



Annual Report

2013 2014

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Statement from the Board

For the New Zealand Registered Architects' Board (NZRAB), the most important development during 2013 2014 was work done to update of the NZRAB's complaints and discipline procedures, and minimum standards for initial and continuing registration.

During the review period, the Minister for Building and Construction agreed in principle to these changes, and at year's end the necessary changes to the Registered Architects Rules 2006 (the Rules) were being drafted by Parliamentary Counsel.

This will complete a process that began in 2009. At that time, the NZRAB identified that its complaints and discipline procedures, established in 2005, were too complex. As a result, complaints were taking too long to process, to such an extent that the requirements of natural justice risked not being met.

The NZRAB determined in broad terms how it wanted to reform its complaints and discipline procedures. However, a requirement in the Registered Architects Act 2005 that the Rules cover both an Investigating Committee and a Disciplinary Committee made the desired changes impossible. To correct this, the Act had to be amended, which was finally achieved in August 2012. Since then, new procedures have been proposed and architects and the NZRAB's other stakeholders consulted, leading to the drafting of new rules underway at year's end.

Additionally, the NZRAB's minimum standards for initial and continuing registration are being updated, which will also be incorporated in the Rules. These impending changes reflect increasing specialisation in the profession. The underlying standard is not changing, but greater flexibility will be possible by having less prescriptive benchmarks, when interpreting evidence that applicants for registration have the required skills, knowledge, experience and attitude.

These substantial innovations apart, the 2013 2014 period was one of steady achievement and systems improvements.

Initial and continuing registration decisions were made smoothly, relying on the recommendations of the NZRAB's 43 registration assessors. New procedures for assessing initial registration applicants who do not have recognised qualifications or the required work experience, have bedded down well.

The Board itself, the NZRAB's Board Committees, various working parties and the secretariat have functioned well. In particular, we note the singular input of Board member Marshall Cook, whose term ended during the review period. The NZRAB thanks all those who have contributed to its work.



Warwick Bell
Chairperson
30 October 2014



Callum McKenzie
Deputy Chairperson
30 October 2014

Operational Report

Executive Summary

Key statistics¹

- As at 30 June 2014, 1,722 architects were registered in New Zealand.
- During 2013 2014:
 - 90 persons were granted registration and 8 registration applications were declined
 - no architects were suspended as a result of five-yearly competence reviews
 - no architects were suspended as a disciplinary penalty or for not paying fines or costs.
 - a disciplinary action was taken against one architect.

Chronology

- **30 June 2014:** The NZRAB issued its second newsletter for 2014.
- **11 April 2014:** The Minister for Building and Construction sought expressions of interest from people with strong governance and financial or legal skills wishing to be considered for appointment as members of the New Zealand Registered Architects Board.
- **20 March 2014:** The NZRAB issued a “Cautionary Note” to all architects derived from an architect having been disciplined for accepting a commission without having terms of engagement, this being a requirement of the Architects’ Code of Ethics.
- **20 March 2014:** The NZRAB issued its first newsletter for 2014.
- **12 November 2013:** The NZRAB issued its third newsletter for 2013.
- **11 November 2013:** The NZRAB undertook a consultation with architects and its other stakeholders in regard to proposed changes to its complaints and discipline procedures and the standards required for initial and continuing registration.
- **7 November 2013:** The NZRAB made public its *Annual Report 2012 2013*.
- **16 September 2013:** The NZRAB made public its accountability agreement with the Minister for Building and Construction for 2013 2014.
- **3 September 2013:** The Minister for Building and Construction announced the appointment of Euan Mac Kellar to the Board of the NZRAB, effective 19 December 2013, along with the reappointment of Board members Christina van Bohemen and Callum McKenzie.
- **13 July 2013:** The New Zealand Institute of Architects Inc and the NZRAB made a joint submission to the Architects Accreditation Council of Australia (AACA) in regard to the National Competency Standards in Architecture which is owned by the AACA but used in New Zealand as well as in Australia.

¹ As required by section 59 of the Registered Architects Act 2005.

