



## **Annual Report**

**For the period**

**1 April 2016 – 31 March 2017**

**Engineering Associates Registration Board**

[www.engineering-associates.org.nz](http://www.engineering-associates.org.nz)





**Annual Report by the  
Engineering Associates Registration Board  
For the Period from 1 April 2016 to 31 March 2017**

**Contents**

**Executive Summary & Commentary**

- 1. Legislative Context**
- 2. REA Credential and Registration Trends**
- 3. Board Business**
- 4. Financial Aspects**

**Audited Financial Statements**

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## **Executive Summary and Commentary**

The Engineering Associates Registration Board (the Board) is pleased to present the annual report reviewing the activities for the year to 31 March 2017.

### **Decline in Registered Engineering Technicians and Technologists**

The decline continues in the numbers of experienced engineering technicians and technologists seeking registration and is the prime matter for the Board's attention. As a voluntary career choice, the Technician and Technologist REA credential no longer has the attraction it enjoyed when it was a visible and critical step in a career pathway.

The rationalization of the technical engineering diploma courses together with the new 'practical element' of the three main diploma disciplines and the BEngTech 3 year degrees should combine to see an improvement in the availability of appropriate technical engineering courses that have consistent curricula throughout NZ. These developments should start to see an increase in the numbers of applicants eligible for registration over the medium term.

The Board is in discussion with the Minister and the Ministry to review the significance of the credential within the engineers' statutory registrations available in NZ.

### **Board Operations**

At 31 March 2017 there were 1086 registered REAs, 71 less than at the same time in 2016.

The Board operations resulted in a surplus of \$12,092 for the financial year, increasing the Board's reserves to \$111,828. Audited accounts for the Board for the year ended 31 March 2017 are appended to this report. The annual audit by Audit NZ was completed during May 2017. The audit identified no matters of immediate concern, but the continuing decline in the numbers of REAs must be addressed.



## **1. Legislative Context**

The Board is appointed under the Engineering Associates Act 1961 (The Act) to fulfill the requirements of The Act and establish and maintain a register of those persons who apply and qualify to be registered as Engineering Associates. The Board's objectives are to encourage, support and promote excellence in engineering technology in New Zealand.

Registration as an Engineering Associate is a quality credential providing evidence that the registered individual has met specified academic and practical engineering competency standards plus supervisory experience as described in The Act.

Registered Engineering Associates (REAs) are generally senior engineering technicians or technologists employed in a wide range of disciplines such as engineering infrastructure design, implementation and maintenance or in engineering management roles within New Zealand and around the world.

The Act is administered by the Ministry of Business, Innovation and Employment (MBIE) reporting to the Minister for Building & Construction.

## **2. REA Credential and Registration Trends**

The Board operates under The Act. The purpose of The Act is to encourage, support and promote excellence in engineering technology in New Zealand. The Act authorizes the registration of persons with an academic-plus-practical-experience qualification, equivalent to New Zealand Certificate in Engineering (NZCE) who have also completed a significant period of "responsible experience" in the engineering workplace and who have indicated competence in their recognized discipline. The REA credential indicates that a person is a senior engineering technician or technologist. Most REAs are employed in infrastructure design and implementation and engineering management roles in New Zealand. There are many REAs working in the international engineering market.

The total number of registered persons continued to reduce during the 2016/2017 year. This trend:

- Commenced with the changes to engineering training during the 1990's and the restructure of those government departments that traditionally employed technical engineering graduates.
- Continues as the REA credential is no longer regarded as such an important element of a career pathway as in the latter half of the last century, when it was an integral part of organizational structures. Graduates entering the engineering workforce are not enthusiastic about gaining voluntary credentials when they cannot perceive to obtain any competitive career advantage.
- May improve with the New Zealand Diploma in Engineering (NZDE) and its 'Practice' element replacing the NZCE and the various subsequent diplomas, which is gaining nationwide acceptance. The earliest of these graduates are only now beginning to become eligible for registration under the current criteria. Although industry is encouraging new entrants to engineering, it is not keeping pace with the rate of retirement of older REAs.

