FNQROC Annual General Meeting

Meeting Details

Meeting No	34
Meeting Name	FNQROC Annual General Meeting
Date	5 November 2026
Time	10.30am to 11.00am
Venue	Crystalbrook Bailey, 163 Abbott Street, Cairns - Room Aria III

Agenda

1. MEETING OPENING & CHAIR'S WELCOME

2. APOLOGIES

A list of apologies will be tabled at the meeting.

3. CONFIRMATION OF MINUTES

3.1 AGM Meeting No.33 held 2 October 2025

Pages 1 – 4

4. FNQROC ANNUAL REPORT

4.1 Adoption of FNQROC Annual Report 2025/26

Attached Separately

5. FNQROC AUDITED FINANCIALS

5.1 Adoption of Audited Financial Statements

Pages 5 - 18

6. FNQROC RESERVE BALANCE

6.1 As per FNQROC Policy Number 13

- The Minimum Operating Reserve (MOR) is $611,348.50
- Project Reserve (PR) is $1,000,000 *
- Total Retained Earnings = $1,307,378

* Approved expenditure yet to be drawn down includes:

Animal Management Options Analysis	- $35,000
Regional Road Investment Strategy	- $75,000

Based on Policy 13 excess reserves are defined as any funds exceeding the combined MOR and PR as of 30 June year. The retained earnings of $1,307,378 is below the combined MOR and PR, it is therefore considered that there are no excess reserves.

7. ELECTION OF CHAIR

8. ELECTION OF DEPUTY CHAIR

9. APPOINTMENT OF SECRETARIAT AND TREASURER

10. APPOINTMENT OF AUDITOR

10.1 Queensland Audit Office letter dated 9 May 2025 – Audit Exemption

Pages 19 to 21

11. HONORARIUM TO CHAIR (1 JULY 2026 TO 30 JUNE 2027)

12. MEETING CLOSE

Minutes of the FNQROC Annual General Meeting

Meeting No	33
Meeting Name	FNQROC Annual General Meeting
Date	2 October 2025
Time	12.00pm-12.30pm
Venue	Tablelands Regional Council, Coordination Centre, 15 Vernon Street, Atherton

REPRESENTATIVES

CHAIR	Cr Angela Toppin AM, Mayor	Mareeba Shire Council
	Cr Barry Hughes, Mayor	Etheridge Shire Council
	Cr Rod Marti, Mayor	Tablelands Regional Council
	Cr Teresa Millwood, Mayor	Cassowary Coast Regional Council
	Cr Lisa Scomazzon, Mayor	Douglas Shire Council
	Cr Amy Eden, Mayor	Cairns Regional Council
	Cr Robyn Holmes, Mayor	Cook Shire Council
	Cr Ramon Jayo, Mayor	Hinchinbrook Shire Council

CEO'S

Mr Brian Joiner, CEO	Cook Shire Council
Mr Peter Franks, CEO	Mareeba Shire Council
Mr Lew Rojahn, A/CEO	Hope Vale Aboriginal Shire Council
Dr Nikola Stepanov, CEO	Tablelands Regional Council
Mr Scott Osman, CEO	Douglas Shire Council
Mr Ken Gouldthorp, CEO	Cairns Regional Council

OBSERVERS

Cr Mary Brown, Deputy Mayor	Hinchinbrook Shire Council
Cr Claudia Doughboy, Deputy Mayor	Wujal Wujal Aboriginal Shire Council
Cr Amy Neal, Deputy Mayor	Yarrabah Aboriginal Shire Council
Cr Brian Underwood, Councillor	Yarrabah Aboriginal Shire Council
Senator Susan MacDonald	Deputy Leader of the Nationals in the Senate
Shannon Fentiman	Shadow Treasurer, Shadow Minister for Women
Retired MG Jake Ellwood	QRA
Mr Dean Pratchett	QRA
Ms Lucy Greene	Manager, Intergovernmental Relations LGAQ
Mr Benton Wecker	Lead Intergovernmental Relations LGAQ

FNQROC STAFF

Ms Darlene Irvine	Chief Executive Officer
Ms Amanda Hancock	Regional Strategic Infrastructure Coordinator
Ms Liz Wakelin	Executive Support Officer
Ms Bhakti Devi	Regional Waste Management Plan Coordinator

1051 CHAIR'S OPENING REMARKS

Mayor Toppin thanked the Board for its collegiality and noted that she is very proud of the work which it does. She thanked Mayor Rod Marti for hosting the day's meetings and the events immediately leading up to them.