NZRAB Numerical Performance Indicators

	2013/14	2012/13	2011/12	2010/11
Governance				
Board members as at 30 June	8	8	8	7
Board members appointed/reappointed	3	1	2	5
Board meetings ²	12	18	16	9
Registration				
Registration applications accepted (excludes TTMRA)	63	47	79	48
Registration applications declined	8	9	15	13
Equivalency assessments	31	15	19	18
Initial registration process reviews	0	0	0	1
TTMRA registrations ³	27	16	8	4
Continuing Registration				
Registered Architects at 30 June	1,722	1,671	1,621	1,606
Architects in voluntary suspension at 30 June	230	217	207	173
Architects granted a further 5-year continuing registration	73	84	1,060	172
Architects declined a further 5-years continuing registration	0	4	1	0
Ratio of female to male architects ⁴	26%	26%	24%	NA
APEC Architect				
NZ APEC Architects at 30 June	9	8	6	5
NZ APEC Architects applications accepted	1	2	2	2
Public Protection/Discipline				
Complaints received	8	8	4	6
Complaints dismissed or withdrawn	7	4	4	4
Complaints upheld	1	1	0	0
Complaints not yet resolved at 30 June	5	6	3	3
Protection of Title				
Misuse of the title reported and acted on	15	20	13	46
Prosecutions ⁵	0	0	0	0
Communications				
Newsletters	3	4	4	5
Consultations/surveys	1	1	2	2
Administration				
Staff at 30 June (full time equivalent)	3.5	3.5	2.5	2.5
Registration assessors at 30 June	43	44	44	43
Finance				
Net surplus/(deficit)	\$168,219	(\$16,023)	\$7,821	(\$3,056)
Working Capital at 30 June	\$387,045	\$234,089	\$381,099	\$373,194
Equity at 30 June	\$548,896	\$380,677	\$396,699	\$388,878

² Includes decisions made by email resolutions and conference calls. Typically there are four face-to-face meetings annually, plus a one-day strategy meeting.

³ Australian architects registered in New Zealand as of right under the government-to-government Trans-Tasman Mutual Recognition Arrangement.

⁴ Includes architects in voluntary suspension.

⁵ Under section 7(4) of the Registered Architects Act 2005.

Overview

The government has in place a *Policy Framework for Occupational Regulation*⁶ intended to ensure that professionals who provide services critical to the public are competent. This protects both the public and the reputations of the regulated occupations. The government has determined that occupational regulation is required in the building industry, given the industry's impact on the public's well-being. Architects are among the occupations included in this.

The architectural profession's current institutional arrangements are derived from the Registered Architects Act 2005 (the Act), which established the New Zealand Registered Architects Board (NZRAB), and the Registered Architects Rules 2006 (the Rules).

The Act⁷ describes the NZRAB's functions as:

- making rules relating to architects
- registering architects, issuing certificates of registration and assessing whether architects meet the standard for continued registration
- maintaining a register
- investigating complaints and, if required, disciplining architects
- providing information to the public about the registration system for architects.

The Act also declares that its purpose is "to protect the title of Registered Architect". Section 7 of the Act defines how the title Registered Architect is to be protected. In essence, this means that:

- no person except a Registered Architect can use the title "Registered Architect"
- no person "who designs buildings, prepares plans and specifications for buildings or supervises the construction of buildings may use the title 'architect' unless he or she is a Registered Architect."
- any person who breaches the above can be prosecuted and fined up to \$10,000.

Vision

The NZRAB has also expressed a wider vision of the significance of architecture to New Zealand and the NZRAB's role, as follows:

The task of architecture is to lead the way in terms of what the built environment can and should be. This goes beyond designing for function, essential though that is. In so far as architecture articulates the national imagination, it contributes to nation building. If the built environment in New Zealand is the best that it can be, then it contributes to the realisation of this nation's potential.

The NZRAB determines who can be a Registered Architect. In doing this, the NZRAB is mindful of the broader contribution that the profession makes to New Zealand.

⁶ See Ministry for Business, Innovation and Employment website

⁷ Section 50.

Initial Registration

During the review period, the NZRAB's initial registration procedures continued as normal. Of initial registration applications received,⁸ 63 were successful and 8 were unsuccessful.

The NZRAB's registration procedures are dependent on the expertise of 43 registration assessors. The registration assessors are senior architects who provide case-by-case judgement when advising the Board on who should be permitted to enter and stay in the profession. For initial registration these judgements are made on the basis of a three hour professional conversation between the applicant and two registration assessors, during which the applicant speaks to examples of his or her work.

The registration assessors work to a series of competencies defining what architects must know and be able to do, which are enshrined in Rule 7 of the Registered Architects Rules 2006. These rules were derived from a more detailed set of competencies for architects that the NZRAB shares with the Architects Accreditation Council of Australia (AACA). During the review period, the AACA reviewed these competencies and the NZRAB and the New Zealand Institute of Architects Inc. made a joint submission.

The majority of applicants for registration have a recognised five-year degree in architecture and in excess of three or four years' experience in practice. However, the NZRAB also allows for applications from persons with other backgrounds. These applicants are required to undertake preliminary assessments to ascertain whether their knowledge, skills, experience and attitude are equivalent to more typical applicants as described above. These preliminary assessments are done by a Qualifications and Experience Evaluation Panel (QEAP) which reviews applicants' study record and work histories case-by-case. From that, determinations are then made for each applicant as to what extra study or work experience, if any, is required. Once any requirements are met, these applicants are assessed for initial registration in the same way as applicants with recognised qualifications and the required work experience.