As reported earlier the Board in conjunction with both the Minister and the Ministry, is reviewing the position of the credential within the NZ statutory occupational registrations.

## Registration Statistics

Registration categories under The Act:

- R(a) Engineering technicians and technologists who have not completed a recognized technical engineering education qualification but have completed basic engineering training, and have at least 12 years of engineering experience, including 6 years in a responsible position, and were born before 1 January 1936.
- R(b) Engineering technicians and technologists who have completed a NZ Certificate of Engineering or First Class Marine Engineer's Certificate (or an equivalent qualification), plus a basic engineering training and at least 6 years of engineering experience, including 1 year in a position of responsibility.
- R(c) Engineering technicians and technologists who have not completed a recognized technical engineering academic qualification but have completed a basic engineering training, and have at least 12 years of engineering experience, including 6 years in a responsible position. The (c) applicants submit a 4,000 word written statement on an approved engineering topic, in lieu of the education qualification.

Summary of registrations during the year:-

Number registered at 31 March 2016	1157
Plus new applicants registered between 1 April 2016 & 31 March 2017	8
Less net reduction from deceased, retired, resigned & restored	<u>79</u>
Number registered at 31 March 2017	<u>1086</u>

Categories:	R(a)	17
	R(b)	1015
	R(c)	<u>54</u>
	<b>Total</b>	<b><u>1086</u></b>

## Code of Ethics

The Code of Ethics for REAs issued by the Board has remained unchanged for the period under review. The Code of Ethics is published on the Board's website and is in the information pack sent out to prospective applicants for registration. It is formally issued to all new REAs.

## Current Competency Assurance – REAcap

The REA competency assessed practitioner scheme (REAcap) was implemented by the Board to provide assurance to the public and potential engineering employers that a currently registered REA remains competent in their chosen discipline. REAcap is voluntary with competency reassessment undertaken every four years. The competency principles embedded in The Act for initial registration are also the standards used for REAcap competency assessment including knowledge development, experience and responsibility performance. Continuing work in the engineering industry is also a requirement for REAcap recognition.

The Board believes that, in the current engineering market, the lack of ongoing competency assessment provisions within The Act disadvantages the REA credential compared with other occupational registration legislation.

REAcap was implemented during 2005, and at 31 March 2017 the number of REAs with REAcap validation was 76. Reassessments continue as they fall due. The Board is concerned at the low level of new applications for REAcap validations and continues to endeavor to stimulate interest. The website list of REAs is regularly updated to indicate successful REAcap validations.

### 3. Board Business

The Board continued normal operations during the year.

#### Members of the Board

Following a process in which the Associations and Institutes named in The Act nominate suitable individuals, the Minister appoints a Board with a range of relevant knowledge and experience. Board Members' terms of appointment are for 2 years and can be extended at the discretion of the Minister.

The Members of the Board at 31 March 2017 were:

Board Member	Position - Date Appointed	Nominating Organisation
Dr R J Dunlop QSO; FNZIM; DistFIPENZ; FCILTENZ; CMInstD.	Chair – April 2010	Ministerial appointment
Ms D J Cranko NZ Reg Arch; BArch (Hons) FNZIA	Member – December 2012 Deputy Chair February 2015	Ministerial appointment
Mr G M Cowley MNZIRHACE	Member – December 2012	NZ Inst Refrig Htng & Air Con Engineers Inc
Mr W G Crawley REA	Member – March 2016	NZ Inst of Healthcare Engineering Inc
Mr V Gradowski REA; I Eng; DMS; MIGE&M; MBCS; CITP; MCIM	Member – December 2014	NZ Institution of Gas Engineers Inc
Ms K D Hogan, MEng (Civil); MIPENZ; PrEng (SA)	Member December 2014	Ministerial appointment
Mr E B Hurley REA	Member – December 2014	NZ Electronics Institute Inc.
Mr G W Inkster	Member – December 2016	NZ Institute of Marine & Power Engineers Inc.
Mr G D Wells REA; FDANZ	Member – August 2006	Design Association of NZ Inc

Mr G W Inkster replaced Mr R W Grant who retired from the Board.

