

2011–12

Annual Report

Board of Professional Engineers of Queensland

Letter of compliance

The Honourable Bruce Flegg, MP
Minister for Housing and Public Works
Level 7, 80 George Street
Brisbane Qld 4000
Brisbane

28 September 2012

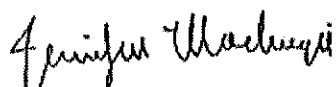
Dear Minister

I am pleased to present the Board of Professional Engineers of Queensland Annual Report on the administration of the *Professional Engineers Act (2002)* for the financial year ended 30 June 2012.

I certify that this Annual Report complies with:

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

Yours faithfully



Jennifer Mackenzie
Acting Chair

Part A

Communication objective

This Annual Report provides information about the Board of Professional Engineers' financial and non-financial performance for 2011/12.

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 also 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) 3224 6032 and an interpreter will be arranged to effectively communicate the report to you.

The action taken during the reporting period complies with Section 23 and Schedule of the *Public Sector Ethics Act 1994*.

In accordance with the *Public Records Act 2002*, the Board of Professional Engineers 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.

Further copies of this report are available by contacting the Board on (07) 3224 6032, or on the Board's website at www.bpeq.qld.gov.au

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Part B

Financial statements

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).

The Board of Professional Engineers of Queensland 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

From 01/02/12 to 30/06/12
(Acting Chair) Jennifer Mackenzie
BE(Metallurgical) MAusIMM(CP) RPEQ
Dysart
Representative of regional engineers

From 01/01/12 to 01/02/12
Mr Geoff Haigh RFD MBA *BE(Civil) BEcon FIE (Aust) RPEQ CPEng*
Kenmore
Representative of Engineers Australia

From 01/07/11 to 31/12/11
Prof Elizabeth Taylor AO *BE LLB (Hons) FIEAust CPEng FAICD*
Sydney
Academic representative from a school of engineering in Queensland

Deputy Chair

From 01/01/12 to 30/06/12

Jennifer Mackenzie *BE(Metallurgical)*

MAusIMM(CP) RPEQ

Dysart

Representative of regional engineers

From 01/07/11 to 31/12/11

Mr Geoff Haigh *RFD MBA BE(Civil) BEcon*

FIE (Aust) RPEQ CPeng

Kenmore

Representative of Engineers Australia

Members

From 01/07/11 to 30/06/12

Mr Greg McLean *BAPSc(Building) FAIB*

Northgate

Representative of the construction industry

Mr Michael Marley *BE MEngSc HonFIEAust*

FAICD RPEQ

Indooroopilly

Representative of registered professional engineers

Ms Carolyn Mason *BEcon BA (Hons) FAICD*

FAIM FIPAA

Ashgrove

Representative of consumers

From 01/01/12 to 30/06/12

Ms Joanna Jenkins *BA, LLB (Hons)*

Representative of the legal profession

Professor Yinghe He *B.Eng, M.Eng, PhD,*

FIEAust, FICHEM, CEng

Townsville

Academic representative from a school of engineering in Queensland

From 01/07/11 to 31/12/11

Mr Charles Ware *BA LLB (Hons) LLM*

MBus(Pub Mgt) FAICD

Yeppoon

Representative of the legal profession

Mrs Christine Brindley *BE(Civil) RPEQ*

Lake Placid, Cairns

Representative of regional engineers

Registrar

Ms Clare Murray *LLB GAICD*

Assistant Registrar

Mr Gary Stirling

Senior Legal Officer

Mr Alexander Sellentin *LLB BBuild Surv*

Grad Dip LP GCert Build FS

Finance Officer

Mrs Deborah Good *PNA*

Administration Officer

Miss Teresa Montgomery

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

Meetings

The Board meets monthly (except April and September) 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 fees are shown in the following table:

	No. attended	No. eligible to attend	Fees \$
Ms J Mackenzie	3	4	Nil
Mr G Haigh	5	7	2,346
Mr G McLean	7	9	2,966
Mr M Marley	8	9	3,228
Ms C Mason	8	9	3,228
Mr Yinghe He	3	4	1,002
Ms J Jenkins	4	4	1,408
Prof E Taylor	5	5	3,382
Mrs C Brindley	5	5	2,518
Mr C Ware	4	5	2,026

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, and the Registrar has conducted meetings and presentations in regional Queensland and interstate.

