

Board of
Professional Engineers

Queensland Government

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Annual Report

1 July 2009 to 30 June 2010



**THE BOARD
OF PROFESSIONAL
ENGINEERS OF QUEENSLAND**

**The Honourable Robert Swarten, MP
Minister for Public Works and Information and Communication Technology
Brisbane**

Dear Minister

**I have the honour to present the Annual Report on the
administration and operation of the Board of Professional
Engineers of Queensland for the financial year ending 30 June
2010.**

**Professor Elizabeth Taylor, AO
Chair**

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THE BOARD

The Board of Professional Engineers of Queensland was established by the *Professional Engineers Act 1929*. The *Professional Engineers Act 2002* (the 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 in a professional and competent way;
- (b) to maintain public confidence in the standard of services provided by registered professional engineers; and
- (c) to uphold the standards of practice of registered professional engineers.

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

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

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

- (a) to assess applications made to it under this 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 registered professional engineers 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 this 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 this or another Act;

- (h) to perform a function incidental to a function mentioned in paragraphs (a) to (g).

There are no sub-committees or similar sub-bodies.

Structure

The Board consists of a chair and six members appointed by the Governor in Council.

Membership

The Members at 30 June 2010 are:

Chair

Prof Elizabeth Taylor AO BE LLB (Hons) FIEAust
MAICD
Rockhampton
Academic representative from a school of engineering in Queensland.

Deputy Chair

Mr Don Muir BE (Civil) FIE (Aust) RPEQ
Aspley
Representative of Engineers Australia

Members

Mr Peter Way PSM BTech(Civil Eng) MBA
GDURP FAICD FIPWEA FIEAust CPEng
RPEQ
Kingsholme
Representative of registered professional engineers

Ms Christine Stevenson BE(Civil) RPEQ
Lake Placid, Cairns
Representative of regional engineers

Mr Charles Ware BA LLB (Hons) LLM MBus(Pub
Mgt) FAICD
Yeppoon
Representative of the legal profession

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

Ms Carolyn Mason BEcon BA (Hons) FAICD
FAIM FIPAA
Ashgrove
Representative of consumers

Registrar

Ms Clare Murray LLB
The Mansions, Brisbane

Meetings

The Board meets monthly to carry out the functions of the Board as described in s.80 of the Act.

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

	No. attended	No. eligible to attend	Fees \$
Prof E Taylor	7	9	3,586
Mr D Muir	8	9	2,744
Mr P Way	5	9	2,685
Ms C Stevenson	8	9	2,616
Mr C Ware	8	9	3,605
Mr G McLean	9	9	3,006
Ms C Mason	9	9	3,006

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 by members from Rockhampton (Taylor), Yeppoon (Ware) and Cairns (Stevenson).

Business

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

Business is conducted from offices at The Mansions, Level 1, 40 George 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, 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. 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 a registered professional engineer 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 professional engineers and the management of complaints about registered professional engineers.

The approval of three Assessment Entities and the development of an assurance system, including independent review, to validate the quality of the Assessment Entities is now in place.

The Board has implemented compulsory continuing professional development to ensure the competencies of registered professional engineers remain current.

Performance

The Board is confident the public can be assured of the competence of registered professional engineers 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 registered professional engineers.

Comment

The Board initiates disciplinary action against registered engineers in response to complaints. The Board initiates disciplinary action against unregistered persons providing professional engineering services.

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.

Performance

The Board has referred unsatisfactory conduct of registered persons to the Commercial and Consumer Tribunal (CCT) for hearings. From the time an application to hear disciplinary charges is lodged in the CCT, the Board makes

it clear to the registered person how it views the gravity of the charge and what outcomes it is seeking – whether it be de-registration, fines and costs. Where possible consent orders are agreed to with the registered person and submitted to the CCT for ratification. This avoids the unnecessary legal costs on both sides, of preparing cases and presenting them to the CCT.

The Board now works through the Queensland Civil and Administrative Tribunal (QCAT).

Conclusion

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

OBJECTIVE 3

- to uphold the standards of practice of registered professional engineers.

