



BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND

2013-14 **ANNUAL REPORT**



Further copies of this report are available by contacting the Board on (07) 3189 0000, or on the Board's website at www.bpeq.qld.gov.au

Board of Professional Engineers of Queensland Annual Report 2013/14
© Board of Professional Engineers of Queensland (BPEQ) 2014

This annual report is licensed by the State of Queensland (*Board of Professional Engineers*) under a Creative Commons Attribution (CC BY) 3.0 Australia licence.



CC BY Licence Summary Statement:

In essence, you are free to copy, communicate and adapt this annual report, as long as you attribute the work to the State of Queensland (*Board of Professional Engineers*).

To view a copy of this licence, visit

<http://creativecommons.org/licenses/by/3.0/au/deed.en>

Attribution:

Content from this annual report should be attributed as:

The State of Queensland (Board of Professional Engineers) annual report 2013–2014

ISSN 2202–7238

Letter of compliance

18 September 2014

The Honourable Tim Mander, MP
Minister for Housing and Public Works
Level 7, 80 George Street
BRISBANE QLD 4000

Dear Minister

I am pleased to present the Board of Professional Engineers of Queensland Annual Report on the administration of the *Professional Engineers Act (2002)* (Qld) for the financial year ended 30 June 2014.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the *Financial and Performance Management Standard 2009* (Qld); and
- the detailed requirements set out in the Annual Report Requirements for Queensland Government Agencies.

A checklist outlining the annual reporting requirements can be found at page 16 of this annual report or accessed at www.bpeq.qld.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Carr', is written over a light grey rectangular background.

Chris Carr
Chair

Communication objective

This Annual Report provides information about the performance of the Board of Professional Engineers of Queensland for the financial year ending 30 June 2014.

This report has been prepared for the Minister to submit to Parliament. It has also been prepared to meet the needs of stakeholders including the Commonwealth and local governments, industry and business associations, community groups, and staff.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding this annual report, you can contact us on (07) 3198 0000 and an interpreter will be arranged to effectively communicate the report to you.



Table of Contents

Letter of compliance	1
Communication objective	2
PART A - Performance	5
The Board.....	6
Finance.....	8
Performance	8
Registration	9
Disciplinary activities and monitoring and enforcement of compliance with the Act	11
Amendments to the Act and the Code of Practice.....	12
Continuing registration requirements	13
Performance agreement	13
Communication.....	13
Statement of affairs under the Right to Information Act 2009	14
Risk management.....	15
Information systems and recordkeeping	15
Matters to be included in the annual report	15
Publication of the annual report	15
Summary	15
Chair.....	15
Compliance Checklist	16
PART B - Financial Statements	19

This page is blank

**PART A -
Performance**

**THE BOARD OF PROFESSIONAL ENGINEERS OF
QUEENSLAND**

30 JUNE 2014

The Board

Establishment, Objects, and Functions

The Board of Professional Engineers of Queensland (“**Board**”) was established by the *Professional Engineers Act 1929* (Qld). The *Professional Engineers Act 2002* (Qld) (“**Act**”) is the current legislation.

Section 3 of the Act describes the main objects of the Act as:

- (a) to protect the public by ensuring professional engineering services are provided by a registered professional engineer (“**RPEQ**”) in a professional and competent way;
- (b) to maintain public confidence in the standard of services provided by RPEQs; and
- (c) to uphold the standards of practice of RPEQs.

Section 4 of the Act explains that the main objects are to be achieved primarily by:

- (a) providing for the registration of individuals as RPEQs under the Act;
- (b) providing for the monitoring and enforcement of compliance with the Act;
- (c) imposing obligations on persons about the practice of engineering; and
- (d) establishing the Board.

Section 80 of the Act describes the functions of the Board as follows:

- (a) to assess applications made to it under the Act;
- (b) to register persons who are eligible for registration and issue certificates of registration;
- (c) to conduct, or authorise investigations about the professional conduct of RPEQs and contraventions of this Act;

- (d) to keep the Register;
- (e) to advise the Minister about:
 - (i) eligibility requirements for persons applying for registration, or renewal or restoration of registration;
 - (ii) the suitability of entities to be assessment entities; and
 - (iii) the operation of the Act in its application to the practice of engineering;
- (f) to review the eligibility requirements mentioned in paragraph (e)(i);
- (g) to perform other functions given to the Board under the Act or another Act;
- (h) to perform a function incidental to a function mentioned in paragraphs (a) to (g) above.

The Board does not have any sub-committees or similar sub-bodies.

Structure

The Board consists of a chair and six members appointed by the Governor in Council. There is a Registrar of the Board who is responsible for managing the administrative affairs of the Board.

Membership

The Members of the Board are:

Chair

Christopher Carr
BE MBA MSc RPEQ FAusIMM(CP)
MIEAust
Representative of regional Queensland

Deputy Chair

Professor Yinghe He
B.Eng M.Eng PhD FIEAust FICHEM
CEng
Academic representative from a school of engineering in Queensland

Members

Mr Greg McLean
BAPSc(Building) FAIB
Representative of the construction industry

Ms Joanna Jenkins
BA LLB (Hons)
Representative of the legal profession

Mr Michael Duff
BBus
Representative of the community

Ms Julie Mitchell
BE (Civil) MBA MEM GAICD FIEAust
Representative of registered professional engineers

Mr Michael Brady
FIEAust CPEng FIPWEAQ RPEQ, MAIPM CPPD
Representative of the Queensland Division of the Institution of Engineers Australia

Staff

Registrar

Ms Clare Murray
LLB GAICD

Assistant Registrar

Mr Gary Stirling

Senior Legal Officer

Mr David Brotchie
BA LLB GradDipLegalPrac

Finance Officer

Mrs Deborah Good
PNA

Administration Officer

Miss Teresa Montgomery

The Board expresses its appreciation for the services of the Registrar and staff.

Meetings

The Board meets monthly (except January, April and September) to carry out the functions of the Board as described in section 80 of the Act.

