



Board of  
**Professional Engineers**  

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**Queensland Government**

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# Annual Report

**1 July 2008 to 30 June 2009**

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  
2009.

**Professor Elizabeth Taylor, AO  
Chair**

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## **THE BOARD**

The Board of Professional Engineers of Queensland was established in 1929 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; and
- (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; and
- (b) providing for the monitoring and enforcement of compliance with this Act; and
- (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; and
  - (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 2009 are:-

#### **Chair**

Prof Elizabeth Taylor *AO BE LLB (Hons) FIEAust*  
Pro Vice-Chancellor and Executive Dean, Faculty of Sciences, Engineering and Health, Central Queensland University  
Rockhampton  
Academic head or an academic representative from a school of engineering in Queensland.

#### **Deputy Chair**

Mr Don Muir *BE (Civil) FIE (Aust) RPEQ*  
Aspley  
A representative of Engineers Australia

#### **Members**

Mr Peter Way *PSM BTech(Civil Eng) MBA GDURP MAPI 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 MLGMA*  
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 described in s.80 of the Act.

The Board met 10 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	9	10	3,451
Mr D Muir	8	10	3,312
Mr P Way	8	10	3,837
Ms C Stevenson	9	10	2,978
Mr C Ware	9	10	3,872
Mr G McLean	9	10	2,978
Ms C Mason	8	10	2,811

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 C Murray. Ms Murray is assisted by an Assistant Registrar, a Finance Officer and an Administration Assistant.

Business is conducted from offices at The Mansions, Level 1, 40 George Street (Cnr George & Margaret Streets), 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 Board's financial position is unpredictable as it is difficult to estimate the number of complaints the Board will receive in any given year.

Unless there are a significant increased number of complaints the fees are adequate to maintain the financial viability of the Board. This will assist the Board in meeting its responsibilities, to remain self-funded, to act independently, impartially and in the public interest.

## PERFORMANCE

The objects of the Act are:-

1. to protect the public by ensuring professional engineering services are provided by a registered professional engineer in a professional and competent way; and
2. to maintain public confidence in the standard of services provided by registered professional engineers; and
3. to uphold the standards of practice of registered professional engineers.

### 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 development of a competency standards system for both registration and renewal of registration of professional engineers presently under way will extend the protection enjoyed by the public.

### Performance

All applicants for registration have been rigorously assessed and 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. This is a reactive approach as the Board does not have the resources to proactively achieve this goal.

**Performance**

The Board has referred unsatisfactory conduct of registered persons to the CCT for a hearing. 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, fine 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.

**Conclusion**

The objective is appropriate and the Board has met the 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 practise standards to be met before applications for renewal of registration are approved annually. These initiatives have strengthened the Board’s capability to meet this objective.

**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 2008/09**

During the financial year, 699 new professional engineers were registered. 405 engineers were removed from the register for unpaid fees, although 269 were restored to the register.

The comparison with the previous three years is:-

	<b>07/08</b>	<b>06/07</b>	<b>05/06</b>
New Registrations	742	534	442
Reinstatements	303	220	113
Disqualified	(0)	(1)	(1)
Removals	(547)	(533)	(331)
<b>Total number of Registered Engineers</b>	<b>5,792</b>	<b>5,294</b>	<b>5,074</b>

**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

From 1 July 2008, substantial amendments were made to the Act. The intent behind these amendments is that the registration scheme should be a co-regulatory approach involving the joint administration by the professional engineering bodies and a statutory governing body.

The new registration process is consistent with national and international standards for the recognition of professional engineers.

As part of these amendments, two assessment schemes were approved by the Minister for the assessment of the qualifications and competencies of 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.

The 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
- 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 for the profession, with assessments being undertaken in a timely fashion. The Board has not received any complaints about the new assessment process and the Board does not consider there to be any negative impact on registration.

#### **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 is required on an annual basis to satisfy the Board that the registered professional engineer is eligible for renewal of their registration.