#### Committee Roles

- **Finance (& Audit Committee if required)** – Chair & Registrar.
- **Staff Committee** – Ms D J Cranko & Mr R W Grant.

#### Board Remuneration (per day attendance)

From 1 March 2014: Chair \$530.00; Deputy Chair \$386.00; Member \$309.00.

#### Responsibilities and Operation of the Board

The Members of the Board are accountable to the Minister for the performance of their duties including direction, oversight and implementation of The Act. The Board is responsible for the appointment of the Registrar. The Staff Committee is responsible for the Registrar's conditions of employment. The Chair, Registrar and Board continue to have effective working relationships with MBIE.

The Act requires the establishment of an Investigation Committee if there are complaints against an REA, or appeals against decisions of the Board. The Committee had not been required prior to 2014, when a complaint was received against an REA. At the Board's request, the Investigation Committee was established with the Members appointed by the Minister in March 2015 and reappointed in March 2016 as provided in The Act.

#### Registrar

The position of Registrar, held by Mr John V. Edgar REA, continued with a small reduction in the hours of work during the year. The EARB office remains staffed for 3 days per week.

## **Technical Engineering Institutions Recognized in the Act**

Technical Engineering Associations currently recognized under the Act are:

- Design Association of New Zealand Inc
- New Zealand Institute of Marine & Power Engineers Inc.
- New Zealand Institute of Healthcare Engineering Inc
- New Zealand Institute of Refrigeration, Heating & Air Conditioning Engineers Inc
- New Zealand Electronics Institute Inc
- Institute of Automotive Mechanical Engineers of New Zealand Inc
- New Zealand Institution of Gas Engineers Inc

The Board has an ongoing responsibility to keep the recognized associations informed of its activities and to encourage the advancement of technical engineering issues and standards.

## **Board Meetings**

The Board held three routine meetings during the year - August, November 2016, and February 2017, plus a Complaints Inquiry hearing in October 2016. To control costs the February meeting was held by emails. The Registrar attended all Board meetings. In addition to the routine overview and approval of the registration of REAs, the Board remained conversant with the MBIE investigation of the engineers' occupational registration legislation. Discussions with the Minister and the Ministry continued over the important issue of declining numbers of registrations.

## **Promotional & Communication Activities**

The Board's promotion of the REA credential predominantly relies on the website, and ensures the REA applicants' information packs encourage registration and the REAcap scheme. Communication with REAs continues through the annual circular delivered with the annual fees renewal notice. This cost effective method, is limited to communication once per year. REA's email addresses are used for informal communications.

## **Website** (<http://www.engineering-associates.org.nz>)

The Engineering Associates website, continues to receive a monthly average of about 30,000 'hits' and just over 1,000 visits. The 'List of REAs' is a feature of the website, providing web access to the list names of current REAs. Details provided include surname and initials, regional location (with non-residents listed as overseas), registered engineering discipline, certificate of registration number, the commencement year for continuous registration and the applicable REAcap validation. This web listing is updated following each Board meeting.

## **Investigation Committee**

The Investigation Committee reviewed its second formal complaint against another REA, and in this instance deemed it necessary to refer the matter to the Board. At a special Complaints Inquiry, the Board determined that the REA was not guilty of incompetence and no further action was required.



## Accountability Agreement

An Accountability Agreement between the Board and the Minister is in place for the period to 31 March 2017. This documents the Minister's expectations of the Board's performance as follows.

