



Annual Report

2014 2015

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Statement from the Board

The 2014 2015 period has been memorable for the Board in that finally we have new discipline procedures in place, as a result of a reform process that began in 2009. For this the NZRAB first had to seek and obtain from Parliament amendments to the Registered Architects Act 2005 which is the parent document on which the regulations are based. After that, substantial changes to the Registered Architects Rules 2006 were required, these being gazetted on 28 May 2015.

The new procedures are now operating. As a result, processing complaints is now less time consuming and those who hear the evidence make the decisions, unlike previously. This is much better for all those involved.

These reforms come at a time when the number of complaints being received is increasing. The reason for this is uncertain, but the NZRAB takes this part of its work very seriously.

An in-depth review of the architects' code of ethics is also currently underway.

Separately, a reform of the minimum standards for initial and continuing registration took place and the new standards came into effect on 1 July 2015. The most important aspect of this reform was an acknowledgement that as architects' careers develop typically they specialise, which is reflected in the new minimum standard for continuing registration.

A new procedure and criteria for registering experienced architects from other countries, where appropriate, was introduced, drawing on some of the principles that underpin the APEC Architect Project. On 19 February 2015, an APEC Architect Mutual Recognition Arrangement was signed with Canada by Australia and New Zealand allowing for fast-track cross-border registrations.

The terms of three Board members came to an end during the review period; Anna-Marie Chin, Helen Tonkin and Sir Hugh Williams. The Board thanks them for their contribution. The Board also welcomed a new member; Louise Wright, who practises in Arrowtown.



Warwick Bell
Chairperson
20 October 2015



Callum McKenzie
Deputy Chairperson
20 October 2015

Executive Summary

Key statistics¹

As at 30 June 2015, 1,781 architects were registered in New Zealand.

During 2014 2015:

- 102 persons were granted registration and 20 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

- **14 April 2015:** The NZRAB issued its first newsletter to architects for 2015.
- **17 March 2015:** The NZRAB announced that it was a joint sponsor of a publication that explains the need for and how architects and engineers can better collaborate when working together on complex projects.
- **19 February 2015:** The registration authorities of Australia, Canada and New Zealand signed a mutual recognition arrangement that allows for fast-track cross-border registration for their APEC architects.
- **16 February 2015:** The NZRAB made a submission to the Australian Productivity Commission opposing suggestions that Australian architects should be able to work as architects in New Zealand without being registered here.
- **9 January 2015:** The Minister for Building and Housing announced that he had appointed architect Louise Wright to the NZRAB Board.
- **16 December 2014:** The NZRAB issued its third and final newsletter for 2014.
- **19 November 2014:** The NZRAB made public its *Annual Report 2014*.
- **30 October 2014:** The NZRAB made public its *Briefing to the Incoming Minister 2014*.
- **30 October 2014:** The NZRAB consulted architects in regard to architects' standards and technical competence.
- **12 September 2014:** The NZRAB announced that it was reviewing the New Zealand Architects' Code of Ethics and, as a first step, architects were asked for their views.
- **2 September 2014:** The NZRAB announced that a new simplified registration procedure was now available for some experienced offshore architects seeking registration in New Zealand.
- **1 August 2014:** The NZRAB began a one month consultation in regard to three proposed fee changes.

