



association of
consulting and
engineering

ACE New Zealand ANNUAL REPORT **2019** **.2020**



about ACE New Zealand

ACE New Zealand provides leadership, support and advocacy for the consulting and engineering sectors in Aotearoa.

Founded in 1959, we represent over 200 consulting and engineering firms employing more than 13,000 staff. Our members range from large global firms to employee-owned SMEs. They are on the front lines of delivering critical technology, construction and infrastructure and represent the essential expertise that Aotearoa will need as we look to the future.

Our vision is:

To actively and positively shape the future of Aotearoa by supporting our members to create sustainable value for themselves, their clients and their communities.

Our purpose sits at the heart of what we do:

Enabling our members to compete, excel and thrive

Leading, connecting and shaping the future of Aotearoa

Asserting and preserving the importance and credibility of our sector with both the public and government

This is all underpinned by our values:

Diversity

Excellence

Innovation

Integrity, and

Passion

a new strategy

In August 2019 the Board adopted a new strategy for the organisation. We recognised that we are entering a new era of design and delivery in the built and natural environments, and we must support our members and our nation to adapt and thrive into the future.

For impact, our strategy has three priority areas; these are:

Influence: We must be the pre-eminent advocate for consulting and engineering firms in Aotearoa.

Connections: We must provide a customised experience for our members and broaden our service delivery to meet their evolving needs.

Future-fit: The world is changing. New technology, big data, globalisation, environmental pressures, and evolving human behaviour have the potential to disrupt our industry. We must ensure that our members are ready.

It is an incredibly exciting time for our sector; there will be countless opportunities and just as many challenges, we need to make sure we are ready for what is to come. We need to make sure that our sector is future-fit.



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	TOTAL STAFF	TOTAL FIRMS
2010	9021	174
2011	8561	169
2012	9116	167
2013	9645	173
2014	10172	175
2015	9889	171
2016	10484	179
2017	10621	184
2018	12270	189
2019	12888	200
2020	13043	211

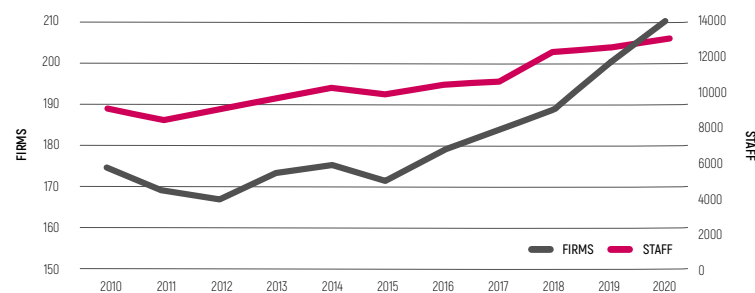
our members

ACE New Zealand conducts our annual personnel survey with members to correctly calculate subscription rates for the coming year, as well as providing a snapshot of emerging trends within the industry.

The figures provided by members are for their New Zealand offices only.