Recognised New Zealand academic qualifications are reviewed and quality assured every five years. During 2013 2014, no five-yearly reviews were required. In addition, scheduled follow ups, known as Interim Review Panels, monitor implementation of any recommendations from earlier five yearly reviews. On 6 August 2013, an Interim Review Panel visited the School of Architecture at the University of Auckland.

At year's end, amendments to the Minimum Standard for Registration as a Registered Architect were being drafted, which when implemented will better accommodate the increasingly specialised nature of the work that many architectural graduates working in architectural practices.

Continued Registration

Section 12 of the Act and Rule 22 require that every five years all architects must be reviewed in terms of whether or not they still meet the applicable minimum standard for continued registration. The standard that architects must meet is further defined in Rule 21 which says each architect being reviewed must demonstrate that:

⁸ Excludes Australian architects registered in New Zealand as of right under the Trans-Tasman Mutual Recognition Arrangement and former NZ architects reregistering.

- a. *he or she still meets the minimum standard for registration set out in rule 7; and*
- b. *he or she has taken reasonable steps to maintain the currency of his or her architectural knowledge and skills since the last assessment.*

By year's end, 73 architects had been granted continuing registration, none had been declined and 1 competence reviews was yet to be completed.

Also at year's end, amendments to the Minimum Standard for Continued Registration as a Registered Architect were being drafted which when implemented will better accommodate the increasingly specialised nature of the work that many architects do.

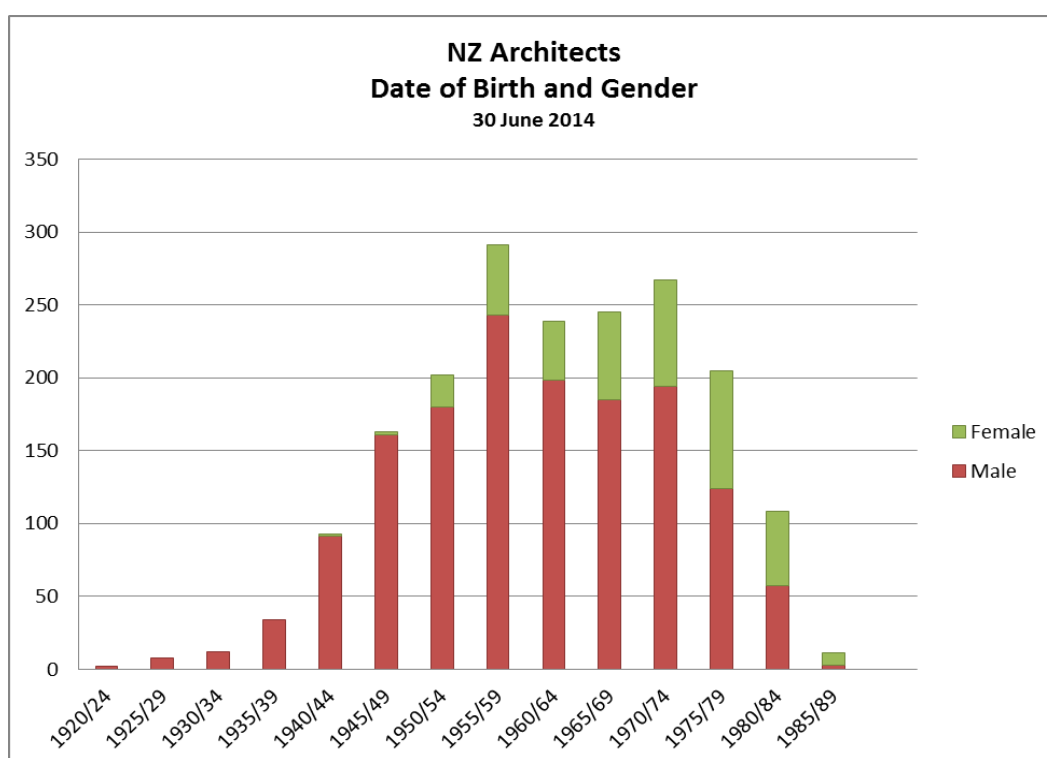
To assist architects demonstrate that they have taken reasonable steps to stay current, the NZRAB operates a Continuing Professional Development (CPD) Framework administered by the New Zealand Institute of Architects Inc (NZIA) on the NZRAB's behalf.

This allows architects to record online their professional development activities quantified via a points system. When architects have their five-yearly competence reviews, their CPD records can be cited as evidence that they have *taken reasonable steps to maintain the currency of (their) architectural knowledge and skills.*

Scheduled CPD events, such as lectures, seminars and workshops, are made available to architects via the CPD Framework. Architects also record other professional development activities that they have undertaken on their own initiative.

Fig 1 below provides a visual representation of the demographics of New Zealand's architects, both currently registered (ie practising) and in voluntary suspension.