The Board met nine times during the financial year. Attendance and fees are shown in the following table:

	No. attended	No. eligible to attend	Fees \$
Mr C Carr	9	9	9,738
Mr Yinghe He	7	9	3,450
Mr M Duff	9	9	3,840
Ms J Mitchell	6	9	Nil
Mr M Brady	8	9	Nil
Ms J Jenkins	9	9	3,701
Mr G McLean	7	9	3,450

There has been no overseas travel undertaken on behalf of the Board by Board members during the year. Travel has been for attendance at Board meetings in Brisbane (eight) and Mt Isa (one), and the Registrar has conducted meetings and presentations around Queensland and interstate.

Business

The business of the Board is carried out by the Registrar, Ms Clare Murray. Ms Murray is assisted by the Assistant Registrar, Senior Legal Officer, Senior Finance Officer and Administration Assistant.

Business was conducted during the financial year from offices at The Mansions, Level 1, 40 George Street, Brisbane and as at the 4 August 2014 the Board moved to Level 15, 53 Albert Street, Brisbane.

External audit

The Board is audited annually by the Queensland Audit Office. An Independent Audit Report from the Auditor-General of Queensland forms part of the financial statements included in the Annual Report.

Finance

The Act requires all costs of the Queensland Government associated with the regulation of engineers as RPEQs, including the Board's costs of administration of the Act, to be met by fees levied on registrants under the Act.

The major influence on the Board's financial position is the number of complaints in any given year that require investigation and disciplinary action or prosecution. Based on historical patterns for the last few years, at present the fees are adequate to maintain the financial viability of the Board. This will enable the Board to meet its responsibilities, to remain self-funded, to act independently, impartially, and in the public's interest.

Performance

Objective 1

- to protect the public by ensuring professional engineering services are provided by an RPEQ in a professional and competent way.

Comment

The development of the Code of Practice, documentation of the processes and procedures of the Board's activities and development of policies has provided a robust quality system for the registration of engineers as RPEQs and the management of complaints about RPEQs.

The approval of six assessment entities and the development of an assurance system, including independent review, to validate the quality of the assessment entities are now in place.

The Board has implemented compulsory continuing professional development ("CPD") to ensure the competencies of RPEQs remain current.

Performance

The Board is confident the public can be assured of the competence RPEQs generally.

Conclusion

The objective is appropriate and the Board has met objective 1.

Objective 2

- to maintain public confidence in the standard of services provided by RPEQs.

Comment

The Board initiates disciplinary action against RPEQs in response to complaints.

The Board also initiates prosecutions against unregistered persons providing professional engineering services.

Finally, the Board initiates prosecutions against people for contraventions of the Act.

This activity is initiated on the basis of a formal complaint process as the Board does not have the resources to pro-actively achieve this goal. In limited circumstances, where knowledge of separate disciplinary conduct/suspected offences is gleaned from investigation of a complaint, the Board will initiate action itself.

Performance

The Board has referred unsatisfactory conduct of RPEQs to the Queensland Civil and Administrative Tribunal ("QCAT") for hearings. From the time an application to hear disciplinary charges is lodged with QCAT, the Board makes it clear to the respondent RPEQ how it views the gravity of the charge and what outcomes it is seeking — whether it be deregistration, fines, or costs. Where possible, consent

orders are agreed to with the respondent RPEQ and submitted to the QCAT for consideration. This helps mitigate the legal costs of preparing cases and presenting them to the QCAT, which can be significant for both parties.

Conclusion

The objective is appropriate and the Board has met objective 2.

Objective 3

- to uphold the standards of practice of RPEQs.

Comment

The Board has a Code of Practice for RPEQs and has developed fitness to practice standards that must be met before applications for renewal of registration are approved annually. These initiatives have strengthened the Board's capability to meet this objective.

The requirement for CPD and the audit of RPEQs has been developed and will assist the Board in meeting of objective 3.

Performance

The Board's work within its resource constraints has been satisfactory.

Conclusion

The objective is appropriate and the Board has met objective 3.

Registration

Operations 2013/14

The following table details the registration activity of the Board over the last four years.

	2013/14	2012/13	2011/12	2010/11
New Registrations	1,273	1,417	1,180	954
Reinstatement	85	117	184	159
Disqualification	0	(2)	(1)	0
Retired / Resigned / Lapsed / Deceased	(414)	(305)	(494)	(82)
TOTAL	10,659	9,715	8,488	7,619

Qualifications for registration — legislative requirements

Qualified and fit to practice

Under section 9 of the Act, an applicant for registration is eligible for registration as an RPEQ only if:

- (a) the applicant is qualified, under section 10 of the Act, for registration; and
- (b) the Board considers the applicant is fit to practise as an RPEQ.

The registration scheme is a co-regulatory approach involving the joint administration by the professional engineering bodies and the Board as a statutory governing body. The registration process is consistent with national and international standards for the recognition of professional engineers.

Section 10 of the Act provides that an applicant for registration is qualified for registration in an area of engineering if the applicant has the qualifications and competencies provided for under the assessment scheme of a professional engineering body which has been approved by the Minister.

Assessment entities

The approved assessment scheme entities are:

- Engineers Australia;
- The Australasian Institute of Mining and Metallurgy (“**AusIMM**”);
- Institution of Fire Engineers, Australia (“**IFE**”);
- Institution of Chemical Engineers (“**IChemE**”);
- Royal Institute of Naval Architects (“**RINA**”); and
- Institute of Public Works Engineering Australasia Queensland Division (“**IPWEAQ**”).

Areas of engineering

The six approved assessment scheme entities currently provide assessment for registration in the following general and specific areas of engineering:

Aeronautical
Aerospace
Biomedical
Building Services
Chemical
Civil
Civil Engineering — Public Works
Electrical
Environmental
Fire Engineering
Fire Safety
Geotechnical (Mining)
Heritage and Conservation
Information, Telecommunications, and Electronics
In-service Inspection of Amusement Rides and Devices
Management
Marine
Mechanical
Metallurgical
Mining
Naval Architecture
Petroleum
Pressure Equipment Design
Verification
Structural
Sub-divisional Geotechnics

The Board continues to monitor the effectiveness and timeliness of the assessment process as the numbers of assessments continue to grow.