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 five 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 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 Queensland Civil and Administrative Tribunal (QCAT) for hearings. From the time an application to hear disciplinary charges is lodged in the QCAT, 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/or costs. Where possible consent orders are agreed to with the registered person and submitted to the QCAT for ratification. This avoids the unnecessary legal costs on both sides, of preparing cases and presenting them to the 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 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 CPD and the audit of registered professional engineers has been developed and will assist the Board 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 2011/12

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

	2011/12	2010/11	2009/10	2008/09
New Registrations	1180	954	547	742
Reinstatement	184	159	220	269
Disqualification	(1)	0	(1)	0
Retired/Resigned /Lapsed	(494)	(82)	(511)	(470)
TOTAL	8488	7619	6588	6333

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.

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)

The five approved assessment schemes currently provide assessment for registration in the following general areas of engineering:

Aerospace	Biomedical
Building Services	Chemical
Civil	Electrical
Environmental	Management
Marine	Mechanical
Naval Architecture	Structural
Mining	Metallurgical
Geotechnical (Mining)	
Information, Telecommunications and Electronics	
Fire Engineering	Petroleum
Fire Safety	Heritage and Conservation
In-service Inspection of Amusement Rides and Devices	
Pressure Equipment Design Verification	
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 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 of Queensland (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 approved 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 Registered Professional Engineers of Queensland (both past and present) is available for inspection at the Board's office. A register of currently registered professional engineers can be viewed online at www.bpeq.qld.gov.au

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

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 ethically within their area of competence. 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. It is also available on the Board's website.

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 2011/12 financial year, the Board received 33 written complaints regarding the practice of engineering. They related to both the conduct of RPEQs (27) and unregistered engineering practice (six).

Of the six complaints about unregistered practise during the year:

- three related to a previously registered professional engineer;
- three related to persons providing professional engineering services who have never been registered.

Of the 33 new complaints received, the Board decided that:

- 10 were to be investigated;
- 17 complaints were dismissed during this period on the grounds that there was either insufficient evidence for disciplining the engineer, or the issue was outside the jurisdiction of the Board, or the Board felt that evidence showed that the engineer had not committed an offence under the Act; and
- six matters remain undecided at this time.

During the year, the Board investigated 26 complaints; eleven from this financial year and 15 which were still under consideration from the previous year. The outcomes of these were:

- four were reprimanded or cautioned by the Board;
- two are with the Magistrates Court for offences under the Act;
- four against RPEQs are with QCAT for disciplinary hearings;
- 10 are still under consideration;
- six had no further action taken against them.

Amendments to the Act and the Code of Practice

During 2011/12 the Board continued to focus on the implementation of amendments to the Act. 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 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 Board is awaiting approval of the amendments.

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 Professional Engineers Act 2002, 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 the Registrar during the year to various professional bodies and industry including, but not limited to:

Institute of Public Works Engineering Australia (IPWEA) Engineering Conferences
Institution of Chemical Engineers (IChemE)
Engineers Australia Chairs Meeting
Engineers Australia Regional Engineering Conferences
Emerging Leaders Conference – AusIMM

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:

Department of Immigration and Citizenship
International Registers Monitoring
Committee
National Engineers Registration Board
(NERB)
Australian Aerospace Limited
Clough
Council of Mayors South East Queensland –
Development Assessment Process Reform –
Operational Works and Large Subdivisions
(DAPR-OWLS) Project
NSW Building Professional Board
Queensland Gas Corporation (QGC)

registered professional engineers cannot
provide professional engineering services.

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 offer 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.

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 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
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 of Professional
Engineers of Queensland affect the
community in that persons other than

Arrangement for public participation

The Act provides for procedures for the
public to make 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; 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
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.

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 \$32.30 plus \$1.95 for each page.

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.

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 nine.

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.

Jennifer Mackenzie
Acting Chair
Board of Professional Engineers of
Queensland

Part B

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

FINANCIAL STATEMENTS

30 JUNE 2012

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

FINANCIAL STATEMENTS

30 JUNE 2012

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND FINANCIAL STATEMENTS 2011-12

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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 1, The Mansions

40 George 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 2012

	Notes	2012 \$	2011 \$
Income from Continuing Operations			
Fees and Other Receipts	2	1,562,004	1,330,851
Interest Revenue	3	59,708	46,157
Other Revenue	4	1,459	446
Total Income from Continuing Operations		<u>1,623,171</u>	<u>1,377,454</u>
Expenses from Continuing Operations			
Administrative Expenses	5	449,497	326,585
Employee Expenses	6	497,200	385,536
Investigation & Legal Expenses		505,853	595,441
Depreciation		3,322	1,436
Total Expenses from Continuing Operations		<u>1,455,872</u>	<u>1,308,998</u>
Operating Result from Continuing Operations		<u>167,299</u>	<u>68,456</u>
Other Comprehensive Income			
Total Comprehensive Income		<u>167,299</u>	<u>68,456</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 2012