Fig 1



New Zealand Architects Register

The NZRAB maintains an online architects' register⁹. The statutory purpose of the New Zealand Architects Register is to enable the public to:

- determine whether or not a person is a Registered Architect
- choose a suitable Registered Architect
- contact a Registered Architect, if the architect has consented to his or her contact details being made public
- know which architects, if any, been disciplined within the last three years.

During the review period the NZRAB website was upgraded, which also saw changes to the way the New Zealand Architects Register is presented.

Public Protection (Complaints and Discipline)

The NZRAB is required to hold architects accountable for having acted in a “negligent or incompetent manner” or for having “breached the code of ethics contained in the Rules.”¹⁰ During 2013 2014:

- 5 complaints were not yet resolved at 1 July 2013
- 8 complaints were received
- 7 complaints were dismissed or withdrawn
- 1 complaint was upheld.
- 5 complaints were not yet resolved at 30 June 2014.

During the review period, as a result of a complaint, an architect was found to have breached the Architects' Code of Ethics¹¹ in that he accepted a commission without agreed terms of appointment. A penalty was imposed and architects were reminded of this requirement and its value in terms of protecting clients and architects.

On 19 March 2014, the Minister for Building and Construction approved in principle the making of new rules required to implement new complaints and discipline procedures. At year's end drafting of the new rules was under way. The new procedures will be significantly simpler than the current arrangements and should see complaints processed in a more timely manner.

Protection of Title

During the review period, 15 examples of the title “architect” being used wrongly were received and responded to, typically with advice being sent to those making these mistakes. In most cases third persons incorrectly referred to other persons providing building design services as architects, this not in itself being an offence under the Registered Architects Act 2005.

⁹ The Act, sections 18 to 23.

¹⁰ The Act, section 25.

¹¹ Registered Architects Rules 2006, Rule 50

APEC Architect

New Zealand is a participant in the APEC Architect Project which is intended to facilitate the provision of architectural services between participating economies around the Pacific Rim. The participating economies currently are Australia, Canada, People's Republic of China, Hong Kong China, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Republic of the Philippines, Singapore, Chinese Taipei, Thailand, United States of America.

Each participating economy maintains its part of the APEC Architects Register which lists senior architects who have been assessed as meeting agreed criteria. At year's end New Zealand had nine APEC Architects.

The APEC Architect framework allows for participating economies to enter into bilateral or multi-lateral mutual recognition arrangements which establish specific procedures for APEC Architects to seek fast-track registration as an architect in host economies. New Zealand currently has APEC Architect mutual recognition arrangements (MRU) with Japan, Singapore and Chinese Taipei. At year's end negotiations were underway to establish an APEC Architect MRU that New Zealand and Australia would have with Canada.

Communications

During the review period, the NZRAB website was upgraded to accommodate users accessing the site via smart phones and other small-screen devices.

Architects were consulted in regard to proposed new rules covering complaints and discipline and revised minimum standards for initial and continuing registration.

Three email newsletters were issued to architects and other stakeholders during 2013 2014.

Governance

The NZRAB is a statutory entity¹² accountable to the Minister for Building and Construction. The primary expression of that accountability is an annual *Accountability Agreement between the Minister for Building and Construction and the Annual Report*.

The NZRAB Board can have six to eight members. They are appointed by the Governor General on the advice of the Minister for Building and Construction. Half the Board members are nominated to the Minister by the NZIA.

¹² Technically the NZRAB is classified as being "an agency associated with a ministerial portfolio" and thus it is NOT covered by the Crown Entities Act 2004.

At 30 June 2014, the Board members were as follows:

Board members (* NZIA nominated)	Occupation	First appointed	Current term expires
Warwick Bell (Chairperson)	Architect	05/08/2010	04/08/2015
Callum McKenzie* (Deputy Chairperson)	Architect	03/10/2008	02/10/2016
Christina van Bohemen*	Architect	05/08/2010	03/08/2016
Anna-Marie Chin*	Architect	03/10/2008	13/10/2014
Euan Mac Kellar*	Architect	19/12/2013	18/12/2015
Helen Tonkin	Chartered Accountant	30/06/2008	19/09/2014
Anthony van Raat	Architect/Academic	19/12/2010	18/12/2015
Sir Hugh Williams	Retired Judge	14/10/2011	13/10/2014

Board members, committee members and registration assessors are paid modest honoraria. These are described in detail in the NZRAB's Honoraria Policy. At each face-to-face Board meeting, Board members are asked to declare any conflicts of interest. A register of Board members' interests is also maintained. The Board's minutes, once confirmed, are available at www.nzrab.org.nz.

The NZRAB has a committee system to undertake policy development and monitor performance. This allows the Board as a whole to spend more time resolving high level issues relating to the NZRAB's overall stance and direction. The Act requires that each committee includes at least two Board members.