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

Numerical Performance Indicators

	2014/15	2013/14	2012/13	2011/12
Governance				
Board members as at 30 June	6	8	8	8
Board members appointed/reappointed	1	3	1	2
Board meetings ²	14	12	18	16
Registration				
Registration applications accepted (excludes TTMRA)	71	63	47	79
Registration applications declined	20	8	9	15
Equivalency assessments	19	31	15	19
Initial registration process reviews	0	0	0	0
TTMRA registrations ³	31	27	16	8
Continuing Registration				
Registered Architects at 30 June	1,781	1,722	1,671	1,621
Architects in voluntary suspension at 30 June	250	230	217	207
Architects granted a further 5-year continuing registration	140	73	84	1,060
Architects declined a further 5-years continuing registration	0	0	4	1
Ratio of female to male architects ⁴	27%	26%	26%	24%
APEC Architect				
NZ APEC Architects at 30 June	10 ⁵	9	8	6
NZ APEC Architects applications accepted	2	1	2	2
Public Protection/Discipline				
Complaints received	12	8	8	4
Complaints dismissed or withdrawn	5	7	4	4
Complaints upheld	1	1	1	0
Complaints not yet resolved at 30 June	11	5	6	3
Protection of Title				
Misuse of the title reported and acted on	27	15	20	13
Prosecutions ⁶	0	0	0	0
Communications				
Newsletters	2	3	4	4
Consultations/surveys	2	1	1	2
Administration				
Staff at 30 June (full time equivalent)	3.5	3.5	3.5	2.5
Registration assessors at 30 June	52	43	44	44
Finance				
Net surplus/(deficit)	(\$144,936)	\$168,219	(\$16,023)	\$7,821
Working Capital at 30 June	\$276,009	\$387,045	\$234,089	\$381,099
Equity at 30 June	\$403,960	\$548,896	\$380,677	\$396,699

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 During 2014 2015, New Zealand's first APEC Architect, Sir Ian Athfield, passed away.

⁶ Under section 7(4) of the Registered Architects Act 2005.

Statement of Service Performance

Overview

The government has in place a *Policy Framework for Occupational Regulation*⁷ 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 Act⁸ 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.

⁷ See Ministry for Business, Innovation and Employment website

⁸ Section 50

Initial Registration

During the review period, the NZRAB's initial registration procedures continued as normal. Of initial registration applications received,⁹ 71 were successful and 20 were unsuccessful.

The NZRAB's registration procedures are dependent on the expertise of 52 registration assessors. The registration assessors are experienced 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 refers 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. During the review period these minimum standards for registration were revised and the new criteria came into effect on 1 July 2015. The changes placed more emphasis on high-level knowledge and professionalism.

These minimum standards are derived from a more detailed set of competencies for architects that the NZRAB shares with the Architects Accreditation Council of Australia (AACA). During 2014 2015 these too were under review, the NZRAB making a 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 Assessment 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. During 2014 2015, QEAP made 19 determinations.

During the review period a new procedure was introduced by which an experienced registered or licensed architect from another country MAY be permitted to undertake a registration assessment for which the submission of a case study is not required. This makes the process significantly less onerous for these applicants.

Recognised New Zealand academic qualifications are reviewed and quality assured every five years by a procedure known as a National Visiting Panel (NVP). During 2014 2015, no NVPs were required. In addition, scheduled follow ups, known as Interim Review Panels (IRPs) monitor implementation of any recommendations from earlier NVPs. During August 2014, IRPs took place for the schools of architecture at Victoria University of Wellington, the University of Auckland and UNITEC.

⁹ Excludes Australian architects registered in New Zealand as of right under the Trans-Tasman Mutual Recognition Arrangement.

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.

By year's end, 140 architects had been reviewed and granted continuing registration, none had been declined and no competence reviews had yet to be completed.

The new minimum standards for registration that came into effect on 1 July 2015 included revised requirements for continuing registration, the changes better acknowledging that architects specialise during their careers.

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 can also record other professional development activities that they have undertaken on their own initiative.

During the review period, more profile was given to a separate procedure by which members of the public or other entities can raise with the NZRAB any concerns they have about an architect's overall competence. If justified, this may lead to the architect being required to have a one-off competence review.

New Zealand Architects Register

The NZRAB maintains an online architects' register¹⁰. 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, have been disciplined within the last three years.

¹⁰ The Act, sections 18 to 23.

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.”¹¹ During 2014 2015:

- 5 complaints were not yet resolved at 1 July 2014
- 12 complaints were received
- 5 complaints were dismissed or withdrawn
- 1 complaint was upheld
- 11 complaints were not yet resolved at 30 June 2015.

During the review period, as a result of a complaint, an architect was found to have breached the architects’ code of ethics¹² in that a design by the architect involved a miscalculation in regard to the boundary and the terms of engagement said the architect had Professional Indemnity Insurance when this was not correct. A penalty was imposed and architects were advised of the issues raised.

On 28 May 2015, changes to the Registered Architects Rules 2006 were gazetted which allow for new and more streamlined complaints and discipline procedures. The changed procedures mean that, unlike previously, all complaints where there is jurisdiction are immediately referred to an Investigating Committee that has a delegated authority to decide whether or not a formal Disciplinary Hearing is required. That Disciplinary Hearing is now conducted by the NZRAB Board itself, and as a result binding decisions can be made by those who heard the evidence directly. The new procedures are significantly simpler than previously and should see complaints processed in a timelier manner.

At year’s end, a review of the New Zealand architects code of ethics was underway.

Protection of Title

During the review period, 27 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, which is not an offence under the Registered Architects Act 2005.

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.

¹¹ The Act, section 25.

¹² Registered Architects Rules 2006, Rule 50

Each participating economy maintains its part of the APEC Architects Register which lists experienced architects who have been assessed as meeting agreed criteria. At year's end New Zealand had 10 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 (MRA) with Japan, Singapore and Canada. The MRA with Canada was signed during the year in review.

During the review period, for the first time an APEC Architect from another economy sought and was granted registration in New Zealand.

Communications

During the review period, two email newsletters were issued to architects and other stakeholders.

In addition, the NZRAB was a joint sponsor of a publication that explained the need for and how architects and engineers can better collaborate when working together on complex projects. This arose as a result of work on recommendations from the Canterbury Earthquakes Royal Commission.

On 30 October 2014, the NZRAB made public its *Briefing to the Incoming Minister 2014* following the 2014 General Election.

A consultation in regard to proposed fee changes took place in August 2014. Also, in October 2014, the NZRAB consulted architects in regard to architects' standards and technical competence.

Governance

The NZRAB is a statutory entity¹³ accountable to the Minister for Building and Housing. The primary expression of that accountability is an annual *Accountability Agreement between the Minister for Building and Housing 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 Housing. A maximum of four of the Board's members may be nominated to the Minister by the NZIA.¹⁴

During the review period, the terms of Board members Anna Marie Chin, Helen Tonkin and Sir Hugh Williams ended, and Louise Wright was appointed to the Board.

¹³ 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.

¹⁴ Section 52(3) of the Registered Architects Act 2005

At 30 June 2015, the Board members were as follows:

Board members	Occupation	First appointed	Current term expires
Warwick Bell (Chairperson)	Architect	05/08/2010	04/08/2016
Callum McKenzie* (Deputy Chairperson)	Architect	03/10/2008	02/10/2016
Christina van Bohemen*	Architect	05/08/2010	03/08/2016
Euan Mac Kellar*	Architect	19/12/2013	18/12/2015
Anthony van Raat	Architect/Academic	19/12/2010	18/12/2015
Louise Wright*	Architect	18/12/2014	17/12/2015

* NZIA nominated

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.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 2015, these committees were as follows:

- **Strategy and Finance Committee**
Members: Warwick Bell (Chair), Callum McKenzie (Deputy Chair), Euan Mac Kellar
- **Registration Committee**
Members: Callum McKenzie (Chair), Tony van Raat (Deputy Chair), Louise Wright, Tony Orgias, Alec McDonald, Felicity Christian, Ainsley O'Connell, Judith Taylor, Warwick Bell (ex-officio)
- **Public Protection Committee**
Members: Euan Mac Kellar (Chair), Christina van Bohemen (Deputy Chair), Carolyn Bull, Donna Howell, Andrew Watson, Warwick Bell (ex-officio).

Investigating Committees are appointed to investigate complaints as required. These committee's must comprise at least two board members and one person who is not a Board member. Also they must include at least one person who is an architect and one person who is not an architect.

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), Callum McKenzie (Dep Chair), Pip Cheshire (Pres NZIA), Gordon Moller (APEC Architect), Paul Jackman (CE NZRAB).

The New Zealand APEC Architect Monitoring 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 2015, 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 2014 2015, the NZRAB achieved a deficit of \$144,936, relative to a \$5,174 budgeted deficit. At 30 June 2015, the NZRAB had working capital of \$276,009.

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 2014 2015 these were as follows, with accompanying results.

Outcome	Key Performance Indicators
Governance	
1. 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	
2. A standard for recognised qualifications which ensures that graduates have the required skills and knowledge	Investigate the possible need for an increased emphasis on technical and management competence in qualifications recognised for initial registration. Result: Achieved – architects surveyed and intent is to investigate post-graduation pre-registration training options
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 and 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 – 95% of respondents agreed that the Board's initial registration procedures are credible, efficient and fair Investigate options for creating a specific initial registration procedure for highly-experienced architects from other jurisdictions seeking registration in New Zealand. Result: Achieved – procedure implemented
4. Complaints and discipline procedures that accord with natural justice, are timely, and assist the profession to perform better	Subject to new rules being created, implement new complaints and discipline procedures in line with a new Public Protection Policy. Result: Achieved – new procedures operational at year's end Review the Code of Minimum Standards of Ethical Conduct for Registered Architects. Result: Achieved in part – review close to completion at year's end
Strategy and Capability	
5. The Board well connected with international stakeholders	In association with Australia, negotiate with Canada a cross-border fast-track registration arrangement under the APEC Architect framework. Result: Achieved – signed 18/2/2015
6. The Board financially secure and well managed	Review the fees for an interactive competence review and review of registration procedures, and whether the annual Certificate of Registration fee can reflect the number of months covered on a pro-rata basis. Result: Achieved – Minister's support for fee changes proposals being sought at year's end
7. The Board organised efficiently and effectively in terms of its office and secretariat functions	Review how an extended use of technology would enhance the Board's work. Result: Achieved in part – Work underway on the presentation of registration case studies electronically at year's end

20 October 2015

Statement of Responsibility

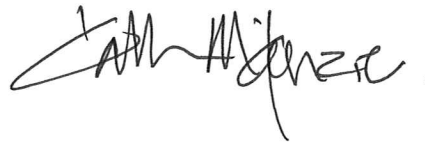
In terms of the Registered Architects Act 2005, the New Zealand Registered Architects Board accepts responsibility for the preparation of the New Zealand Registered Architects' Board's financial statements and the judgements made in the process of producing those statements.

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 2015.



Warwick Bell
Chairperson



Callum McKenzie
Deputy Chairperson

Financial Statements for the Year ended 30 June 2015

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Entity Information

Legal Name of Entity	New Zealand Registered Architects Board
Type of Entity and Legal Basis	Statutory Board
Entity's Purpose or Mission	To register and, if required, hold to account architects, in order to protect the public.
Entity Structure	Six to eight person Board appointed by the Governor General on the advice of the responsible Minister
Main sources of the Entity's Cash and Resources	Fees paid by architects and registration applicants
Contact Details	New Zealand Registered Architects Board PO Box 11106, Wellington 6142, New Zealand +64 4 471 1336, +64 21 2800 197, www.nzrab.org.nz