Fitness to practise

The Board has a key role in assessing an individual’s fitness to practice. The fitness to practice issues include criminal records, health assessments and insolvency issues. Under the renewal process a declaration from the RPEQ is required on an annual basis to satisfy the Board that the RPEQ is eligible for renewal of their registration. Fitness to practise is also a component of assessment for new applications for registration received by the Board.

Continued competency

The Board has developed CPD requirements in collaboration with its assessment entities. RPEQs are required to demonstrate continued competency before registration will be renewed. An audit program of RPEQs has commenced and runs in conjunction with those run by the assessment entities Engineers Australia and AusIMM. In this year the Board has selected approximately 10% of the registered professional engineers to undergo a CPD Audit by an assessment entity.

Publication of the register

The full register of RPEQs (both past and present) is available for inspection at the Board’s office. A register of current RPEQs can be viewed online at www.bpeq.qld.gov.au.

Information about the status of an RPEQ may be confirmed by telephone, facsimile, or email enquiry to the Board’s office.

Disciplinary activities and monitoring and enforcement of compliance with the Act

Complaints and information about suspected offences against the Act

During the 2013/14 financial year, the Board received 15 complaints about the conduct of RPEQs and nine about the conduct of unregistered persons. None of the nine unregistered persons complained about have ever been registered. The Board also considered 13 complaints that were received in the 2012/13 financial year but were not able to be considered until the 2013/14 financial year. Therefore, during the 2013/14 financial year, the Board received or considered a total of 37 complaints.

Of the 37 complaints:

- 13 were investigated;
- 19 were dismissed; and
- five remain undecided and under consideration at this time and will carry over into the 2014/15 financial year.

Investigations

During the 2013/14 financial year, the Board investigated 22 matters. 13 investigations were commenced in the 2013/14 financial year and the remaining nine were investigations carried over from the 2012/13 financial year. 12 investigations were of the conduct of RPEQs in carrying out professional engineering services and the remaining 10 were investigations of suspected offences against the Act. Out of these investigations, 14 investigations were finalised in the 2013/14 financial year and the remaining eight are ongoing and will carry over into the 2014/15 financial year.

Out of the investigations finalised, eight were about the conduct of RPEQs, and the Board took the following actions against the RPEQs investigated:

- one RPEQ had disciplinary proceedings commenced in QCAT against him;
- one RPEQ agreed to undertakings with the Board about a matter relating to his carrying out of professional engineering services;
- two RPEQs were cautioned;
- four RPEQs had no further action taken against them.

The remaining six investigations finalised were of suspected offences against the Act, and the Board took the following action against the person investigated:

- five persons had prosecutions commenced in the Magistrates Court of Queensland against them;
- one person had no further action taken against them.

Disciplinary proceedings

During the 2013/14 financial year, the Board conducted four disciplinary proceedings in QCAT. One was a matter commenced in the 2013/14 financial year and the remaining three were matters carried over from the 2012/13 financial year. Two proceedings were resolved in the 2013/14 financial year. Of those, both resulted in the establishment of a disciplinary ground against the RPEQ in question. The remaining two proceedings will carry over into the 2014/15 financial year.

Prosecution of offences against the Act

During the 2013/14 financial year, the Board conducted seven proceedings in the Magistrates Court of Queensland to prosecute suspected offences against the

Act. Five were matters commenced in the 2013/14 financial year and the remaining two were matters carried over from the 2012/13 financial year. Three proceedings were resolved in the 2013/14 financial year. Of those, two resulted in a conviction and one resulted in an acquittal. The remaining four proceedings will carry over into the 2014/15 financial year.

Amendments to the Act and the Code of Practice

In late 2012, the Board initiated a review of the Act to promote compliance with the provisions of the legislation, and to ensure that the legislation is effective and up-to-date. A discussion paper was circulated to seek the views of industry, the profession, economic development organisations, and consumers about the operations of the Act and the achievement of its objects.

The Board invited submissions in response to the discussion paper. Specific questions were asked in the paper to provide a structure for formal consultation. They were prepared as a result of information and feedback received through:

- Board's deliberations in conducting its governance responsibilities;
- Registrar's knowledge and understanding based on an engagement strategy with peak engineering and industry bodies and employers and registrants;
- Code of Practice presentations and submissions; and
- Registrant feedback.

The questions canvassed in the paper include:

- The registration of professional engineers, graduates and non-practising engineers;
- enforcement and other issues;

- the interpretation of aspects of carrying out a professional engineering service; and
- the governance of the Board.

Questions also addressed the reduction of red tape and invited comments and information more generally on issues.

The purpose of the review was to ensure the Act remains relevant and appropriate in the dynamic environment at the state, national and international levels.

Submissions had to be made in writing by responding to the questions in the discussion paper and providing any other information or relevant comments. Submitters were asked where appropriate, to provide evidence to support comments, such as practical examples, decisions and cases.

The closing date for providing comment on the discussion paper was 18 January 2013.

In total, 97 submissions were received of which 10 were from associations representing various engineering interest groups, eight were from corporations, and the remaining 79 were from individuals.

All of these submissions were analysed and recommendations for amendments to the Act have been submitted to the Minister. The Department instigated further consultation the results of which have been reviewed by the Board.

The Code of Practice was revised from 1 July 2008 to provide guidance on the requirements of direct supervision.

In order to meet the objects of the Act, the Act has been structured to ensure the community is provided with current best practice in determining the appropriate level of professional competence required to provide safe and effective professional engineering services.

Community and professional expectations regarding what constitutes an appropriate level of professional competence to provide safe and effective professional services, and how professional competence should be authenticated, continue to change over time. The Board is working closely with the profession and other stakeholders to ensure that consistency in these standards is maintained across the profession.