Comment

The Board has made a Code of Practice for registered professional engineers 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 continuing professional development and the audit of registered professional engineers to commence 1 July 2010 will assist in the meeting of objective three.

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 2009/10

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

	09/10	08/09	07/08	06/07
New Registrations	547	742	742	534
Reinstatement	220	269	303	220
Disqualification	(1)	0	0	1
Removals	(511)	(470)	(547)	(533)
TOTAL	6588	6333	5792	5294

Qualifications for Registration - Legislative requirements

Under section 9 of the Act, an applicant for registration is eligible for registration 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 a registered professional engineer.

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.

Three approved assessment schemes currently provide for registration in one or more of the following general areas of engineering:

- Aerospace
- Building Services
- Civil
- Environmental
- Marine
- Naval Architecture
- Mining
- Geotechnical/Geological
- Information, Telecommunications and Electronics
- Fire Engineering
- Biomedical
- Chemical
- Electrical
- Management
- Mechanical
- Structural
- Metallurgical

Specific areas of engineering:

- Fire Safety
- Heritage and Conservation
- In-service Inspection of Amusement Rides and Devices
- Pressure Equipment Design Verification
- Subdivisional Geotechnics

The Board continues to monitor the effectiveness and timeliness of the assessment process. The Board is of the view that the new assessment process is working very well.

Fitness to Practise

The Board has retained its role in assessing Fitness to Practise. The Fitness to Practise issues include criminal records, health

assessments and insolvency issues. Under the renewal process a declaration from the Registered Professional Engineer (RPEQ) is required on an annual basis to satisfy the Board that the RPEQ is eligible for renewal of their registration.

Continued Competency

The Board has developed continuing professional development requirements in collaboration with approved Assessment Entities. This will require RPEQs to demonstrate continued competency before registration will be renewed. An audit program of RPEQs is being developed to ensure compliance with the requirements of the Act.

Publication of the Register

The full Register of Registered Professional Engineers of Queensland (both past and present) is available for inspection at the Board's office. A register of currently registered engineers can be viewed online at www.bpeq.qld.gov.au.

Information about the status of a RPEQ may be confirmed by telephone, fax, or email enquiry.

DISCIPLINARY ACTIVITIES

The Act gives RPEQs the exclusive right to provide professional engineering services in Queensland. In return for this right, RPEQs have the responsibility to practise competently and ethically. The Board has a complaints mechanism which allows aggrieved persons to lodge a complaint with the Board. Under the Act, information about the type of conduct the Board considers could give rise to a complaint, and how a person may make a complaint are required to be kept available for inspection by members of the public at the Board's office.

Provided the complaints are not trivial, frivolous or vexatious, the Board has the responsibility to consider whether to commence an investigation of the complaint. The Board also has the responsibility to consider whether to investigate offences against the Act including false claims regarding registration.

Complaints

During the 2009/10 financial year, the Board received 39 written complaints regarding the practice of engineering. They related to both the conduct of RPEQs (25) and unregistered practice (14).

Of the 39 complaints received, the Board decided

- 14 to be investigated.
- 14 were dismissed on the grounds that there

was insufficient evidence for disciplining the RPEQ or insufficient evidence that the person had committed an offence under the Act

- 11 matters are undecided at this stage.

Of the 14 that were investigated:

- three were reprimanded or cautioned by the Board
- two are with the Magistrates Court for offences under the Act
- one is with QCAT for a disciplinary hearing
- five are still under consideration
- three had no further action taken against them

During the 2009/10 financial year, the CCT and QCAT found nil registered professional engineers guilty of unprofessional conduct.

There were 14 complaints about unregistered practise during the year of which

- one related to previously registered professional engineers;
- 13 related to persons providing professional engineering services who were never registered.

AMENDMENTS TO THE ACT AND THE CODE OF PRACTICE

During 2009/10 the Board focused on the implementation of amendments to the *Professional Engineers Act 2002*.

The amendments to the Act now provide for a consistent registration system which is in line with national and international standards for the recognition of professional engineers.