	Notes	2012 \$	2011 \$
Current Assets			
Cash and Cash Equivalents	7	1,785,882	1,366,600
Receivables	8	49,126	38,016
Other Assets	9	11,351	11,129
Total Current Assets		<u>1,846,359</u>	<u>1,415,745</u>
Non-Current Assets			
Plant and Equipment	10	12,356	5,273
Total Non Current Assets		<u>12,356</u>	<u>5,273</u>
Total Assets		<u>1,858,715</u>	<u>1,421,018</u>
Current Liabilities			
Payables	11	6,031	9,784
Unearned Revenue	12	1,462,122	1,223,061
Accrued Expenses	13	70,256	33,334
Other Current Liabilities	14	659	2,491
Total Current Liabilities		<u>1,539,068</u>	<u>1,268,670</u>
Total Liabilities		<u>1,539,068</u>	<u>1,268,670</u>
NET ASSETS		<u>319,647</u>	<u>152,348</u>
EQUITY			
Accumulated Surplus		319,647	152,348
TOTAL EQUITY		<u>319,647</u>	<u>152,348</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 2012

	Notes	\$
Balance as at 1 July 2010		83,892
Operating Result from Continuing Operations		68,456
Other comprehensive income/(loss) for the year		-
Balance as at 30 June 2011		<u>152,348</u>
Balance as at 1 July 2011		152,348
Operating Result from Continuing Operations		167,299
Other comprehensive income/(loss) for the year		-
Balance as at 30 June 2012		<u>319,647</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 2012

	Notes	2012 \$	2011 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		1,719,095	1,444,864
Penalties and Costs		83,155	33,194
Interest Revenue		59,708	46,330
GST Collected on Sales		146	62
GST Collected from ATO		118,766	116,516
<i>Outflows:</i>			
Employee Expenses		(482,772)	(380,606)
Board Member Expenses		(46,422)	(63,532)
Administrative Expenses		(347,823)	(234,379)
Investigations and Legal Expenses		(504,991)	(587,413)
Other		(33,453)	(29,272)
GST Paid on Purchases		(135,722)	(124,337)
Net Cash provided by/(used in) Operating Activities	15	429,687	221,427
<i>Outflows:</i>			
Payments for Fixed Assets		(10,405)	-
Net Cash provided by/(used in) Investing Activities		(10,405)	-
Net Increase in Cash and Cash Equivalents		419,282	221,427
Cash at the beginning of the financial year		1,366,600	1,145,173
Cash at the end of the financial year	7	1,785,882	1,366,600

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



Objectives of the Board

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THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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) Basis of Accounting

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 Treasury's Minimum Reporting Requirements for the year ending 30 June 2012, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, The Board of Professional Engineers 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 are 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 are 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 provision 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 2012

1. Summary of Significant Accounting Policies (continued)

(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 cost 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 is 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 have been recorded in the financial report at cost less depreciation. Depreciation on all property, plant and equipment has been calculated on a straight line basis at rates based on an estimated useful life of the various classes of asset.

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

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

(i) Payables

Trade 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) 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 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.



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (continued)

(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 statement, with all positions being reimbursed by the Board on a monthly basis.

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 department'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 pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key Executive Management Personnel and Remuneration

Key executive 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. Refer to note 3 for the disclosures on key executive 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 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.



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (continued)

(m) 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 (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 and accrued.

(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.

(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 May and June 2012 for the registration year commencing 1 July 2012 are recognised as Unearned Revenue in 2011-12.



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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 2011-12. Australian accounting standard changes released in 2011-12 is as follows.

- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]
- AASB 1054 *Australian Additional Disclosures*
- AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]
- AASB 13 *Fair Value Measurement*
- 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]
- AASB 119 *Employee Benefits*

Due the nature of the Board activities these standard changes will not have a significant impact effect on the Board of Profession Engineers of Queensland's financial statements

	2012 \$	2011 \$
2. Fees and Other Receipts		
Application Fees	57,166	44,689
Registration Fees	147,331	128,871
Renewal Fees	1,231,868	1,089,217
Restoration & Processing Fees	42,734	34,880
Penalties and Costs	82,905	33,194
Total	1,562,004	1,330,851