### Governance

Conflicts of Interest Register in place and updated at the start of each meeting:-

*Introduced at the April 2009 Board Meeting and continues as Appendix VI to the Minutes.*

Board Self Review:-

*A yearly review of the Board's performance is carried out.*

Occupational Licensing Legislation Review:-

*Support the Ministry in their review.*

### Service Delivery

To determine the standards of training, experience, responsibility and technical qualifications necessary for registration as a REA:-

*Each applicant is considered individually and assessed by submission of written evidence of qualifications, experience and responsibility under a statutory declaration.*

To determine the standards of continuing training, experience, responsibility and technical qualifications necessary for voluntary competency assessment programme (REAcap). Standards for 'Ongoing Knowledge Development', continuing experience in the applicant's discipline', and continuing responsibility in the applicant's discipline':-

*No changes to the programme during the year.*

To maintain a register of registered persons, to issue certificates of registration and to keep other essential records.

Register containing relevant details available to public:-

Projected numbers 2016/17:	Registrations:	1000	<i>Actual 1086</i>
	Net Removals:	160	<i>Actual 79</i>
	New registrations:	10	<i>Actual 8</i>

*The register is held on 'M-S Access' database, and details can be obtained on request from the Registrar. Names of current REAs, their regional location, discipline, registration No, REAcap No, and year of commencement of continuous registration are available on the Board's website.*

### Strategy and Capability

Explore pathways to engage with industry and interested parties on use and value of REA credentials and increase awareness of REA and REAcap:-

*Continued during the year with informal discussions with interested parties.*

Provide an annual report (with Financial Statements):-

*Completed.*

Provide input to the review of engineers' occupational registration as requested by the Ministry.

*Submissions made as requested and ongoing awareness of the review's progress.*

Develop a working relationship with other occupational licensing boards in the Building and Construction sector.

*No joint meetings were arranged by MBIE during the year.*

## **5. Financial Aspects**

### **Auditors**

The Board has contracted Audit New Zealand as its auditors.

### **Financial Performance**

Fees charged for registration during the period were as per the Engineering Associates Fees Amendment Regulations 2013. Due to the decline in numbers registered, Revenue decreased by 5.5%. Expenses decreased by 13% resulting from strict control of expenditure, a reduction in the Registrar's hours of attendance and one of the Board meetings held by email. There was an overall surplus of \$12,092 bringing the Accumulated Fund to \$111,828 at 31 March 2017.

The Board remains concerned about the long term financial sustainability and is attempting to address the decline in registrations with ongoing discussions with the Minister and the Ministry. Audited accounts for the Engineering Associates Registration Board for the year ended 31 March 2017 are appended to this report. The annual audit by Audit NZ was conducted and completed during May 2017 and identified no other matters of concern.

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In conclusion, I would like to record my appreciation to the members of the Board and the Registrar, and to the staff of MBIE for their advice and support.

**Dr R J Dunlop** QSO, FNZIM, DistFIPENZ, FCILTENZ, CMInstD.  
Chair, Engineering Associates Registration Board.



**Audited Financial Statements are attached.**



# **ENGINEERING ASSOCIATES REGISTRATION BOARD**

## **FINANCIAL STATEMENTS**

### **FOR YEAR**

**1 APRIL 2016 - 31 MARCH 2017**

**Date of Issue : 14 June 2017**





## **ENGINEERING ASSOCIATES REGISTRATION BOARD**

### **FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2017**

#### **INDEX**

Entity Information	2
Statement of Financial Performance	3
Statement of Financial Position	4
Statement of Cash Flows	5
Statement of Accounting Policies	6 – 7
Notes to the Financial Statements :	8
(1) Revenue	
(2) Employee related costs	
(3) Board Fees and related costs	
(4) Fixed Assets	
(5) Investigation committee	
(6) Statement of commitments	
(7) Statement of Contingent Liabilities	

#### **Attachment;**

Audit NZ Independent Auditor's Report.

**Date of Issue : 14 June 2017**

# **ENGINEERING ASSOCIATES REGISTRATION BOARD**

## **ENTITY INFORMATION FOR THE YEAR ENDED 31 March 2017**

### **Legal Name**

Engineering Associates Registration Board

### **Type of Entity and legal basis**

A Board appointed under the Engineering Associates Act 1961 (The Act) to fulfil the requirements of The Act and establish and maintain a register of those persons who apply and qualify to be registered as Engineering Associates. The Act is administered by the Ministry of Business, Innovation and Employment (MBIE) reporting to the Minister for Building and Construction.

