

Financial Affordability	The financial ability of the Council to continue operating and delivering its services and projects	05 June 2026
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Risks – Causes and consequences
<p>Causes</p> <ul style="list-style-type: none"> Increasing regularity of emergency weather events (See Risk: Climate Change) Increasing number of regulations (See Risk: Government Reform) Insurance costs Depreciation costs Inflation Interest rate fluctuations Reduction in the scope of Council activities, and decreased borrowing power <p>Consequences</p> <ul style="list-style-type: none"> Community affordability Deferral of key capital projects Reduction in services Non-compliance with regulatory requirements Reaching the borrowing cap with LGFA Poor liquidity
Opportunities – Causes and outcomes
<p>Causes</p> <ul style="list-style-type: none"> Government deregulation Lower costs (e.g., insurance, depreciation, inflation, interest) Increase in the scope of Council activities, and greater borrowing power <p>Outcomes</p> <ul style="list-style-type: none"> More choice during long-term planning (e.g., increased number of projects) Higher quality services Ease of compliance Greater liquidity
Assurance and accountability
<p>Reporting: Deep dive report to the Finance & Performance Committee (annually)</p> <p>Ongoing monitoring: Joel Richards (Chief Financial Officer)</p>

Controls/enablers in place
<ul style="list-style-type: none"> Delegations Manual Financing facilities (e.g., emergency bank fund) Covenant Trustees (the external agency that audit our benchmarks) Audit NZ auditing Internal audit programme Bancorp (third-party treasury advisory) International Report standards
Controls/enablers planned
Nil
Factors outside of Council’s control
<ul style="list-style-type: none"> National economy Willingness of other councils to partner with us (e.g., to deliver more efficient services)
References
<p>Legislation</p> <ul style="list-style-type: none"> Local Government Act 2002, Local Government (Rating) Act 2002 <p>Council Documentation</p> <ul style="list-style-type: none"> Long-term Plans and Annual Plans, Investment Policy, Liability Management, Financial Strategy <p>Previous Reporting:</p> <ul style="list-style-type: none"> Initial Strategic Risk Update – Audit and Risk Committee 13 March 2025
Risk Appetite
<p>Financial & Investment – Cautious</p> <p>Service Delivery – Cautious-Open</p> <p>Reputational – Cautious</p> <p>Political – Open</p>