1052 APOLOGIES

Cr Daryl Sexton, Mayor	Yarrabah Aboriginal Shire Council
Cr Alister Gibson, Mayor	Wujal Wujal Aboriginal Shire Council
Cr Bruce Gibson, Mayor	Hope Vale Aboriginal Shire Council
Cr Trevor Pickering, Mayor	Croydon Shire Council
Ms Jacqui Cresswell, CEO	Croydon Shire Council

1053 CONFIRMATION OF MINUTES

MOVED: Cr Lisa Scomazzon
SECONDED: Cr Barry Hughes

That the minutes of the 32nd Annual General Meeting held on 3 October 2024 be confirmed.

CARRIED UNANIMOUSLY

1054 FNQROC ANNUAL REPORT

Mayor Toppin spoke briefly to the FNQROC Annual Report, acknowledging the issues faced. She acknowledged the dedication of FNQROC Board and thanked them for their work.

MOVED: Cr Rod Marti
SECONDED: Cr Lisa Scomazzon

That the FNQROC Annual Report 2024-2025 be adopted as tabled.

CARRIED UNANIMOUSLY

1055 FNQROC AUDITED FINANCIALS

MOVED: Cr Barry Hughes

SECONDED: Cr Rod Marti

That the Board Adopts the audited financial statements for the period 01 July 2024 to 30 June 2025, and Notes Appendix A - error in recording GST balances.

CARRIED UNANIMOUSLY

1056 FNQROC RESERVE BALANCE

MOVED: Cr Barry Hughes

SECONDED: Cr Rod Marti

That the Board notes the FNQROC retained earnings of $1,289,841 is below the combined MOR and PR, it is therefore considered that there are no excess reserves.

CARRIED UNANIMOUSLY

1057 ELECTION OF CHAIR

NOMINEE: Cr Angela Toppin AM, Mayor – Mareeba Shire Council

NOMINATED BY: Cr Barry Hughes

SECONDED: Cr Rod Marti

Cr Angela Toppin accepted the nomination for Chair.

There being no further nominations Cr Angela Toppin was declared elected as Chair of FNQROC.

CARRIED UNANIMOUSLY

1058 ELECTION OF DEPUTY CHAIR

NOMINEE: Cr Barry Hughes, Mayor – Etheridge Shire Council

NOMINATED BY: Cr Angela Toppin AM

SECONDED: Cr Roman Jayo

Cr Barry Hughes accepted the nomination for Chair.

There being no further nominations Cr Barry Hughes was declared elected as Deputy Chair of FNQROC.

CARRIED UNANIMOUSLY

1059 APPOINTMENT OF SECRETARIAT AND TREASURER

MOVED: Cr Rod Marti

SECONDED: Cr Amy Eden

That the Board appoints the Chief Executive Officer of FNQROC as the Secretariat and Treasurer.

CARRIED UNANIMOUSLY

1060 APPOINTMENT OF AUDITOR

MOVED: Cr Teresa Millwood

SECONDED: Cr Amy Eden

That the Board notes the exemption from further Audit until 30 June 2028 and appoints Jessups Accountants as auditor for the 2025/26 financial year.

CARRIED UNANIMOUSLY

1061 PAYMENT OF HONORARIUM TO CHAIR

Cr Barry Hughes called for the motion.

MOVED: Cr Rod Marti

SECONDED: Cr Ramon Jayo

That a payment of $10,000 be made to the Chair for the period 1 July 2025 to 30 June 2026 (2025/26 Budget).

CARRIED UNANIMOUSLY

1062 CONCLUSION

Cr Angela Toppin, Chair thanked the FNQROC Team for their efforts over the year.

There being no further business, the meeting was declared closed at 12.28pm.