As at 30 June 2014, these committees were as follows:

- **Strategy and Finance Committee:**
Members: Warwick Bell (Chair), Callum McKenzie (Deputy Chair), Helen Tonkin, Euan Mac Kellar
- **Registration Committee:**
Members: Callum McKenzie (Chair), Christina van Bohemen (Deputy Chair), Tony van Raat, Tony Orgias, Alec McDonald, Denise Civil, Judith Taylor, Warwick Bell (ex-officio)
- **Public Protection Committee**
Members: Euan Mac Kellar (Chair), Hugh Williams, Anne-Marie Chin, Carolynn Bull, Donna Howell, Andrew Watson, Warwick Bell (ex-officio)

The NZRAB also has Investigating Committees and a Disciplinary Committee for dealing with complaints. Their memberships change depending on circumstances and need.

The NZRAB hosts the New Zealand APEC Architect Monitoring Committee which makes decisions in regard to admission to the New Zealand APEC Architect Register. At year's end, its members were Warwick Bell (Chair), Pip Cheshire (President NZIA), Gordon Moller, Callum McKenzie and Paul Jackman. The Committee's assessment panel members were Callum McKenzie, Nick Barratt-Boyes, Gordon Moller and Ken Crosson.

Finance

The NZRAB receives no Crown funding, its income being provided by:

- annual fees paid by Registered Architects
- fees for specific services or procedures paid by architects and registration applicants
- bank interest.

At 30 June 2013, the NZRAB's fees were as follows:

Fee	GST included
Application for initial registration first attempt	\$1,200.60
Application for initial registration subsequent attempt	\$600.30
Application for initial registration if no interactive assessment required or the applicant had been a New Zealand Registered Architect before	\$632.50
Qualification equivalency assessment	\$517.50
Certificate of Registration July to June	\$644.00
Certificate of Registration January to June	\$322.00
Review of registration assessment procedures	\$862.50
Five year competence review interactive assessment	\$632.50

In 2013 2014, the NZRAB achieved a surplus of \$168,219, relative to a \$36,322 budgeted surplus. At 30 June 2014, the NZRAB had working capital of \$387,045.

Secretariat

The NZRAB employs 3.5 full-time-equivalent staff, including the Chief Executive.

Schedule 38 of the Act requires that the NZRAB be a "good employer" and have an Equal Employment Opportunities Programme. These requirements are met by the deliberate creation of a family-friendly work place that accommodates diversity among staff. The key to this is flexible hours of work, so staff can meet their family or other obligations.

Care is taken that the workplace itself is congenial and safe. Employment decisions are always based on merit. The aims, aspirations and employment requirements of staff are always recognised and an inclusive, non-hierarchical work culture is encouraged.

Key Performance Indicators

The NZRAB's Accountability Agreement with the Minister for Building and Construction includes agreed outcomes that the NZRAB is required to achieve and key performance indicators for this. For 2013 2014 these were as follows, with accompanying results.

Outcome	Key Performance Indicators
Governance	
1. Institutional arrangements that allow the NZRAB to work effectively and flexibly	Seek the Government's agreement that the definition of a complex building and the competencies required of an architect (Rules 6 and 7) should come out of the Registered Architects Rules 2006 and be expressed as NZRAB policy so they can more easily evolve as the requirements for "practising competently" as in Rule 7(1) evolve. Result: Achieved in part. At year's end a rules rewrite was underway that should have the equivalent effect.
2. NZRAB Board procedures that accord with best practice and good governance principles	NZRAB Board to again undertake its annual assessment of its performance as a Board. Result: Achieved.
Service Delivery	
3. Initial registration procedures which: - ensure that those being registered for the first time meet the applicable minimum standards for registration with a high degree of consistency - are perceived by applicants as being credible, efficient and fair	Survey registration applicants after their applications have been completed against a benchmark that at least 90 per cent of respondents perceive the Board's initial registration procedures as being credible, efficient and fair. Result: Achieved. Create new resource on the NZRAB website explaining the benefits of registration to potential applicants. Result: Achieved.
4. Registration standards and procedures in line with international norms	Contribute to the AACA review of the National Competency Standards of Architecture. Result: Achieved.
5. Complaints and discipline procedures that accord with natural justice, are timely, and assist the profession to perform better	Make and implement new complaints and discipline rules. Result: Achieved in part. At year's end new complaints and discipline rules were being drafted, following Ministerial approval in principle.

Strategy and Capability	
6. A work focus that contributes positively to the quality of the built environment in New Zealand	Undertake communications activities in line with the NZRAB's Communications Strategy Result: Achieved.
7. A building sector in which occupational licensing is organised so that all those who design buildings are demonstrably competent and standards are raised thereby lifting productivity; and the registration/licensing arrangements in the design sector can be clearly understood by the public	Continue to advocate that architects, designers and design technicians should be registered/licensed by a single entity Result: Achieved.
8. Applicable minimum standards for registration that are appropriate in terms of the public interest	Continue to develop and communicate expectations for an increased focus on seismic and structural understanding as taught within recognised qualifications and required for initial and continuing registration Result: Achieved in part, with further work scheduled. Continue to benchmark the content of recognised qualifications in New Zealand to determine whether there are any gaps and inconsistencies that need to be addressed prior to registration Result: Achieved.
9. The NZRAB well connected with international stakeholders	With Australia, negotiate a cross-border fast-track registration arrangements under the APEC Architect framework with Canada Result: Achieved in part. At year's end negotiations with Canada and Australia were well advanced.

