



Annual Report

2016 2017

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Statement from the Board

The review period, 1 July 2016 to 30 June 2017, has been one of achievement, but also there have been significant challenges.

On 21 June 2016, the New Zealand Registered Architects Board (NZRAB) and the Architects Accreditation Council of Australia (AACCA) signing a Mutual Recognition Arrangement (MRA) with the US National Council of Architectural Registration Boards (NCARB), allowing for fast-track cross-border registrations between New Zealand (and Australia) and participating US states and territories.

This arrangement went live on 1 January 2017, reflecting the fact that more than 50 per cent of US states and territories had agreed to participate, as the MRA requires.

Since then, discussions have begun with the United Kingdom Architects Registration Board, the aim being to negotiate an equivalent MRA with the UK. We already have a limited MRA with Canada which we hope to extend, the aim being to have fast-track cross-border registration arrangements with the other English-speaking nations.

At year's end, a request was made to the Minister for Building and Construction asking that he approve rule changes in regard to available grounds for dismissing complaints, the architects' code of ethics, and fee reductions and adjustments.

An important precedent in terms of how architects are expected to manage clients' expectations was established as a result of disciplinary proceedings. At issue was a project where the construction costs exceeded the budget to such an extent that the project had to be cancelled. The implications of this were extensively communicated to architects.

During the first half of calendar 2017, five-yearly continuing registration assessments were conducted for near on 1000 architects, these being in most cases architects who came to the NZRAB at its inception from the previous Architects Education and Registration Board.

The review period saw Callum McKenzie's time on the Board come to an end. Callum first joined the Board in 2008 and he served as Board Deputy Chair and Chair of the NZRAB's Registration Committee. The Board thanks Callum for his tireless work and the quality of his contribution.

The Board also welcomes new Board member Kimberly Browne, and thanks the Registration Convenors and Assessors, working party and committee members, and our staff for their extensive contributions.



Warwick Bell
Chairperson
18 October 2017



Marc Woodbury
Board Member
18 October 2017

Executive Summary

Key statistics¹

As at 30 June 2017, 1,889 architects were registered in New Zealand.

During 2016 2017:

- 65 persons were granted registration and 8 registration applications were declined
- one architect was suspended as a result of a competence review
- no architects were suspended as a disciplinary penalty or for not paying fines or costs
- disciplinary action² was taken against one architect.

Chronology

- **9 May 2017:** The NZRAB requested that the Minister for Building and Construction approve proposed rule changes in regard to the NZRAB's complaints procedures, the Architects' Code of Ethics and some of the NZRAB's fees.
- **21 April 2017:** The NZRAB initiated a consultation with architects and its other stakeholders in regard to proposed changes to the NZRAB's rules relating to its complaints procedures.
- **11 January 2017:** The 2017 round of five-yearly continuing registration assessments began.
- **1 January 2017:** The Australia USA New Zealand Mutual Recognition Arrangement for fast-track cross-border registrations came into effect.
- **1 December 2016:** The NZRAB issued a fact sheet entitled "Your Path to Registration" explaining to recent graduates what registration entails and what graduates can do to prepare for this.
- **30 November 2016:** The NZRAB issued a newsletter to architects and its other stakeholders
- **15 November 2016:** The NZRAB made public its *Annual Report 2015 2016*.
- **20 July 2016:** The NZRAB initiated a consultation with architects and its other stakeholders in regard to proposed changes to the Architects' Code of Ethics.

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

² Complaint(s) upheld.