The requirement for registration does not apply to all professional engineers working in Queensland. The Act requires that professional engineers providing "professional engineering services" be registered. However not all work undertaken by professional engineers is encapsulated within the definition of "professional engineering services". When undertaking activities which are not within the definition, registration is not required.

The Act does not require registration of professional engineers providing "professional engineering services" if they are directly supervised by a registered professional engineer. The changes to the Act strengthen the requirements for direct supervision.

The Code of Practice was revised (paragraph 3.6) 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 norms regarding what constitutes an appropriate level of professional competence to provide safe and effective professional services, and how professional competence should be authenticated, change over time. The Board continues to work closely with the profession and other stakeholders to ensure that it

CONTINUING REGISTRATION REQUIREMENTS

A pilot program for auditing of Continuing Professional Development (CPD) compliance is being developed for commencement on 1 July 2010.

PERFORMANCE AGREEMENT

The Board has entered into a performance agreement with the Minister as required by 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 on the Act

A number of presentations were given by Board members and the Registrar during the year to various professional bodies and industry. They are as follows:

IPWEA
Dept Transport and Main Roads
QMCA
Dept of Public Works
ACEA
Hatch
Engineers Australia Local Chairs
Worley Parsons
Aurecon
Bowen Basin Underground Geotechnical Engineers

Emerging Leaders – AusIMM (Kalgoorlie)
IPWEA south east conference
Roadshows in conjunction with Engineers Australia and AusIMM:

- Maryborough
- Bundaberg
- Gladstone
- Rockhampton
- Ipswich
- Mt Isa
- Mackay
- Townsville
- Emerald
- Barcaldine
- Toowoomba
- Cairns

BHP Billiton – Cannington Mines

The Board has provided information on the Act and the requirements regarding the provision of professional engineering services as part of an information campaign in newspapers throughout Queensland.

The Board provides an electronic newsletter to RPEQs and has submitted articles in the newsletters of IPWEA, APESMA and EA.

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 professional engineers. It provides mechanisms for the investigation of complaints regarding the conduct of registered professional engineers. It prohibits persons who are not registered under the Act from undertaking professional engineering services for fee or reward except for individuals who practice under the supervision of registered professional engineers.

The Act is administered by the Board of Professional Engineers of Queensland. The Board is required to act independently, impartially and in the public interest. The Minister responsible, the Minister for Public Works and Information and Communication Technology 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 of Professional Engineers of Queensland affect the community in that persons other than registered professional

engineers cannot provide professional engineering services.

Engineers are responsible for the integrity and design of buildings, other structures, and essential services such as power, water supply and sewerage, and numerous consumer items essential to everyday living. The process of allowing only qualified people to offer professional engineering services has the benefit of minimising the potential for substandard practice and the risk to public health and safety.

Arrangement for Public Participation

The Act provides for procedures for the public to lay complaints against registered professional engineers and unregistered persons undertaking professional engineering work.

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 registered professional engineers
- 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
- 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
First Floor, The Mansions
40 George 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.

Boards, councils, committees and other bodies

There are no Boards, committees or other bodies constituted by two or more persons that are a part of or that have been established for the purpose of advising the Board.

Access to Documents

Facilities for examining documents and obtaining copies are available from the Board's office at The Mansions, First Floor, 40 George Street, Brisbane.

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 \$30.30 plus \$1.85 for each page.

WHISTLEBLOWERS PROTECTION ACT 1994

The *Whistleblowers Protection Act 1994* provides a scheme that, in the public interest, gives special protection to disclosures about unlawful, negligent or improper public sector conduct, or danger to public health or safety or the environment.

There have been no disclosures during 2009/10 under this Act.

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 page 5.

Publication of the Annual Report

Copies of the Annual Report are available on the website, distributed annually to a number of key stakeholders and are available from the Board's office at The Mansions, First Floor, 40 George Street, Brisbane.

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.