A review of the Code of Practice was undertaken during 2011/12 and as a result amendments were put forward to the Minister. The amendments were subsequently approved and the new Code of Practice was approved by regulation, effective from 29 November 2013.

The amendments to the Act itself are awaiting final consideration and approval by Cabinet before being passed by Parliament and receiving royal assent from the Governor.

Continuing registration requirements

The program for CPD compliance is currently being administered by the Board in line with the Continuing Registration Requirements (“CRR”) Policy. The audit of engineers commenced from 1 July 2011.

Performance agreement

The Board has entered into a performance agreement with the Minister as required under section 99 of the Act, identifying the Board’s strategic direction for the current financial year and the two following years. The performance agreement may include other matters relevant to the Board’s functions and as agreed to by the Minister and the Board.

Communication

Presentations, information sessions, and workshops

A number of presentations were given by the Registrar during the year to various professional bodies and industry including, but not limited to:

- AusIMM New Leaders Conference, Brisbane;
- IPWEAQ 2013 State Conference, Cairns;
- Hazards Conference, Perth;
- IChemE Conference, Brisbane;
- 12th Annual AusIMM Underground Operators Conference, Adelaide;
- Risk 2014 IFE Australia Conference, Sydney;
- BICI Annual South Pacific Conference, Brisbane;
- IPWEAQ Southern Downs Regional Conference, Warwick;
- IPWEAQ Regional Conference, Gladstone;
- IPWEAQ South East Queensland Meeting, Brisbane; and
- CASA, Sydney.

The Registrar accepted numerous invitations from companies and other key industry stakeholders to conduct information sessions and workshops to discuss the Professional Engineers Act throughout Australia.

Some of these included:

- BMA - at various mine sites in Central Queensland;
- Palaris, Newcastle;
- Engineers Australia, Melbourne;
- IChemE, Melbourne
- AusIMM, Melbourne
- APESMA (now Professionals Australia), Melbourne;
- Anglo American Coal, Central Queensland;
- Roadtek, Brisbane; and
- Technologists and Associates, Brisbane.

Statement of affairs under the Right to Information Act 2009

Description of the Board's structure and functions

The Act provides for the registration of persons as RPEQs. It provides mechanisms for the investigation of complaints regarding the conduct of RPEQs. It prohibits persons who are not registered as RPEQs from carrying out professional engineering services unless the person does so under the direct supervision of an RPEQ who is responsible for the services.

The Act is administered by the Board. The Board is required to act independently, impartially, and in the public interest. The Minister responsible, the Minister for Housing and Public Works, may give the Board a written direction about the performance of the Board's functions or exercise of its powers if satisfied that it is necessary to give a direction in the public interest.

How the Board affects the community

The operations of the Board affect the community in that persons other than RPEQs cannot provide professional engineering services (unless directly supervised, as explained above).

Engineers are responsible for the integrity and design of buildings and other structures, essential services such as power, water supply, and sewerage, and numerous consumer items essential to everyday living. The process of allowing only qualified and competent people to carry out professional engineering services has the benefit of minimising the potential for substandard practice and the risk to public health and safety. The Board monitors this process carefully in all its deliberations.

Arrangement for public participation

The Act provides for procedures for the public to make complaints against RPEQs and bring to the Board's attention unregistered persons undertaking professional engineering services without the requisite direct supervision of a responsible RPEQ.

Categories of documents

The Board maintains the following categories of documents:

- personal registration files of natural persons;
- files on formerly registered professional engineering companies;
- files on formerly registered professional engineering units;
- register of RPEQs;
- minutes of Board meetings;
- files on the case management of complaints;
- files on the case management of investigations;
- files on the case management of prosecutions;
- files on Board activities;
- general files; and
- policies of the Board.

Right to Information procedures and contact details

The Registrar of the Board is the contact person for Right to Information matters and is available to assist applicants seeking information from the Board.

Applications can be addressed to:

The Registrar
Board of Professional Engineers of
Queensland
PO Box 15213
CITY EAST QLD 4002

Or delivered in person to:

Board of Professional Engineers of
Queensland
Level 15, 53 Albert Street
BRISBANE QLD 4000

Literature available by way of subscription services or free mailing lists

The Board does not make literature available by way of subscription services or free mailing lists.

Access to documents

Facilities for examining documents and obtaining copies are available from the Board's offices at Level 15, 53 Albert Street, Brisbane, Queensland.

The register of RPEQs is open for inspection, free of charge, at the Board's office by members of the public during ordinary office hours. A person may obtain a copy of the register, or a part of it, on payment of the prescribed fee of \$35.80 plus \$2.10 for each page.

Risk management

The Board has established a risk management program consistent with the principles set out in *AS/NZS ISO 31000:2009*. Risk management is addressed as part of the annual strategic planning session usually held in November.

Information systems and recordkeeping

In accordance with the *Public Records Act 2002* (Qld), the Board uses record keeping best practices to identify, capture and maintain complete and accurate records which are retained in an accessible and useable format that preserves the evidential integrity of those records for as long as they are required.

Matters to be included in the annual report

In accordance with section 107 of the Act, the Board states that:

- (a) no ministerial direction was given to the Board under section 98(1) of the Act during the year;
- (b) the Board's activities during the year were consistent with its performance agreement; and
- (c) details about disciplinary proceedings or proceedings for a contravention of the Act, started by the Board are set out on pages 10 to 12.

Publication of the annual report

Copies of this report are available on the Board's website, are distributed annually to a number of key stakeholders, and are available from the Board's office at Level 15, 53 Albert Street, Brisbane, Queensland.

Summary

The Board continues to develop best practice in the regulation of the engineering profession. The underpinning approach of co-regulation informs the strategies developed to implement the Act, and the cost neutral requirement informs the financial arrangements. The objectives of protecting the public, maintaining public confidence and upholding standards through strategic use of available resources, remain the focus of the Board's activities.

Christopher Carr
Chair

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference (page number)
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister 	ARRs – section 8	P1
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 10.1	P3
	<ul style="list-style-type: none"> Public availability 	ARRs – section 10.2	P2, 15
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	P2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 10.4	Inside front cover
	<ul style="list-style-type: none"> Information licensing 	<i>Queensland Government Enterprise Architecture – Information licensing</i> ARRs – section 10.5	Inside front cover
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 11.1	P6
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 11.2	P6
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 11.3	P8
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 11.4	N/A
Non-financial performance	<ul style="list-style-type: none"> Government objectives for the community 	ARRs – section 12.1	Refer to P8 Performance
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 12.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 12.3	Refer to P8 Performance
	<ul style="list-style-type: none"> Agency service areas, service standards and other measures 	ARRs – section 12.4	Refer to P8 Performance
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	Refer to Part B – Financial Statements
	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 14.1	Refer to P6 Structure
	<ul style="list-style-type: none"> Executive management 	ARRs – section 14.2	Refer to P7 Structure
	<ul style="list-style-type: none"> Related entities 	ARRs – section 14.3	N/A
	<ul style="list-style-type: none"> Government Bodies 	ARRs – section 14.4	N/A
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> (section 23 and Schedule) ARRs – section 14.5	Refer to Department of Housing and Public Works

Summary of requirement		Basis for requirement	Annual report reference (page number)
Governance – risk management and accountability	• Risk management	ARRs – section 15.1	P15
	• External Scrutiny	ARRs – section 15.2	Nil
	• Audit committee	ARRs – section 15.3	Nil
	• Internal Audit	ARRs – section 15.4	Nil
	• Public Sector Renewal Program	ARRs – section 15.5	Refer to Department of Housing and Public Works
	• Information systems and recordkeeping	ARRs – section 15.7	P15
Governance – human resources	• Workforce planning, attraction and retention and performance	ARRs – section 16.1	Refer to Department of Housing and Public Works
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	
Open Data	• Open Data	ARRs – section 17	
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42,43 and 50 ARRs – section 18.2	Refer to Part B – Financial Statements
	• Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	
	• Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	

This page is blank

**PART B -
Financial Statements**

**THE BOARD OF PROFESSIONAL ENGINEERS
OF QUEENSLAND**

30 JUNE 2014

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND FINANCIAL STATEMENTS 2013-14

Contents

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Management Certificate

General Information

These financial statements cover the Board of Professional Engineers of Queensland.

The Board of Professional Engineers of Queensland is a Queensland Government Statutory Body established under the *Professional Engineers Act 1929*.

The head office and principal place of business of the Board is:

Level 15

53 Albert Street

Brisbane QLD 4000

A description of the nature of the Board's operations and its principal activities is included in the notes to the financial statements.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Income from Continuing Operations			
Fees and Other Receipts	2	2,006,926	1,876,567
Interest Revenue	3	58,229	58,565
Other Revenue	4	1,146	1,551
Total Income from Continuing Operations		<u>2,066,301</u>	<u>1,936,683</u>
Expenses from Continuing Operations			
Administrative Expenses	5	504,240	441,593
Employee Expenses	6	597,624	615,822
Investigation and Legal Expenses		928,763	813,131
Depreciation		5,952	4,910
Total Expenses from Continuing Operations		<u>2,036,579</u>	<u>1,875,456</u>
Operating Result from Continuing Operations		<u>29,722</u>	<u>61,227</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>29,722</u>	<u>61,227</u>

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
Current Assets			
Cash and Cash Equivalents	7	2,313,109	2,141,731
Receivables	8	61,329	51,064
Other Assets	9	27,262	16,520
Total Current Assets		<u>2,401,700</u>	<u>2,209,315</u>
Non-Current Assets			
Plant and Equipment	10	12,998	13,449
Total Non-Current Assets		<u>12,998</u>	<u>13,449</u>
Total Assets		<u><u>2,414,698</u></u>	<u><u>2,222,764</u></u>
Current Liabilities			
Payables	11	68,468	55,454
Unearned Revenue	12	1,851,339	1,728,375
Accrued Expenses	13	79,734	54,243
Other Current Liabilities	14	4,561	3,818
Total Current Liabilities		<u>2,004,102</u>	<u>1,841,890</u>
Total Liabilities		<u><u>2,004,102</u></u>	<u><u>1,841,890</u></u>
NET ASSETS		<u><u>410,596</u></u>	<u><u>380,874</u></u>
EQUITY			
Accumulated Surplus		410,596	380,874
TOTAL EQUITY		<u><u>410,596</u></u>	<u><u>380,874</u></u>

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	\$
Balance as at 1 July 2012		319,647
Operating Result from Continuing Operations		61,227
Total Other Comprehensive Income		-
Balance as at 30 June 2013		<u>380,874</u>
Balance as at 1 July 2013		380,874
Operating Result from Continuing Operations		29,722
Total Other Comprehensive Income		-
Balance as at 30 June 2014		<u>410,596</u>

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		2,103,378	2,016,358
Penalties and Costs		82,735	126,045
Interest Revenue		1,414	58,565
GST Collected on Sales		137	123
GST Collected from ATO		166,667	173,461
<i>Outflows:</i>			
Employee Expenses		(544,682)	(604,088)
Board Member Expenses		(141,933)	(39,702)
Administrative Expenses		(411,463)	(389,612)
Investigations and Legal Expenses		(891,279)	(806,422)
GST Paid on Purchases		(188,096)	(177,078)
Net Cash provided by/(used in) Operating Activities	15	<u>176,878</u>	<u>357,650</u>
Cash Flows from Investing Activities			
<i>Outflows:</i>			
Payments for Fixed Assets		(5,500)	(1,801)
Net Cash provided by/(used in) Investing Activities		<u>(5,500)</u>	<u>(1,801)</u>
Cash Flows from Financing Activities			
<i>Outflows:</i>			
		-	-
Net Cash provided by/(used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents		171,378	355,849
Cash at the beginning of the financial year		<u>2,141,731</u>	<u>1,785,882</u>
Cash at the end of the financial year	7	<u><u>2,313,109</u></u>	<u><u>2,141,731</u></u>

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	Objectives of the Board
Note 1	Summary of Significant Accounting Policies
Note 2	Fees and Other Receipts
Note 3	Interest Revenue
Note 4	Other Revenue
Note 5	Administrative Expenses
Note 6	Employee Expenses
Note 7	Cash and Cash Equivalents
Note 8	Receivables
Note 9	Other Assets
Note 10	Plant and Equipment
Note 11	Payables
Note 12	Unearned Revenue
Note 13	Accrued Expenses
Note 14	Other Current Liabilities
Note 15	Reconciliation of Operating Surplus/(Deficit) to Net Cash Provided by (Used in) Operating Activities
Note 16	Events Occurring after Reporting Date
Note 17	Commitments for Expenditure
Note 18	Contingent Assets and Liabilities – Litigation in Progress
Note 19	Financial Risk Management

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Objectives of the Board

The objectives of the Board of Professional Engineers of Queensland are to protect the public by ensuring professional engineering services are provided by a registered professional engineer in a professional and competent way, to maintain public confidence in the standard of services provided by registered professional engineers, and to uphold the standards of practice of registered professional engineers.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Board of Professional Engineers of Queensland has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ended 30 June 2014, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Board of Professional Engineers of Queensland has applied those requirements applicable to not-for-profit entities, as the Board is a not-for-profit Statutory Body. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial report covers the Board of Professional Engineers of Queensland as an individual entity.

(c) Revenue Recognition

Revenue from all fees is recognised on an accrual basis.

These fees are levied in accordance with *Professional Engineers Amendment Regulation (No.1) 2007*. Under this legislation, the registration period finishes at 30 June each year. Registrants who do not renew their registration are removed from the Board's register.

Revenue from interest and fines is recognised on an accrual basis.

(d) Cash and Cash Equivalents

For financial reporting purposes, cash includes all cash at bank, on hand and deposits at call with financial institutions.

(e) Receivables

Receivables are recognised at the amount due at the time of sale or service delivery. The collectability of receivables is assessed periodically with an allowance being made for impairment.

No debts were written off this financial year.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(f) Acquisition of Assets

Cost is used for the initial recording of all non-current asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

(g) Plant and Equipment

All items of plant and equipment with a cost or other value in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

(h) Depreciation of Plant and Equipment

Plant and equipment has been recorded in the financial report at cost less accumulated depreciation. Depreciation on all plant and equipment has been calculated on a straight-line basis so as to allocate the cost of each asset progressively over its estimated useful life to the Board.

For each class of depreciable asset the following depreciation rates are used:

Class	Rate
Plant and Equipment	
- Computer Equipment	20-33%
- Office Equipment	10%

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Class	Amount
Plant and Equipment	
- Computer Equipment	\$5,000
- Office Equipment	\$5,000

(i) Payables

Trade creditors are recognised upon receipt of the goods and services ordered at the agreed purchase price. The amounts are non-interest bearing and are normally paid within the terms stated on the creditor's invoice.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(j) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Board becomes party to the contractual provisions of the financial instrument.

Classification and subsequent measurement

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Board does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Board holds no financial assets classified at fair value through profit and loss.

(k) Employee Benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

The Registrar, Assistant Registrar, Senior Legal Officer and Administration Officer are employed by the Board on a full-time basis. The Senior Finance Officer is employed by the Board on a permanent part-time basis. All five positions are paid by the Department of Housing and Public Works therefore all benefits are recognised in the Department of Housing and Public Works' financial statements, with all expenses being reimbursed by the Board on a monthly basis.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(k) Employee Benefits (continued)

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Board's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements prepared pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 6 for the disclosures on key management personnel and remuneration.

(l) Prepayments and Insurance

Professional insurance and insurance for Board members and officers is paid annually in advance in April each year. The prepaid component is recorded as a current asset. Postage is also prepaid and the credit remaining from postage unspent is recorded as a current asset.

(m) Taxation

The Board is a State Body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of the Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

The Board's income from fees is exempt from GST in accordance with Division 81 Written Determination. Input tax credits receivable and GST payable on income from sources other than fees from/to the Australian Tax Office are recognised.

(n) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(o) Going Concern

This financial report has been prepared on a going concern basis and the Board will be able to meet its debts as and when they fall due.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(p) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(q) Critical Accounting Estimates and Judgements

The Board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key Estimates

Impairment

The Board assesses impairment at each reporting date by evaluation of conditions and events specific to the Board that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. No impairment was considered by the Board to exist in the current year.

(r) Unearned revenue

Annual Renewal fee received during April, May and June 2014 for the registration year commencing 1 July 2014 are recognised as Unearned Revenue in 2013-14.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2013-14.

The Board applies Australian Accounting Standards and Interpretations in accordance with their respective commencement dates. At the date of authorisation of the financial statements, the new or amended Australian Accounting Standards applicable to the Board with future commencement dates are set out below.

- AASB 9 *Financial Instruments (December 2010)* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]

Due to the nature of the Board's activities, these standard changes will not have a significant impact on the Board of Professional Engineers of Queensland's financial statements.

AASB 1053 *Application of Tiers of Australia Accounting Standards* became effective for reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1') and Australian Accounting standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Pursuant to AASB 1053, public sector entities like the Board of Professional Engineers may adopt Tier 2 requirements for their general purpose financial statements, as their financial statements are not required to be consolidated into whole-of-Government financial statements. The Board of Professional Engineers of Queensland have chosen to adopt Tier 1 financial statements for the year ended 30 June 2014, and therefore AASB 1053 has had no impact on the Board of Professional Engineers of Queensland.