Numerical Performance Indicators

	2016/17	2015/16	2014/15	2013/14
Governance				
Board members as at 30 June	6	6	6	8
Board members appointed/reappointed	2	3	1	3
Board meetings ¹	12	13	14	12
Registration				
Registration applications accepted (excludes TTMRA)	42	68	71	63
Registration applications declined	8	18	20	8
Equivalency assessments	16	23	19	31
Initial registration process reviews received	0	1	0	0
TTMRA registrations ²	23	24	31	27
Continuing Registration				
Registered Architects at 30 June	1889	1,846	1,781	1,723
Architects in voluntary suspension at 30 June	267	263	250	230
Architects granted a further 5-year continuing registration ³	922	284	140	73
Architects declined a further 5-years continuing registration	1	0	0	0
Percentage of Registered Architects that are female	21.7%	20.4%	20.0%	19.5%
APEC Architect				
NZ APEC Architects at 30 June	10	10	10	9
NZ APEC Architects applications accepted	0	0	2	1
Public Protection/Discipline				
Complaints received	7	7	12	8
Complaints dismissed or withdrawn	7	8	5	7
Complaints upheld	1	2	1	1
Complaints not yet resolved at 30 June	7	8	11	5
Protection of Title				
Misuse of the title reported and acted on	23	25	27	15
Prosecutions ⁴	0	0	0	0
Communications				
Newsletters	1	2	2	3
Consultations/surveys	2	0	2	1
Administration				
Staff at 30 June (full time equivalent)	3.5	3.5	3.5	3.5
Registration Assessors at 30 June	52	54	52	43
Finance				
Net surplus/(deficit)	\$103,007	(\$24,650)	(\$144,936)	\$168,219
Working Capital at 30 June	\$422,796	\$287,452	\$276,009	\$387,045
Equity at 30 June	\$482,317	\$379,310	\$403,960	\$548,896

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 Does not include architects reviewed who came out of voluntary suspension.

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. In total 65 Architects were registered for the first time and 8 registration applications were declined.

The NZRAB's registration procedures are dependent on the expertise of 52 Registration Assessors. The Registration Assessors are experienced architects who advise the Board on who should be permitted to enter and stay in the profession. For first-time initial registration typically 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 minimum standard for registration describing what architects must know and be able to do (Rule 7 of the Registered Architects Rules 2006). These minimum standards are in turn derived from the National Standard of Competency for Architects which is a more detailed set of architects' competencies 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 2016 2017, QEAP made 16 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 2016 2017, an NVP took place at the University of Auckland. In addition, scheduled follow ups, known as Interim Review Panels (IRPs), monitor implementation of any recommendations from earlier NVPs. During 2016 2017, an IRP took place at Victoria University of Wellington.

These procedures have been developed by and are shared with Australia. During the review period, these procedures, known as the Australian and New Zealand Architecture Program Accreditation Procedure (ANZAPAP), were under review and the NZRAB made a submission.



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.

During the review period, 922 architects were reviewed and granted continuing registration for a further five years,¹ and 1 was reviewed and declined.

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. on the NZRAB's behalf.

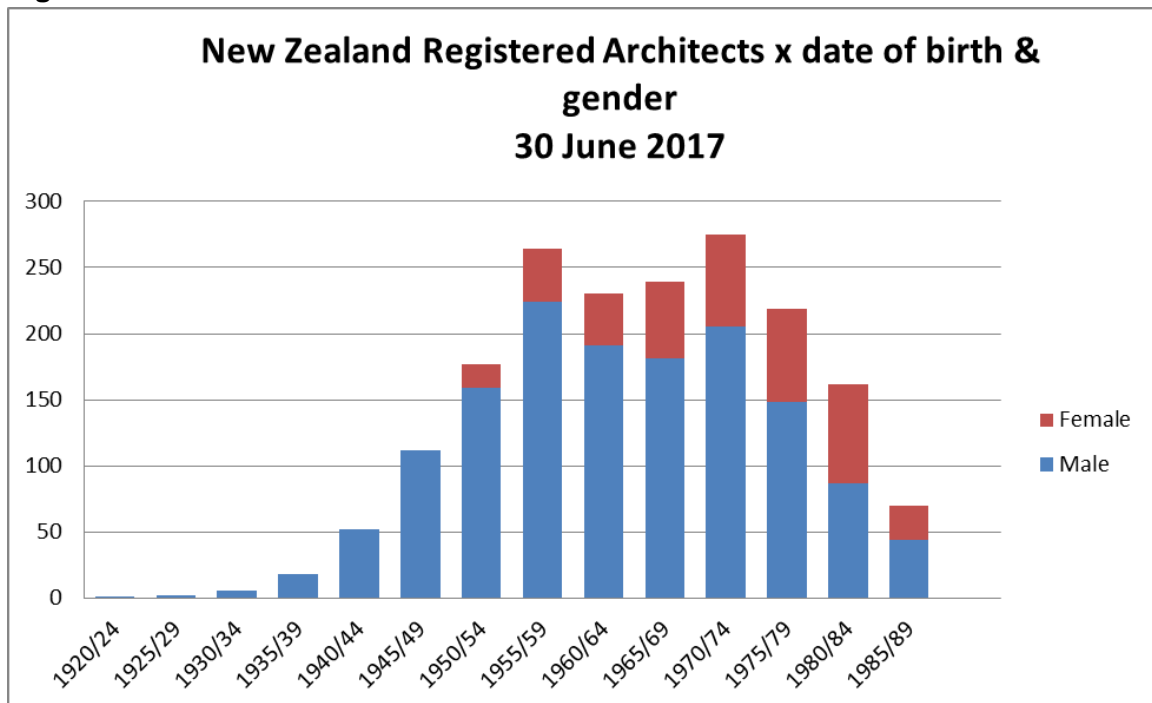
This allows architects to record online their professional development activities quantified via a points system. When architects have their five-yearly competence reviews, their CPD records can be cited as evidence that they have "taken reasonable steps to maintain the currency of (their) architectural knowledge and skills."²

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 done on their own initiative.

Demographics and Gender

Fig 1 below provides a visual representation of the demographics of New Zealand's architects by gender and age.

Fig 1



¹ Does not include architects reviewed who came out of voluntary suspension.

² Rule 21(1)(b).



New Zealand Architects Register

The NZRAB maintains an online New Zealand Architects Register. The Register's statutory purpose¹ 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 2016 2017:

- 8 complaints were not yet resolved at 1 July 2016
- 7 complaints were received
- 7 complaints were dismissed or withdrawn
- 1 complaint was upheld
- 7 complaints were not yet resolved at 30 June 2017.

Protection of Title

During the review period, 23 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 are 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 are entitled to registration in New Zealand. The arrangement came into effect on 1 January 2017 with, as required, at least 50 per cent of the states and territories in the USA participating. As a result, at year's end three US architects had been registered in New Zealand and two New Zealand architects had used this procedure to seek registration in the US.

Communications

One email newsletter was issued to architects and other stakeholders.

Two consultations with architects and other stakeholders were conducted, relating to proposed changes to the architects code of ethics and grounds for dismissing complaints.

¹ The Act, sections 18 to 23.

² The Act, section 25.



Governance

The NZRAB is a statutory entity¹ accountable to the Minister for Building and Construction (the Minister). The primary expression of that accountability is an annual accountability agreement with the Minister 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. 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 Callum McKenzie expired and Kimberly Browne joined the Board. As year's end a Deputy Chairperson had yet to be appointed.

At 30 June 2017, the Board members were as follows:

Board members	Occupation	First appointed	Current term expires
Warwick Bell (Chairperson)	Architect	05/08/2010	04/08/2018
Prof Diane Brand	Academic Architect	19/12/2015	18/12/2017
Kimberly Browne*	Architect	03/10/2016	02/10/2018
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

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 2017, these committees were as follows:

Strategy and Finance Committee

Members: Warwick Bell (Chair), Euan Mac Kellar, Marc Woodbury

Registration Committee

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

Public Protection Committee

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

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.



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.¹ Penny Mudford is the Standing Chair.

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 30 June 2017, the members were Warwick Bell (Chair), Marc Woodbury (Dep Chair), Christina van Bohemen (Pres NZIA), Gordon Moller (APEC Architect), Paul Jackman (CE NZRAB).

Rule Changes

One of the requirements of the Act is that there be a set of rules or regulations relating to Registered Architects and how the NZRAB is to function, these being the Registered Architects Rules 2006. Rules and rule changes are proposed by the NZRAB, but must be approved by the Minister for Building and Construction. On 9 May 2017, a request was made to the Minister asking that he approve rule changes in regard to grounds for dismissing complaints, the architects' code of ethics, and fee changes.

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 2017, 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