Professor Elizabeth Taylor, AO
Chair
Board of Professional Engineers of
Queensland

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Revenue			
Fees and Other Receipts	2	1,210,184	1,122,662
Interest Earned	3	28,799	28,419
Other Revenue	4	1,254	3,558
Gain of sale of assets		180	-
Total Revenue		1,240,417	1,154,640
Expenses			
Employee Expenses	6	351,695	296,078
Investigation & Legal Expenses		424,205	422,677
Administrative Expenses	5	301,564	227,635
Depreciation		472	-
Total Expenses		1,077,936	946,390
Profit before income tax		162,481	208,250
Income tax expense	1(p)	-	-
Profit for the year		162,481	208,250
Other Comprehensive income after income tax		-	-
Total Comprehensive income for the year		162,481	208,250
Profit attributable to members of the entity		162,481	208,250
Total comprehensive income attributable to members of the entity		162,481	208,250

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

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,186,720	923,602
Trade and Other Receivables	8	38,731	41,754
Other Assets	9	8,412	8,782
Total Current Assets		1,233,863	974,138
Non-Current Assets			
Property, plant and equipment	10	6,710	-
Total Non Current Assets		6,710	-
Total Assets		1,240,573	974,138
LIABILITIES			
Current Liabilities			
Bank Overdrafts	7	41,549	-
Trade and Other Payables	11	5,260	21,028
Unearned revenue	12	1,077,990	1,003,448
Accrued Expenses	13	30,000	27,336
Current Tax Liabilities	14	1,882	915
Total current liabilities		1,156,681	1,052,727
Total Liabilities		1,156,681	1,052,727
NET ASSETS		83,892	(78,589)
EQUITY			
Retained Surplus		83,892	(78,589)
		83,892	(78,589)

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

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Cash Flows from Operating Activities			
Inflows:			
Fees and Other Receipts		1,233,103	1,170,961
Penalties and Costs		65,397	73,826
Interest Earned		28,799	28,419
GST collected on Sales		121	325
GST collected from ATO		92,461	82,952
Outflows:			
Employee Expenses		347,354	324,449
Board Member Expenses		44,401	35,904
Administrative Expenses		239,220	166,673
Investigations/hearings/legal expense		443,995	404,939
Other		11,080	11,562
GST Paid on purchases		105,258	90,658
Net Cash From Operating Activities	15	<u>228,571</u>	<u>322,297</u>
Cash Flows from Financing Activities			
Outflows			
Repayment of Advance to Department of Public Works		-	(100,000)
Net Cash From Financing Activities		<u>-</u>	<u>(100,000)</u>
Cash Flows from Investing Activities			
Inflows			
Sale of Fixed Assets		180	-
Outflows			
Payments for Fixed Assets		(7,182)	-
Net Cash from Investing Activities		<u>(7,002)</u>	<u>-</u>
Net Movement in cash		221,569	222,297
Cash at the beginning of the financial year		923,602	701,304
Cash at the end of financial year	7	<u>1,145,171</u>	<u>923,602</u>

The above financial statements 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 2010**

	Notes	Retained Surplus 2010 \$
Balance 1 July 2008		(286,839)
Profit/(loss) for the year		208,250
Other comprehensive income/(loss) for the year		-
Balance at 30 June 2009		<u>(78,589)</u>
Balance 1 July 2009		(78,589)
Profit/(loss) for the year		162,481
Other comprehensive income/(loss) for the year		-
Balance at 30 June 2010		<u>83,892</u>

The above financial statements 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 2010**

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.

Note 1 Summary of Significant Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

In addition, the financial statements comply with the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2010, and other authoritative pronouncements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

These financial statements constitute a general purpose financial report.

Except where stated, the historic cost convention is used.

The financial statements were authorised for issue by the board on 30 August 2010.

(b) The Reporting Entity

The financial report covers The Board of Professional Engineers of Queensland as an individual entity. The Board of Professional Engineers was established under the *Professional Engineers Act 1929*

(c) Revenue Recognition

Revenue from renewal fees is recognised on an accrual basis. All other fees including registration fees are recognised in the period received. 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, fines and penalties is recognised on an accruals 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 nominal amounts due at the time of recognition. The collectability of receivables is assessed periodically with provision being made for doubtful debts. No debts were written off this financial year.