……

Cr Angela Toppin AM
FNQROC Chair

Far North Queensland Regional Organisation of Councils

ABN 52 034 736 962

Financial Statements

For the Year Ended 30 June 2026

Far North Queensland Regional Organisation of Councils

ABN 52 034 736 962

Contents

For the Year Ended 30 June 2026

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Far North Queensland Regional Organisation of Councils

ABN 52 034 736 962

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
Revenue	4	**1,455,324**	1,584,485
Finance income		**50,139**	14,932
Annual administration expenses		**(539,159)**	(727,733)
Regional Infrastructure		**(262,660)**	(110,897)
Regional Natural Asset Management		**(236,948)**	(327,987)
Minor projects		**(27,087)**	(114,399)
Drought and Climate Resilience		**(232,465)**	-
Regional planning/economic development		**(1,006)**	(32,728)
Regional Procurement		**(188,599)**	(275,185)
Profit before income tax		**17,537**	10,489
Income tax expense		**-**	-
Profit for the year		**17,537**	10,489
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**17,537**	10,489

The accompanying notes form part of these financial statements.

Far North Queensland Regional Organisation of Councils

ABN 52 034 736 962

Balance Sheet

As At 30 June 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**1,948,516**	1,657,088
Trade and other receivables	6	**154,055**	168,898
TOTAL CURRENT ASSETS		**2,102,571**	1,825,986
TOTAL ASSETS		**2,102,571**	1,825,986
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	**688,337**	454,396
Employee benefits	8	**12,888**	10,715
TOTAL CURRENT LIABILITIES		**701,225**	465,111
NON-CURRENT LIABILITIES			
Employee benefits	8	**93,968**	71,034
TOTAL NON-CURRENT LIABILITIES		**93,968**	71,034
TOTAL LIABILITIES		**795,193**	536,145
NET ASSETS		**1,307,378**	1,289,841
EQUITY			
Retained earnings		**1,307,378**	1,289,841
TOTAL EQUITY		**1,307,378**	1,289,841

The accompanying notes form part of these financial statements.

Far North Queensland Regional Organisation of Councils

ABN 52 034 736 962

Statement of Changes in Equity
For the Year Ended 30 June 2026

	Retained Earnings	Total
	$	$
Balance at 1 July 2025	**1,289,841**	**1,289,841**
Surplus (deficit) for the year	**17,537**	**17,537**
Total other comprehensive income for the period	**-**	**-**
Balance at 30 June 2026	**1,307,378**	**1,307,378**

	Retained Earnings	Total
	$	$
Balance at 1 July 2024	1,279,352	1,279,352
Surplus (deficit) for the year	10,489	10,489
Total other comprehensive income for the period	-	-
Balance at 30 June 2025	1,289,841	1,289,841

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2026

The financial statements cover Far North Queensland Regional Organisation of Councils as an individual entity. Far North Queensland Regional Organisation of Councils is a not-for-profit Association unincorporated body domiciled in Queensland.

The principal activities of the Association for the year ended 30 June 2026 were the facilitation and co-ordination of the member councils's development for the benefit of Far North Queensland communities and businesses.

Members of the Association for the year ended 30 June 2026 were as follows:

- Cairns Regional Council
- Cassowary Coast Regional Council
- Cook Shire Council
- Croydon Shire Council
- Tablelands Regional Council
- Wujal Wujal Aboriginal Shire Council
- Hinchinbrook Shire Council
- Yarrabah Aboriginal Shire Council
- Etheridge Shire Council
- Hope Vale Aboriginal Shire Council
- Mareeba Shire Council
- Douglas Shire Council

Under the Association's Charter, each member shall nominate a representative to attend meetings of the Association. These representatives are referred to in this financial report as "the Board."

The functional and presentation currency of Far North Queensland Regional Organisation of Councils is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Board, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies*, *Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information is consistent with prior reporting periods unless otherwise stated.

Notes to the Financial Statements
For the Year Ended 30 June 2026

2 Material Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Statement of financial position balances relating to revenue recognition

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(b) Income tax

The board are of the opinion that the Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2 Material Accounting Policies

(e) Financial instruments

Financial assets

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL (Nil)

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Notes to the Financial Statements
For the Year Ended 30 June 2026

2 Material Accounting Policies

(g) Employee benefits

The Association's employees are employed by the Cairns Regional Council, a member Council. These services are on-charged to the Association at cost. In addition, the Association makes allowance for any annual leave and long service leave accruing in respect of these employees. The Cairns Regional Council provides estimates of the liability amounts on a monthly basis to the Association.