#### **Continued Competency**

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

#### **Publication of the Register**

The Register of Registered Professional Engineers of Queensland is available for inspection at the Board's office or online. The Register can be viewed at [www.bpeq.qld.gov.au](http://www.bpeq.qld.gov.au)

Information about the status of a registered professional engineer may be confirmed by enquiry by phone, fax, email or by accessing the Board's website and performing an online search of the Register.

### ***DISCIPLINARY ACTIVITIES***

The Act gives registered professional engineers the exclusive right to provide professional engineering services in Queensland. In return for

this right, registered professional engineers 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 may 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 2008/09 financial year, the Board received 25 written complaints regarding the practice of engineering. They relate to both the conduct of registered professional engineers (21) and unregistered practice (4).

Of the 25 complaints that were received, the Board decided to investigate 5, 13 were dismissed on the grounds that there was insufficient evidence for disciplining the registered professional engineer or insufficient evidence that the person had committed an offence under the Act and 7 matters are undecided at this stage. Of the 5 that were investigated, 2 matters have been referred to the Board's legal advisors for the preparation of disciplinary action, 3 are awaiting a report from the investigator.

During the 2008/09 financial year, the CCT found 3 registered professional engineers guilty of unprofessional conduct. It reprimanded and fined the engineers, and awarded costs to the Board.

#### **Unregistered Practice**

There were 4 complaints of unregistered practice during the year; of which 2 related to previously registered professional engineers and 2 in relation to persons providing professional engineering services who were never registered. Of the 2 complaints relating to persons providing professional engineering services who were never registered, both have been referred to the Board's legal advisors.

## **AMENDMENTS TO THE ACT AND THE CODE OF PRACTICE**

During 2008-9 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 those professional engineers providing "professional engineering services" to 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 requirement 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.

One intent behind the recent amendments to the Act was to more effectively harness the analysis continuously occurring within the profession to determine and document current expectations regarding professional competence and the process by which professional recognition should be certified.

The amendment which provides the mechanism by which the Board and the Minister ensure that assessment schemes submitted for approval

conform to current best practice is Section 112B Criteria (b). This requires that "The scheme must be consistent with national and international standards for the recognition of professional engineers".

## **CONTINUING REGISTRATION REQUIREMENTS**

A pilot program for auditing of CPD compliance is being developed for commencement on 1 July 2010.

## **PERFORMANCE**

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 to the Profession**

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:

Parsons Brinckerhoff  
Hyder  
Connell Wagner  
MPA Consulting Engineers  
Coffeys  
Engineers Australia (Gold Coast)  
Powerlink (Virginia)  
GHD  
SKM  
Moreton Bay Regional Council  
Engineers Australia (video streamed)  
Engineers Australia (Sunshine Coast)  
Energex  
Department of Mines  
Brisbane City Council  
Rio Tinto  
Main Roads

### **Training**

A training workshop was provided to the Board's investigators on the role of investigators, conduct of investigations, the obligations of investigators to the Board and to the Court. The workshop was presented by Holding Redlich with the assistance

of two barristers and was conducted at the Board's premises at the Mansions.

### **Independent Review of Government Boards, Committees and Statutory Authorities**

An independent review of Queensland Government Boards, Committees and Statutory Authorities was undertaken between July 2008 and March 2009. The aim of the independent review was to reduce bureaucracy, unnecessary red tape, improve the efficiency of government bodies and to maintain the integrity and security of necessary regulatory functions. A recommendation was made by the Independent Reviewers to abolish the Board of Engineers and to use the National Professional Engineers Register. The recommendation was not supported by government. The response of government was that it would only be considered as part of a national reform that included sufficiently high consumer standards

## **STATEMENT OF AFFAIRS UNDER THE FREEDOM OF INFORMATION ACT 1992**

### **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 responsible Minister, the Honourable 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 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, 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

### **Freedom of Information Procedures and Contact Details**

The Registrar of the Board is the contact person for freedom of 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 2 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 professional engineers 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 2008/2009 under this Act.

**MATTERS TO BE INCLUDED IN THE ANNUAL REPORT**

In accordance with section 107 of the Act, the Board states –

- 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;
- 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 the resources available 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  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009 \$	2008 \$
<b>Revenue</b>			
Fees and Other Receipts	2	1,122,663	1,186,310
Interest Earned	3	28,419	24,223
Other Revenue	4	3,558	4,284
<b>Total Revenue</b>		<b>1,154,640</b>	<b>1,214,817</b>
 <b>Expenses</b>			
Employee Expenses	5	296,078	278,136
Investigation & Legal Expenses		422,677	699,143
Administrative Expenses	6	210,858	158,002
Depreciation		5,602	3,075
<b>Total Expenses</b>		<b>935,215</b>	<b>1,138,356</b>
 <b>Profit (Loss) for the Period</b>		 <b>219,425</b>	 <b>76,461</b>

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

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
BALANCE SHEET  
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	923,602	701,304
Trade and Other Receivables	8	41,754	36,675
Other Assets	9	8,782	9,895
<b>Total Current Assets</b>		<b>974,138</b>	<b>747,874</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	11,175	6,358
<b>Total Non Current Assets</b>		<b>11,175</b>	<b>6,358</b>
<b>Total Assets</b>		<b>985,313</b>	<b>754,232</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	11	21,028	2,670
Other financial liabilities	15	-	100,000
Unearned revenue	12	1,003,448	880,855
Accrued Expenses	13	27,336	56,258
Other	14	915	1,288
<b>Total current liabilities</b>		<b>1,052,727</b>	<b>1,041,071</b>
<b>Non-current Liabilities</b>			
Other financial liabilities	15	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>1,052,727</b>	<b>1,041,071</b>
<b>NET ASSETS</b>		<b>(67,414)</b>	<b>(286,839)</b>
<b>EQUITY</b>			
Retained Surplus		(67,414)	(286,839)
		<b>(67,414)</b>	<b>(286,839)</b>

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

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009 \$	2008 \$
<b>Cash Flows from Operating Activities</b>			
<b>Inflows:</b>			
Fees and Other Receipts		1,170,961	1,092,642
Penalties and Costs		73,826	269,998
Interest Earned		28,419	24,223
GST collected on Sales		325	-
GST collected from ATO		82,952	1,622
<b>Outflows:</b>			
Employee Expenses		324,449	223,202
Board Member Expenses		35,904	34,312
Administrative Expenses		156,255	105,567
Investigations/hearings/legal expense		404,939	726,486
Other		11,562	17,050
Remitted to ATO		-	(94,531)
GST Paid on purchases		90,658	105,765
<b>Net Cash From Operating Activities</b>	16	<b>332,716</b>	<b>270,634</b>
<b>Cash Flows from Financing Activities</b>			
<b>Outflows</b>			
Repayment of Advance to Department of Public Works		(100,000)	(100,000)
<b>Net Cash From Financing Activities</b>		<b>(100,000)</b>	<b>(100,000)</b>
<b>Cash Flows from Investing Activities</b>			
<b>Outflows</b>			
Payments for Fixed Assets		(10,419)	(7,784)
<b>Net Cash from Investing Activities</b>		<b>(10,419)</b>	<b>(7,784)</b>
Net Movement in cash		222,298	162,850
Cash at the beginning of the financial year		701,304	538,454
<b>Cash at the end of financial year</b>	7	<b>923,602</b>	<b>701,304</b>

(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 2009**

	Notes	2009 \$	2008 \$
<b>Balance 1 July</b>		(286,839)	(363,300)
Operating (Deficit)		219,425	76,461
<b>Balance 30 June</b>		<u>(67,414)</u>	<u>(286,839)</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 REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**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 2009, 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 20 August 2009.

*(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 sale. The collectability of receivables is assessed periodically with provision being made for doubtful debts. No debts were written off this financial year.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**Note 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 costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland department, the acquisition cost is recognised as the gross carrying amount in the books of the transfer or or immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity are recognised at their fair value at date of acquisition in accordance with *AASB116 Property, Plant and Equipment*.

*(g) Property, Plant and Equipment*

All items of plant, equipment and computer hardware with a cost or other value in excess of \$1,000 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.

*(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.

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Office Equipment and Furniture	20%
Computer Hardware	33.33%

*(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 \$15,600 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 only a 50-65% return).

*(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.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1 Summary of Significant Accounting Policies (Continued)**

*(l) Financial Instruments*

*Recognition*

Financial assets and financial liabilities are recognised in the Balance Sheet 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
- Repayable advances – 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.

*(m) Employee benefits*

The Registrar, Assistant Registrar and Administration Officer are employed by the Board on a full-time basis. All three 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 on a quarterly basis.

As from 1 July 2007, the full cost of all employees will be met by the Board.

The balance of annual leave of the three officers reported in the accounts of the Department of Public Works at 30 June 2009 was \$38,186.

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.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**Note 1 Summary of Significant Accounting Policies (Continued)**

*(p) Other Financial Liabilities*

Other financial liabilities represent the balance of a repayable advance made by the Department of Public Works to cover expected short falls in cash at particular times of the year. Interest is not charged on the advance. The advance was repaid in full on 30 June 2009.

*(q) 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. Input tax credits receivable and GST payable on income from sources other than fees from/to the Australian Tax Office are recognised and accrued.

*(r) 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.

*(s) 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.

*(t) New and Revised Accounting Standards*

No Australian accounting standards and interpretations issued or amended and applicable for the first time in the 2008-09 financial year have an effect on the department. Also, the Board has not voluntarily changed any of its accounting policies.

The Board has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Board will apply these standards and interpretations in accordance with their respective commencement dates.

*(u) 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.

*(v) 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.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2 Revenue:</b>		
Application Fees	26,560	40,919
Registration Fees	76,896	109,723
Renewal Fees	890,155	804,295
Restoration & Processing Fees	55,226	46,810
Penalties and Costs	73,826	184,563
	<u>1,122,663</u>	<u>1,186,310</u>
<b>Note 3 Interest Revenue:</b>		
Cheque Account	248	400
Cash Management	28,171	23,823
	<u>28,419</u>	<u>24,223</u>
<b>Note 4 Other Revenue:</b>		
Cost Recoveries	3,251	821
Miscellaneous Income	307	3,463
	<u>3,558</u>	<u>4,284</u>
<b>Note 5 Employee expenses:</b>		
Salaries and wages	295,374	277,842
Superannuation	704	294
	<u>296,078</u>	<u>278,136</u>
<b>Note 6 Administrative Expenses:</b>		
Audit Fees - auditing the Financial Report	10,036	6,482
Advertising	9,029	6,931
Bank Charges	14,559	12,035
Members Expenses	39,467	37,210
Rent/Electricity/Office maintenance/Car Parking	39,913	33,133
Telephone	6,709	3,962
Printing & Stationery	23,722	16,627
Postage & Couriers	13,001	8,169
Insurance	11,752	11,317
Office Systems (includes computer maintenance)	10,771	7,984
	<u>210,858</u>	<u>158,002</u>
<b>Note 7 Cash and Cash Equivalents</b>		
Cash at bank and on hand	64,908	70,434
Imprest account	314	134
QTC Investment account	858,379	630,736
	<u>923,602</u>	<u>701,304</u>
<b>Note 8 Trade and Other Receivables</b>		
Receivables	11,880	11,036
GST Receivable	29,874	25,639
	<u>41,754</u>	<u>36,675</u>
<b>Note 9 Other Assets</b>		
Insurance prepayment	8,782	8,972
Other prepayment	-	923
	<u>8,782</u>	<u>9,895</u>