3. Interest Revenue:

Cheque Account	10	16
Cash Management	59,698	46,141
Total	59,708	46,157

4. Other Revenue:

Cost Recoveries	1,456	320
Miscellaneous Income	3	126
Total	1,459	446



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
5. Administrative Expenses:		
Accounting & Audit Fees*	15,034	13,432
Advertising	38,651	6,101
Bank Charges	25,525	17,712
Code of Practice Review	13,163	20,664
CPD Audit Fees	19,500	-
Members Expenses	48,234	68,958
Rent/Electricity/Car Parking	59,859	42,112
Office Maintenance	12,514	4,829
Telephone	8,606	5,575
Printing & Stationery	33,373	27,278
Postage & Couriers	14,586	12,220
Insurance	14,500	11,829
System Development	-	2,128
Conferences / Travel	21,135	22,247
Cost Recoveries	1,456	310
Subscriptions	3,395	2,538
Office Systems (includes computer maintenance)	119,347	68,067
Other	619	585
Total	449,497	326,585

*Total audit fees paid to the Queensland Audit Office relating to the 2011-12 financial statements are estimated to be \$5,200 (2011: \$5,000). There are no non-audit services included in this amount.

6. Employee Expenses:

Salaries and wages	495,765	383,530
Superannuation	1,435	2,006
Total	497,200	385,536

Executive Remuneration 1 July 2011 – 30 June 2012

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Registrar	106,632	-	2,677	13,614	-	122,923
Total Remuneration	106,632	-	2,677	13,614	-	122,923



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

6. Employee expenses (continued):

Executive Remuneration 1 July 2010 – 30 June 2011

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Registrar	104,847	-	2,574	12,928	-	120,350
Total Remuneration	104,847	-	2,574	12,928	-	120,350

	2012	2011
Number of employees including both full-time employees and part-time employees measured on a full time equivalent basis	3	2
Number of Board members paid wages during the year:	7	7

The names of current Board members are:

Ms Jennifer Mackenzie
Mr William Marley

Mr Gregory McLean
Ms Joanna Jenkins

Ms Carolyn Mason
Prof Yinghe He

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

Ms Christine Stevenson
Mr Geoffrey Haigh

Mr Charles Ware

Prof Elizabeth Taylor

	2012	2011
	\$	\$
7. Cash and Cash Equivalents		
Cash at bank	120,416	159,485
Petty Cash	182	200
Imprest account	82	211
QTC Investment account	1,665,202	1,206,704
Total	1,785,882	1,366,600

8. Receivables

GST Receivable	49,126	38,016
Total	49,126	38,016



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
9. Other Assets		
Insurance prepayment	11,351	11,129
Total	<u>11,351</u>	<u>11,129</u>
10. Plant and Equipment		
Computer Equipment	17,587	7,182
Accumulated Depreciation	(5,231)	(1,909)
Total	<u>12,356</u>	<u>5,273</u>
Total Plant and Equipment	<u>12,356</u>	<u>5,273</u>
Movements Schedule		
Computer Equipment		
Carrying amount at 1 July	5,273	6,710
Acquisitions	10,405	-
Depreciation	(3,322)	(1,437)
Carrying amount at 30 June	<u>12,356</u>	<u>5,273</u>
11. Payables		
Trade Creditors	1,873	735
Superannuation Payable	136	192
Other Creditors	4,022	8,857
Total	<u>6,031</u>	<u>9,784</u>
12. Unearned Revenue		
Renewal fees	1,462,122	1,223,061
Total	<u>1,462,122</u>	<u>1,223,061</u>
13. Accrued Expenses		
Accrued Telephone	1,685	594
Accrued Other	5,565	-
Accrued Rent	16,608	-
Accrued Wages	46,398	32,740
Total	<u>70,256</u>	<u>33,334</u>
14. Other Current Liabilities		
Tax Payable to ATO	659	2,491
Total	<u>659</u>	<u>2,491</u>



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

15. Reconciliation of Operating Surplus/(Deficit) to

Net Cash Provided by (Used in) operating activities

	2012	2011
	\$	\$
Operating Profit/(Loss)	167,299	68,456
Depreciation	3,322	1,436
Changes in Assets & Liabilities		
Decrease (increase) in Receivables	(11,110)	716
Decrease (increase) in Prepayments	(223)	(2,716)
Decrease (increase) in Employee Expenses payable	(1,888)	609
Increase (decrease) in Payables	(3,697)	4,523
Increase (decrease) in Unearned Revenue	239,062	145,070
Increase(decrease) in Accrued Expenses	36,922	3,333
Net cash provided by/(used in) operating activities	<u>429,687</u>	<u>221,427</u>

16. Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2012.

17. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2012.