Provision is made for the Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

(h) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2026, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at the reporting date have been reviewed to specifically provide for any debts which are considered irrecoverable. The remaining debts have been subject to expected credit loss testing based on the history of the association with the counterparty, the current economic climate and any future expectations relating to the industry and circumstances of the counterparty.

4 Revenue and Other Income

	2026	2025
	$	$
Revenue recognised on receipt (AASB 1058)		
- Annual administration contributions	**989,796**	704,657
- Projects - Regional procurement group	**-**	150,000
- Projects - Regional Infrastructure	**317,737**	308,524
- Projects - Short term	**147,791**	421,304
Total Revenue	**1,455,324**	1,584,485

Notes to the Financial Statements
For the Year Ended 30 June 2026

5 Cash and Cash Equivalents

	2026	2025
	$	$
Cash at bank and in hand	**1,948,516**	1,657,088
	1,948,516	1,657,088

6 Trade and Other Receivables

	2026	2025
	$	$
CURRENT		
Trade receivables	**119,551**	136,728
GST receivable	**34,504**	32,170
	154,055	168,898

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Trade and Other Payables

	2026	2025
	$	$
CURRENT		
Trade payables	**110,000**	226,616
Accrued RDRP project expenses	**408,340**	-
Accrued expenses	**6,067**	-
Unexpended Grants	**50,397**	97,788
Credit Card liability	**19,177**	16,811
Annual leave payable	**67,421**	97,009
Payroll liabilities	**26,935**	16,172
	688,337	454,396

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements
For the Year Ended 30 June 2026

8 Employee Benefits

	2026 $	2025 $
CURRENT		
Long service leave	**12,888**	10,715
	12,888	10,715
NON-CURRENT		
Long service leave	**93,968**	71,034
	93,968	71,034

The Association has no employees but it utilises the services of employees through the Cairns Regional Council, a member council. The Association reimburses Cairns Regional Council for all costs incurred for salary and wages expenses relating to these employees. Furthermore, the Association makes allowances for any annual leave and long service leave accruing in respect of these employees.

The amounts paid to Cairns Regional Council in respect of salaries and wages for the year ended 30 June 2026 is $989,653 (2025: $895,187)

9 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2026 (30 June 2025:None).

10 Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Far North Queensland Regional Organisation of Councils

ABN 52 034 736 962

Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 9:

1. Presents fairly the financial position of Far North Queensland Regional Organisation of Councils as at 30 June 2026 and its performance for the year ended on that date.

2. At the date of this statement, there are reasonable grounds to believe that Far North Queensland Regional Organisation of Councils will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Chair .....
Cr Angela Toppin AM

Chief Executive Officer .....
Ms Darlene Irvine

Dated this 17th day of September 2026

JESSUPS

CAIRNS
8-9/320 Sheridan Street Cairns QLD 4870
PO Box 674 Cairns North QLD 4870
T: +61 7 4037 7050

TOWNSVILLE
1/211 Sturt Street Townsville QLD 4810
PO Box 1269 Townsville QLD 4810
T: +61 7 4755 3330

BRISBANE
Level 38, 71 Eagle Street Brisbane QLD 4000
T: +61 432 238 308

www.jessupsnq.com.au
info@jessupsnq.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FAR NORTH QUEENSLAND REGIONAL ORGANISATION OF COUNCILS FOR THE YEAR ENDED 30 JUNE 2026

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Far North Queensland Regional Organisation of Councils (the Association), which comprises the balance sheet as at 30 June 2026, the statement of profit or loss and other comprehensive income and statement of changes in equity for the year then ended, and notes to the financial statements including material accounting policies, and the certification by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 30 June 2026 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the Association's charter. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Association's charter and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Jessups



Darren Thamm
Partner

Dated this 17th day of September 2026

Queensland Audit Office
Better public services

Your ref:
Our ref: 10373 (K Cossart)

9 May 2025

Councillor A Toppin
Chair
Far North Queensland Regional Organisation of Councils
PO Box 154
MAREEBA QLD 4880

By email: mayor@msc.qld.gov.au

Dear Cr Toppin

Audit exemption for financial years 2025–26, 2026–27 and 2027–28

The Auditor-General has previously exempted Far North Queensland Regional Organisation of Councils from audit by the Queensland Audit Office under s.30A of the *Auditor-General Act 2009*.

