

# CPEEC

Chartered Professional Engineers Council  
Kāhui Kaiwetepanga Ngaio Whaimana

## 2023-24 ANNUAL REPORT



**FOR THE PERIOD**  
1 July 2023 to 30 June 2024





## Annual Report by the Chartered Professional Engineers Council

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## **FORWARD**

We are pleased to provide you the Annual Report of the Chartered Professional Engineers Council (CPEC) for the twelve months ending 30 June 2024.

CPEC was established under the Chartered Professional Engineers of New Zealand Act 2002 (the Act). The functions of CPEC include the review and approval of rules containing standards applicable to Chartered Professional Engineers (CPEng), the hearing of appeals relating to decisions of the Registration Authority (the RA) and reporting to the Minister of Building and Construction on the performance and exercise of the RA's and Council's respective functions and powers. The RA under the Act is Engineering New Zealand (The Institution of Professional Engineers of New Zealand Incorporated trading as Engineering New Zealand).

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The appeal workload for Council members continues to remain elevated since a peak in 2021. CPEC received a high number of appeals towards the end of the reporting year that will continue into 2024/2025. Historically, the majority of appeals to CPEC have been related to decisions on complaints about engineers, with those related to registration decisions by the Competency Assessment Board representing a much smaller proportion. However, the recent shift to that balance has continued in this reporting year, with there being significantly more appeals from registration decisions received. At the close of the previous reporting year (30 June 2023), there was an even mix between the two types of appeals still active. Comparatively, at 30 June 2024, there were five appeals from registration and three from disciplinary decisions.

In 2024 the term of the Chair of CPEC, Chris Harrison, came to an end. Chris served ably as Chair of CPEC for five years, in addition to five years as a member. Chris' contribution during his time as a member and Chair, particularly his pragmatic approach and shouldering of a significant workload of appeals, was greatly appreciated.

The terms of two members, Alan Winwood and Tony Fairclough, have also come to an end. Alan and Tony brought great experience and personable approaches to their membership, and we acknowledge this and their hard work during their time as members.

We will welcome in the next reporting year a new Chair to CPEC, Elena Trout, whose appointment commences on 8 July 2024, and two new members, Dr Carron Blom and Matt Harris, also commencing 8 July 2024. Once again, I wish to acknowledge the contributions and commitment of our current and new members, most of whom hold senior, full-time roles outside of CPEC and have extremely busy lives.

Finally, I acknowledge the strong relationships that Council has with Engineering New Zealand and MBIE who are both an integral part of what we do as a Council.

Sandra Hardie  
**Deputy Chair**

# 1 THE COUNCIL MEMBERS



*Front row:*

**Dr Carron Blom**

**Megan Neill**

**Elena Trout**  
Chair

**Simonne Eldridge**

**Manjit Singh Devgun**

*Back Row:*

**Matt Harris**

**Mark Holland**

**Sandra Hardie**  
Deputy Chair

**Members' terms completed / soon to be completed:**



**Chris Harrison**

*End of term date:*  
31 May 2024



**Alan Winwood**

*End of term date:*  
8 July 2024\*



**Tony Fairclough**

*End of term date:*  
8 July 2024\*

*\* These ends of term and appointments will take place in the 2024/2025 reporting period but are acknowledged here.*

*Note:*

Members of CPEC are appointed by the Minister of Building and Construction under sections 49 and 50 of the Chartered Professional Engineers of New Zealand Act 2002.

## 2 WHAT WE DO

Section 45 of the Chartered Professional Engineers of New Zealand Act 2002 (the Act) spells out the functions of CPEC, which are to:

- review and, if the proposed rules meet the applicable requirements, approve proposed rules containing chartered professional engineering standards in accordance with the Act,
- hear appeals from decisions of the Registration Authority (the RA) in accordance with the Act, and
- review and report to the Minister on the performance and exercise of the RA and CPEC's respective functions and powers under the Act.

## 3 PERFORMANCE

### 3.1 Assessment Against Performance Measures

Performance is assessed annually against CPEC's statutory functions. CPEC's performance over 2023/24, is outlined in the table below and addressed further in sections 3.2 to 3.5.

Expectations	Measure	Performance (2023/24)
<b>Reporting on Performance and Effectiveness of the Regulatory Regime for Engineers</b>		
Undertake an annual review of the RA's performance.	Annual report on the RA's performance shows how the registration regime is performing over time, by showing relevant assessment for: <ul style="list-style-type: none"><li>▪ the registration process</li><li>▪ complaints received and how efficiently they are handled</li><li>▪ participants' satisfaction with processes</li><li>▪ the quality and ease of use of the CPEng Register</li></ul> and includes recommendations to improve the RA's performance where needed.	CPEC's report on the RA's performance was provided to the Minister in June 2024.  Refer section 3.2 for further details.

Expectations	Measure	Performance (2023/24)
<b>Appeals against Registration Authority Decisions</b>		
Hear appeals from decisions of the RA, in accordance with Part 2 of the Act.	Appeals are considered in accordance with statutory procedures, and decisions are published on CPEC's website without unreasonable delay.	<p>CPEC handled 16 appeals during the reporting year (nine of which were received in the 2023/24 year and seven which were carried over from the previous reporting year).</p> <p>Redacted copies of the decisions issued were published on CPEC's website after expiration of the 28-day appeal period.</p> <p>Refer section 3.3 for details.</p>
	No appeals are overturned on any further appeal to the District or High Court.	<p>Two CPEC decisions were appealed to the District Court in the year ending 30 June 2024.</p> <p>Refer section 3.3 for details.</p>
<b>Approving Registration Authority Rules</b>		
Review and approve Rules containing standards proposed by the RA in a timely way.	Rules are reviewed, and those which meet statutory requirements are approved at the next Council meeting.	While there was an amendment to the Rules during the year, no changes were made to the part of the Rules containing the CPEng standards during the year as noted in section 3.4.

Expectations	Measure	Performance (2023/24)
<b>Governance</b>		
<p>Undertake an annual self-appraisal of CPEC’s performance as a board and provide a summary to Ministry of Business, Innovation and Employment, (MBIE) as part of the reporting process to the Minister.</p>	<p>The summary of the self-appraisal identifies areas which are working well, areas for improvement, and the action CPEC intends to take as a result.</p>	<p>At its March 2024 meeting, CPEC conducted its annual review and update of all policies.</p> <p>A report on CPEC’s self-appraisal for the year ending 30 June 2023 was forwarded to MBIE with CPEC’s 2023 annual report.</p> <p>A report on CPEC’s self-appraisal for the year ending 30 June 2024 will be forwarded to MBIE with this annual report.</p> <p>See also section 3.5</p>
<p>Create and maintain a membership succession plan and provide to MBIE.</p>	<p>The plan addresses the current skills and experience of Council members and identifies any gaps and proposals for future appointment rounds.</p>	<p>A succession plan is in place and details contained in it are used by CPEC in engagements with Engineering New Zealand and MBIE regarding appointments.</p>
<p>Meet all obligations under relevant legislation, including reporting under the Chartered Professional Engineers of New Zealand Act 2002.</p>	<p>All legislative obligations are met.</p>	<p>Each quarter, CPEC’s Executive Officer advises the members of any updates to the legislation and regulations which govern its operations.</p>

### **3.2 Annual Review of Registration Authority's Performance**

CPEC is required to report to the Minister on the performance of the RA annually. The RA reported to CPEC for the year ended December 2023 in March 2024. CPEC provided its report on the RA's performance, along with the RA's report, to the Minister in June 2024.

Of particular note is the RA's clearing of its backlog of reassessments which has restored the growth rate of CPEng registration by allowing the RA to complete more first-time assessments. During 2023, the RA achieved a median initial registration time of 65 days and a median reassessment period of 47 days.

The Council reported that the RA continues to perform its functions well in the following general areas:

- maintaining a robust competency assessment and re-assessment process, and actively seeking to make practical changes aimed at maximising efficiency and effectiveness as any prospective legislative change programme advances;
- applying feedback from consultation, and from assessment/re-assessment and complaints processes, to implement improvements where warranted;
- a continuing increase in the number of registrants (4532) – at a growth rate consistent with the established trend of recent years:
- ongoing commitment and progress towards the reporting on and achievement of inclusion and diversity goals;
- continuing to refine the complaints process, with ongoing success from the use of early resolution initiatives where applicable;
- ongoing commitment to support the Government's New Zealand Claims Resolution Service.

CPEC's report on the RA's performance also addressed the RA's accumulated financial deficit. It was reported by the RA that, following the CPEng fee increase which was effective 1 January 2023, the net annual deficit is \$193,000 lower than it would have been had the increase not been introduced.

### **3.3 Appeals Against Registration Authority Decisions**

During the 2023/24 reporting year, CPEC handled a total of 16 appeals. Seven of these appeals were carried over from the 2022/23 reporting year and the remaining nine were received between August 2023 and June 2024. Eight appeals remained active at 30 June 2024.

Figure 1 below shows the number of active appeals and the number of decisions issued by CPEC per year since 2008/09. Some of the active appeals appear in more than one reporting year.

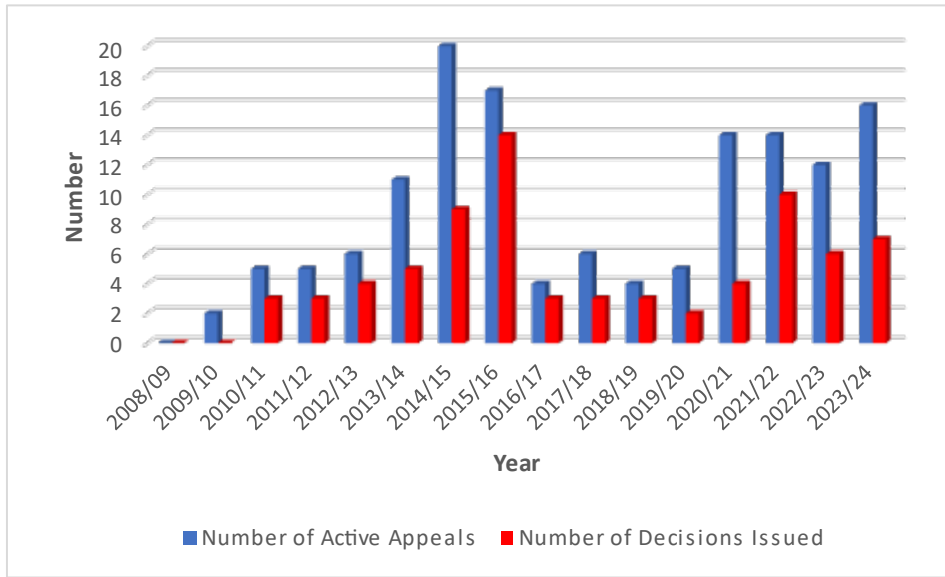


Figure 1: Number of Active Appeals and Decisions Issued

The data suggests that there has been a sustained, high number of appeals since 2020/21. The number of appeal decisions issued in the 2023-2024 reporting year does not include an appeal that was withdrawn prior to the decision being issued. ‘Decisions’ are decisions on the substantive appeal and do not include the decisions issued on applications that accompanied appeals.

Figure 2 below indicates the year-on-year mix of appeal decisions issued by CPEC regarding registration decisions of the Competency Assessment Board (CAB) and disciplinary complaint decisions.

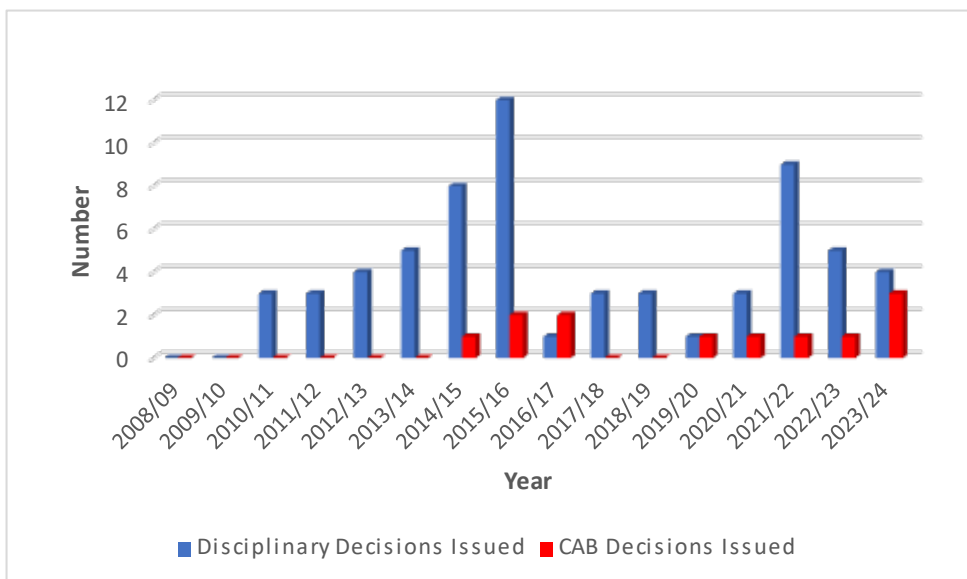


Figure 2: Appeal Decisions by Type

The data shows that, historically, appeals related to disciplinary complaints have outweighed those related to registration. However, the balance has now reversed. Of the 16 appeals active within 2023/24, nine were appeals against decisions of the CAB (i.e. registration) and the remaining seven

related to disciplinary complaints about Chartered Professional Engineers. As at 30 June 2024, CPEC had eight appeals underway, three relating to a disciplinary matter and five to CAB decisions.

Figure 3 below shows the total number of appeals upheld versus those declined, on an annual basis.

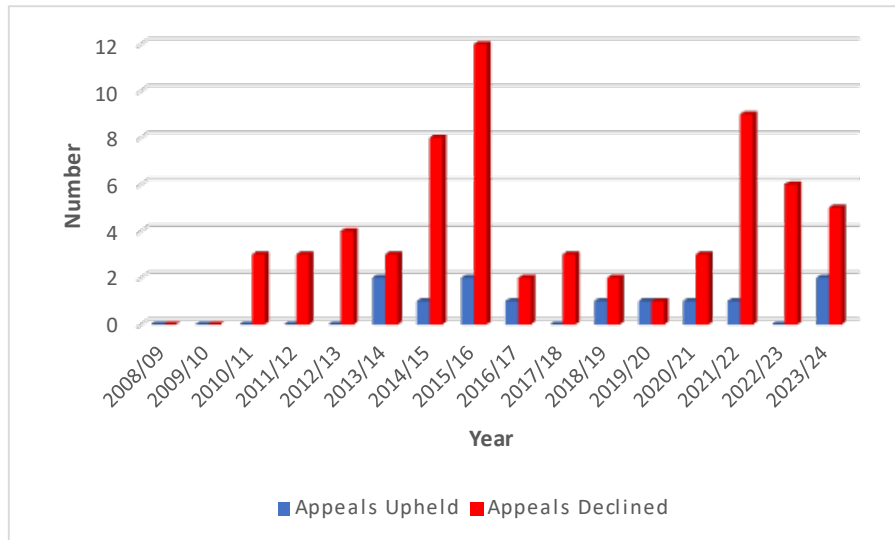


Figure 3: Total Number of Appeals Upheld Versus Declined

Of the 16 appeals active within the 2023-2024 reporting year, seven were completed and one appeal withdrawn. Two of these seven appeals were upheld with the RA’s decisions being overturned.

Figures 4 and 5 below provide the figures specific to registration and disciplinary appeal decisions.

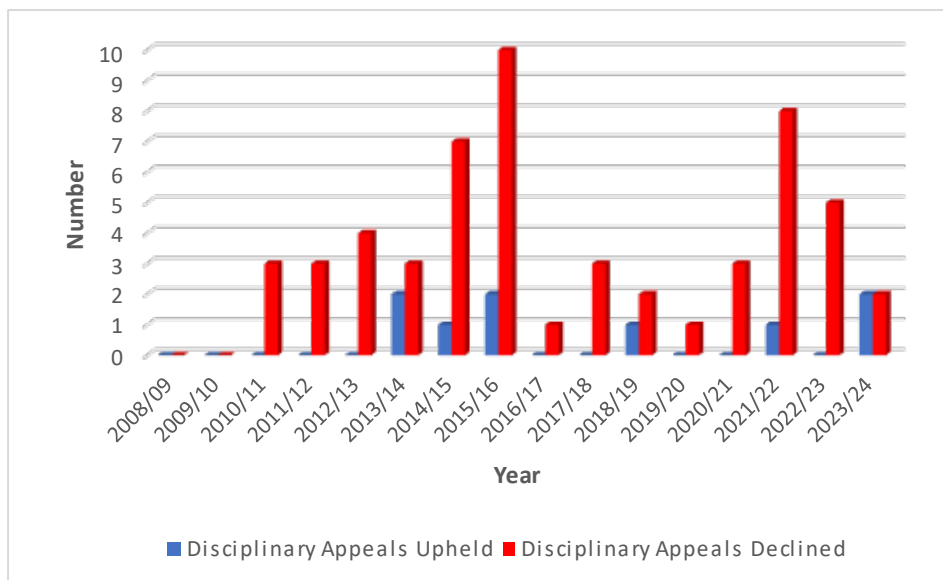


Figure 4: Appeals Against Disciplinary Decisions Upheld / Declined

In relation to disciplinary decisions as observed in previous reports, the overall number of disciplinary appeals declined is higher than the number of disciplinary appeals upheld. CPEC continues to conclude that this reflects a complaints process that is generally robust and working effectively.

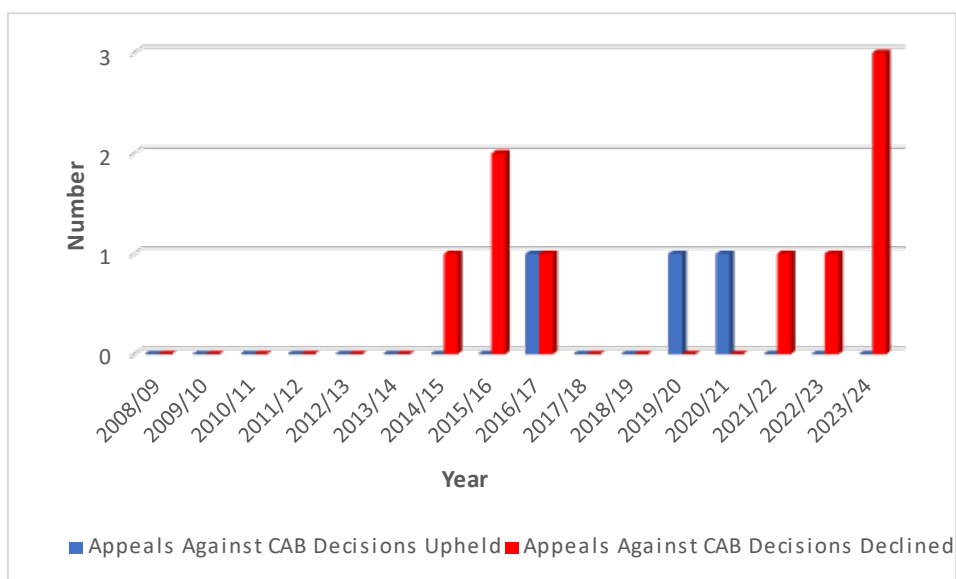


Figure 5. Appeals Against CAB Decisions Upheld / Declined

In relation to CAB decisions, the small number of CAB decisions appealed to date means there is some difficulty in determining trends. In the reporting year 2023-2024 CPEC received two applications in association with appeals against decisions of the CAB to prevent the removal of the Chartered Professional Engineers in question from the register. One application was granted, with an order made to continue the Chartered Professional Engineer’s registration pending the outcome of their appeal, and one application was declined.

In the context of the 464 assessments for admission and 750 for continued registration reported by the RA for the 12 months ending 31 December 2023, the number of CAB decisions appealed is small.

### 3.4 Approving Proposed Chartered Professional Engineers Rules

CPEC’s role includes approving proposed amendments to the part of the Rules containing CPEng standards. In the 2023-2024 reporting year, the Chartered Professional Engineers Rules (No 2) 2002 were amended by the Chartered Professional Engineers Amendment Rules 2022. This did not include any alterations to the part of the Rules containing CPEng standards and did not require CPEC approval under rule 45(a).

The RA has indicated that a strategic priority for 2024 includes changes to the Code of Ethical Conduct in the Rules to include public safety and other New Zealand-specific considerations.

### 3.5 Governance

As implemented in 2020, CPEC’s self-appraisal is conducted at its September meeting each year, to align the appraisal with the 30 June reporting year end date.

## 4 THE YEAR'S OPERATIONS

### 4.1 Meetings

During the year, CPEC held formal meetings on the following dates:

- Meeting # 85 - Friday 1 September 2023 (held in Wellington)
- Meeting # 86 - Friday 1 December 2023 (held via Zoom)
- Meeting # 87 - Friday 1 March 2024 (held in Wellington)
- Meeting # 88 – Thursday 6 June 2024 (held via Zoom)

Representatives of the RA, including the Chief Executive and/or other members of the RA's leadership team, attended each of CPEC's meetings. MBIE was also invited to attend all quarterly meetings of CPEC, and their representatives were present at the meetings in September 2023, March 2024 and June 2024.

### 4.2 Appeals

CPEC had 16 appeals that were live during the 2023-24 reporting year. This includes appeals received for which panels have not yet been appointed and appeals that were concluded by decisions issued during that period. Nine appeals were against CPEng registration decisions by the CAB and seven from complaints about engineers. Overviews of each case are provided in 4.2.1 and 4.2.2 below.

#### 4.2.1 Appeals Relating to Disciplinary Complaints to the Registration Authority

**Case 1** – An engineer appealed the decision of a Disciplinary Committee. The decision being appealed related to concerns raised by the family member of a property owner in respect of engineering services provided for a residential build. The Disciplinary Committee had found that the Chartered Professional Engineer had breached the Code of Ethical Conduct and ordered that the engineer be censured, pay a fine of \$1,000 and costs. The CPEC panel reached a different view, finding that the engineer had not breached the Code of Ethical Conduct and, as there were no grounds to discipline the engineer, overturned the Disciplinary Committee's decision.

**Cases 2 and 3** – An engineer (Engineer A) appealed two decisions of a Chair of Investigating Committees (CIC). Decision 1 concerned a complaint about Engineer A by another engineer (Engineer B) and Decision 2 concerned a counter-complaint by Engineer A against Engineer B. In Decision 1 the CIC upheld the complaint, referring the matter to an Investigating Committee. In Decision 2 the CIC dismissed the counter complaint. The appellant sought the overturning of both decisions. Both complaints involved differing technical views on seismic assessments and strengthening design work associated with commercial buildings. The panel upheld the appeal in relation to Decision 1 (dismissing the complaint) and dismissed the appeal in relation to Decision 2 (upholding the CIC decision to dismiss the counter complaint).

**Case 4** – The complainant, a member of the public, appealed part of a decision by the CIC to dismiss their complaint about an engineer. The complaint relates to a small community wastewater treatment facility and concerns about the engineer's recommendations and an alleged lack of consideration of evidential material in making certain recommendations. The complaint was dismissed by the CIC on the basis that there is no ground of discipline applicable to the complaint. The appeal was dismissed by the panel. The panel's decision to dismiss the appeal was subsequently appealed to the District Court and as at 30 June 2024 was yet to be heard.

**Case 5** - The complainant, a member of the public, has appealed a decision of the CIC to dismiss his concerns about several engineers involved in Waka Kotahi's Pito-one to Melling project, part of a bicycle infrastructure path that links Wellington to Upper Hutt via State Highway 2. In particular, the complainant alleges design failures and breaches of Code of Ethical Conduct. The CIC's decision dismissed the complaint on the basis that there were no applicable grounds of discipline. As at 30 June 2024, CPEC had yet to receive the bundle of documents related to the appeal from the RA.

**Case 6** – The complainant, the owner of a property that suffered damage in the Canterbury earthquakes, has appealed a decision of the CIC to dismiss their complaint against an engineer who prepared a report about the complainant's property. As at 30 June 2024, CPEC was awaiting the bundle of documents related to the appeal from the RA.

**Case 7** – The complainant is a homeowner who has complained of the conduct of a Chartered Professional Engineer commissioned by EQC to provide a report on their home. The complainant has appealed the decision of the CIC to dismiss their complaint to the RA. As at 30 June 2024, CPEC was awaiting the bundle of documents to be provided by the RA.

#### **4.2.2 Appeals against Decisions of the Competency Assessment Board (CAB)**

**CAB Case 1** – The appellant has worked in New Zealand as a CPEng since 2003. His application for renewal of CPEng registration was declined by the CAB in August 2022, on the basis that he had not demonstrated he was still able to practice competently in his practice area to the standard of a reasonable professional engineer. The panel dismissed the appeal.

**CAB Case 2** – The appellant's application for initial registration as CPEng was declined on the grounds that the applicant provided insufficient evidence to conclude that he demonstrates the ability to develop technical solutions to complex engineering problems to the standard of a reasonably competent professional engineer working in their practice area. The appeal was dismissed by the panel.

**CAB Case 3** – The appellant's application for renewal of CPEng registration was declined by the CAB on grounds of insufficient evidence to demonstrate having taken reasonable steps to maintain the currency of professional knowledge and skills, and insufficient evidence to demonstrate the continued ability to practice in his current practice area to the standard of a reasonable professional engineer. This appeal was withdrawn by the appellant following the hearing and prior to the decision being issued.

**CAB Case 4** – The appellant's application for initial registration was declined by CAB on the grounds that the applicant had failed to demonstrate knowledge of good practice specific to New Zealand or that he had maintained currency of professional engineering knowledge and skills and had failed to provide sufficient evidence to demonstrate competency to the level required of a Chartered Professional Engineer in a number of areas. The applicant sought to have the decision to decline their application reversed. The appeal was dismissed by the panel.

**CAB Case 5** - The appellant's application for renewal of CPEng registration was declined by the CAB. This was on grounds of insufficient evidence to demonstrate having taken reasonable steps to maintain the currency of professional knowledge and skills, and insufficient evidence to demonstrate competency in Managing Engineering Work, Developing Technical Solutions, and capability in complex engineering problems to the required standard. The engineer applied to CPEC for an order to have his name retained on the Register as a Chartered Professional Engineer pending the appeal. CPEC declined to make the order. As at 30 June 2024 this matter was ongoing.

**CAB Case 6** – The appellant was granted continued registration as a Chartered Professional Engineer but only in the practice field of structural engineering and not geotechnical engineering. He has appealed the part of the CAB’s decision that declined to register him in the practice field of geotechnical engineering. As at 30 June 2024, the submission process has been delayed as the parties work to see if they can reach an agreement.

**CAB Case 7** – The appellant’s application for continued registration as a Chartered Professional Engineer was declined on the basis that there was insufficient evidence to demonstrate competency in Engineering Knowledge, Developing Technical Solutions, and capabilities in complex engineering problems to the standard required. The engineer applied to CPEC for an order to have his name retained on the Register as a Chartered Professional Engineer pending the appeal. CPEC determined an order was appropriate pending the outcome of the appeal. As at 30 June 2024, CPEC was awaiting the bundle of documents to be provided by the RA.

**CAB Case 8** – The appellant’s application for continued registration as a Chartered Professional Engineer was decline on the basis of there being insufficient evidence to demonstrate he had taken reasonable steps to maintain the currency of professional knowledge and skills, and insufficient evidence to demonstrate competency in Engineering Knowledge, Managing Engineering Work, Developing Technical Solutions, and capability in complex engineering problems to the required standard. As at 30 June 2024, CPEC was awaiting the bundle of documents to be provided by the RA.

**CAB Case 9** – The appellant’s application for initial registration as a Chartered Professional Engineer was declined on the basis of insufficient evidence to demonstrate competency in Engineering Knowledge, in particular knowledge of good practice for professional engineering that is specific to New Zealand. As at 30 June 2024, CPEC was awaiting the bundle of documents to be provided by the RA.

#### **4.2.3 CPEC Decisions Appealed to the District Court**

As at 30 June 2024, two decisions of CPEC were under appeal to the District Court. One of the appealed decisions upheld a decision of the CAB not to renew the Chartered Professional Engineer’s registration. The other upheld the decision of the Chairperson of Investigating Committees to dismiss a complaint against a Chartered Professional Engineer.

### **4.3 Development**

#### **4.3.1 Governance update**

The term of the chair of CPEC, Chris Harrison ended during the reporting period (31 May 2024). As at 30 June 2024 the departures of Chartered Professional Engineers Alan Winwood and Tony Fairclough were impending – to end on 8 July 2024. The Minister has appointed three replacements, including a new Chair, Elena Trout, whose terms’ will all commence on 8 July 2024. Elena Trout is an engineer and professional director. Dr Carron Blom is an engineer and environmental scientist. Matt Harris is a structural and civil Chartered Professional Engineer.

CPEC continues to engage with MBIE in relation to recruitment and replacement of CPEC members in accordance with CPEC’s succession plan.

#### **4.3.2 Appeal process**

Following a refresh of CPEC’s website in April 2023 and the inclusion of a downloadable notice of

appeal form, CPEC has seen the use of this form in a number of appeals which has improved the process. The CPEC website was further updated in October 2023 to make it easier for the public to locate information. Links to Engineering New Zealand and ACE New Zealand were made more prominent which appears to have significantly decreased the number of non-CPEC related inquiries.

## **5 THE YEAR AHEAD**

### **5.1 Engagement with the Registration Authority**

CPEC will continue to engage with the RA on the areas outlined below, and those identified by the RA as strategic priorities for 2024. CPEC will consider progress in these areas on a regular basis as part of the quarterly meetings with the RA.

#### **5.1.1 Process improvements**

This area of activity involves the on-going implementation of improvements stemming from the RA's completed CPEng review, with a focus on benefits that are attainable in the transition period to full implementation of the Government's new legislation. Alignment with the provisions of the legislation is an important consideration. The RA has identified a strategic priority for 2024 is to establish a work programme that includes advocating for changes to the Rules in order to streamline procedures and include public safety in the Code of Ethical Conduct, as well as changes to the Act to strengthen its purpose and levers, including the introduction of public health and safety as a purpose of the Act.

#### **5.1.2 Assessment capability**

The RA is working to establish and maintain stable and sustainable assessment capability in order to meet the needs of continuing future rounds of applications for initial registration or renewal. Planned and measured actions by the RA's management team and oversight by the CPEng Board are likely to be keys to success.

#### **5.1.3 Complaints resourcing**

The RA needs stable and sustainable resources with some flexibility to accommodate the fluctuating numbers and varying nature of concerns/complaints that they receive. As with their assessment capability (5.1.2 above) planned and measured management actions and oversight by the CPEng Board will be important drivers.

#### **5.1.4 Status updates**

In the transition period to full implementation of the legislative reforms affecting the engineering sector, it is important that engineers are kept up to date on short term (CPEng review-based changes) and longer term changes (legislative and regulatory) and that the sector is well informed regarding differences between registration classes and a future licencing regime.

#### **5.1.5 Financial deficit of the RA**

Engineering New Zealand increased the fees for registration with effect 1 January 2023. This appears to have had a small positive impact on the RA's accumulated deficit as against the significant increase to operational costs in the 2023 year. The impact of this fees increase, and ongoing deficit will continue to be monitored over the coming reporting periods.



**APPENDIX: FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT**



**Chartered Professional Engineers Council**  
**Financial Statements**  
**For the Year Ended 30 June 2024**

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# Chartered Professional Engineers Council

## Entity Information

### For the Year Ended 30 June 2024

**Legal Name :**

Chartered Professional Engineers Council

**Type of Entity and Legal Basis :**

The Chartered Professional Engineers Council is a statutory body established under the Chartered Professional Engineers of New Zealand Act 2002, that came into force on 1 July 2002.

**Entity's Purpose :**

Please refer to the Statement of Service Performance on Page 7 of these Financial Statements for a description of the Council's purpose.

**Entity's Structure :**

Under the Act the Council must have at least 6, but no more than 8 members, who are appointed by the Minister for Building and Construction.  
It is supported by a contracted part-time Executive Officer.

**Main Source of the Entity's Income :**

The Council receives an annual grant from Engineering New Zealand, funded through a levy on its members. For the year ended 30 June 2024 this was \$100,000 plus GST.

**Council Members :**

- \* Chris Harrison (Chair) (Resigned from the Council 31 May 2024)
- \* \* Elena Trout (Appointed as Council Chair from 8 July 2024)
- Sandra Hardie (Deputy Chair)
- \* \* Carron Blom (Appointed a Council Member from 8 July 2024)
- Manjit Devgun
- Simonne Eldridge
- \* Tony Fairclough (Resigned from the Council 7 July 2024)
- \* \* Matt Harris (Appointed a Council Member from 8 July 2024)
- Mark Holland
- Megan Neill
- \* Alan Winwood (Resigned from the Council 7 July 2024)

**Please Note:**

- \* The Terms of Appointment for Chris Harrison (Chair) and Council members Tony Fairclough and Alan Winwood had ended during the year but they remained in office until they were replaced on the Council.
- \*\* On 1 July 2025 the Minister for Building and Construction the Hon Chris Penk announced the appointment of Elena Trout as Council Chair and two new Council members Dr Carron Blom and Matt Harris all commencing on 8 July 2024.

**Executive Officer :**

Lisa Kinghorn

**Auditors :**

Baker Tilly Staples Rodway Audit Limited on behalf of the Auditor-General

**Bankers :**

Westpac

**Chartered Professional Engineers Council  
Entity Information Continued  
For the Year Ended 30 June 2024**

**Contact Details :**

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## **INDEPENDENT AUDITOR'S REPORT TO THE READERS OF THE CHARTERED PROFESSIONAL ENGINEERS COUNCIL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

The Auditor-General is the auditor of the Chartered Professional Engineers Council (the Council). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway, to carry out the audit of the financial statements of the Council on his behalf.

### **Opinion**

We have audited the financial statements of the Council on pages 1 to 2 and 7 to 13, that comprise the entity information and statement of financial position as at 30 June 2024, the statement of service performance, the statement of financial performance, the statement of movements in equity and the 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 Council:

- present fairly, in all material respects:
  - the entity information,
  - its financial position as at 30 June 2024; and
  - its service performance, financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)

Our audit was completed on 6 September 2024. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and we explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and 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 governing body for the financial statements**

The governing body is responsible for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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

In preparing the financial statements, the governing body is responsible on behalf of the Council for assessing the Council's ability to continue as a going concern. The governing body is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Council or to cease operations, or there is no realistic alternative but to do so.

The governing body's responsibilities arise from the Chartered Professional Engineers of New Zealand Act 2002.

### **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.

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 Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the governing body, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council'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 Council 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 governing body 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.

### **Independence**

We are independent of the Council 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 Council.



Chrissie Murray  
Baker Tilly Staples Rodway Audit Limited

On behalf of the Auditor-General  
Wellington, New Zealand

# Chartered Professional Engineers Council

## Statement of Responsibility

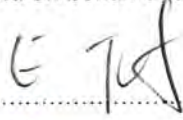
### For the Year Ended 30 June 2024

The Council is responsible for the preparation of the Chartered Professional Engineers Council's Financial Statements and Statement of Service Performance and for the judgements made in them.

The Council accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the Council's opinion these Financial Statements and the Statement of Service Performance fairly reflect the financial position and the operations of the Chartered Professional Engineers Council for the year ended 30 June 2024.

**For and on behalf of the Council**



..... **Chair**



..... **Deputy Chair**

Date 6 September 2024

# **Chartered Professional Engineers Council**

## **Statement of Service Performance**

### **For the Year Ended 30 June 2024**

#### **Entity's Purpose :**

The Council's primary role is to hear appeals from decisions of the Registration Authority about the registration of, or complaints about the conduct of, professional engineers. The Institution of Professional Engineers New Zealand Incorporated was established as the Registration Authority under the Act. On 1 October 2017 The Institution of Professional Engineers New Zealand Inc changed its trading name to Engineering New Zealand.

It is also the role of the Council :

- to review proposed rules containing CPEng standards to ensure they are in accordance with the Act and if they meet the applicable requirements, to approve them.
- to review and report to the Minister on the performance and exercise of the functions of the Registration Authority.
- to report to the Minister on the Council's exercise of its own functions.

#### **Meetings of the Council**

During the Year the Council held 4 quarterly meetings in September and December 2023, March and June 2024. The December 2023 and June 2024 meetings were held online. These meetings were attended by representatives from the Registration Authority including the Chief Executive of Engineering New Zealand and/or members of the management team. Representatives from the Ministry of Business, Innovation and Employment (MBIE) attended the September and December 2023 and the June 2024 meetings.

#### **Changes to Rules**

There were no changes to the rules containing CPEng standards during the year.

#### **Appeals under consideration**

At the start of this reporting year Appeal Panels of Council members were considering 7 ongoing appeals lodged prior to 1 July 2023. (This number has been amended from the 6 originally reported for the Year Ended 30 June 2023 as one of the ongoing appeals involved an Engineer appealing 2 decisions of the Registration Authority. These 2 Appeals had to be considered separately with separate decisions issued.)

This reporting year the Council has received 9 new appeals and Appeal Panels of Council Members have been confirmed for 3 of these Appeals. Two of the appeals received this reporting year were accompanied by S36 applications by Engineers to remain on the CPEng Register until their appeal was determined. Both these S36 applications were considered and decisions issued during the reporting year.

The remaining 6 appeals received this reporting year were not able to be considered because at balance date the appeal documents for these appeals had not been received from the Registrar.

Of these 16 appeals, 7 were completed during the reporting year, 1 was withdrawn and 8 are ongoing. Two of this years Appeal Decisions have been appealed to the District Court.

Of the 9 appeals received this reporting year, 3 were from members of the public concerning Engineers and 6 were from Engineers appealing the decision of the Registration Authority not to issue or renew their CPEng registration.

#### **Report on the performance of the Registration Authority**

The Chartered Professional Engineers of NZ Act 2002 requires the Registration Authority to provide the Council with a report on its operations and on the Chartered Professional Engineer (CPEng) register for its year ended 31 December by 31 March each year.

The Registration Authority provided its report to the Council and this report together with with the Council's own report on the performance of the Registration Authority was provided to MBIE in June 2024 for presentation to the Minister.

**Chartered Professional Engineers Council**  
**Statement of Financial Performance**  
**For the Year Ended 30 June 2024**

2023 Actual \$	Note	2024 Actual \$	2024 Budget \$
<b>Income</b>			
100,000	3	100,000	100,000
3,581	4	4,763	5,000
<u>103,581</u>		<u>104,763</u>	<u>105,000</u>
<b>Less Expenses</b>			
31,428	5	31,053	33,500
50,038	6 & 8	42,708	59,500
39,408	7 & 8	41,549	42,000
<u>120,874</u>		<u>115,310</u>	<u>135,000</u>
<u>(17,293)</u>		<u>(10,547)</u>	<u>(30,000)</u>
<b>Net Operating (Deficit)</b>			

**Chartered Professional Engineers Council**  
**Statement of Movements in Equity**  
**For the Year Ended 30 June 2024**

2023 Actual \$	2024 Actual \$	2024 Budget \$
(17,293)	(10,547)	(30,000)
<u>(17,293)</u>	<u>(10,547)</u>	<u>(30,000)</u>
61,814	44,521	44,521
<u>44,521</u>	<u>33,974</u>	<u>14,521</u>
<b>Total Equity</b>		



## Chartered Professional Engineers Council


### Statement of Financial Position

As at 30 June 2024

2023 Actual \$		Note	2024 Actual \$	2024 Budget \$
<b>Current Assets</b>				
9,663	Cash and Cash Equivalents	9	48,860	34,521
60,000	Investments - Short Term Deposits	10	-	
7,664	Debtors	11	6,510	6,000
<u>77,327</u>	<b>Total Current Assets</b>		<u>55,370</u>	<u>40,521</u>
<b>Less Current Liabilities</b>				
32,806	Creditors	12	21,396	26,000
<u>32,806</u>	<b>Total Current Liabilities</b>		<u>21,396</u>	<u>26,000</u>
<u>44,521</u>	<b>Net Assets</b>		<u>33,974</u>	<u>14,521</u>
<b>Represented By:</b>				
<u>44,521</u>	Total Equity		<u>33,974</u>	<u>14,521</u>

For and on behalf of the Council

  
..... Chair

  
..... Deputy Chair

Date: 6 September 2024



**Chartered Professional Engineers Council**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2024**

2023 Actual \$		2024 Actual \$	2024 Budget \$
	<b>Cash Flow from Operating Activities</b>		
	<b>Cash was Provided from:</b>		
100,000	Levies Received	100,000	100,000
855	Net Goods and Services Tax Received (Paid)	(944)	47
100,855		99,056	100,047
	<b>Cash was Disbursed to:</b>		
112,761	Payments to Suppliers and Council Members	125,953	141,520
112,761		125,953	141,520
(11,906)	<b>Net Cash Flow (Deficit) from Operating Activities</b>	(26,897)	(41,473)
	<b>Cash Flow from Investing Activities</b>		
	- Funds transferred from Investments	60,000	60,000
2,292	Interest Received	6,094	6,331
2,292	<b>Net Cash Flow from Investing Activities</b>	66,094	66,331
(9,614)	<b>Net (Decrease) in Cash and Cash Equivalents</b>	39,197	24,858
19,277	<b>Opening Cash and Cash Equivalents</b>	9,663	9,663
9,663	<b>Closing Cash and Cash Equivalents</b> <span style="float: right;">Note 9</span>	48,860	34,521

**Chartered Professional Engineers Council**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2024**

**1. Statement of Accounting Policies**

**Reporting Entity**

The financial statements presented here are for the reporting entity Chartered Professional Engineers Council (the Council). The Council was established on 1 July 2002 by the Chartered Professional Engineers of New Zealand Act 2002 (the Act).

**Basis of Preparation**

Under Section 55 of the Act, the Council is required to prepare financial statements that comply with generally accepted accounting practice in New Zealand (GAAP). Under the GAAP Standards, that applied from 1 July 2014, the Council is designated a Public Benefit Entity (PBE) for financial reporting purposes. The Council has elected to apply PBE SFR-A (PS) Tier 3 - PBE Simple Format Reporting - Accrual (Public Sector) Tier 3 on the basis that the Council has no public accountability and has total annual expenses of less than \$5 million. All transactions in the financial statements are reported using the accrual basis of accounting.

**Going Concern Assumption**

The financial statements are prepared on the assumption that the Council will continue to operate for at least 12 months.

The Council is aware the MBIE building law reform programme includes proposals for a new occupational regulatory regime for professional engineers. The Council understands, based on advice from MBIE, that no changes affecting the Councils activities are expected to incur within the next 2 years.

The Council has reported operating deficits in each of the last 4 years with its net assets reducing from \$80,121 (at 30 June 2021) to \$33,974 (at 30 June 2024). The Councils approved budget for the 2024/25 year forecasts that the Councils net assets will reduce to \$3,974 by 30 June 2025. The Council is planning to request an increase in its statutory levy from 1 July 2025 to ensure that it has sufficient funding to cover its operating costs from 1 July 2025.

The Council believes it has sufficient funds to continue to operate to the 30 June 2025.

**Measurement Base**

The measurement base adopted is historical cost.

**Budget Figures**

The budget figures were approved by the Council at its June 2024 meeting and were calculated on a basis consistent with previous years. The budget was prepared in accordance with GAAP accounting standards.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the financial year.

**Goods and Services Tax**

The financial statements have been prepared on a GST exclusive basis, except Creditors (Accounts Payable) which are shown inclusive of GST.

**Taxation**

The Chartered Professional Engineers Council (CPEC) originally believed that as public entity created by statute it was exempt from Income Tax. Following a review in 2016 Inland Revenue advised CPEC that it was to be taxed at the company rate. The IRD allowed CPEC to lodge tax returns from 2007 which resulted in accumulated losses to be carried forward. After adding the 2024 tax loss of \$10,547 the accumulated losses to be carried forward will be \$127,570 (2023 \$117,023).

**2. Financial Instruments**

The Chartered Professional Engineers Council is party to financial instruments in the form of bank accounts, short term investments, debtors and creditors as part of its everyday operations. These are disclosed in the Statement of Financial Position at their fair value. Income and expenses in relation to the financial instruments are recognised in the Statement of Financial Performance in arriving at the operating result.

**3. Levies Received**

The Council receives an annual grant from Engineering New Zealand, funded through a levy on its members. For the year ended 30 June 2024 this was \$100,000 plus GST (2023 \$100,000 plus GST).

**Chartered Professional Engineers Council**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended 30 June 2024**

**4. Interest Received**

Is the Interest earned on the Westpac Bank short term deposits and on funds held in the Westpac Bank operating account. Interest revenue is recognised in the period in which it is earned using the effective interest rate method

**5. Administration Expenses**

	Note	2024 \$	2023 \$
Accounting Fees		8,500	7,990
Audit Fees	13	5,194	5,073
Consultants Fees - Executive Officer		7,603	7,035
Dropbox, Google and Zoom Fees		5,086	4,926
Printing Annual Reports		733	2,196
Sundry Expenses		3,937	4,208
		31,053	31,428

**6. Appeal Costs**

	Note	2024 \$	2023 \$
Council Member Appeal Fees	8	38,019	42,959
Council Member Appeal Travel Expenses	8	353	2,265
Consultants Fees Appeals - Executive Officer		2,310	2,939
Other Appeal Costs		2,026	1,875
		42,708	50,038

During the 2024 year the Council incurred appeal costs for 16 appeals (2023 13 Appeals). Since 1 July 2024 the Council has incurred costs associated with 8 ongoing appeals (2023 7 ongoing appeals) and these expenses will be recorded in the 2025 Financial Statements.

**7. Governance**

	Note	2024 \$	2023 \$
Council Meeting Fees	8	18,708	18,163
Council Meeting Travel Expenses	8	8,053	8,064
Council Member Other Fees	8	7,631	9,143
Legal Fees		4,120	-
Council Meeting Other Costs		3,037	4,038
		41,549	39,408

**8. Related Party Transactions**

The Fees totalling \$64,358 as listed are the Fees paid or due to Council Members for the Year Ended 30 June 2024. This includes \$4,949 of Fees accrued in creditors at 30 June 2024.

	Council Meeting Fees 2024 \$	Appeal Hearing Fees 2024 \$	Other Fees 2024 \$
Chris Harrison (Chair)	2,808	5,110	4,680
Sandra Hardie (Deputy Chair)	2,470	3,308	926
Manjit Devgun	2,370	5,036	-
Simonne Eldridge	2,370	5,728	49
Tony Fairclough	1,975	2,444	-
Mark Holland	2,370	4,444	198
Megan Neill	1,975	7,752	1,185
Alan Winwood	2,370	4,197	593
	18,708	38,019	7,631

During the 2024 year Council Members were also reimbursed travel expenses totalling \$8,052 for attending council meetings and \$353 for attending Appeal hearings.

**Chartered Professional Engineers Council**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended 30 June 2024**

<b>8. Related Party Transactions (Continued)</b>	<b>Council</b>	<b>Appeal</b>	<b>Other</b>
The Fees totalling \$70,265 as listed are the Fees paid or due to Council Members for the Year Ended 30 June 2023. This includes \$11,395 of Fees accrued in creditors at 30 June 2023.	<b>Meeting Fees</b>	<b>Hearing Fees</b>	<b>Fees</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Chris Harrison (Chair)	3,744	10,640	7,371
Sandra Hardie (Deputy Chair)	2,964	7,406	1,081
Manjit Devgun	1,975	5,579	-
Simonne Eldridge	593	593	-
Tony Fairclough	2,370	3,950	-
Mark Holland	592	593	197
Megan Neill	2,370	7,607	-
Sue Simons	395	49	-
Sarah Sinclair	790	-	-
Alan Winwood	2,370	6,542	494
	<u>18,163</u>	<u>42,959</u>	<u>9,143</u>

During the 2023 year Council Members were also reimbursed travel expenses totalling \$8,064 for attending Council meetings and \$2,265 for attending Appeal hearings.

<b>9. Cash and Cash Equivalents</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents are cash funds readily available in the Westpac Bank operating account as follows:	<b>\$</b>	<b>\$</b>
Westpac Bank operating account	48,860	9,663
Cash and Cash Equivalents	<u>48,860</u>	<u>9,663</u>

<b>10. Investments - Short Term Deposits</b>	<b>2024</b>	<b>2023</b>
Investments are short term deposits with the Westpac Bank with original maturities of less than one year. They are recorded at cost, interest accrued to balance date is recognised as a Debtor at year end.	<b>\$</b>	<b>\$</b>
Westpac Short Term Deposit at cost	-	60,000
Investments - Short Term Deposits	<u>-</u>	<u>60,000</u>

<b>11. Debtors</b>	<b>2024</b>	<b>2023</b>
Debtors are accounts receivable which are recorded at their realisable value as follows:	<b>\$</b>	<b>\$</b>
Goods and Services Tax Receivable	6,510	6,333
Interest Accrued	-	1,331
Debtors	<u>6,510</u>	<u>7,664</u>

<b>12. Creditors</b>	<b>2024</b>	<b>2023</b>
Creditors are the accounts payable to suppliers and council members and are recorded at the amount payable as follows:	<b>\$</b>	<b>\$</b>
Accounts payable to suppliers and council members	21,396	29,442
PAYE payable	-	3,364
Creditors	<u>21,396</u>	<u>32,806</u>

**13. Auditor's Remuneration**  
 Baker Tilly Staples Rodway Audit Limited provides audit services to the Council on behalf of the Auditor-General. The audit fees charged for the 2024 audit were \$5,194 (2023 \$5,073) No non-audit services are provided by Baker Tilly Staples Rodway Limited.

**14. Contingent Liabilities**  
 The Chartered Professional Engineers Council had no contingent liabilities as at balance date (2023 Nil).

**15. Commitments**  
 The Chartered Professional Engineers Council had no commitments as at balance date (2023 Nil).

**16. Subsequent Events**  
 There were no subsequent events.









# CPEC

Chartered Professional Engineers Council  
Kāhui Kaiwetepanga Ngaio Whaimana