### **The Board's purpose or mission**

In addition to establish and maintain a register of those persons who qualify to be registered under the Act, the Board's objectives are to encourage, support and promote excellence in engineering technology in New Zealand.

### **Structure of the Board's operations, including governance arrangements**

The Board comprises a Chairman and two other members appointed by the Minister. Other members appointed by the Minister are nominated by Associations which have been recognised under the Act. The Board appoints a Registrar who is responsible for the Register and to exercise the Board's directions and policies.

### **Main sources of the Board's cash and resources**

The Board's revenue is from application for registration fees, and the annual registration fees, the rates being determined under the Engineering Associates Fees Amendment Regulations 2013.

### **Reporting Entity**

The Board is required to prepare financial statements pursuant to Section 27 of the Engineering Associates Act 1961.





# ENGINEERING ASSOCIATES REGISTRATION BOARD

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2017

	Notes	%	Actual 2017	Budget 2017	Actual 2016
<b>Revenue :</b>					\$
REA Application & Registration Fees	1	92	85,788	78,000	90,274
REAcap Application & Annual Fees	1	4	3,861	4,000	4,304
Interest	1	4	3,929	4,000	4,465
<b>Total Operating Revenue</b>		<b>100</b>	<b>93,578</b>	<b>86,000</b>	<b>99,043</b>
<b>Expenses :</b>					
Wages	2	51	41,176	45,000	45,030
Office Expenditure		7	5,612	6,500	5,758
Office Rent & Services		11	9,042	9,000	9,022
Printing & Stationery		1	907	2,000	1,127
Board Fees	3	14	11,456	12,000	11,852
Board Expenses	3	6	4,947	6,000	7,216
Repairs & Maintenance		0	0	300	339
Audit Fee		8	6,451	6,600	6,405
Unauthorised Expenditure		0	0	100	0
Depreciation	4	1	1,282	1,000	687
Special Projects		0	0	5,000	0
Investigation Committee	5	1	421	4,000	5,888
REAcap Expenditure		0	192	1,000	840
<b>Total Operating Expenditure</b>		<b>100</b>	<b>81,486</b>	<b>98,500</b>	<b>94,164</b>
<b>Net Surplus / (Deficit) For Year</b>			<b>12,092</b>	<b>(12,500)</b>	<b>4,879</b>

Explanations of major variances against Budget are provided in notes.

# ENGINEERING ASSOCIATES REGISTRATION BOARD

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Actual 2017	Actual 2016
<b>Assets</b>		
<b>Current Assets :</b>		
BNZ - Short Term Investments	85,000	65,000
Current Account Bank of New Zealand	8,077	5,142
Bank of New Zealand (On Call)	5,000	15,000
Accrued Interest	1,936	2,952
Prepayments	725	0
GST	197	778
Total Current Assets	100,935	88,872
<b>Non-Current Assets :</b>		
Fixed Assets (Note 4)	1,745	3,027
BNZ - Term Investments	20,000	20,000
Total Non-Current Assets	21,745	23,027
<b>Total Assets</b>	<b>122,680</b>	<b>111,899</b>

### **Liabilities**

#### **Current Liabilities :**

Employee Entitlements	2,277	2,900
Sundry Creditors	8,385	8,703
Fees Paid in Advance	190	560
Total Current Liabilities	10,852	12,163

#### **Accumulated Funds**

Opening Balance	99,736	94,857
Net Surplus / (Deficit) for Year	12,092	4,879
Closing Balance	111,828	99,736

#### **TOTAL LIABILITIES & ACCUMULATED FUNDS**

<b>122,680</b>	<b>111,899</b>
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Explanations of major variances against Budget are provided in notes.