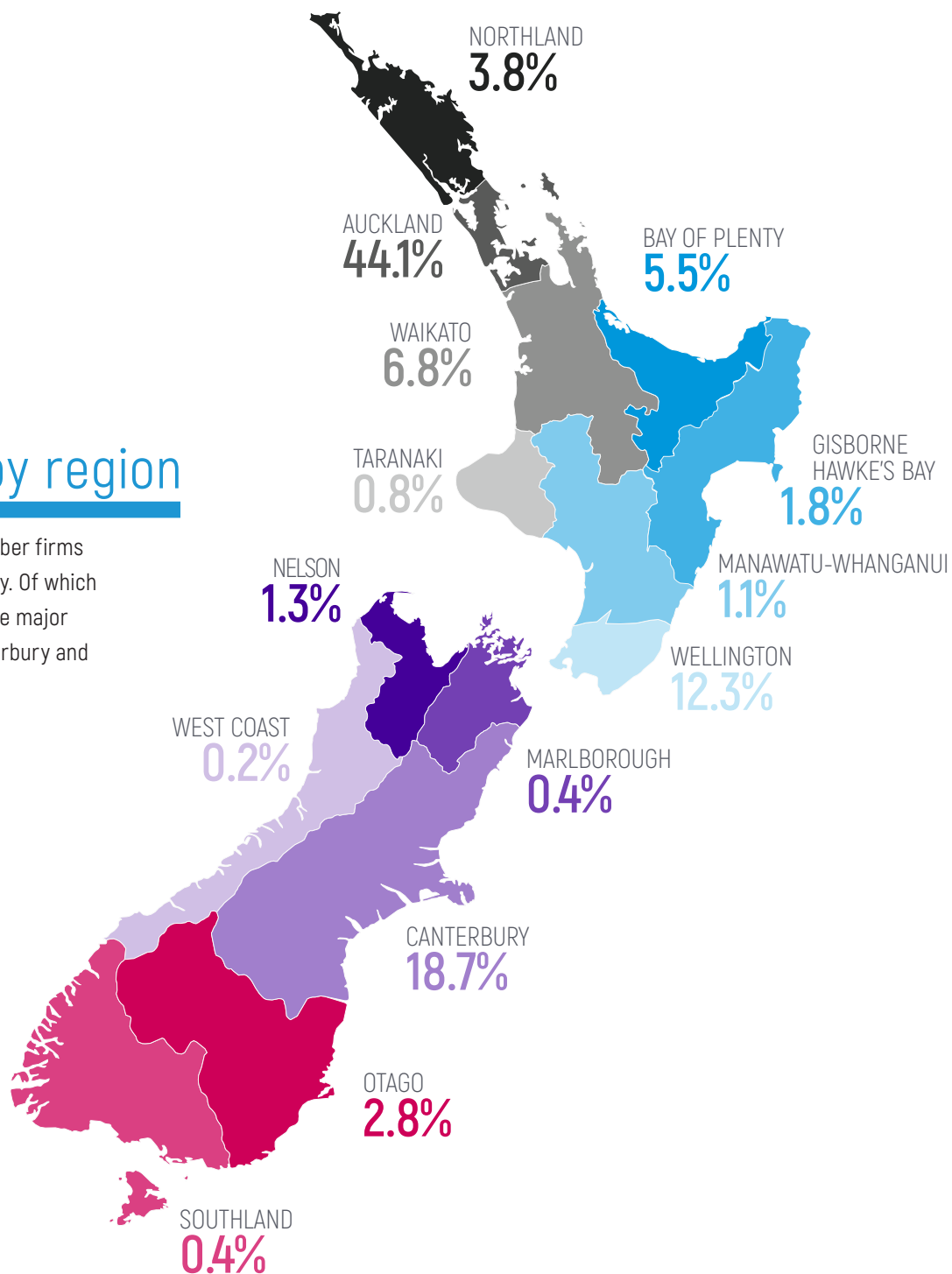
FIRM SIZE	1	2-5	6-10	11-15	16-20	21-49	>50	TOTAL
2010	40	43	33	7	10	18	23	174
2011	32	42	25	12	10	19	20	169
2012	32	35	25	17	15	19	20	167
2013	34	37	26	16	14	24	22	173
2014	37	38	22	18	13	23	24	175
2015	24	31	12	17	25	36	26	171
2016	29	30	24	22	17	28	29	179
2017	26	35	26	22	15	31	29	184
2018	22	36	28	19	12	38	34	189
2019	23	39	28	19	18	36	37	200
2020	30	37	26	22	18	40	38	211

ACE New Zealand membership



members by region

ACE New Zealand has member firms spanning the entire country. Of which 75% of staff are in the three major centres of Auckland, Canterbury and Wellington.



our people

board

The Board is elected to provide governance for ACE New Zealand as well as monitoring the organisation's performance. The Board sets our strategic direction, and importantly, protects the integrity of the organisation by ensuring that robust systems are in place.

Ida Dowling

Commute Transportation Consultants
(President)

Ian Fraser

GHD (Vice President)

Paul Burton

Tonkin + Taylor

Glen Cornelius

Harrison Grierson

Guy Dennis

WSP

Weng Yuen Kam

Beca (Emerging Leader)

Richard Morley-John

Calibre Consulting

Meagan Stewart Barfoot

Roadlab

Jenson Varghese

MRCagney

regional chairs

Our regional chairs are ACE New Zealand's first point of contact for members and the local industry. They are the voice of their region, acting as our local eyes and ears, ensuring the Board can fulfil their governance duties. They also play a critical part in vetting potential members and organising local events.

Hamish Bennett

Dobbie Engineers [North Shore]

Tony Matthews

AECOM [Auckland]

Rob Fleet

Gray Consulting Engineers [Waikato]

Atiga Rashid

Manktelow Consulting Engineers (Bay of Plenty)

Guy Lethbridge

Strata Group [Gisborne & Hawke's Bay]

Brendan Sterling

WSP [Manawatu]

Alistair Tippet

Beca [Taranaki]
resigned March 2020

Hugo Bosman

WSP [Wellington]

Alastair McEwan

WSP [Nelson & Blenheim]

Maryam Razz

Pedersen Read [Canterbury & West Coast]

Matt Harris

Babbage [Otago & Southland]
began January 2020

ACE New Zealand team

The ACE New Zealand Board employs a fulltime chief executive who is supported by a small team. As of 31 March 2020, the ACE New Zealand team was:

Eloise Angus

Communications Specialist [part time]

Paul Evans

Chief Executive

Ross Holden

Communications Specialist [part time]

Holly Morchat Stanko

General Manager - Membership & Engagement

Michelle Sloan

Membership & Database Administrator
[part time]

Janet Ziegler

Finance & Administration Manager

president's message



A handwritten signature in black ink that reads 'Ida Dowling'.

Ida Dowling
President

In last year's annual report, I wrote it had been a year of change. Well, that's a theme which has undoubtedly continued this year, as we give effect to the Board's priorities and ensure that ACE New Zealand is a contemporary, innovative and member-focused organisation.

An essential part of this was the adoption of a new strategy in August 2019, which clearly sets out what we want to achieve and how we will get there. We have already made significant progress on enacting the strategy, as outlined by Paul later on in this report. But it's important to remember it won't be an instant transformation; it will be a work in progress over the next few years.

I am particularly proud of our work on The Diversity Agenda with our partners Engineering New Zealand and Te Kāhui Whaihanga New Zealand Institute of Architects. Collectively we are committed to ensuring our sector is inclusive for all. Whether on the front line or a supporting role, everyone has the right to feel they belong – where they are safe, supported and valued. Anything less will not reflect the communities we support.

In February this culminated in the launch of The Diversity Agenda Accord. The Accord is a vital tool to achieve change, with chief executives and business owners committing to be held publicly accountable for achieving truly diverse industries.

Another area where we have been placing significant emphasis is governance, and in particular, ensuring greater transparency around the nomination and election process for our Board.

The driver behind this is to have diverse and inclusive governance, which not only represents member interests but also provides a broad range of skills and is well placed to deliver positive stewardship of the organisation.

In 2019 we sought expressions of interest from people interested in serving on the Board. Many expressions of interest were received. From this, the Board shortlisted applicants for voting at the 2019 Annual General Meeting. This interim step was well-received; however, there is a need to move to a fully open and transparent system, and we are actively working to achieve this.

In closing, I would like to thank you all for your ongoing membership of ACE New Zealand, and for supporting our work to be more influential, to create greater connectivity for our members and importantly ensure our sector is future-fit. It is a real honour and a privilege to be ACE New Zealand's President and to be at the forefront of this change.



the year in review

In August 2019 the Board adopted a new strategy for the organisation. We recognised that we are entering a new era of design and delivery in the built and natural environments, and we must support our members and our nation to adapt and thrive into the future.

In addition to a new organisational vision, our strategy has three priority areas, these are:

Influence: We must be the pre-eminent advocate for consulting and engineering firms in Aotearoa.

Connections: We must provide a customised experience for our members, and broaden our service delivery to meet their evolving needs.

Future-fit: These are volatile, uncertain, complex and ambiguous times, where many factors have the potential to disrupt our industry. We must ensure that our members are ready.

While the strategy was adopted less than a year ago, we have already made considerable progress on critical elements.

staffing

A new strategy meant it was time to review our human resources and ensure we were investing in the right places to give effect to the Board's priorities. Through the review, we identified that we lacked a range of core competencies that we needed for us to meet member needs, and be a contemporary and innovative member organisation.

This meant creating several new roles, in particular, we have invested in new member relations, communications and digital capabilities. These are already paying dividends, with the organisation's profile increasing significantly over the year.

While the structure was changed, we have continued to run a lean delivery-focused personnel model, with just 4.55 fulltime equivalent staff.

a new name and brand

One of the essential items identified in our strategy was to develop an engaging brand and position our sector in the hearts and minds of stakeholders. So, after a lot of work and consultation, in January 2020, we transitioned from the Association of Consulting Engineers (ACENZ) to the Association of Consulting and Engineering (ACE New Zealand). Along with the new name came a new brand and visual identity and a new approach to the way we communicate and do business.

This was not simply change for the sake of change; it was about ensuring we are relevant, contemporary and add real value for Aotearoa. It was also about reflecting the fact that our members aren't just about engineering; in many instances, they're fully integrated professional services firms.

While it's early days, the new brand and approach have been well received, and we will continue to invest in growing our visibility and credibility as our sector's peak advocate.

finance

While the 2019 financial year was an incredibly challenging one with the organisation posting a loss of -\$91,538, the 2020 year has seen a substantial turnaround resulting in a surplus of \$76,163.

The Board has brought a real rigour to the organisation's budgeting and financial reporting processes to ensure that we are delivering real value for money for members.

This result means the organisation has a solid financial foundation, as we navigate the more uncertain economic environment ahead. In the year to come, we will see a reduction in revenue due to our conference being cancelled in the wake of COVID-19. There will also be impacts on membership revenue, as members respond to the current economic challenges and rationalise their operations.

With this in mind, it reiterates that we must explore new opportunities for revenue generation to ensure we can meet evolving stakeholder expectations.

we continue to grow

Pleasingly we have continued to grow our membership, increasing from 200 to 211 firms (5.5% increase). The majority of this growth was in smaller firms, so total employee numbers only increased by 1.2% from 12,888 to 13,043.

While this growth is positive and was reflective of our improved profile, and increasing sector confidence, the advent of the COVID-19 pandemic in March 2020 has created significant uncertainty. So, we expect the coming year to be a challenging one, and we may see a resizing of the market with fewer firms and employees as a result.

relationships and advocacy

In line with the new model set down in our strategy, we have placed an increased emphasis on building positive and productive relationships with a broad range of stakeholders.

We have been firmly focused on this at both central and local government. Drawing on the skills and experience of our legal panel has allowed us to do this, with a particular emphasis around procurement, conditions of contract and professional indemnity insurance. Rather than merely being responsive to changes in the market, we have been positioning ourselves to have early discussions with influencers, so that we fundamentally shift the nature of the conversations we are having. Working with our stakeholders to explore market developments to risk allocation models, we have seen success in advocating an acceptable risk model for our members at All of Government level as well as individual local government level. We have also seen success in the form of proactive approach from stakeholders, asking us to be involved in the development of refreshed terms of engagement.

Our continued investment in our close working relationships with our partner organisations, most notably Engineering New Zealand, Te Kāhui Whaihanga New Zealand Institute of Architects, and CEAS, has allowed us to test our general position and intentions in a professional forum as well as capitalise on our areas of commonality. While each of the organisations has their particular mandates and areas of focus, there is considerable value in joint activity on specific matters. Not only does this ensure the effective use of member financial resources, but we have also seen that a collective voice can yield much better results. You can expect much more activity in this space.

communications

Communicating with both our members and broader stakeholders was an area that previous research told us there was significant room for improvement. Not only in ensuring that members are aware of issues and what we are working on, but also raising our organisational profile and credibility.

As mentioned above, we have invested in new skills and capabilities to lift our game in this area. We have introduced a weekly newsletter which goes out to close to 3,000 people. We have emphasised high quality and relevant content which has seen our open rates increased markedly.

We have also continued to grow our social media channels, with a particular emphasis on LinkedIn, where we have seen our followers grow by more than 400%, and engagement rates consistently performing ahead of best-practice metrics.

The team have also been developing significant amounts of original media content, to profile the work of our sector and enhance public perceptions. While this part of our communications strategy is still in its early stages, we already see significant engagement with this type of content. This will be a strong emphasis for the year ahead.

events and training

Events and training have always been a crucial part of what ACE New Zealand does, however the way we do these hadn't evolved considerably over the last five years. Given we have a membership which stretches from Kaitia down to Invercargill, we needed to put more emphasis on online events, to ensure we provide a consistent level of service to members, no matter where they are based.

We have invested heavily in technology to allow this transition, and are now delivering more than 25 online events each year. We have also seen attendance at these events grow markedly, with more than 500 registrations for our most popular event. This capability was particularly valuable

under the COVID-19 lockdown, where we could continue to add value for members.

The development of a structured training programme has been under development for some time now. This is focussed on ensuring the member employees, in addition to being technically competent, also have the necessary consulting skills to ensure they're adding value for clients. The broader economic challenges associated with COVID-19 mean we have had to delay the launch of this programme. However, planning is underway to ensure that we don't lose the momentum we have gained.

2019 Innovate Awards

The Innovate Awards celebrate the excellent work consultants do to create vibrant and sustainable outcomes for communities in Aotearoa.

Nineteen awards were presented to consultants who set a new standard of practice and raised the profile of consulting.

The judging process is thorough and rigorous requiring a significant commitment from our passionate expert judges. Our thanks go to our 2019 judges Steve Abley, David Bridges (Convenor), Tim Brook, Andrew Brown, Alistair Cattanach, Andrew Charleson, Win Clark, Simon Drew, Andrew Field, Brett Harries, Ben Holland, George Homan, Rebecca Jackson, Allan Leahy, Stanley Lee, Jodi Leeves, Angus Macdonald, Trevor Matuschka, Brent Meekan, Richard Neate, Bob Nelligan, Sandra O'Brien Kelly, Ray Patton, Andrew Read, Murray Spicer, Matt Spooner, Nathanael Sterling, Nigel Stevenson, Adam Thornton, Jeremy Trevathan, Scott Vaughan, David Voss, Tania Williams, Ashley Wilson, and Cam Wylie.

Gold Awards

20 Customhouse Quay by Dunning Thornton Consultants for 20 Customhouse Quay LP

Waterview Connection by the Well Connected Alliance (NZ Transport Agency, Fletcher, McConnell Dowell, WSP Opus, Beca, Tonkin + Taylor, and Obayashi Corporation) for NZ Transport Agency

Watercare Mangere Wastewater Treatment Plant BRN Upgrade by CH2M Beca for Watercare

Waitangi Wharf Upgrade by the Memorial Park Alliance (NZ Transport Agency, HEB Construction, Downer, Tonkin + Taylor, and AECOM) for the Department of Internal Affairs

Silver Awards

Safeswim by Mott MacDonald for Auckland Council

Richmond Terminal Station Upgrade by Beca for AusNet Services

Moving Mountains to Reconnect Communities by the North Canterbury Transport Infrastructure Recovery Alliance (NZ Transport Agency, KiwiRail, Fulton Hogan, HEB Construction, Downer, Higgins, Aurecon, WSP Opus, and Tonkin + Taylor) for NZ Transport Agency and KiwiRail

Tūranga by Lewis Bradford Consulting Engineers for Southbase Construction

Safer Journeys Risk Assessment Tool (Mega Maps) by Abley for NZ Transport Agency

Mason Bros. Building by Mott MacDonald for Precinct Properties

Rehua – University of Canterbury by Holmes Consulting for University of Canterbury

PwC Centre – Wellington Waterfront by Dunning Thornton Consultants and Tonkin + Taylor for Willis Bond & Co

Merit

Temaiku Land and Urban Development – Feasibility Investigations by Jacobs for the Ministry of Foreign Affairs and Trade

AUT Mana Hauora by Beca for AUT University

New Brighton Pier Repair Temporary Works by Structex for Fulton Hogan

Pukete Wastewater Treatment Plant Asset Information Model by Beca for Hamilton City Council

SH77 Rakaia Gorge No. 1 Bridge Deck Replacement and Seismic Strengthening by WSP Opus for NZ Transport Agency

Victoria on the River by AECOM for Hamilton City Council

Innovating with Segmental Caisson Construction to Build a New Pump Station in Wellington's CBD by GHD for Wellington Water

Community

Tūranga – Christchurch City Library presented to the people of Christchurch, Christchurch City Libraries Leadership Team, Christchurch City Council, and Matapopore Trust

People Awards

AECOM Best Practical Work Report Award

Will Meng, University of Auckland
Kurt Haywood, University of Auckland
Helena Li, University of Auckland

Judges: Craig Davidson, Mike O'Halloran, Rob Holland, and Theodore Carlos

Tonkin + Taylor Future Leader Award

Chris Maguire, Stantec - winner
Rebecca McMahon, Beca
Steve Roskrug, Beca

Judges: Doug Johnson, Samir Govind, Rachel Wright, and Jenson Varghese

President's Award

Alison Murray, Ministry of Education

Honorary Life Members

Alistair Cattanaach, Dunning Thornton Consultants
Brett Harries, Stantec

In closing, I am incredibly proud of how our team and our organisation have developed over the last 12 months. We have made considerable progress on our strategy, but we still have a long way to go. We won't be resting on our laurels; we'll continue to grow the profile and influence of ACE New Zealand so that we deliver tangible value to our members.



Paul Evans
Chief Executive





ACE New Zealand
Statement of Financial Performance
For the year ended 31 March 2020

	2020 \$	2019 \$
INCOME		
Subscriptions	936,196	854,843
Rental & Cost Recoveries	42,630	25,563
Conference & Workshop	171,611	69,413
Awards Entry Fees	42,930	29,877
Function Sponsorship	10,000	3,500
Future Leader Sponsorship	15,000	15,000
Student Sponsorship	10,000	10,000
Interest on Investments	3,763	4,556
Document Sales	2,421	892
Miscellaneous Income	5,120	2,923
TOTAL INCOME	1,239,670	1,016,567
EXPENDITURE		
Office & Administration		
Personnel & Recruitment	560,120	635,964
Audit Fees	5,000	5,000
Bank Fees	2,099	715
Insurance	5,147	4,727
Legal Expenses	-	2,600
Accounting Fees	2,870	2,269
External Design Costs	11,675	-
Income Tax	1,054	1,276
Depreciation	7,463	5,531
Loss on Disposal of Assets	463	5,503
Office Rent & Services	64,559	68,549
Stationery & Printing	10,545	21,402
Office Equipment/Computer	22,351	10,958
Postage & Courier	1,126	1,688
Repairs & Maintenance	194	9
Sundry Expenses	5,823	2,490
Telecommunications	11,050	9,729
	711,537	778,410
Association Expenses		
FIDIC Subscription	31,144	28,773
FIDIC Conference/Representation	20,962	32,350
Board Expenses	17,640	25,945
Member Events/Functions	22,545	21,615
Member Training/Workshops	12,930	22,137
Regional Networking Events	417	4,562
Networking Functions	323	10,622
President's Roadshow	-	16,642
Remuneration Survey	25,000	25,000
	130,961	187,646

ACE New Zealand
Statement of Financial Performance
For the year ended 31 March 2020

	2020 \$	2019 \$
Promotion & Projects		
ACE New Zealand Conference	147,515	28,646
FL FIDIC	18,533	7,864
Memberships	61,552	24,600
Innovate Awards	36,225	22,435
Practice Notes	1,617	-
Office Relocation	8,623	18,868
Website	26,445	17,895
Marketing Strategy	-	16,516
Media & Influence	-	5,225
Diversity Agenda	20,499	-
	<u>321,009</u>	<u>142,049</u>
TOTAL EXPENDITURE	1,163,507	1,108,105
(NET DEFICIT) SURPLUS	<u>76,163</u>	<u>(91,538)</u>

ACE New Zealand
Statement of Movements in Equity
For the year ended 31 March 2020

	2020 \$	2019 \$
Opening Balance for the Period	173,716	265,254
(Less Deficit)/Plus Surplus for year	<u>76,163</u>	<u>(91,538)</u>
Total Members Funds at 31 March 2019	<u>249,879</u>	<u>173,716</u>

ACE New Zealand
Statement of Financial Position
For the year ended 31 March 2020

	2020 \$	2019 \$
Current Assets		
Current Accounts	144,089	114,162
Term Deposits	112,504	133,439
Accounts Receivable	38,476	11,637
Taxation	227	425
GST Refund Due	4,815	3,387
Prepayments	61,404	20,972
Total Current Assets	361,515	284,022
Non Current Assets		
Fixed Assets note 6	14,305	10,173
TOTAL ASSETS	375,820	294,195
Current Liabilities		
Accounts Payable & Accruals	86,211	117,629
Income in Advance	39,730	2,850
Total Current Liabilities	125,941	120,479
TOTAL LIABILITIES	125,941	120,479
NET ASSETS	249,879	173,716
Represented by:		
TOTAL MEMBER FUNDS	249,879	173,716

ACE New Zealand
Notes to the Financial Statements
For the year ended 31 March 2020

1. REPORTING ENTITY

The Association of Consulting Engineers New Zealand Incorporated is an association of members who are involved in the engineering consulting profession. The Association's role is to co-ordinate consulting business matters for the benefit of members and the profession as a whole. The Association is an Incorporated Society registered under the Incorporated Societies Act 1908.

2. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

These financial statements are special purpose statements, which have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand. They have been prepared to provide information to members, assist with internal management and for taxation purposes.

Measurement Basis

The measurement base adopted is that of historical cost. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest NZ\$.

Changes in Accounting Policies

There have been no changes in accounting policies for this financial period.

Revenue Recognition

Revenues, including Membership Subscriptions, are measured at the fair value of the consideration received or receivable from the sale of goods and services.

Accounts Receivable

Accounts Receivable are recognised as net realisable value.

Goods & Services Tax

The Association is registered for GST and these financial statements have been prepared exclusive of GST except for Accounts Payable and Accounts Receivable, which are stated inclusive of GST.

Fixed Assets and Depreciation

Fixed Assets are stated at cost less aggregate depreciation. Depreciation on Fixed Assets has been provided at an annual rate as follows:

	<u>Rate</u>	<u>Method</u>
Computer Equipment	60%	Diminishing Value
Furniture	18%	Diminishing Value

Taxation

Income tax is accounted for using the taxes payable method. The income tax expense in the profit and loss represents the estimated obligation payable to Inland Revenue for the current financial year.

3. AUDIT

These Financial Statements have been audited and must be read in conjunction with the attached Audit Report.

4. COMMITMENTS

The Association leases premises on the 11th floor at 79 Boulcott Street, Wellington. The lease expires 31 January 2023, and contains a further three year right of renewal from 1 February 2023.

	<u>2020</u>	<u>2019</u>
Current (within 12 months)	64,680	53,587
Non Current (beyond 12 months)	118,588	-

5. CONTINGENT LIABILITIES

There are no contingent liabilities known to the Association (2019-Nil)

6. FIXED ASSETS

	<u>2020</u>	<u>2019</u>
Furniture & Fittings	15,377	12,994
less accumulated depreciation	<u>10,481</u>	<u>10,644</u>
	4,896	2,350
Computer Equipment	21,263	19,292
less accumulated depreciation	<u>11,854</u>	<u>11,469</u>
	9,409	7,823
TOTAL FIXED ASSETS	14,305	10,173

INDEPENDENT AUDITOR'S REPORT

To the board of the Association of Consulting Engineers NZ Inc [ACENZ] for the year ended 31 March 2020

Report on the Financial Statements

Unqualified Opinion

We have audited the special purpose financial statements of the ACENZ on pages 4 to 9 which comprise the financial position as at 31 March 2020, the statements of financial performance, and movements in equity for the year ended, the statement of accounting policies and other explanatory information.

In our opinion the financial statements on page 4 to 9 present fairly the financial position of the ACENZ as at 31 March 2020 and its financial performance for the year ended on that date in accordance with the requirements of the board required special purpose for profit entities [SPFP] accrual accounting framework issued by the NZ Accounting Standards Board.

Basis for an Opinion

We obtained sufficient and appropriate audit evidence on which to base our opinion.

Other than in our capacity as auditor, we have no other relationship with, or interests in the ACENZ.

We conducted our audit in accordance with International Standards on Auditing (NZ ISAs). Our responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the ACENZ in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the NZ Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these

requirements.

Restriction on responsibility

This report is made solely to the board, as a body, in accordance with the entity's constitutional requirements. Our audit work has been undertaken so that we might state to the board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the board as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

No other information is required in the financial reporting of the ACENZ, and the pages 4 – 9 form the entire audited financial reporting of the society.

Governance Board Responsibility for the Financial Statements

The board as the governance board are responsible for determining that the director required SPFP accounting framework is acceptable in the entity's circumstances, for the preparation of financial statements. They are also responsible for such internal control as the governance board 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 governance board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting.

Auditor's Responsibilities 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ☐ 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.
- ☐ 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 entity's internal control.
- ☐ conclude on the appropriateness of the use of the going concern basis of accounting by the board. Based on the audit evidence

obtained, no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, and no assurances are provided for any future events or conditions that may cause the entity to cease to continue as a going concern.

- ☐ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by governance.

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.



Charity Integrity Audit
Chartered Accountants
South Auckland
16 June 2020



association of
consulting and
engineering

ace association of consulting and engineering
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