Non-Cancellable Operating Lease

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

	2012	2011
	\$	\$
Not later than one year	46,045	46,045
Later than one year and not later than five years	39,649	85,694
Later than five years	-	-
Total	<u><u>85,694</u></u>	<u><u>131,739</u></u>

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 2014, 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 2012

18. Contingent Assets and Liabilities – Litigation in Process

Contingent Assets

As at 30 June 2012, the following cases were filed in the courts naming the State of Queensland acting through The Board of Professional Engineers of Queensland as plaintiff

	2012	2011
	Number of Cases	Number of Cases
Supreme Court	-	-
Federal Court	-	1
Magistrates Court	1	2
QCAT	<u>3</u>	<u>2</u>
Total	<u>4</u>	<u>5</u>

Contingent Liabilities

As at 30 June 2012, the following cases were filed in the courts naming the State of Queensland acting through The Board of Professional Engineers of Queensland as defendant

	2012	2011
	Number of Cases	Number of Cases
Supreme Court	-	1
District Court	-	-
Magistrates Court	-	-
QCAT	<u>-</u>	<u>2</u>
Total	<u>-</u>	<u>3</u>

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time.

19. Financial Risk Management

Categorisation of Financial Instruments

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



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

19. Financial Risk Management (cont)

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	2012	2011
Financial assets	\$	\$
Cash and cash equivalents	1,785,882	1,366,600
Receivables	49,126	38,016
Total	1,835,008	1,404,616
Financial liabilities		
Financial liabilities measured at amortised cost:		
Payables	76,946	45,609
Bank Overdraft	-	-
Total	76,946	45,609

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 2012.

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.

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:

	2012	2011
	\$	\$
Maximum Exposure to Credit Risk		
Financial Assets		
Cash and cash equivalents	1,785,882	1,366,600
Receivables	49,126	38,016
Total	1,835,008	1,404,616



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

19. Financial Risk Management (cont)

(a) Credit Risk

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 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:

	2012	2011
	\$	\$
Receivables		
Not overdue	49,126	38,016

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 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.



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

19. Financial Risk Management (cont)

(b) Liquidity risk (continued)

Financial liabilities	2012	2011
Payables	\$	\$
Less than 1 year	76,946	45,609
Total	76,946	45,609

Total financial liabilities		
Less than 1 year	76,946	45,609
Total	76,946	45,609

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	1,785,882	1,366,600
Total	1,785,882	1,366,600

Receivables

Less than 1 year	49,126	38,016
Total	49,126	38,016

Total financial assets

Less than 1 year	1,835,008	1,404,616
Total	1,835,008	1,404,616



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

19. Financial Risk Management (cont)

(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 Queensland Treasury Corporation (QTC) 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 \$17,859 (2011: \$13,666). 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.

	2012 \$	2011 \$
Financial instruments		
Cash and Cash Equivalents	1,785,882	1,366,600
Interest rate risk:		
-1% - Profit	(17,859)	(13,666)
-1% - Equity	(17,859)	(13,666)
+1% - Profit	17,859	13,666
+1% - Equity	17,859	13,666

(d) Fair value

The carrying amount of cash, cash equivalents, receivables, payables and repayable advances 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.

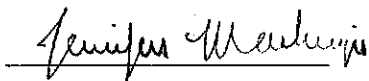


**CERTIFICATE OF THE BOARD OF
PROFESSIONAL ENGINEERS OF QUEENSLAND**

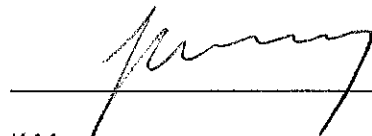
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

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 2012 and of the financial position of the Board at the end of that year.



J Mackenzie
Chairperson



K Murray
Registrar

Dated this 27th day of August, 2012.

INDEPENDENT AUDITOR'S REPORT

To the Board of Professional Engineers of Queensland

Report on the Financial Report

I have audited the accompanying financial report of The Board of Professional Engineers of Queensland, which comprises the statement of financial position as at 30 June 2012, 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 officers responsible for the financial administration of the Board of Professional Engineers of Queensland.

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

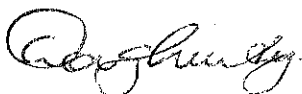
In accordance with s.40 of the *Auditor-General Act 2009* –

- (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 2011 to 30 June 2012 and of the financial position as at the end of that year; and

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of The Board of Professional Engineers of Queensland for the year ended 30 June 2012. Where the financial report is included on The Board of Professional Engineers of Queensland's website the Board is responsible for the integrity of The Board of Professional Engineers of Queensland's website and I have not been engaged to report on the integrity of the Board's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

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



Carolyn Dougherty CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane