



Annual Report

2015 2016

Contents	Page
Statement from the Board	2
Executive Summary	3
Numerical Performance Indicators	4
Statement of Service Performance	5
Key Performance Indicators	12
Statement of Responsibility	13
Financial Statements for the Year ended 30 June 2016	14

New Zealand Registered Architects Board
 PO Box 11106
 Wellington 6142
 New Zealand

Ph +64 4 471 1336
info@nzrab.org.nz
www.nzrab.nz

Statement from the Board

The 2015 2016 period has seen significant achievement for the NZRAB, albeit with some issues still needing to be progressed.

New rules for processing complaints came into effect in 28 May 2015 and during the review period these were implemented. The results have been gratifying, in that the NZRAB's complaints procedures are now much simpler than previously and therefore complaints are being processed in a more timely way.

During 2015 2016, substantial work went into revising the architects' code of ethics and on 16 October 2015 the NZRAB's Board signed off on a revised text. A consultation in this regard was about to begin at year's end.

In terms of registration procedures, the main initiative was the development of a new registration procedure for experienced architects registered in other jurisdictions and now working in New Zealand.

The Board also signed a mutual recognition arrangement with the entity that represents state registration boards in the United States of America, to come into effect in January 2017. This will make registration in the US much easier for New Zealand architects and vice versa.

During the review period, the term of Board member Tony van Raat ended and Christina van Bohemen resigned from the Board to take up her duties as President of the New Zealand Institute of Architects (Inc). The Board thanks them both for their substantial contributions, and also welcomes new Board members Diane Brand and Marc Woodbury.

The Board also thanks the Registration Convenors and Assessors, working party and committee members, and staff for their extensive contributions.



Warwick Bell
Chairperson
27 October 2016



Marc Woodbury
Board Member
27 October 2016

Executive Summary

Key statistics¹

As at 30 June 2016, 1,846 architects were registered in New Zealand.

During 2015 2016:

- 92 persons were granted registration and 18 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
- disciplinary actions were taken against two architects.

Chronology

- **22 June 2016:** The NZRAB issued a newsletter to architects and other stakeholders.
- **21 June 2016:** the NZRAB announced that it had signed a mutual recognition arrangement in regard to cross border registrations with the National Council of Architectural Registration Boards that represents state registration boards in the USA.
- **19 May 2016:** A new registration procedure was introduced for overseas architects living and working in New Zealand.
- **29 April 2016:** Marc Woodbury was appointed to the NZRAB Board.
- **31 March 2016:** Christina van Bohemen resigned from the NZRAB Board.
- **19 December 2015:** Professor Diane Brand was appointed to the NZRAB Board, replacing Tony van Raat whose term had expired.
- **11 November 2015:** The NZRAB made public its *Annual Report 2015*.
- **20 August 2015:** The NZRAB issued a newsletter to architects and other stakeholders.
- **1 July 2015:** Revised minimum standards for initial and continuing registration came into effect.

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

Numerical Performance Indicators

	2015/16	2014/15	2013/14	2012/13
Governance				
Board members as at 30 June	6	6	8	8
Board members appointed/reappointed	3	1	3	1
Board meetings ¹	13	14	12	18
Registration				
Registration applications accepted (excludes TTMRA)	68	71	63	47
Registration applications declined	18	20	8	9
Equivalency assessments	23	19	31	15
Initial registration process reviews received	1	0	0	0
TTMRA registrations ²	24	31	27	16
Continuing Registration				
Registered Architects at 30 June	1,846	1,781	1,722	1,671
Architects in voluntary suspension at 30 June	263	250	230	217
Architects granted a further 5-year continuing registration	284	140	73	84
Architects declined a further 5-years continuing registration	0	0	0	4
Percentage of architects that are female ³	22%	21%	21%	20%
APEC Architect				
NZ APEC Architects at 30 June	10	10	9	8
NZ APEC Architects applications accepted	0	2	1	2
Public Protection/Discipline				
Complaints received	7	12	8	8
Complaints dismissed or withdrawn	8	5	7	4
Complaints upheld	2	1	1	1
Complaints not yet resolved at 30 June	8	11	5	6
Protection of Title				
Misuse of the title reported and acted on	25	27	15	20
Prosecutions ⁴	0	0	0	0
Communications				
Newsletters	2	2	3	4
Consultations/surveys	0	2	1	1
Administration				
Staff at 30 June (full time equivalent)	3.5	3.5	3.5	3.5
Registration assessors at 30 June	54	52	43	44
Finance				
Net surplus/(deficit)	(\$24,650)	(\$144,936)	\$168,219	(\$16,023)
Working Capital at 30 June	\$287,452	\$276,009	\$387,045	\$234,089
Equity at 30 June	\$379,310	\$403,960	\$548,896	\$380,677

¹ Includes decisions made by email resolutions and conference calls. Typically there are four face-to-face meetings annually, plus a one-day strategy meeting.

² Australian architects registered in New Zealand as of right under the government-to-government Trans-Tasman Mutual Recognition Arrangement.

³ Includes architects in voluntary suspension. In previous annual reports this was expressed as a ratio.

⁴ 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*¹ 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 Act² 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.

¹ See Cabinet Office Circular *Policy Framework for Occupational Regulation* CO (99) 6.

² Section 50.

Initial Registration

During the review period, the NZRAB's initial registration procedures continued as normal. Of initial registration applications received,¹ 68 were successful and 18 were unsuccessful.

The NZRAB's registration procedures are dependent on the expertise of 54 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 first-time 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. Extensive revisions to the minimum standards for registration came into effect on 1 July 2015, placing 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.

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. Preliminary assessments are done by a Qualifications and Experience Assessment Panel (QEAP) which reviews applicants' individual study records and work histories. From that, determinations are then made for each applicant as to what extra study or work experience, if any, is required. Once any such 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 2015 2016, QEAP made 23 determinations.

Recognised New Zealand academic qualifications are reviewed and quality assured every five years by a procedure known as a National Visiting Panel (NVP). During 2015 2016, an NVP took place at the Unitec Department of Architecture. In addition, scheduled follow ups, known as Interim Review Panels (IRPs), monitor implementation of any recommendations from earlier NVPs. During 2015/16, an IRP took place at the University of Auckland School of Architecture and Planning.

The main new initiative in regard to registration was the introduction of a specific new registration procedure for architects registered in other jurisdictions who are living and working in New Zealand.

¹ 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, 284 architects had been reviewed and granted continuing registration, none had been declined and no competence reviews had yet to be completed.

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.

New Zealand Architects Register

The NZRAB maintains an online architects' register. The statutory purpose¹ 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.

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."² During 2015 2016:

- 11 complaints were not yet resolved at 1 July 2015
- 7 complaints were received
- 8 complaints were dismissed or withdrawn
- 2 complaints were upheld
- 8 complaints were not yet resolved at 30 June 2016.

¹ The Act, sections 18 to 23.

² The Act, section 25.

As a result of disciplinary procedures, during 2015 2016:

- An architect was found wanting for having falsified his claims for continuing professional development (CPD) points. The penalty was censure and a fine of \$2000. The Board also decided to make the architect's name public.
- An architect was found wanting for have made errors in a design which were not identified before applications for building and resource consent applications were made and for not following the process for seeking a resource consent agreed to in the terms of engagement. The penalty was censure.

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 meant 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 are made directly by those who hear the evidence.

On 16 October 2015, the Board of the NZRAB signed off on a set of proposed revisions of the code of ethics to which architects are accountable. This followed an extensive review conducted by a working party. The architects' code of ethics are enshrined in regulations and changes require ministerial consent. A consultation in regard to the proposed changes was about to begin at year's end.

Protection of Title

During the review period, 25 examples of the title "architect" being used wrongly were identified 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 Act.

International

In February 2016, the NZRAB signed a mutual recognition arrangement with the USA National Council of Architectural Registration Boards (NCARB). This means New Zealand architects with at least three years' experience post registration will be entitled to be registered in those states and territories in the USA that are parties to this arrangement. Likewise, registered or licensed architects from participating USA jurisdictions with three years post registration experience will be entitled to registration in New Zealand. The arrangement is due to come into effect in January 2017 subject to at least 50 per cent of the states and territories in the USA participating, which is currently being arranged. Australia is also a signatory.

Communications

Two email newsletters were issued to architects and other stakeholders.

Governance

The NZRAB is a statutory entity¹ 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.²

During the review period, the term of Board member Tony van Raat expired, Christina van Bohemen resigned, and Diane Brand was appointed to the Board.

At 30 June 2016, the Board members were as follows:

Board members	Occupation	First appointed	Current term expires
Warwick Bell (Chairperson)	Architect	05/08/2010	04/08/2018
Callum McKenzie* (Deputy Chairperson)	Architect	03/10/2008	02/10/2016
Prof Diane Brand	Academic Architect	19/12/2015	18/12/2017
Euan Mac Kellar*	Architect	19/12/2013	18/12/2017
Marc Woodbury*	Architect	02/05/2016	01/05/2018
Louise Wright*	Architect	18/12/2014	17/12/2017

* NZIA nominated

Architect and NZIA nominee Kimberly Browne was also appointed to the Board, her term starting on 3 October 2016.

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 2016, 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), Diane Brand (Deputy Chair), Louise Wright, Tony Orgias, Alec McDonald, Felicity Christian, Ainsley O'Connell, Judith Taylor, Marc Woodbury, Warwick Bell (ex-officio)

¹ 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.

² Section 52(3) of the Registered Architects Act 2005.

- **Public Protection Committee**

Members: Euan Mac Kellar (Chair), Warwick Bell (ex-officio) (Deputy Chair), Kimberly Browne, Carolynn Bull, Donna Howell, Andrew Watson, Penny Mudford.

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. Penny Mudford is the standing chair of Investigating Committees.

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), Christina van Bohemen (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:

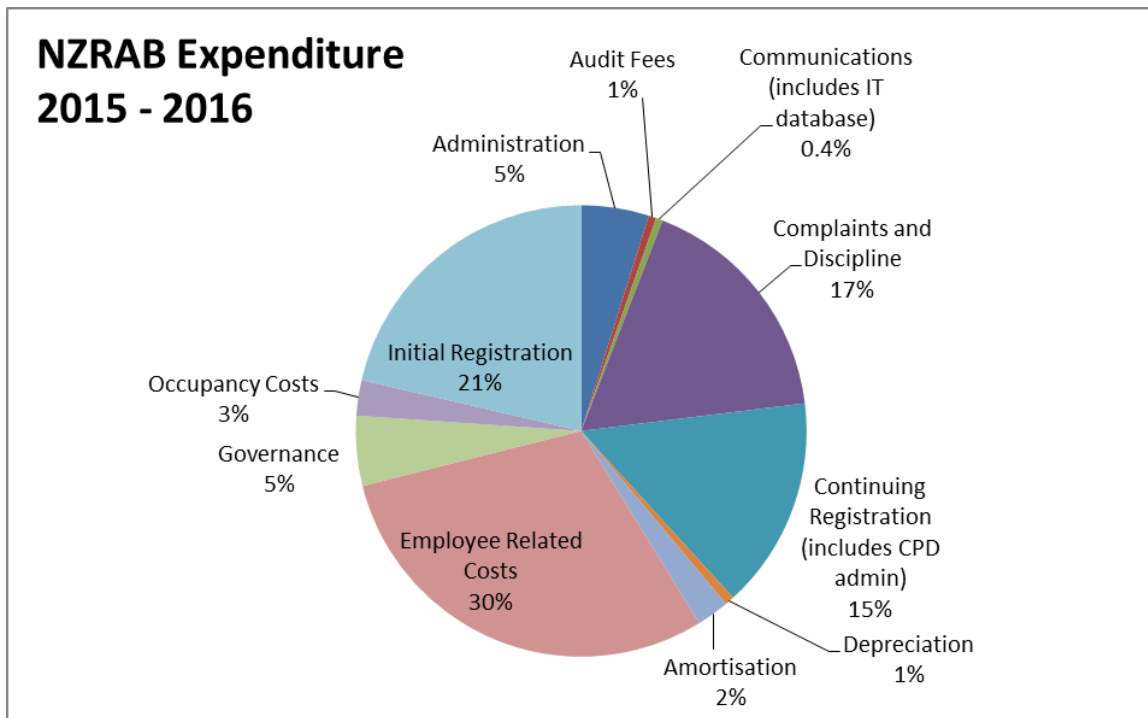
- annual fees paid by Registered Architects
- fees for specific services or procedures paid by architects and registration applicants
- bank interest.

At 30 June 2016, 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 2015 2016, the NZRAB achieved a deficit of \$24,650, relative to a \$17,448 budgeted deficit. At 30 June 2016, the NZRAB had working capital of \$287,452.

The NZRAB's proportional expenditure is indicated below.



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, collegial work culture is encouraged.

Key Performance Indicators

The NZRAB's Accountability Agreement with the Minister for Building and Housing includes agreed outcomes that the NZRAB is required to achieve and key performance indicators for this. For 2015 2016 these were as follows, with accompanying results.

Outcome	Key Performance Indicators
Governance	
1. A building sector in which occupational licensing is organised so that: <ul style="list-style-type: none"> a. all those who design buildings are demonstrably competent and standards are raised thereby lifting productivity b. the registration/licensing arrangements in the design sector can be clearly understood by the public. 	Contribute to the government's review of occupational licensing in the building sector and, in doing so, continue to advocate that architects and other building designers are registered within a single integrated system. Result: Achieved
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. A standard for recognised qualifications which ensures that graduates have the required skills, knowledge and attitude to progress to registration.	Investigate options for enhancing the preparation of graduates leading to registration. Result: Not achieved – Latterly the Board determined that this was not a priority. Develop and adopt a Degree Recognition Policy. Result: Not achieved – Latterly the Board determined that this was not a priority.
4. 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
5. Competence Review procedures that are rigorous, efficient and fair.	Benchmark the NZRAB's continuing registration policy and procedures against other professions as a precursor to a possible review. Result: Achieved
Strategy and Capability	
6. 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
7. An appropriate code of ethical conduct.	Implement and communicate to architects a revised Code of Minimum Standards of Ethical Conduct for Registered Architects. Result: Achieved in part – At year's end a public consultation on proposed changes to the Code of Minimum Standards of Ethical Conduct for Registered Architects was about to begin.
8. The NZRAB well connected with its New Zealand stakeholders.	Subject to the new (complaints and discipline) rules being created, prepare and make available online information explaining the new procedures. Result: Achieved

27 October 2016

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 2016.

The image shows two handwritten signatures in black ink. The signature on the left is 'Warwick Bell' and the signature on the right is 'Marc Woodbury'.

Warwick Bell
Chairperson

Marc Woodbury
Board Member

Financial Statements for the Year ended 30 June 2016

Contents	Page
Entity Information	14
Statement of Financial Performance	15
Statement of Financial Position	16
Statement of Cash Flows	17
Notes to the Accounts	18
Audit Report	23

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.nz

New Zealand Registered Architects Board

Statement of Financial Performance

for the Year Ended 30 June 2016

	Note	2016	2016 Budget	2015
<u>Income</u>				
Application for Registration		83,631	70,032	87,836
Certificate of Registration	1	1,023,733	1,020,880	998,296
Qualification Equivalency Assessment		11,000	9,000	7,650
Competence Reviews		2,750	5,500	3,850
Other Income		750	-	-
Discipline Hearing Cost Recovery		18,481	75,000	11,481
Fines		2,000	-	-
Recovered Doubtful Debts		11,481	-	-
Interest Received		26,150	30,000	33,285
Total Income		1,179,976	1,210,412	1,142,397
<u>Less Expenses</u>				
Administration		58,438	54,806	71,465
Audit Fees		6,625	6,550	6,550
Communication		5,793	8,181	7,929
Complaints and Discipline		206,769	192,988	104,525
Continuing Registration		182,842	187,054	182,658
Depreciation	7	7,984	7,984	11,851
Amortisation	7	28,108	28,108	28,108
Employee Related Costs	2	359,719	358,671	365,031
Governance		60,272	62,177	64,733
Occupancy Costs		30,578	31,535	30,243
Registration		257,497	289,806	414,240
Total Expenses		1,204,625	1,227,860	1,287,333
<u>Net Surplus / (Deficit)</u>		<u>(\$24,650)</u>	<u>(\$17,448)</u>	<u>(\$144,936)</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 2016

	Note	2016	2016 Budget	2015
<u>Current Assets</u>				
Bank	3	1,323,279	1,328,571	1,334,191
Accounts Receivable and Prepayments	4	<u>51,096</u>	<u>27,790</u>	<u>21,675</u>
Total Current Assets		1,374,376	1,356,361	1,355,866
<u>Current Liabilities</u>				
Creditors and Accrued Expenses	5	185,716	172,641	145,251
Employee Costs Payable	6	54,858	43,065	56,698
Income in Advance	1	<u>846,350</u>	<u>846,000</u>	<u>877,907</u>
Total Current Liabilities		1,086,924	1,061,706	1,079,856
Working Capital		<u>\$287,452</u>	<u>\$294,655</u>	<u>\$276,009</u>
Fixed Assets	7	91,859	91,859	127,951
<u>NET ASSETS</u>		<u>\$379,310</u>	<u>\$386,514</u>	<u>\$403,960</u>
Represented By:				
Equity	8	<u>\$379,310</u>	<u>\$386,514</u>	<u>\$403,960</u>



Chairperson

27th October 2016

Date.....



Board Member

27th October 2016

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 Cash Flows

for the Year Ended 30 June 2016

	Note	2016	2016 Budget	2015
Cash Flows from Operating Activities				
Cash was provided from:				
Receipts		1,102,145	1,151,559	1,198,437
Interest Received		26,150	30,000	33,285
		<u>1,128,294</u>	<u>1,181,559</u>	<u>1,231,722</u>
Cash was disbursed to:				
Payments to suppliers and employees		1,108,628	1,155,644	1,194,700
Occupancy Costs		30,578	31,535	30,243
		<u>1,139,206</u>	<u>1,187,179</u>	<u>1,224,943</u>
Net Cash Flows from Operating Activities		<u>(10,911)</u>	<u>(5,619)</u>	<u>6,779</u>
Cash Flows from Investing Activities				
Purchase of Fixed Assets		-	-	(6,059)
Net Increase in Cash Flow		<u>(\$10,911)</u>	<u>(\$5,619)</u>	<u>\$720</u>
Add Opening Bank Funds 01/07/15		1,334,190	1,334,191	1,333,470
Closing Bank Funds 30/06/16		<u>\$1,323,279</u>	<u>\$1,328,571</u>	<u>\$1,334,190</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 2016

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 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.
-------------------------------	--------------

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

There are no changes in accounting policy.

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 2016 to 30 June 2017 prior to the commencement of the year to which they relate.