All other Australian Accounting Standards and Interpretations with future commencement dates are not applicable to the Board's activities.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
2. Fees and Other Receipts		
Application Fees	64,539	75,017
Registration Fees	162,430	181,525
Renewal Fees	1,733,335	1,466,405
Restoration and Processing Fees	20,702	27,575
Penalties and Costs	25,920	126,045
Total	<u>2,006,926</u>	<u>1,876,567</u>
3. Interest Revenue		
Cheque Account	1,414	26
Cash Management	56,815	58,539
Total	<u>58,229</u>	<u>58,565</u>
4. Other Revenue		
Cost Recoveries	1,037	1,477
Miscellaneous Income	109	74
Total	<u>1,146</u>	<u>1,551</u>

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
5. Administrative Expenses		
Accounting and Audit Fees*	10,087	11,172
Advertising	37,978	42,980
Bank Charges	19,705	17,740
CPD Audit Fees	5,000	20,950
Members Expenses	103,132	50,605
Rent/Electricity/Car Parking	55,595	59,375
Move of Premises	83,132	-
Office Maintenance	4,115	9,988
Telephone	9,398	7,023
Printing and Stationery	36,052	27,910
Postage and Couriers	17,890	19,211
Insurance	15,117	14,891
Workshops	903	4,635
Amendments to the Act	-	19,500
Conferences / Travel	18,310	21,788
Election Costs	-	11,559
Cost Recoveries	845	1,214
Subscriptions	3,850	3,577
Office Systems (includes computer maintenance)	64,704	96,620
Other	18,427	855
Total	504,240	441,593

* Total audit fees paid to the Queensland Audit Office relating to the 2013-14 financial statements are estimated to be \$6,300 (2013: \$5,300). There are no non-audit services included in this amount.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
6. Employee Expenses		
Salaries and Wages	590,906	611,262
Superannuation	6,718	4,560
Total	<u>597,624</u>	<u>615,822</u>

Executive Remuneration 1 July 2013 – 30 June 2014

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Registrar	104,833	-	3,090	13,828	-	121,751
Total Remuneration	104,833	-	3,090	13,828	-	121,751

Executive Remuneration 1 July 2012 – 30 June 2013

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Registrar	104,833	-	2,667	13,655	-	121,155
Total Remuneration	104,833	-	2,667	13,655	-	121,155

Short term employee expenses which include:

- salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

6. Employee Expenses (Continued)	2014	2013
Number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis	7	5
Number of Board members paid wages during the year	4	4

The names of current Board members are:

Mr Chris Carr
Mr Mike Brady
Ms Julie Mitchell

Mr Gregory McLean
Ms Joanna Jenkins

Prof Yinghe He
Mr Michael Duff

Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Board during 2013-14.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Clare Katharine Murray - Registrar	The Registrar is responsible for the management of the business of The Board	PO6 Public Service Act 1996	March 2008

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
7. Cash and Cash Equivalents		
Cash at Bank	260,125	169,345
Petty Cash	200	200
Imprest Account	404	(78)
QTC Investment Account	2,052,380	1,972,264
Total	<u>2,313,109</u>	<u>2,141,731</u>
8. Receivables		
Trade Receivables	-	268
Undeposited Funds	3,833	1,852
Net Receivables	<u>3,833</u>	<u>2,120</u>
GST Receivable	57,524	49,003
GST Payable	(28)	(59)
Net GST Receivable	<u>57,496</u>	<u>48,944</u>
Total	<u>61,329</u>	<u>51,064</u>
9. Other Assets		
Insurance Prepayment	12,478	11,265
Other Prepayment	14,784	5,255
Total	<u>27,262</u>	<u>16,520</u>
10. Plant and Equipment		
Computer Equipment	23,087	17,587
Accumulated Depreciation	(15,487)	(10,136)
Total	<u>7,600</u>	<u>7,451</u>
Office Equipment	6,003	6,003
Accumulated Depreciation	(605)	(5)
Total	<u>5,398</u>	<u>5,998</u>
Total Plant and Equipment	<u>12,998</u>	<u>13,449</u>

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
10. Plant and Equipment (Continued)		
Movements Schedule		
Computer Equipment		
Carrying amount at 1 July	7,451	12,356
Acquisitions	5,500	-
Depreciation	(5,351)	(4,905)
Carrying amount at 30 June	<u>7,600</u>	<u>7,451</u>
Office Equipment		
Carrying amount at 1 July	5,998	-
Acquisitions		6,003
Depreciation	(600)	(5)
Carrying amount at 30 June	<u>5,398</u>	<u>5,998</u>
Total Plant and Equipment		
Carrying amount at 1 July	13,449	12,356
Acquisitions	5,500	6,003
Depreciation	(5,951)	(4,910)
Carrying amount at 30 June	<u>12,998</u>	<u>13,449</u>
11. Payables		
Trade Creditors	64,868	37,682
Superannuation Payable	62	1,594
Other Creditors	3,538	16,178
Total	<u>68,468</u>	<u>55,454</u>
12. Unearned Revenue		
Renewal Fees	1,851,339	1,728,375
Total	<u>1,851,339</u>	<u>1,728,375</u>
13. Accrued Expenses		
Accrued Telephone	800	1,714
Accrued Other	14,102	6,965
Accrued Legal Costs	6,576	
Accrued Wages	58,256	45,564
Total	<u>79,734</u>	<u>54,243</u>
14. Other Current Liabilities		
PAYG Tax Payable to ATO	4,561	3,818
Total	<u>4,561</u>	<u>3,818</u>

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
15a. Reconciliation of Operating Surplus/(Deficit) to		
Net Cash Provided by (Used in) Operating Activities		
Operating Profit/(Loss)	29,722	61,227
Depreciation	5,952	4,910
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	(10,265)	(1,938)
Decrease (increase) in Other Assets	(10,742)	(5,169)
Increase (decrease) in Other Current Liabilities	740	4,616
Increase (decrease) in Payables	13,015	43,763
Increase (decrease) in Unearned Revenue	122,965	266,253
Increase (decrease) in Accrued Expenses	25,491	(16,012)
Net cash provided by/(used in) operating activities	<u>176,878</u>	<u>357,650</u>

15b. Credit stand-by arrangement and loan facilities

The Board of Professional Engineers of Queensland had a credit card facility amounting to \$30,000 (2013: \$30,000). At 30 June 2014, \$3,538 of this facility was used (2013: \$16,178). Interest rates are variable.

16. Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2014.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

17. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2014.

Non-Cancellable Operating Lease

Commitments under operating leases at reporting date are exclusive of anticipated GST and are payable as follows:

	2014	2013
	\$	\$
Not later than one year	74,762	39,649
Later than one year and not later than five years	129,133	-
Later than five years	-	-
Total	203,895	39,649

The above operating lease is for the business premises and is a non-cancellable lease with a 2.5 year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments can be increased by 4% once per annum; during the rent review on 6 February each year. An option exists to renew the lease at the end of the term (4 February 2017) for one additional term of five years. As at the reporting date, this option had not been exercised.

18. Contingent Assets and Liabilities – Litigation in Progress

Contingent Assets

During the year ended 30 June 2014, the Board of Professional Engineers of Queensland as plaintiff were awarded \$20,000 for reimbursement of legal costs regarding a successful legal case against Gerald Shirtcliffe, awarded on the 16 June 2014.

The Board have assessed the likelihood of receiving the full \$20,000 as greater than probable but less than virtually certain, per AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

The Board have made this assessment in light of the defendant's bankruptcy status and failure to meet the deadline of the \$20,000 payment to the Board within 28 days of the decision date.

As such, the Board of Professional Engineers of Queensland have not recognised any amounts in the financial statements for the amounts described above at the reporting date, but have included a contingent asset note to disclose the details of the case.

As at 30 June 2014, there were no other cases that had been filed in the courts acting through the Board of Professional Engineers of Queensland as plaintiff that the Board have assessed will result in a possible flow of economic benefits. As at 30 June 2014, there were no current cases that had been filed in the courts acting through the Board of Professional Engineers of Queensland as plaintiff that the Board have assessed will result in a possible flow of economic benefits to the Board of Professional Engineers of Queensland.

Contingent Liabilities

As at 30 June 2014 there were no contingent liabilities to the Board of Professional Engineers of Queensland.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

19. Financial Risk Management

Categorisation of Financial Instruments

The Board's financial instruments consist mainly of deposits with financial institutions, receivables and payables.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Category	2014 \$	2013 \$
Financial assets		
Cash and Cash Equivalents	2,313,109	2,141,731
Receivables	61,329	51,064
Total	<u>2,374,438</u>	<u>2,192,795</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
Payables	152,763	110,908
Total	<u>152,763</u>	<u>110,908</u>

Risk Management Strategy

The Board's overall risk management strategy is designed to meet its financial targets, whilst minimising potential effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

The Board did not have any derivative instruments at 30 June 2014.

Specific Financial Risk Exposures and Management

The main risks the Board is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Board. The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

19. Financial Risk Management (cont.)

The following table represents the Board's maximum exposure to credit risk based on contractual amounts net of any allowances:

	2014	2013
Maximum Exposure to Credit Risk	\$	\$
Financial Assets		
Cash and Cash Equivalents	2,313,109	2,141,731
Receivables	61,329	51,064
Total	<u>2,374,438</u>	<u>2,192,795</u>

The Board does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into.

No collateral is held as security and no credit enhancements relate to financial assets held by the Board.

The Board manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Board invests in secure assets, and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.

Ageing of financial assets are disclosed in the following table:

	2014	2013
	\$	\$
Receivables		
Not overdue	61,329	51,064

There are no impaired financial assets at balance date.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Board might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Board is exposed to liquidity risk in respect of its payables.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

19. Financial Risk Management (cont.)

The Board manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Board has sufficient funds available to meet employee and supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following tables sets out the liquidity risk of financial liabilities held by the Board. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the payment of the principal amount outstanding at balance date.

	2014	2013
	\$	\$
Financial liabilities		
Payables		
Less than 1 year	152,763	110,908
Total	<u>152,763</u>	<u>110,908</u>
Total financial liabilities		
Less than 1 year	152,763	110,908
Total	<u>152,763</u>	<u>110,908</u>

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

	2014	2013
	\$	\$
Financial assets		
Cash and Cash Equivalents		
Less than 1 year	2,313,109	2,141,731
Total	<u>2,313,109</u>	<u>2,141,731</u>
Receivables		
Less than 1 year	61,329	51,064
Total	<u>61,329</u>	<u>51,064</u>
Total financial assets		
Less than 1 year	2,374,438	2,192,795
Total	<u>2,374,438</u>	<u>2,192,795</u>

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

19. Financial Risk Management (cont.)

(c) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates would change by +/-1% from the year-end rates applicable to the Board's financial assets and liabilities. With all other variables held constant, the Board would have a surplus and equity movement of \$39,580 (2013: \$61,227). This is due to the Board's exposure to variable interest rates on cash deposited in interest bearing accounts.

	2014	2013
Financial instruments	\$	\$
Cash and Cash Equivalents	2,313,109	2,141,731
Interest rate risk:		
-1% - Profit	(23,131)	(21,417)
-1% - Equity	(23,131)	(21,417)
+1% - Profit	23,131	21,417
+1% - Equity	23,131	21,417

(d) Fair value

Cash, cash equivalents, receivables and payables are short-term in nature. The carrying value is assumed to approximate the fair value so fair value is not disclosed separately. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**CERTIFICATE OF THE BOARD OF
PROFESSIONAL ENGINEERS OF QUEENSLAND**

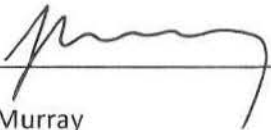
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) The statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of The Board of Professional Engineers of Queensland for the financial year ended 30 June 2014 and of the financial position of the Board at the end of that year.



C J Carr
Chairperson



K C Murray
Registrar

Dated this 22nd day of August 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Board of Professional Engineers of Queensland

Report on the Financial Report

I have audited the accompanying financial report of Board of Professional Engineers of Queensland, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairperson and the Registrar.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Board of Professional Engineers of Queensland for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



D R ADAMS FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane



BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND

Level 15, 53 Albert Street Brisbane 4000
PO Box 15213 CITY EAST QLD 4002

www.bpeq.qld.gov.au