30 October 2014

Statement of Responsibility

In terms of the Registered Architects Act 2005, the New Zealand Registered Architects Board accepts responsibility for the preparation of the New Zealand Registered Architects' Board's financial statements and the judgements made in the process of producing those statements.

The Board has the responsibility of establishing and maintaining, and has established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board, these financial statements fairly reflect the financial position and operations of the New Zealand Registered Architects Board for the year ended 30 June 2014.



Warwick Bell
Chairperson



Callum McKenzie
Deputy Chairperson

Financial Statements for the Year ended 30 June 2014

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New Zealand Registered Architects Board

Statement of Financial Performance

for the Year Ended 30 June 2014

	Note	2014	2014 Budget	2013
<u>Income</u>				
Application for Registration		69,454	61,214	94,510
Certificate of Registration	2	959,105	932,400	815,250
Qualification Equivalency Assessment		12,150	4,500	6,300
Competence Reviews		6,050	1,350	7,800
APEC Architect Secretariat	11	5,976	-	110,345
Other Income		-	750	1,148
Interest Received		23,524	25,000	23,553
Total Income		1,076,258	1,025,214	1,058,906
<u>Less Expenses</u>				
Administration		45,987	44,488	52,902
Audit Fees		6,350	6,150	6,150
Communication		7,055	12,651	8,168
Protection of Title		-	3,000	-
Complaints and Discipline		31,145	64,654	71,965
Discipline Hearing Cost Recovery		(23,515)	-	-
Continuing Registration		181,289	175,380	253,469
Depreciation	9	11,652	26,327	4,482
Amortisation	10	22,309	-	10,188
Employment Expenses		340,080	355,168	313,911
Governance		64,164	81,472	71,970
Occupancy Costs		29,640	27,707	32,343
Registration		191,884	191,894	138,925
APEC Architect Secretariat		-	-	110,457
Total Expenses		908,039	988,891	1,074,929
<u>Net Surplus / (Deficit)</u>		<u>\$168,219</u>	<u>\$36,323</u>	<u>(\$16,023)</u>

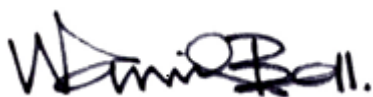
The above must be read in conjunction with the accompanying Statement of Accounting Policies and Audit Report.

New Zealand Registered Architects Board

Statement of Financial Position

as at Year Ended 30 June 2014

	Note	2014	2014 Budget	2013
<u>Current Assets</u>				
Bank	6	1,333,471	1,181,056	1,185,322
Prepayments		116,690	96,000	95,856
Accounts Receivable		(185)	-	13,136
Total Current Assets		<u>1,449,975</u>	<u>1,277,056</u>	<u>1,294,314</u>
<u>Current Liabilities</u>				
Creditors	7	282,377	180,317	262,494
Income in Advance	2	<u>780,553</u>	<u>800,000</u>	<u>797,731</u>
Total Current Liabilities		<u>1,062,930</u>	<u>980,317</u>	<u>1,060,225</u>
Working Capital		<u>\$387,045</u>	<u>\$296,739</u>	<u>\$234,089</u>
Fixed Assets	8	161,851	120,261	146,588
NET ASSETS		<u>\$548,896</u>	<u>\$417,000</u>	<u>\$380,677</u>
Represented By:				
Equity		<u>\$548,896</u>	<u>\$417,000</u>	<u>\$380,677</u>



Chairperson

30th October 2014

Date.....



Board Member

30th October 2014

Date.....

The above must be read in conjunction with the accompanying Statement of Accounting Policies and Audit Report.

New Zealand Registered Architects Board

Statement of Movement in Equity

for the Year Ended 30 June 2014

	Note	2014	2014 Budget	2013
Opening Balance		380,677	380,677	396,699
Net Surplus/(Deficit)		168,219	36,323	(16,023)
<u>Closing Balance</u>		<u>\$548,896</u>	<u>\$417,000</u>	<u>\$380,677</u>

The above must be read in conjunction with the accompanying Statement of Accounting Policies and Audit Report.