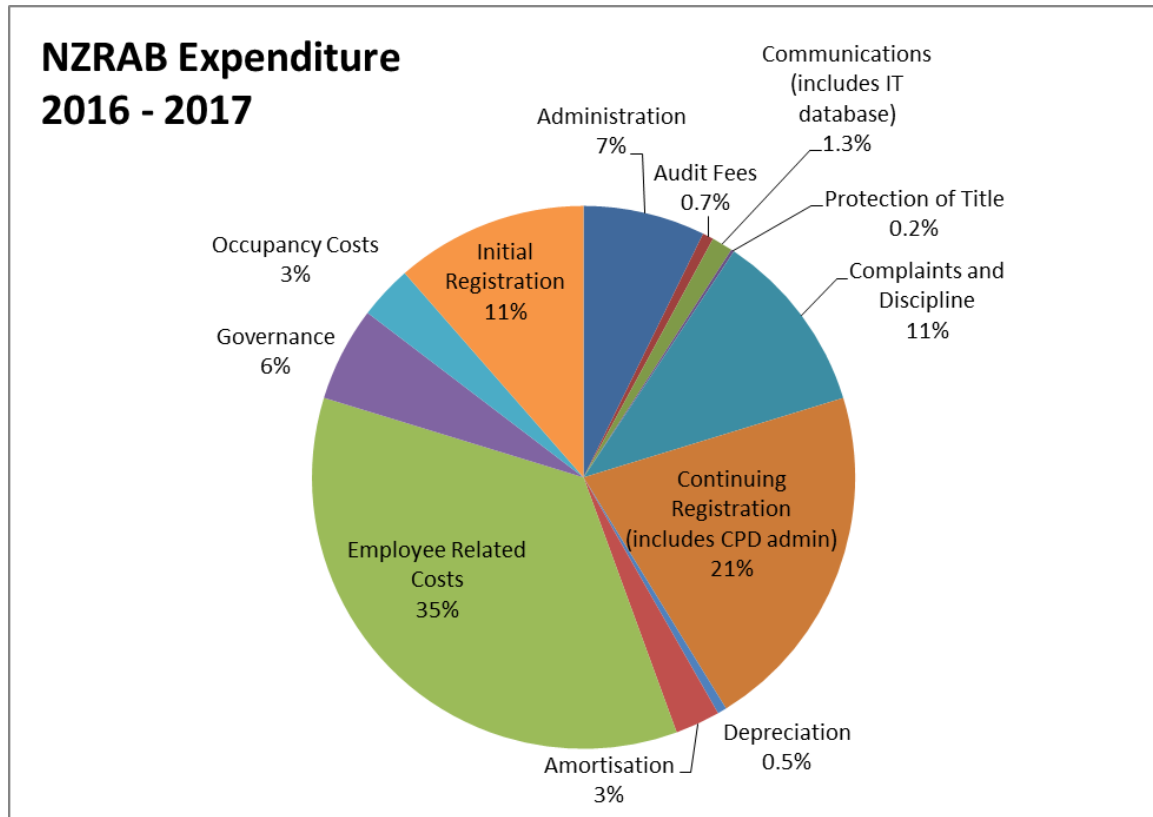
In 2016 2017, the NZRAB achieved a surplus of \$103,007, relative to a budgeted deficit of \$30,527. At 30 June 2017, the NZRAB had working capital of \$422,796.

¹ Rule 90(1).



The components of the NZRAB's expenditure are indicated proportionally below.

Fig 2



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 Construction includes agreed outcomes that the NZRAB is required to achieve and key performance indicators for this. For 2016 2017 these were as follows, with accompanying results.

Outcome	Key Performance Indicators
Governance	
1. A building sector in which occupational licensing is organised so that: <ol style="list-style-type: none"> all those who design buildings are demonstrably competent and standards are raised thereby lifting productivity the registration/licensing arrangements in the design sector can be clearly understood by the public. 	Contribute to the Government's review of occupational regulation in the building sector and in doing so advocate reformed institutional arrangements that would enhance the NZRAB's capacity to do its work. Result: Not achieved – waiting on an expected Government green paper on occupational regulation in the building sector
2. NZRAB Board procedures that accord with best practice and good governance principles	NZRAB Board to undertake its annual assessment of its performance as a Board Result: Achieved
3. NZRAB policies that are up to date, being reviewed every two years, and accord with the NZRAB's statutory and regulatory obligations	Review the following NZRAB policies: Appointments, Initial Registration, Continuing Registration, CPD Points, Fraud, Personnel, Privacy Result: Achieved
Service Delivery	
4. A standard for recognised qualifications which ensures that graduates have the required skills, knowledge and attitude to progress to registration	Participate in the 2016 ANZAPAP Review Result: Achieved
5. 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 Develop a specific registration procedure for experienced architects registered in US states and territories that are signatories to the 2016 Australia, United States of America, New Zealand Mutual Recognition Arrangement Result: Achieved
Strategy and Capability	
6. An appropriate code of ethical conduct	Consult with architects and then, subject to government approval, implement a revised Code of Minimum Standards of Ethical Conduct for Registered Architects Result: Achieved in part – consultation completed and at year's end a request for approval of a revised code was submitted to the Minister of Building and Construction.