(f) Acquisition of Assets

Actual 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) Property, Plant and Equipment

All items of plant and equipment with a cost or other value in excess of \$5,000 and computer software of the value of \$2,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1 Summary of Significant Accounting Policies (Continued)

(h) Fixed Assets and Depreciation

Fixed assets have been recorded in the financial report at cost less depreciation. Depreciation on all fixed assets (except computer hardware) has been calculated on the straight line basis at rates based on an estimated useful life of the various classes of asset. Depreciation on computer hardware is calculated using the diminishing value method.

Class of Fixed Asset	Depreciation Rate
Computer Hardware	33.33%
Leasehold Improvements	10%

(i) Payables/Creditors

Creditors are recognised upon receipt of the goods and services ordered at the amount to be paid in the future for goods and services received. The amounts are non-interest bearing and are normally paid within the terms stated on the creditor's invoice.

(j) Contingent Assets or liabilities

There is a contingent asset from an order of penalty and costs awarded by the Magistrates Court, Bundaberg amounting to \$95,562 on 28 October 2004. Recovery of the money is the responsibility of the State Penalties Enforcement Registry (SPER) and to date \$19,600 has been recovered.

Since the inception of the *Professional Engineers Act 2002*, the Board brings applications for disciplinary proceedings before the Commercial and Consumer Tribunal, which, if unsuccessful, may result in costs being awarded against the Board. If successful, any costs awarded to the Board are only awarded on a "party and party" basis according to the District Court scale (which results in a return of less than 100%)

(k) Impairment of Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Board determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(l) Financial Instruments

Initial Recognition and Measurement

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. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

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 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.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1 Summary of Significant Accounting Policies (Continued)

(m) Employee benefits

The Registrar, Assistant Registrar 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 four positions are paid by the Department of Public Works (therefore, all benefits are recognised in the Department of Public Works' financial statements), with all positions being re-imbursed by the Board monthly. The Balance of leave of the four officers reported in the accounts of the Department of Public Works at 30 June 2010 was \$43,387.

The Board pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

Under the Queensland Government's long service leave scheme a levy is made on the Board to cover this expense. Levies are expensed in the period in which they are paid or payable. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken. No provision for long service leave is recognised in the financial statements.

(n) Accommodation

The Board rents accommodation in Level 1, The Mansions, 40 George Street, Brisbane from the Department of Public Works under a Standard Occupancy Agreement which commenced on 1 August 2002 and is reviewed annually in line with the CPI.

(o) Prepayments and Insurance

Professional Insurance and Insurance for Directors and Officers is paid annually in advance in April each year. The pre-paid component is recorded as a current asset. Postage is also pre-paid and the credit remaining from postage unspent is recorded as a current asset.

(p) Taxation

The Board is a State Body as defined under the Taxation Administration Act 2001 Qld and is exempt from Commonwealth taxation with the exception of the Fringe Benefits Tax. The Board's income from fees is exempt from Goods and Services Tax (GST) in accordance with Division 81 Written Determination. Imput tax credits receivable and GST payable on income from sources other than fees from/to the Australian Taxation Office are recognised and accrued.

(q) 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.

(r) Going Concern

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

(s) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Board has decided not to early adopt. A discussion of those future requirements and their impact on the Board is as follows:

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Board has not yet determined any potential impact on the financial statements.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1 Summary of Significant Accounting Policies (Continued)

The changes made to accounting requirements include:

simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair ;

- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Board.

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These Standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Board.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Board.

AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Standard 19. This Standard is not expected to impact the Board.

The Board does not anticipate early adoption of any of the above Australian Accounting Standards.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1 Summary of Significant Accounting Policies (Continued)

(t) 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.

(u) 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.

(v) Adoption of New and Revised Accounting Standards

During the current year the Board adopted all of the new and revised Australian Accounting Standards and interpretations applicable to its operations which became mandatory. The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of The Board of Professional Engineers of Queensland.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Board's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Board's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1 Summary of Significant Accounting Policies (Continued)

(w) Change in Accounting Policy

The Board has changed its Accounting Policy in relation to recognition of PPE in accordance with Treasury guidelines. Details regarding the effects of these changes are disclosed at Note 21.