New Zealand Registered Architects Board

Statement of Cash Flows

for the Year Ended 30 June 2014

	Note	2014	2014 Budget	2013
Cash Flows from Operating Activities				
Cash was provided from:				
Receipts		1,048,877	1,015,619	1,156,213
Interest Received		23,524	25,000	23,553
		<u>1,072,401</u>	<u>1,040,619</u>	<u>1,179,766</u>
Cash was disbursed to:				
Payments to suppliers and employees		845,389	1,017,178	959,543
Occupancy Costs		29,640	27,707	32,343
		<u>875,029</u>	<u>1,044,885</u>	<u>991,886</u>
Net Cash Flows from Operating Activities		<u>197,372</u>	<u>(4,266)</u>	<u>187,880</u>
Cash Flows from Investing Activities				
Purchase of Fixed Assets		(49,224)	-	(155,731)
Net Increase in Cash Flow		<u>\$148,148</u>	<u>(\$4,266)</u>	<u>\$32,149</u>
Add Opening Bank Funds 01/07/13		1,185,322	1,185,322	1,153,172
Closing Bank Funds 30/06/14		<u>\$1,333,470</u>	<u>\$1,181,056</u>	<u>\$1,185,321</u>
Cash Flow Reconciliation with Operating Result				
Net Income / (Loss) for the year		168,219	36,323	(16,023)
Add back items not involving the movement of cash:				
Depreciation		11,652	26,327	4,482
Amortisation		22,309	-	10,188
Disposal of Fixed Assets		-	-	10,073
		<u>202,180</u>	<u>62,650</u>	<u>8,720</u>
Movements in Working Capital Items				
Increase in Current Liabilities		2,705	(79,908)	182,998
(Increase) / Decrease in Current Assets	12	<u>(7,513)</u>	<u>12,992</u>	<u>(3,838)</u>
		<u>(4,808)</u>	<u>(66,916)</u>	<u>179,160</u>
Net Cash Flows from Operating Activities		<u>\$197,372</u>	<u>(\$4,266)</u>	<u>\$187,880</u>

The above must be read in conjunction with the accompanying Statement of Accounting Policies and Audit Report.

New Zealand Registered Architects Board

Notes to the Accounts

Year Ended 30 June 2014

STATEMENT OF ACCOUNTING POLICIES

A Reporting Entity

The New Zealand Registered Architects Board (NZRAB) is a statutory board tasked with registering, monitoring and, if need be, disciplining architects. The NZRAB gains its authority from the Registered Architects Act 2005, its stated purpose being to protect the title "Registered Architect". The financial statements of the NZRAB have been prepared in accordance with generally accepted accounting practice in New Zealand, and the Registered Architects Act 2005.

B Measurement Base

The general principles recommended by the New Zealand Institute of Chartered Accountants for the measurement and reporting of financial operations on an historical cost basis have been followed. Accrual accounting has been applied to both Income and Expenditure. Items in the Financial Statements have been recognised exclusive of Goods and Services Tax (GST) with the exception of accounts payable and accounts receivable, which are stated with GST included.

C Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of the financial performance and financial position, have been applied:

Changes in Accounting Policy

All policies have been applied on a basis consistent with those used in previous years.

Valuation of Assets

Fixed assets are valued at cost less aggregate depreciation or amortisation.

Depreciation

Depreciation is provided on a diminishing value basis on all tangible assets at rates calculated to allocate the assets' cost over their estimated useful lives.

Computers and Equipment	30%-60% D.V.
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Furniture and Fittings	12%-30% D.V.
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Amortisation

Amortisation is provided on a straight line basis on all intangible assets at rates calculated to allocate the assets' cost over their estimated useful lives.

NZRAB Website and CPD Website	5 years S.L.
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Accounts Receivable

Accounts Receivable are stated at their estimated realisable value.

Employee Entitlements

Provision is made in respect of the NZRAB's liability for any annual leave at balance date. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Financial Instruments

There are no financial instruments that expose the NZRAB to significant foreign exchange risk or off-balance-sheet risks. All financial instruments including bank accounts, short term investments, accounts receivable and accounts payable are disclosed at their fair value. Revenue and expenses in relation to the financial instruments are recognised in the Statement of Financial Performance.

Taxation

The NZRAB is exempt from income tax as it is classified as a public authority in terms of the Income Tax Act 2007.

Differential Reporting

The NZRAB qualifies for differential reporting under the criteria for the Differential Reporting Framework as it is not publicly accountable and is not large. The NZRAB has taken advantage of all differential reporting exemptions available to it, except for Statement of Cash Flows.

NOTES TO THE FINANCIAL STATEMENTS**1 Going Concern**

The NZRAB is required to ensure that all annual costs are covered from net annual income.

At the time of writing, the NZRAB expects that the going concern assumption remains valid for the Financial Statements for the financial year ended 30 June 2014.

The financial viability of the NZRAB is dependent on the setting of appropriate fee levels so that the NZRAB can meet its future financial obligations. Fee setting is dependent on approval by the Minister, and options and recommendations are formulated by the Board for the Minister's consideration.