New Zealand Registered Architects Board

Statement of Financial Performance

for the Year Ended 30 June 2015

	Note	2015	2015 Budget	2014
<u>Income</u>				
Application for Registration		87,836	62,146	69,454
Certificate of Registration	1	998,296	960,960	959,105
Qualification Equivalency Assessment		7,650	9,000	12,150
Competence Reviews		3,850	3,300	6,050
APEC Architect Secretariat	12	-	-	5,976
Discipline Hearing Cost Recovery		11,481	50,000	23,515
Interest Received		33,285	28,000	23,524
Total Income		1,142,397	1,113,406	1,099,773
<u>Less Expenses</u>				
Administration		71,465	44,427	45,987
Audit Fees		6,550	6,350	6,350
Communication		7,929	6,730	7,055
Complaints and Discipline		104,525	132,035	31,145
Continuing Registration		182,658	180,092	181,289
Depreciation	7	11,851	9,328	11,652
Amortisation	7	28,108	27,882	22,309
Employee Related Costs	2	365,031	364,095	340,080
Governance		64,733	77,801	64,164
Occupancy Costs		30,243	28,098	29,640
Registration		414,240	241,742	191,884
Total Expenses		1,287,333	1,118,580	931,554
<u>Net Surplus / (Deficit)</u>		<u>(\$144,936)</u>	<u>(\$5,174)</u>	<u>\$168,219</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 2015

	Note	2015	2015 Budget	2014
<u>Current Assets</u>				
Bank	3	1,334,191	1,309,536	1,333,471
Accounts Receivable and Prepayments	4	21,675	90,000	33,724
Total Current Assets		1,355,866	1,399,536	1,367,195
<u>Current Liabilities</u>				
Creditors and Accrued Expenses	5	145,251	83,454	141,988
Employee Costs Payable	6	56,698	57,000	57,609
Income in Advance	1	877,907	840,000	780,553
Total Current Liabilities		1,079,856	980,454	980,150
Working Capital		\$276,009	\$419,082	\$387,045
Fixed Assets	7	127,951	124,641	161,851
<u>NET ASSETS</u>		\$403,960	\$543,723	\$548,896
Represented By:				
Equity	8	\$403,960	\$543,723	\$548,896

Chairperson 

Date...20 October 2015

Board Member 

Date...20 October 2015

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 2015

	Note	2015	2015 Budget	2014
Cash Flows from Operating Activities				
Cash was provided from:				
Receipts		1,186,956	1,144,668	1,048,877
Interest Received		33,285	28,000	23,524
		<u>1,220,241</u>	<u>1,172,668</u>	<u>1,072,401</u>
Cash was disbursed to:				
Payments to suppliers and employees		1,194,700	1,168,505	845,389
Occupancy Costs		30,243	28,098	29,640
		<u>1,224,943</u>	<u>1,196,603</u>	<u>875,029</u>
Net Cash Flows from Operating Activities		<u>(4,702)</u>	<u>(23,935)</u>	<u>197,372</u>
Cash Flows from Investing Activities				
Purchase of Fixed Assets		(6,059)	-	(49,224)
Net Increase in Cash Flow		<u>(\$10,761)</u>	<u>(\$23,935)</u>	<u>\$148,148</u>
Add Opening Bank Funds 01/07/14		1,333,470	1,333,471	1,185,322
Closing Bank Funds 30/06/15		<u>\$1,322,709</u>	<u>\$1,309,535</u>	<u>\$1,333,470</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 2015

STATEMENT OF ACCOUNTING POLICIES

A Basis of Preparation

The New Zealand Registered Architects Board has elected to apply PBE-SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that it does not have public accountability and has a total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

B Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

C Bank Accounts and Cash

Bank Accounts and Cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits).

D Specific Accounting Policies

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

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.
Furniture and Fittings	12%-30% D.V.

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.

Changes in Accounting Policy

The New Zealand Registered Architects Board has elected to apply PBE-SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)*.

NOTES TO THE FINANCIAL STATEMENTS

1 Certificate of Registration/Income in Advance

Fees received in advance for Certificates of Registration are accounted for in the Statement of Financial Position when received and recognised 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 2015 to 30 June 2016 prior to the commencement of the year to which they relate.