2 Employee Related Costs

	2016	2015
Change to Provision for Holiday Pay	(6,210)	6,528
Gross Salaries	350,341	344,075
Employer's Superannuation	10,509	10,321
ACC Expenses	486	1,338
Legal Fees	975	-
Staff Amenities	2,051	1,056
Staff Training	1,568	1,714
Staff Travel	-	-
Total Employee Related Costs	<u>\$359,719</u>	<u>\$365,031</u>

3 Bank

	2016	2015
Bank	965,023	896,863
Cash on Hand	50	50
Short Term Deposits	358,206	437,278
Total Bank	<u>\$1,323,279</u>	<u>\$1,334,191</u>

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

4 **Accounts Receivable and Prepayments**

	2016	2015
Prepayments	23,128	13,830
Trade Debtors	23,253	13,203
Sundry Debtors	4,715	6,122
Provision for Doubtful Debts	-	(11,481)
Total Accounts Receivable and Prepayments	<u>\$51,096</u>	<u>\$21,675</u>

5 **Creditors and Accrued Expenses**

	2016	2015
Trade Creditors	36,265	36,300
Sundry Creditors	4	619
GST	99,606	85,270
Accrued Expenses	49,841	23,062
Total Creditors and Accrued Expenses	<u>\$185,716</u>	<u>\$145,251</u>

6 **Employee Costs Payable**

	2016	2015
Holiday Pay Accrued	31,419	37,629
Salaries Accrued	5,678	2,728
IRD Scheduling Payments	13,369	9,746
KiwiSaver	1,854	1,836
Donations	0	30
Net Pay	2,538	4,729
Total Creditors and Accrued Expenses	<u>\$54,858</u>	<u>\$56,698</u>

7 **Fixed Assets**

	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation	Closing Carrying Amount
2016					
Tangible Assets					
Computers and Equipment	6,292	-	-	3,736	2,555
Office Furniture and Fittings	41,720	-	-	4,248	37,472
Total Tangible Assets	<u>\$48,012</u>	<u>-</u>	<u>-</u>	<u>\$7,984</u>	<u>\$40,028</u>
Intangible Assets					
Website	79,937	-	-	28,108	51,829
Total Fixed Assets	<u>\$127,949</u>	<u>-</u>	<u>-</u>	<u>\$36,092</u>	<u>\$91,857</u>
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>

8 **Accumulated Funds**

2016	Accumulated Surpluses or Deficits
Opening Balance	403,960
Surplus / (Deficit)	(24,650)
Closing Balance	<u>379,310</u>
2015	Accumulated Surpluses or Deficits
Opening Balance	548,896
Surplus / (Deficit)	(144,936)
Closing Balance	<u>403,960</u>

9 **Statement of Commitments as at 30 June 2016**

Capital Commitments

As at 30 June 2016, there were no capital commitments entered into (2015: 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:

	2016	2015
Less than 1 year	165,560	165,560
Between 1-2 years	82,780	165,560
Between 3-5 years	-	82,780

Premises

Less than 1 year	23,540	23,540
Between 1-2 years	23,540	23,540
Between 3-5 years	15,693	39,233

Photocopier

Less than 1 year	4,003	3,423
Between 1-2 years	4,003	2,282
Between 3-5 years	5,004	-

10 **Contingent Liabilities**

There are no contingent liabilities at balance date (2015: Nil).

11 **Related Party Transactions**

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

12 **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
PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The Auditor-General is the auditor of the New Zealand Registered Architects 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 performance report of the Board on her behalf.

We have audited the performance report of the Board on pages 5 to 11 and pages 14 to 22, that comprise the Statement of Service Performance, entity information, the statement of financial position as at 30 June 2016, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the performance report that includes accounting policies and other explanatory information.

Opinion

In our opinion the performance report of the Board on pages 5 to 11 and pages 14 to 22:

- fairly reflect the Board's:
 - statement of service performance;
 - entity information for the year then ended;
 - financial position as at 30 June 2016; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector).

Our audit was completed on 31 October 2016. 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 performance report is 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 performance report. 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 performance report. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the performance report whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Board's performance report 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 performance report; and
- the overall presentation of the performance report.

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

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 a performance report that:

- complies with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's entity information, 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 a performance report that is free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the performance report, 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 performance report and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 16 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