	2010 \$	2009 \$
Note 2 Revenue:		
Application Fees	24,885	26,560
Registration Fees	73,267	76,896
Renewal Fees	1,009,622	890,155
Restoration & Processing Fees	47,429	55,226
Penalties and Costs	54,981	73,826
	<u>1,210,184</u>	<u>1,122,662</u>
Note 3 Interest Revenue - other persons:		
Cheque Account	9	248
Cash Management	28,790	28,171
	<u>28,799</u>	<u>28,419</u>
Note 4 Other Revenue:		
Cost Recoveries	996	3,251
Miscellaneous Income	258	307
	<u>1,254</u>	<u>3,558</u>
Note 5 Administrative Expenses:		
Audit Fees - auditing the Financial Report	10,888	10,036
Advertising	36,565	9,029
Bank Charges	13,853	14,559
Members Expenses	56,913	39,467
Rent/Electricity/Car Parking	40,336	39,913
Office Maintenance	100	-
Telephone	3,786	6,709
Printing & Stationery	22,529	26,617
Postage & Couriers	9,042	13,001
Insurance	11,450	11,752
System Development	8,970	-
Conferences / Travel	19,555	1,638
Cost Recoveries	988	3,251
Subscriptions	2,355	-
Office Systems (includes computer maintenance)	35,389	34,887
Sundry assets < \$5,000	28,845	10,419
Sundry assets < \$5,000 written off	-	6,358
	<u>301,564</u>	<u>227,635</u>
Note 6 Employee expenses:		
Salaries and wages	350,547	295,374
Superannuation	1,148	704
	<u>351,695</u>	<u>296,078</u>

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
Note 7 Cash and Cash Equivalents		
Cash at bank and on hand	200	64,908
Imprest account	66	314
QTC Investment account	1,186,454	858,379
	<u>1,186,720</u>	<u>923,602</u>
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and Cash Equivalents	1,186,720	923,602
Bank overdrafts	(41,549)	-
	<u>1,145,171</u>	<u>923,602</u>
Note 8 Trade and Other Receivables		
Receivables	1,531	11,880
GST Receivable	37,200	29,874
	<u>38,731</u>	<u>41,754</u>
Note 9 Other Assets		
Insurance prepayment	8,412	8,782
	<u>8,412</u>	<u>8,782</u>
Note 10 Property, Plant and Equipment		
Computer Equipment (At Cost)	7,182	-
Less provision for depreciation	(472)	-
	<u>6,710</u>	<u>-</u>
Total Property, Plant and Equipment	<u>6,710</u>	<u>-</u>
Movements Schedule		
Computer Equipment		
Carrying amount at 1 July	-	-
Acquisitions	7,182	-
Depreciation	(472)	-
Carrying amount at 30 June	<u>6,710</u>	<u>-</u>
Note 11 Trade and Other Payables		
Trade Creditors	204	21,028
Other Creditors	68	-
Credit Cards	4,988	-
	<u>5,260</u>	<u>21,028</u>
No collateral has been pledged for any of the trade and other payable balances.		
Note 12 Unearned Revenue		
Renewal fees	1,077,990	1,003,448
Note 13 Accrued Expenses		
Accrued Wages	30,000	27,336
Note 14 Other Current Liabilities		
Tax Payable to ATO	1,882	915

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 15 Reconciliation of Operating Surplus/(Deficit) to Net Cash Provided by (Used in) operating activities

	2010	2009
	\$	\$
Operating Profit/Loss	162,481	208,250
Depreciation	472	-
Gain on Sale of Fixed Asset	(180)	-
Sundry assets < \$5,000 written off	-	6,358
Changes in Assets & Liabilities		
Decrease (increase) in Receivable	3,023	(5,079)
Decrease (increase) in Prepayments	370	1,113
Increase (decrease) in Employee Expenses payable	1,036	(373)
Increase (decrease) in Payables	(15,836)	18,358
Increase (decrease) in unearned revenue	74,541	122,593
Increase(decrease) in Accrued Expenses	2,664	(28,923)
Net cash from operating activities	<u>228,571</u>	<u>322,297</u>