The NZRAB has appropriate controls to ensure the continual review and monitoring of expenditure levels and it will, where and when required, revise expenditure budgets to ensure that annual costs are covered from the net annual income.

2 Income in Advance

Fees received in advance for Certificate of Registration are accounted for in the Statement of Financial Position when receivable and recognized in the Statement of Financial Performance in the year to which they relate. The NZRAB has received payment for Certificates of Registration for the period 1 July 2014 to 30 June 2015 prior to the commencement of the year to which they relate.

3 Related Party Transactions

There have been no related party transactions during the financial year for which these financial statements are prepared.

4 Contingent Liabilities

There are no contingent liabilities at balance date (2013: Nil).

5 **Statement of Commitments as at 30 June 2014**

Capital Commitments

As at 30 June 2014, there were no capital commitments entered into (2013: Nil).

Operating Commitments

CPD Administration

The NZRAB has an agreement in place with the New Zealand Institute of Architects to administer the NZRAB's CPD framework. This agreement expires on 1st January 2018. The cost of this agreement based on current numbers is:

	2014	2013
Less than 1 year	165,560	165,560
Between 1-2 years	165,560	165,560
Between 3-5 years	248,340	413,900
<i>Premises</i>		
Less than 1 year	23,540	23,540
Between 1-2 years	23,540	23,540
Between 3-5 years	86,313	86,313
<i>Photocopier</i>		
Less than 1 year	3,423	3,423
Between 1-2 years	3,423	3,423
Between 3-5 years	2,282	5,706

6 **Bank**

	2014	2013
Bank	981,253	1,185,272
Cash on Hand	50	50
Short Term Deposits	352,168	-
Total Bank	<u>\$1,333,471</u>	<u>\$1,185,322</u>

The NZRAB has a total VISA credit card facility of \$60,000

7 **Creditors**

	2014	2013
Accounts Payable	140,185	133,432
GST Payable	84,583	59,816
Employee Entitlements	57,609	69,246
Total Creditors	<u>\$282,377</u>	<u>\$262,494</u>

8	Fixed Assets			
		Cost	Accumulated Depreciation	Book Value
	2014			
	Tangible Assets			
	Computers and Equipment	53,144	45,801	7,343
	Office Furniture and Fittings	56,863	10,400	46,463
	Total Tangible Assets	<u>\$110,007</u>	<u>\$56,201</u>	<u>\$53,806</u>
	Intangible Assets			
	Website	140,542	32,497	108,045
	Total Fixed Assets	<u>\$250,549</u>	<u>\$88,698</u>	<u>\$161,851</u>
	2013			
	Tangible Assets			
	Computers and Equipment	43,277	39,433	3,844
	Office Furniture and Fittings	56,167	5,116	51,051
	Total Fixed Assets	<u>\$99,445</u>	<u>\$44,549</u>	<u>\$54,896</u>
	Intangible Assets			
	Website	101,880	10,188	91,692
	Total Fixed Assets	<u>\$201,325</u>	<u>\$54,737</u>	<u>\$146,588</u>
9	Depreciation			
		2014	2013	
	Computers and Equipment	6,368	2,459	
	Office Furniture and Fittings	5,284	2,023	
	Total Depreciation	<u>\$11,652</u>	<u>\$4,482</u>	
10	Amortisation			
		2014	2013	
	Website	<u>22,309</u>	<u>10,188</u>	
11	APEC Architect Secretariat			
	Late income was received from a member economy of the APEC Architect Project for the provision of secretariat services from 1 January 2011 to 31 December 2012.			
12	(Increase)/Decrease in Current Assets			
	On the Statement of Cash Flows current assets means total current assets less cash.			

Post-Balance-Date Events

There were no post-balance-date events that have a material impact on the results for the period.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
NEW ZEALAND REGISTERED ARCHITECTS BOARD'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

The Auditor-General is the auditor of the New Zealand Registered Architects Board (the Board). The Auditor-General has appointed me, Robert Elms, using the staff and resources of Staples Rodway Wellington, to carry out the audit of the financial statements of the Board on her behalf.

We have audited the financial statements of the Board on pages 16 to 24, that comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of movement in equity 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.

Opinion

In our opinion the financial statements of the Board on pages 16 to 24:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's:
 - financial position as at 30 June 2014; and
 - financial performance and cash flows for the year ended on that date.

Our audit was completed on 30 October 2014. 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 Board and our responsibilities, 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 International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Board's financial statements that fairly reflect the matters to which they relate. We consider internal control 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 Board's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's financial position, financial performance and cash flows.

The Board is also 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. The Board is also responsible for the publication of the financial statements, whether in printed or electronic form.

The Board's responsibilities arise from the Registered Architects Act 2005.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 61 of the Registered Architects Act 2005.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Robert Elms
Staples Rodway Wellington
On behalf of the Auditor-General
Wellington, New Zealand