18 October 2017

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 2017.

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'. Both signatures are written in a cursive, flowing style.

Warwick Bell
Chairperson

Marc Woodbury
Board Member

Financial Statements for the Year ended 30 June 2017

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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.nz



New Zealand Registered Architects Board

Statement of Financial Performance

for the Year Ended 30 June 2017

	Note	2017	2017 Budget	2016
<u>Income</u>				
Application for Registration		48,415	47,064	83,631
Certificate of Registration	1	1,053,170	1,047,760	1,023,733
Qualification Equivalency Assessment		8,100	9,000	11,000
Competence Reviews		4,400	8,800	2,750
Other Income		(750)	-	750
Discipline Hearing Cost Recovery		23,341	-	18,481
Fines		2,000	-	2,000
Recovered Doubtful Debts		-	-	11,481
Interest Received		14,257	20,000	26,150
Total Income		1,152,933	1,132,624	1,179,976
<u>Less Expenses</u>				
Administration		76,165	49,460	58,438
Audit Fees		6,870	6,750	6,625
Communication		13,168	5,664	5,793
Protection of Title		1,880	-	-
Complaints and Discipline		114,764	214,539	206,769
Continuing Registration		219,783	211,672	182,842
Depreciation	7	5,747	5,315	7,984
Amortisation	7	28,108	28,108	28,108
Employee Related Costs	2	370,689	371,360	359,719
Governance		59,083	68,742	60,272
Occupancy Costs		33,518	30,040	30,578
Registration		120,150	171,501	257,497
Total Expenses		1,049,926	1,163,151	1,204,625
<u>Net Surplus / (Deficit)</u>		\$103,007	(\$30,527)	(\$24,650)

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 2017

	Note	2017	2017 Budget	2016
<u>Current Assets</u>				
Bank	3	1,455,636	1,270,291	1,323,279
Accounts Receivable and Prepayments	4	73,374	48,596	51,096
Total Current Assets		1,529,010	1,318,887	1,374,376
<u>Current Liabilities</u>				
Creditors and Accrued Expenses	5	175,277	152,876	185,716
Employee Costs Payable	6	51,981	25,664	54,858
Income in Advance	1	878,956	850,000	846,350
Total Current Liabilities		1,106,214	1,028,540	1,086,924
Working Capital		\$422,796	\$290,347	\$287,452
Fixed Assets	7	59,522	58,436	91,859
<u>NET ASSETS</u>		\$482,317	\$348,783	\$379,310
Represented By:				
Equity	8	\$482,317	\$348,783	\$379,310



Chairperson

Date... 18 October 2017



Board Member

Date... 18 October 2017

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 2017

	Note	2017	2017 Budget	2016
Cash Flows from Operating Activities				
Cash was provided from:				
Receipts		1,154,156	1,120,647	1,102,144
Interest Received		14,257	20,000	26,150
		<u>1,168,412</u>	<u>1,140,647</u>	<u>1,128,294</u>
Cash was disbursed to:				
Payments to suppliers and employees		1,001,019	1,163,594	1,108,628
Occupancy Costs		33,518	30,040	30,578
		<u>1,034,538</u>	<u>1,193,634</u>	<u>1,139,206</u>
Net Cash Flows from Operating Activities		<u>133,874</u>	<u>(52,988)</u>	<u>(10,911)</u>
Cash Flows from Investing Activities				
Purchase of Fixed Assets		(1,518)	-	-
Net Increase in Cash Flow		<u>\$132,356</u>	<u>(\$52,988)</u>	<u>(\$10,911)</u>
Add Opening Bank Funds 01/07/15		1,323,279	1,323,279	1,334,190
Closing Bank Funds 30/06/16		<u>\$1,455,635</u>	<u>\$1,270,292</u>	<u>\$1,323,279</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 2017

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.
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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

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 2017 to 30 June 2018 prior to the commencement of the year to which they relate.