Note 16 Key Management Personnel Compensation

	\$	\$
	Short term Benefits	Total
2010		
Total Compensation	<u>342,320</u>	<u>342,320</u>
2009		
Total Compensation	<u>297,831</u>	<u>297,831</u>

The names of the Board members who have held office during the financial year are:

Prof Elizabeth Taylor	Mr Peter Way (Resigned at 30 June 2010)
Mr Don Muir (Resigned at 30 June 2010)	Mr Gregory McLean
Ms Christine Stevenson	Mr Charles Ware
Ms Carolyn Mason	Mr William Marley (Appointed at 01 July 2010)
Mr Geoffrey Haigh (Appointed at 01 July 2010)	

Transactions with Board members as Registrants

The Board members who are registrants pay fees to the Board which are within normal Registrants' relationships on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Board member at arm's length in the same circumstances.

Note 17 Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2010.

Note 18 Commitments

The Board had no capital commitments of a material nature at 30 June 2010.

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable — minimum lease payments:

- not later than 1 year	24,714	29,291
- between 1 and 5 years	-	24,714

The lease is for the business premises and is a non-cancellable lease with a 3 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 the CPI once a year during the rent review on 1 May. An option exists to renew the lease at the end of the term, 30 April 2011, for one additional term of three years.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 19 Financial Risk Management

Categorisation of Financial Instruments

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

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

Category	2010	2009
	\$	\$
Financial assets		
Cash and cash equivalents	1,186,720	923,602
Receivables	38,731	41,754
Total	<u>1,225,451</u>	<u>965,356</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
Payables	37,142	49,279
Bank Overdrafts	41,549	-
Total	<u>78,691</u>	<u>49,279</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 does not have any derivative instruments at 30 June 2010.

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 assets is the gross carrying amount of those assets inclusive of any provisions for impairment. The following table represents the Board's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk

Financial Assets		
Cash and cash equivalents	1,186,720	923,602
Receivables	38,731	41,754
Total	<u>1,225,451</u>	<u>965,356</u>

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

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 BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 19 Financial Risk Management (Continued)

The method for calculating any provisional impairment for risk 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:

	2010	2009
	\$	\$
Receivables		
Not overdue	38,731	31,338

There are no impaired financial assets at balance date (30 June 2009: \$Nil).

(b) Liquidity risk

Liquidity risk arises from the possibility that the entity 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 and bank overdraft.

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 prepayment of the principal amount outstanding at balance date.

Financial liabilities

Payables

Less than 1 year	37,142	49,279
Total	<u>37,142</u>	<u>49,279</u>

Bank overdraft

Less than 1 year	41,549	-
Total	<u>41,549</u>	<u>-</u>

Total financial liabilities

Less than 1 year	78,691	49,279
Total	<u>78,691</u>	<u>49,279</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.

Financial assets

Cash and cash equivalents

Less than 1 year	1,186,720	923,602
Total	<u>1,186,720</u>	<u>923,602</u>

Receivables

Less than 1 year	38,731	41,754
Total	<u>38,731</u>	<u>41,754</u>

Total financial assets

Less than 1 year	1,225,451	965,356
Total	<u>1,225,451</u>	<u>965,356</u>

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 19 Financial Risk Management (Continued)

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Board is also exposed to earnings volatility on floating rate instruments. Interest rate risk is managed through a balance between the TCU investment fund balance and operating bank account balances.

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 \$11,452 (2009: \$9,236). This is due to the Board's exposure to variable interest rates on cash deposited in interest bearing accounts.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Board is also exposed to earnings volatility on floating rate instruments.

	2010	2009
	\$	\$
Financial instruments		
Cash and cash equivalents	1,186,720	923,602
Bank overdraft	(41,549)	-
Interest rate risk:		
-1% - Profit	(11,452)	(9,236)
-1% - Equity	(11,452)	(9,236)
+1% - Profit	11,452	9,236
+1% - Equity	11,452	9,236

(d) Fair value

The carrying amount of cash, cash equivalents, receivables, payables and bank overdraft are short-term in nature and approximate their fair value so are 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.