  
R J Dunlop  
Chairperson

J V Edgar  
Registrar

# ENGINEERING ASSOCIATES REGISTRATION BOARD

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Actual 2017	Actual 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash was provided from :		
Application & Registration Fees	86,735	90,403
REAcap Application & Annual Fees	3,861	4,304
Interest Received	4,944	3,718
Net Goods & Services Tax Received	592	(80)
	<u>96,132</u>	<u>98,345</u>
Cash was disbursed to :		
Payment to suppliers & employees	83,197	93,625
	<u>12,935</u>	<u>4,720</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash was provided from :		
Maturity of Term Investments	85,000	65,000
	<u>85,000</u>	<u>65,000</u>
Cash was applied to :		
Purchase of Investments	105,000	65,000
Purchase of Fixed Assets	0	2,395
Net cash flows / (outflows) from investing activities	<u>(20,000)</u>	<u>(2,395)</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>0</u>	<u>0</u>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<b>(7,065)</b>	<b>2,325</b>
Plus opening cash brought forward :		
Current Account	5,142	7,817
BNZ On Call	15,000	10,000
	<u>20,142</u>	<u>17,817</u>
<b>Closing Balance</b>	<b><u>13,077</u></b>	<b><u>20,142</u></b>
Closing cash carried forward :		
Current Account	8,077	5,142
BNZ On Call	5,000	15,000
	<u>13,077</u>	<u>20,142</u>

# **ENGINEERING ASSOCIATES REGISTRATION BOARD**

## **STATEMENT OF ACCOUNTING POLICIES (Year Ended 31 March 2017)**

### **Accounting Policies Applied**

#### **Basis of Preparation**

The Board applies PBE SFR-A (*Public Benefit Entity Simple Format Reporting – Accrual {Public Sector}*) on the basis that the Board does not have public accountability (as defined) and has total annual expenses of less than \$2million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Board will continue to operate in the foreseeable future.

#### **Goods and Services Tax (GST)**

The Board is registered for GST. All amounts in the financial statements are recorded net of GST, except for Sundry Creditors, Sundry Debtors and Prepayments which include GST. The amount owing/owed to/from the Inland Revenue Department is included in the Statement of Financial Position.

#### **Significant Accounting Policies**

##### **Revenue**

The Board derives revenue from annual registration fees, which expire on 31 March each year. Annual registration fees are recognised on an accrual basis.

Registration is entirely voluntary, and there are no annual practising certificates. Payment of the fee bestows statutory recognition on this technician group of engineers who have achieved appropriate qualifications, and entitles them to append the letters REA (Registered Engineering Associate) after their name.

The REAcap scheme introduced in 2005 provides for an REA to voluntarily seek validation of their continuing engineering competency. The revenue (and associated costs) of this scheme are shown as separate items within the Statement of Financial Performance.

##### **Employee Entitlements**

Short-Term employee entitlements – Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date.

##### **Administration and Overhead Costs**

These are expensed when the related service has been received.

##### **Leases**

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased item, are charged as expenses in the period in which they are incurred.

##### **Bank accounts and cash**

Bank accounts and cash comprise the cheque account, deposits held on call, and on short term (up to 3 months) with the Bank.

## **EARB Statement of Accounting Policies continued (Y/E 31/03/2017)**

### **Debtors**

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

### **Investments**

Investments comprise investments in term deposits with banks. These are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

### **Property, Plant and Equipment.**

Property, plant and equipment consists of the following asset classes; furniture and office equipment, and computer equipment. Both classes are measured at cost, less accumulated depreciation.

Depreciation – Depreciation is provided on a straight-line basis on all property, plant, and equipment, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of the major classes of property, plant and equipment have been estimated as follows:

Computer equipment	3 years	30%
Furniture and Office equipment	5 years	20%

### **Creditors and Other Payables**

Short term creditors and other payables are measured at the amount owed.

### **Employee costs payable**

A liability for employee costs is recognised when an employee has earned the entitlement. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

### **Provisions**

The Board recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **Budget figures**

The budget figures are derived from the estimates of revenue and expenses as approved by the Board at the beginning of the financial year.