We have recently reviewed current exemptions and as your entity still meets the small and low-risk criteria, the Auditor-General is offering to exempt your entity for a further 3 years. The exemption will include the financial years ending 30 June 2026, 30 June 2027 and 30 June 2028.

If you wish to pursue this arrangement, you must engage an appropriately qualified person to undertake the audits. Appendix A to this letter provides further information on the conditions of the exemption, including the requirements for an auditor to be considered 'appropriately qualified'.

We note that Mr Darren Thamm of Jessups has been auditing your organisation since the 2022–23 financial year. Subject to the Auditor-General being satisfied that Mr Thamm remains appropriately qualified, you can continue with him for this exemption period or choose someone else to provide you with audit services.

Please provide the following information about your proposed auditor by email to qao@qao.qld.gov.au by 30 May 2025:

- Name of audit firm
- Partner name
- Contact details for the firm and partner.

We will assess their suitability to conduct the audit and confirm to you the Auditor-General's approval of the exemption.

If you have any concerns or do not want to pursue the exemption, please advise us by 30 May 2025. If you require any information, please contact Kaylene Cossart on 3149 6128 or Kaylene.Cossart@qao.qld.gov.au.

Yours sincerely

Patrick Flemming
Deputy Auditor-General

cc: Ms D Irvine, Chief Executive Officer (ceo@fnqroc.qld.gov.au)
enc.

Appendix A

Audits exempt by the Auditor-General

Our audit mandate

The Auditor-General can exempt a public sector entity from being audited by them under section 30A of the *Auditor-General Act 2009* (the AG Act).

Section 30A outlines the discretionary power and conditions for exemption.

Conditions of exemption

The Auditor-General:

- must be reasonably satisfied that the audit of the public sector entity for the financial year is small in size and low risk
- is not prevented from performing any of the functions or exercising any of the auditing powers under the AG Act
- may repeal an exemption by written notice
- may issue additional notices
- must publish a list of public sector entities granted an exemption on the QAO website.

The entity must engage an appropriately qualified person to undertake the audit.

The engaged auditor

An appropriately qualified person is prescribed under section 30A(13) of the AG Act:

a) a member of CPA Australia who is entitled to use the letters 'CPA' or 'FCPA' and holds a current public practice certificate issued by CPA Australia; or

b) a member of the Institute of Chartered Accountants in Australia who is entitled to use the letters 'CA' or 'FCA' and holds a current certificate of public practice issued by the institute; or

c) a member of the Institute of Public Accountants who is entitled to use the letters 'MIPA' or 'FIPA' and holds a professional practice certificate issued by the institute.

The Auditor-General also requires the engaged auditor to be a registered company auditor.

An engaged auditor:

- has all the powers of an authorised auditor and the AG Act applies to the engaged auditor as if they were an authorised auditor
- must provide the entity with the certified financial statements and a report on the audit.

Requirements of the entity exempted

You are required to provide to the Auditor-General:

- details of the appropriately qualified person to be appointed to conduct the audit and any changes proposed – for approval by the Auditor-General before they are appointed

- the report on the audit from the engaged auditor, for **each year** (required by s.54(2) of the AG Act)
- a copy of the certified annual financial statements **each year**
- any other document concerning the audit requested by the Auditor-General
- notice about any changes to your entity's business which may affect your eligibility for exemption.

Access to workpapers

The Auditor-General is unable to share audit workpapers with the entity's appointed auditor.

Criteria for exemption

The criteria for exempting small and low risk audits is included in the *Auditor-General Auditing Standards*.

For an audit of a public sector entity to be 'small in size' the consolidated revenue for the financial year under review should be less than $3,000,000. This threshold aligns with the annual reporting and audit requirements set by the Australian Charities and Not-for-profits Commission.

In assessing whether an entity is 'low in risk', we consider the following factors:

- nature of the entity, its business and the industry in which it operates
- stability of the entity structure and its key management personnel
- complexity of the entity's financial systems and the appropriateness of internal controls
- existence of an appropriate financial reporting framework and the complexity of financial reporting requirements applicable to the entity
- extent and complexity of the legal and regulatory environment in which the entity operates
- extent of external interest in the entity and its operations
- financial stability of the entity, including issues impacting on the entity's ability to continue as a going concern
- extent of significant issues previously identified, including matters:
    - requiring modification to the independent auditor's report
    - not impacting on the independent auditor's report but requiring significant adjustments to the financial statements.