2 Employee Related Costs

	2017	2016
Change to Provision for Holiday Pay	601	(6,210)
Gross Salaries	354,815	350,341
Employer's Superannuation	10,643	10,509
ACC Expenses	843	486
Legal Fees	-	975
Staff Amenities	1,997	2,051
Staff Training	1,743	1,568
Staff Travel	48	-
Total Employee Related Costs	<u>\$370,689</u>	<u>\$359,719</u>

3 Bank

	2017	2016
Bank	1,090,238	965,023
Cash on Hand	50	50
Short Term Deposits	365,348	358,206
Total Bank	<u>\$1,455,636</u>	<u>\$1,323,279</u>

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



4	Accounts Receivable and Prepayments		
		2017	2016
	Prepayments	28,278	23,128
	Trade Debtors	38,918	23,253
	Sundry Debtors	6,178	4,715
	Provision for Doubtful Debts	-	-
	Total Accounts Receivable and Prepayments	<u>\$73,374</u>	<u>\$51,096</u>
5	Creditors and Accrued Expenses		
		2017	2016
	Trade Creditors	27,571	36,265
	Sundry Creditors	194	4
	GST	103,782	99,606
	Accrued Expenses	43,730	49,841
	Total Creditors and Accrued Expenses	<u>\$175,277</u>	<u>\$185,716</u>
6	Employee Costs Payable		
		2017	2016
	Holiday Pay Accrued	32,018	31,419
	Salaries Accrued	0	5,678
	IRD Scheduling Payments	12,057	13,369
	Kiwisaver	3,354	1,854
	Donations	30	-
	Net Pay	4,522	2,538
	Total Employee Costs Payable	<u>\$51,981</u>	<u>\$54,858</u>



7 **Fixed Assets**

	Opening Carrying Amount	Purchases	Current Year Depreciation	Closing Carrying Amount
2017				
Tangible Assets				
Computers and Equipment	2,555	598	1,835	1,318
Office Furniture and Fittings	37,472	920	3,912	34,480
Total Tangible Assets	<u>\$40,028</u>	<u>1,518</u>	<u>\$5,747</u>	<u>\$35,799</u>
Intangible Assets				
Website	51,829	-	28,108	23,721
Total Fixed Assets	<u>\$91,857</u>	<u>1,518</u>	<u>\$33,855</u>	<u>\$59,522</u>
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>\$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>\$36,092</u>	<u>\$91,857</u>

8 **Accumulated Funds**

2017		Accumulated Surpluses or Deficits
Opening Balance		379,310
Surplus / (Deficit)		103,007
Closing Balance		<u>482,317</u>
2016		Accumulated Surpluses or Deficits
Opening Balance		403,960
Surplus / (Deficit)		(24,650)
Closing Balance		<u>379,310</u>



9 **Statement of Commitments as at 30 June 2017**

Capital Commitments

As at 30 June 2017, there were no capital commitments entered into (2016: 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:

	2017	2016
Less than 1 year	82,780	165,560
Between 1-2 years	-	82,780
Between 3-5 years	-	-

Premises

Less than 1 year	27,540	23,540
Between 1-2 years	18,360	23,540
Between 3-5 years		15,693

Photocopier

Less than 1 year	4,003	4,003
Between 1-2 years	4,003	4,003
Between 3-5 years	1,001	5,004

10 **Contingent Liabilities**

A contingent liability exists at year end arising from a case brought against a practitioner by the NZRAB that was appealed prior to year end. A decision is yet to be reached on the matter. The NZRAB may be liable for costs as a result of this decision. At the time of signing no reasonable estimate of costs was available.

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'S PERFORMANCE REPORT
FOR THE YEAR ENDED 30 June 2017**

The Auditor-General is the auditor of the New Zealand Registered Architects Board (the Architects Board). The Auditor-General has appointed me, Robert Elms, using the staff and resources of Staples Rodway Audit Limited, to carry out the audit of the performance report of the Board on his behalf.

Opinion

We have audited the performance report of the Architects Board on pages 5 to 11 and pages 14 to 22, that comprise the entity information, the statement of service performance, statement of financial position as at 30 June 2017, the statement of financial performance, the statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the performance report that include accounting policies and other explanatory information.

In our opinion the performance report of the Architects Board on pages 5 to 11 and pages 14 to 22, present fairly, in all material respects:

- statement of service performance;
- entity information for the year then ended;
- its financial position as at 30 June 2017; and
- its 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 18 October 2017. 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 relating to the performance report, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the Auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the performance report

The Board is responsible for preparing the performance report that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the performance report, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these performance report.

We did not evaluate the security and controls over the electronic publication of the performance report.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Architects Board internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the governing body and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Architects Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Architects Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility arises from section 15 of the Public Audit Act 2001 and the Registered Architects Act 2005.

Independence

We are independent of the Architects Board in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board..

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



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