2 Employee Related Costs

	2015	2014
Provision for Holiday Pay	6,528	(18,170)
Gross Salaries	344,075	343,300
Employer's Superannuation	10,321	10,207
ACC Expenses	1,338	598
Staff Amenities	1,056	1,469
Staff Training	1,714	2,223
Staff Travel	-	453
Total Employee Related Costs	<u>\$365,031</u>	<u>\$340,080</u>

3 Bank

	2015	2014
Bank	896,863	981,253
Cash on Hand	50	50
Short Term Deposits	437,278	352,168
Total Bank	<u>\$1,334,191</u>	<u>\$1,333,471</u>

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

4 **Accounts Receivable and Prepayments**

	2015	2014
Prepayments	13,830	33,910
Trade Debtors	13,203	(344)
Sundry Debtors	6,122	159
Provision for Doubtful Debts	(11,481)	-
Total Accounts Receivable and Prepayments	<u>\$21,675</u>	<u>\$33,725</u>

5 **Creditors and Accrued Expenses**

	2015	2014
Trade Creditors	36,300	43,610
Sundry Creditors	619	517
GST	85,270	84,583
Accrued Expenses	23,062	13,278
Total Creditors and Accrued Expenses	<u>\$145,251</u>	<u>\$141,988</u>

6 **Employee Costs Payable**

	2015	2014
Holiday Pay Accrued	37,629	31,102
Salaries Accrued	2,728	1,483
IRD Scheduling Payments	9,746	17,928
Kiwisaver	1,836	1,564
Donations	30	30
Net Pay	4,729	5,502
Total Creditors and Accrued Expenses	<u>\$56,698</u>	<u>\$57,609</u>

7 **Fixed Assets**

	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation	Closing Carrying Amount
2015					
Tangible Assets					
Computers and Equipment	7,343	6,059	-	7,109	6,292
Office Furniture and Fittings	46,462	-	-	4,742	41,720
Total Tangible Assets	<u>\$53,805</u>	<u>\$6,059</u>	<u>-</u>	<u>\$11,851</u>	<u>\$48,013</u>
Intangible Assets					
Website	108,045	-	-	28,108	79,937
Total Fixed Assets	<u>\$161,850</u>	<u>\$6,059</u>	<u>-</u>	<u>\$39,959</u>	<u>\$127,950</u>
2014					
Tangible Assets					
Computers and Equipment	3,844	9,867	-	6,368	7,343
Office Furniture and Fittings	51,051	695	-	5,284	46,462
Total Tangible Assets	<u>\$54,895</u>	<u>\$10,562</u>	<u>-</u>	<u>\$11,652</u>	<u>\$53,805</u>
Intangible Assets					
Website	91,692	38,662	-	22,309	108,045
Total Fixed Assets	<u>\$146,587</u>	<u>\$49,224</u>	<u>-</u>	<u>\$33,961</u>	<u>\$161,850</u>

8 **Accumulated Funds**

2015	Accumulated Surpluses or Deficits
Opening Balance	548,896
Surplus / (Deficit)	(144,936)
Closing Balance	<u>403,960</u>
2014	Accumulated Surpluses or Deficits
Opening Balance	380,677
Surplus / (Deficit)	168,219
Closing Balance	<u>548,896</u>

9 **Statement of Commitments as at 30 June 2015**

Capital Commitments

As at 30 June 2015, there were no capital commitments entered into (2014: 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:

	2015	2014
Less than 1 year	165,560	165,560
Between 1-2 years	165,560	165,560
Between 3-5 years	82,780	248,340

Premises

Less than 1 year	23,540	23,540
Between 1-2 years	23,540	23,540
Between 3-5 years	39,233	86,313

Photocopier

Less than 1 year	3,423	3,423
Between 1-2 years	2,282	3,423
Between 3-5 years	-	2,282

10 **Contingent Liabilities**

There are no contingent liabilities at balance date (2014: Nil).

11 **Related Party Transactions**

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

12 **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.

13 **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 2015**

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.

Opinion

We have audited the financial statements of the Board which comprise on pages 5 to 11 the statement of service performance, and on pages 14 to 22 the statement of financial position as at 30 June 2015, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Board:

- present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
- have been prepared in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standards (PBE-SFR-A (PS)).

Our audit was completed on 20 October 2015. 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 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 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 of Directors;
- the adequacy of the 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 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 the preparation and fair presentation of financial statements for the Board in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standards (PBE SFR-A (PS)).

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

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

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