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>Note 10 Property, Plant and Equipment</b>		
Office Equipment (At Cost)	12,535	12,536
Less provision for depreciation	<u>(11,159)</u>	<u>(10,241)</u>
	<u>1,376</u>	<u>2,295</u>
Computer Equipment (At Cost)	16,703	6,284
Less provision for depreciation	<u>(6,904)</u>	<u>(2,221)</u>
	<u>9,799</u>	<u>4,063</u>
<b>Total Property, Plant and Equipment</b>	<u>11,175</u>	<u>6,358</u>
<b>Movements Schedule</b>		
<b>Office Equipment</b>		
Carrying amount at 1 July	2,295	1,649
Acquisitions	-	1,500
Depreciation	<u>(918)</u>	<u>(854)</u>
Carrying amount at 30 June	<u>1,376</u>	<u>2,295</u>
<b>Computer Equipment</b>		
Carrying amount at 1 July	4,063	-
Acquisitions	10,419	6,284
Depreciation	<u>(4,684)</u>	<u>(2,221)</u>
Carrying amount at 30 June	<u>9,799</u>	<u>4,063</u>
<b>Note 11 Trade and Other Payables</b>		
Trade Creditors	21,028	1,001
Credit Cards	<u>-</u>	<u>1,669</u>
	<u>21,028</u>	<u>2,670</u>
<b>Note 12 Unearned Revenue</b>		
Renewal fees	<u>1,003,448</u>	<u>880,855</u>
<b>Note 13 Accrued Expenses</b>		
Accrued Wages	<u>27,336</u>	<u>56,258</u>
<b>Note 14 Other Current Liabilities</b>		
Tax Payable to ATO	<u>915</u>	<u>1,288</u>
<b>Note 15 Other Financial Liabilities</b>		
<b>Current:</b>		
Repayable advance from Department of Public Works	<u>-</u>	<u>100,000</u>
<b>Note 16 Reconciliation of Operating Surplus/(Deficit) to Net Cash Provided by (Used in) operating activities</b>		
Operating Profit/Loss	219,425	76,461
Depreciation	5,602	3,075
Changes in Assets & Liabilities		
Decrease (increase) in Receivable	(5,079)	94,440
Decrease (increase) in Prepayments	1,113	(1,117)
Decrease (increase) in Employee Expenses payable	(373)	434
Increase (decrease) in Payables	18,358	(34,394)
Increase (decrease) in unearned revenue	122,593	75,475
Increase(decrease) in Accrued Expenses	<u>(28,923)</u>	<u>56,260</u>
Net cash from operating activities	<u>332,716</u>	<u>270,634</u>

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Note 17 Key Management Personnel Compensation</b>		
	<b>Short term</b>	
	<b>Benefits</b>	<b>Total</b>
<b>2009</b>		
Total Compensation	23,239	23,239
<b>2008</b>		
Total Compensation	23,043	23,043

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

Prof Elizabeth Taylor  
Mr Don Muir  
Ms Christine Stevenson  
Ms Carolyn Mason

Mr Peter Way  
Mr Gregory McLean  
Mr Charles Ware

*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 18 Events Occurring after Reporting Date**

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2009.

**Note 19 Commitments**

The Board had no capital commitments of a material nature nor non-cancellable operating lease commitments at 30 June 2009.

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	29,291	29,218
- between 1 and 5 years	24,714	54,005
- greater than 5 years	-	

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 for one additional term of three years.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**Note 20 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 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:

<b>Category</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	923,602	701,304
Receivables	41,754	36,675
Total	<u>965,356</u>	<u>737,979</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost:		
Payables	21,028	2,670
Other financial liabilities	-	100,000
Unearned revenue	1,003,448	880,855
Total	<u>1,024,476</u>	<u>983,525</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 2009.

***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:

**Maximum Exposure to Credit Risk**

**Financial Assets**

Cash and cash equivalents	923,602	701,304
Receivables	41,754	36,675
Total	<u>965,356</u>	<u>737,979</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. The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings.

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.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**Note 20 Financial Risk Management (Continued)**

**(a) Credit Risk (Continued)**

No financial assets and financial liabilities have been offset and presented net in the Balance Sheet.

