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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

SUMMARY

The Risk Financing Strategy is a component of the Council's overall risk management strategy.

Risk financing refers specifically to the arrangements in place to fund those risks that are insurable with the aim of having in place a programme that provides appropriate and adequate protection for the Council in addition to being able to demonstrate value for money. The purpose of the Risk Financing Strategy document is to provide an overview of the Council's approach to risk financing with a summary of current arrangements and future aims.

RECOMMENDATIONS:

- (i) The Audit Committee is asked to approve the Risk Financing Strategy document (Appendix 1).

REASONS FOR REPORT RECOMMENDATIONS

1. The report is presented to the Audit Committee in their capacity as the member body responsible for providing assurance to the Standards and Governance Committee on the adequacy and effectiveness of the risk management framework.
2. The Audit Committee also has specific responsibility for oversight of and provision of assurance to the Standards and Governance Committee on the following functions:
 - ensuring that Council assets are safeguarded;
 - the scope and effectiveness of the internal control systems established by management to identify, assess, manage and monitor financial and non-financial risks (including measures to protect against, detect and respond to fraud).

CONSULTATION

The Risk Financing Strategy has been developed in consultation with AON Risk Services who are the Council's appointed risk and insurance advisors.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

No alternative options have been considered.

DETAIL

1. The Risk Financing Strategy has been developed in line with best practice and is a component of both the risk management strategy and the Council's overall corporate governance arrangements.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

NONE

Revenue

NONE

Property

No specific property implications have been identified in this report.

Other

NONE

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

The Audit Commission Act 1998 and the Accounts and Audit Regulations 2003 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

Other Legal Implications:

NONE

POLICY FRAMEWORK IMPLICATIONS

NONE

SUPPORTING DOCUMENTATION

Appendices

1.	draft Risk Financing Strategy
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Documents In Members' Rooms

1.	NONE
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the
Access to Information
Procedure Rules / Schedule
12A allowing document to be
Exempt/Confidential (if
applicable)

Background documents available for inspection at: Internal Audit Office, North Block
Basement, Civic Centre

E-mail: peter.rogers@southampton.gov.uk

FORWARD PLAN No: N/A

KEY DECISION?

N/A

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WARDS/COMMUNITIES AFFECTED:

NOT APPLICABLE