### **Tier 2 PBE Accounting Standards applied**

The Board has not applied any Tier 2 Accounting Standards in preparing its financial statements.



Handwritten signatures and initials, including a large signature on the left, a smaller signature in the middle, and the number '7.' followed by initials on the right.

# ENGINEERING ASSOCIATES REGISTRATION BOARD

## NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

**1. Revenue**

Application, registration and REAcap fees have declined since 2016 due to the lower registration numbers, but still exceeded budget. Interest received is in line with the Board's Accumulated Funds.

**2. Employee related costs**

Wages includes changes in annual leave entitlements, and the reduction in the Registrar's hours of work.

**3. Board Fees and related costs**

Board Fees and Expenses vary as a result of the mix of attending Board Members. Members' Meeting Fees effective from March 2014 are \$309.00 per meeting attended, Deputy Chair has an extra 25%, and the Chair is \$530.00 per day. Board Expenses includes travel to meetings for those members not domiciled in Wellington, plus any room hire and catering.

**4. Fixed Assets**

	<u>2017</u>	<u>2016</u>
Furniture and Fittings (at cost)	8,156	10,576
Disposals	<u>0</u>	<u>(2,420)</u>
	8,156	8,156
Accumulated depreciation	(8,156)	(8,153)
Disposals	0	0
Depreciation for year	<u>0</u>	<u>(3)</u>
Less total accumulated depreciation	<u>(8,156)</u>	<u>(8,156)</u>
	0	0
Computer Equipment (at cost)	11,732	11,449
Disposals	<u>0</u>	<u>(2,112)</u>
	11,732	9,337
Additions	<u>0</u>	<u>2,395</u>
	11,732	11,732
Accumulated depreciation	(8,705)	(8,022)
Disposals	0	0
Depreciation for year	<u>(1,282)</u>	<u>(683)</u>
Less total accumulated depreciation	<u>(9,987)</u>	<u>(8,705)</u>
	<u>1,745</u>	<u>3,027</u>
<b>Total Fixed Assets</b>	<b><u>\$1,745</u></b>	<b><u>\$3,027</u></b>

**5. Investigation Committee**

The initial Investigation Committee was established during 2015 to investigate formal complaints against REAs. One complaint was referred to the Board and determined not guilty.

**6. Statement of commitments as at 31 March 2017**




Capital commitments: As at 31 March 2017, nil. (2016, nil).

Operating commitments (GST exclusive).

Non Cancellable Leases :	Less than One Year	One to Two Years	Two to Five Years	Total Commitment
2017 Office Accommodation lease	\$6,156	8,208	-	\$14,364
2016 Office Accommodation lease (renewed)	\$6,156	8,208	6,156	\$20,520

**7. Statement of contingent liabilities as at 31 March 2017**

There were no contingent liabilities as at 31 March 2017. (As at 31 March 2016 nil).

8.   



## **Independent Auditor's Report**

### **To the readers of Engineering Associates Registration Board's financial statements for the year ended 31 March 2017**

The Auditor-General is the auditor of Engineering Associates Registration Board (the Registration Board). The Auditor-General has appointed me, John Whittall, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Registration Board on his behalf.

### **Opinion**

We have audited the financial statements of the Registration Board on pages 3 to 8, that comprise the statement of financial position as at 31 March 2017, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Registration Board:

- present fairly, in all material respects:
  - its financial position as at 31 March 2017; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting Standard – Accrual (Public Sector).

Our audit was completed on 20 June 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

### **Basis for opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

## **Responsibilities of the Board for the financial statements**

The Board is responsible on behalf of the Registration Board for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the Registration Board for assessing the Registration Board's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intend to wind up the Registration Board or to cease operations, or have no realistic alternative but to do so.

The Board's responsibilities arise from the Public Finance Act 1989 and the Engineering Associates Act 1961.

## **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Registration Board's forecast document.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 Registration Board's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registration Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registration Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## **Other information**

The Board is responsible for the other information. The other information comprises the information included on page 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

We are independent of the Registration Board in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Registration Board.



John Whittal  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