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 past due but not impaired as well as impaired financial assets are disclosed in the following tables:

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets past due but not impaired</b>		
<b>Contractual repricing/maturity date:</b>		
Receivables		
Not overdue	31,338	26,260
Overdue:		
30-60 days	-	10,415
61-90 days	-	-
Over 90 days	10,416	-
<b>Total</b>	<u>41,754</u>	<u>36,675</u>

There are no impaired financial assets at balance date (30 June 2009: \$Nil). Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

**(b) Liquidity risk**

Liquidity risk arises from the possibility that the company 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 repayable advance from the Department of Public Works.

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	21,028	2,670
<b>Total</b>	<u>21,028</u>	<u>2,670</u>

**Repayable Advance**

Less than 1 year	-	100,000
<b>Total</b>	<u>-</u>	<u>100,000</u>

**Total financial liabilities**

Less than 1 year	21,028	102,670
<b>Total</b>	<u>21,028</u>	<u>102,670</u>

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**Note 20 Financial Risk Management (Continued)**

**(b) Liquidity risk (Continued)**

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.

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
<b>Cash and cash equivalents</b>		
Less than 1 year	923,602	701,304
<b>Total</b>	<u>923,602</u>	<u>701,304</u>
<b>Receivables</b>		
Less than 1 year	41,754	36,675
<b>Total</b>	<u>41,754</u>	<u>36,675</u>
<b>Total financial liabilities</b>		
Less than 1 year	965,356	737,979
<b>Total</b>	<u>965,356</u>	<u>737,979</u>

**(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 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 \$9,236 (2008: \$7,013). 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.

**Financial instruments**

**Cash**

Carrying amount	923,602	701,304
Interest rate risk:		
-1% - Profit	(9,236)	(7,013)
-1% - Equity	(9,236)	(7,013)
+1% - Profit	9,236	7,013
+1% - Equity	9,236	7,013

**(d) Foreign exchange risk**

The Board is not exposed to fluctuations in foreign currency.

**(e) Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board is not exposed to price risk.

**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND  
NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**Note 20 Financial Risk Management (Continued)**

**(f) 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.

**Note 21 Board Details**

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

Prof Elizabeth Taylor  
Mr Don Muir  
Ms Christine Stevenson  
Ms Carolyn Mason

Mr Peter Way  
Mr Gregory McLean  
Mr Charles Ware

## CERTIFICATE OF THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

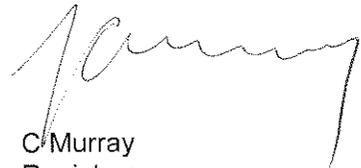
We have prepared the foregoing annual financial statements pursuant to the provisions of the *Financial Administration and Audit Act 1977*, and other prescribed requirements and certify that -

- (a) The foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Board;
- (b) In our 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 foregoing annual financial statements have been drawn up so as to present a true and fair view of the transactions of the Board for the period 1 July 2008 to 30 June 2009 and of the financial position as at the close of that year.

Dated this 20th day of August 2009



Prof E Taylor, AO  
Chairperson



C Murray  
Registrar

## 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 balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement 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 Report*

The Board and officer responsible for the administration of the Board of Professional Engineers of Queensland is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable 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 report 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. In Note 1, the Board and officer responsible for the administration of the Board of Professional Engineers of Queensland also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's Responsibility*

My responsibility to express an opinion on the financial report based on the audit is prescribed in the Auditor-General Act 2009. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the Financial Administration and Audit Act 1977.

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 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 risks of material misstatement in 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 and fair presentation of the financial report 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, as well as evaluating the overall presentation of the financial report 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*

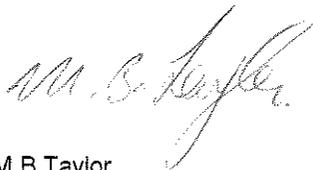
The Auditor-General Act 2009 promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

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 report 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 2008 to 30 June 2009 and of the financial position as at the end of that year; and
  - (iii) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



M B Taylor  
as Delegate of the Auditor-General of Queensland  
Dated at Brisbane this 20<sup>th</sup> day of August 2009