

**AUDITOR-GENERAL'S OBSERVATION REPORT ON THE AUDIT OF THE
2025/26 CAIRNS REGIONAL COUNCIL FINANCIAL STATEMENTS**

F&BS | 63/17/2-01 | #7958237

RECOMMENDATION:

That Council notes the Auditor-General's Observation Report on the audit of the 2025/26 Cairns Regional Council Financial Statements.

INTERESTED PARTIES:

Not Applicable

EXECUTIVE SUMMARY:

Final financial statements for the year ended 30 June 2026 were adopted at Council's Ordinary Meeting held 16 September 2026 and received an unqualified audit opinion from the Queensland Audit Office (QAO).

The Auditor-General's observation report is a report about the audit that includes observations and suggestions made by the Auditor-General about anything arising out of the audit. As per the Local Government Regulation 2012, the Mayor must present a copy of the report at the next ordinary meeting following its receipt from QAO.

No significant matters were identified by QAO whilst completing their audit procedures this year.

COMMENT:

Attached is the Auditor-General's Observation Report on the audit of the 2025/26 Cairns Regional Council financial statements.

OPTIONS

Option 1 (recommended):

That Council notes the Auditor-General's Observation Report on the audit of the 2025/26 Cairns Regional Council Financial Statements.

Option 2:

That Council does not note the Auditor-General's Observation Report on the audit of the 2025/26 Cairns Regional Council Financial Statements and requests further information.

ATTACHMENTS:

Attachment 1: Auditor-General's Final Management Report (DM #7958593)

A handwritten signature in black ink, appearing to read "J. Ritchie".

Jason Ritchie
Executive Manager Finance

A handwritten signature in black ink, appearing to read "L. Whitton".

Lisa Whitton
Chief Financial Officer



2026 FINAL MANAGEMENT REPORT

Cairns Regional Council

29 September 2026

Cr Amy Eden
Mayor
Cairns Regional Council

Dear Mayor Eden

Final management report for Cairns Regional Council

This report provides the outcome of the Queensland Audit Office's external audit of your financial statements for the year ending 30 June 2026.

We have completed our audit and issued an unmodified opinion. This means the financial statements follow required laws and accounting standards and can be relied on.

Final observations arising from our audit

Following our interim report to you dated 31 March 2026, we have not identified any additional matters that require your attention.

Our final audit fee for the audit of the financial statements is \$213,000 excluding GST, which is in line with the estimated fee outlined in our external audit plan. In addition to this is an audit fee of \$5,623 excluding GST in relation to the audit work undertaken in relation to the LRCI grant acquittal for Phases 2-4 that was completed earlier in the year. This brings the total audit fee to \$218,623 excluding GST.

Report to parliament

Each year, we report to parliament on the results of our financial audits by sector, including insights on internal control issues, outcomes across the sector, and major transactions and events. Our reports support transparency, accountability, and decision-making by parliament and stakeholders.

We intend to include the outcome of your audit in our report, Local government 2026.

We value input from the entities we include in our reports. If we highlight insights from your audit, we will discuss the proposed content with you and consult as we prepare the report. You will also have an opportunity to formally comment on the draft report, and we include your response in the final version tabled in parliament.

Next steps

We will present this final management report to the audit committee on 1 December 2026.

We would like to thank you and your staff for your engagement this year and look forward to working with you again in future.

Please note, section 213 of the Local Government Regulation 2012 requires you to present a copy of this report at your council's next ordinary meeting.

If you have any questions or would like to discuss this report or our audit services and engagement, please contact me on (07) 4046 8888 or Edan Clark on (07) 4046 8855

Yours sincerely



Andrew Cornes
Engagement Partner

cc: Mr Ken Gouldthorp, Chief Executive Officer
Mr Michael Wenzel, Chair of the Audit Committee



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