Note 20 Board Details

The registered office and principal place of the entity is:
Level 1, The Mansions
40 George Street
Brisbane QLD 4000

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 21 Prior Year Adjustments

For the year ended 30 June 2010, the Board has changed its Accounting Policy for capitalisation of PPE to reflect current capitalisation policy under Treasury. Under the requirements of AASB108 Accounting Policies, Changes in Accounting Estimates & Errors, this change must be reflected in the prior year financial statements. As a result, a number of components not previously recognised have been brought to account as at 30 June 2008.

	<u>Previous Balance</u>	<u>Restatement</u>	<u>Adjusted Balance</u>
<u>30 June 2008 Adjustments</u>			
Statement of Financial Position			
Property, Plant & Equipment	6,358	(6,358)	-
Retained Surplus	(286,839)	(6,358)	(293,197)
Statement of Changes in Equity			
Balance at 30 June 2008	(286,839)	(6,358)	(293,197)
<u>30 June 2009 Adjustments</u>			
Statement of Comprehensive Income			
Depreciation	5,602	(5,602)	-
Administrative Expenses	210,858	16,777	227,635
Profit for the Year	219,425	(11,175)	208,250
Statement of Financial Position			
Property, Plant & Equipment	11,175	(11,175)	-
Retained Surplus	(67,414)	(11,175)	(78,589)
Statement of Changes in Equity			
Balance at 30 June 2009	(67,414)	(11,175)	(78,589)

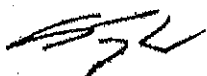
**CERTIFICATE OF THE BOARD OF
THE PROFESSIONAL ENGINEERS OF QUEENSLAND**

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.

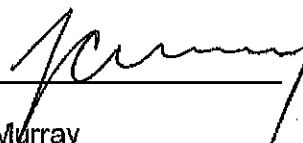
In accordance with section 62(1)(b) of the Act we certify that in our opinion:

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 2010 and of the financial position of the Board at the end of that year.



Professor E Taylor, AO
Chairperson



C Murray
Registrar

Dated this 30th day of August, 2010.

INDEPENDENT AUDITOR'S REPORT

To The Board of Professional Engineers of Queensland

Matters Relating to the Electronic Presentation of the Audited Financial Statements

The auditor's report relates to the financial statements of The Board of Professional Engineers of Queensland for the financial year ended 30 June 2010 included on The Board of Professional Engineers of Queensland's website. The Board and officer responsible for the financial administration of The Board of Professional Engineers of Queensland are responsible for the integrity of The Board of Professional Engineers of Queensland's website. I have not been engaged to report on the integrity of The Board of Professional Engineers of Queensland's website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements, available from The Board of Professional Engineers of Queensland, to confirm the information included in the audited financial statements presented on this website.

These matters also relate to the presentation of the audited financial statements in other electronic media including CD Rom.

Report on the Financial Statements

I have audited the accompanying financial statements of The Board of Professional Engineers of Queensland which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Board and officer responsible for the financial administration of The Board of Professional Engineers of Queensland.

The Board's Responsibility for the Financial Statements

The Board and officer responsible for the administration of The Board of Professional Engineers of Queensland are responsible for the preparation and fair presentation of the financial statements 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 (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 and the reasonableness of accounting estimates made by the Board and officer responsible for the administration of The Board of Professional Engineers of Queensland, as well as evaluating the overall presentation of the financial statements including any mandatory Financial Reporting requirements as 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

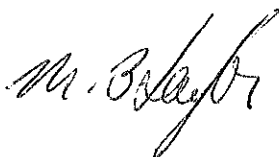
The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

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.

Auditor's 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 respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial statements has been drawn up so as to present 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 2009 to 30 June 2010 and of the financial position as at the end of that year.



M B TAYLOR
as Delegate of the Auditor-General of Queensland

Dated at Brisbane this 30th day of August, 2010.