



Annual Report

2017 2018

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Statement from the Board

The review period, 1 July 2017 to 30 June 2018, involved significant challenges, but also successful outcomes.

The most important initiative was the updating of the Architects' Code of Ethics.

The main change was a new requirement that terms of appointment (ie contracts to provide architectural services) always be in writing.

Other refinements and amendments included an obligation to only perform architectural work which the architect is individually competent to do, or to obtain support to ensure that the work is completed to a competent standard.

This came after exhaustive research and discussion by a working party, and then extensive consultations with the profession. The Architect's Code of Ethics is pivotal to the NZRAB's work and to how the profession defines itself.

During 2017 2018, the NZRAB faced a series of court appeals against a decision by the Board to dismiss a complaint. At the heart of this was uncertainty as to the correct meaning of one of the grounds available to the Board for dismissing a complaint prior to a Disciplinary Hearing. In response, the NZRAB obtained a rule change creating a new ground for dismissing a complaint that provided clarity.

The NZRAB first became operational on 1 July 2006. Between then and now the number of architects registered in New Zealand has steadily increased. On 30 June 2007 there were 1499 Registered Architects, and by 30 June 2018 this had increased to 1,960 Registered Architects. As a corollary, over time the NZRAB has steadily professionalised its processes and the way they are resourced. The Board expects both trends to continue.

During the review period, the term of Board member Euan Mac Kellar came to an end. Euan's contribution was especially appreciated because he brought a "big practice" perspective to the Board and its deliberations.

The Board also welcomed Wellington architect Gina Jones as Euan's replacement.

The Board extends to those who have served on committees, panels and working parties; our Registration Convenors and Assessors; and our staff its thanks for all their contributions throughout the year.



Warwick Bell
Chairperson
25 October 2018



Marc Woodbury
Board Member
25 October 2018

Executive Summary

Key statistics¹

As at 30 June 2018, 1,960 architects were registered in New Zealand.

During 2017 2018:

- 173 persons were granted registration and 28 registration applications were declined
- no architects were suspended because 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

- **30 April 2018:** The NZRAB's Wellington office was temporarily relocated after seismic concerns resulted in a mandatory evacuation from the NZRAB's 79 Boulcott St office.
- **28 April 2018:** The Ministry for Business, Innovation and Employment invited applications from persons willing to serve as a lay member of the NZRAB Board.
- **1 February 2018:** The NZRAB conducted its annual consultation on educational matters with the three architectural schools providing recognised architectural qualifications and the New Zealand Institute of Architects (Inc).
- **23 January 2018:** Wellington-based architect Gina Jones was appointed a member of the NZRAB Board, replacing Euan Mac Kellar whose term had expired.
- **15 December 2017:** A series of amendments to the Registered Architects Rules 2006 were gazetted covering fees, complaints procedures and the Architects' Code of Ethics.
- **12 December 2017:** The NZRAB issued its final newsletter for 2017.
- **23 November 2017** The NZRAB completed a roadshow tour of New Zealand explaining initial registration procedures to those interested in registration as part of their future careers as architects.
- **6 November 2017:** The NZRAB made public its *Annual Report 2017* and its *Briefing to the Incoming Minister 2017*.
- **13 September 2017:** Sixty-nine applications for initial registration were received, this being the largest in a single registration round so far.
- **31 August 2017:** A revamp of the initial registration section of the NZRAB website made the registration process easier to understand.
- **18 July 2017:** The NZRAB conducted its annual consultation with the Architects Accreditation Council of Australia, this time in Auckland.

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

² Complaint upheld.

Numerical Performance Indicators

	2017/18	2016/17	2015/16	2014/15
Governance				
Board members at 30 June	6	6	6	6
Board members appointed/reappointed	3	2	3	1
Board meetings ¹	12	12	13	14
Registration				
Registration applications accepted (excludes TTMRA)	142 ²	42 ³	68	71
Registration applications declined	28	8	18	20
Equivalency assessments	19	16	23	19
Initial registration process reviews received	0	0	1	0
TTMRA registrations ⁴	31	23	24	31
Continuing Registration				
Registered Architects at 30 June	1,960	1,889	1,846	1,781
Architects in voluntary suspension at 30 June	285	267	263	250
Architects granted a further 5-year continuing registration ⁵	227	922	284	140
Architects declined a further 5-years continuing registration	0	1	0	0
Percentage Registered Architects that are female at 30 June	23.4%	21.7%	20.4%	20.0%
APEC Architect				
NZ APEC Architects at 30 June	11	10	10	10
NZ APEC Architects applications accepted	1	0	0	2
Public Protection/Discipline				
Complaints received	13	7	7	12
Complaints dismissed or withdrawn	3	7	8	5
Complaints upheld	1	1	2	1
Complaints not yet resolved at 30 June	16	7	8	11
Protection of Title				
Misuse of the title reported and acted on	17	23	25	27
Prosecutions ⁶	0	0	0	0
Communications				
Newsletters	1	1	2	2
Consultations/surveys	0	2	0	2
Administration				
Staff at 30 June (full time equivalent)	3.5	3.5	3.5	3.5
Registration Assessors at 30 June	51	52	54	52
Finance				
Net surplus/(deficit)	(\$592)	\$103,007	(\$24,650)	(\$144,936)
Working Capital at 30 June	\$455,875	\$442,796	\$287,452	\$276,009
Equity at 30 June	\$481,725	\$482,317	\$379,310	\$403,960

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 Initial registrations in 2017/18 were significantly greater than normal in part because the March 2017 registration round was delayed to May 2017 and, as a result, Board decisions to grant registration were made in August 2017, i.e. in the following 2017/18 financial year. The delay was necessary to allow for the processing of an exceptionally large number of five-yearly competence reviews in early 2017.

³ Initial registrations in 2016/17 were significantly fewer than normal for the reasons cited in footnote 2.

⁴ Australian architects registered in New Zealand as of right under the government-to-government Trans-Tasman Mutual Recognition Arrangement.

⁵ Does not include architects reviewed who came out of voluntary suspension.

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*¹ intended to ensure that professionals who provide services critical to the public are competent. This protects both the public and the reputations of 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. 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, 173 architects were granted registration for the first time and 28 registration applications were declined.

In November and December 2017, the NZRAB conducted a nationwide roadshow explaining initial registration to potential applicants, followed by a series of online presentations.

The NZRAB's registration procedures are dependent on the expertise of 51 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 these judgements are typically based on 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). 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.

Most 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.

Recognised New Zealand academic qualifications are reviewed and quality-assured every five years. During 2017 2018, the MArch(Prof) provided by Victoria University of Wellington was reviewed and thereby granted recognition for a further five years.

These procedures have been developed by and are shared with Australia. During the review period, these procedures were revised, for implementation in calendar 2019.

Continued Registration

Section 12 of the Act and Rule 22 require that all architects must be reviewed every five years in terms of whether they still meet the Rule 21 applicable minimum standard for continued registration.

In the first half of 2018, 227 architects were reviewed and granted continuing registration for a further five years.¹ As part of this, five architects were required to have face-to-face interviews and of these three chose to place their registration in voluntary suspension, one failed to attend his interview (and hence his registration was recorded as expired), and one was interviewed and on that basis granted continuing registration subject to conditions.

A fee that architects having interactive competence reviews had to pay was abolished as of 1 January 2018.

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



The NZRAB operates a Continuing Professional Development (CPD) Framework to assist architects to stay current. Scheduled CPD events, such as lectures, seminars and workshops, are made available to architects via the CPD Framework. This allows architects to record online their professional development activities quantified via a points system.

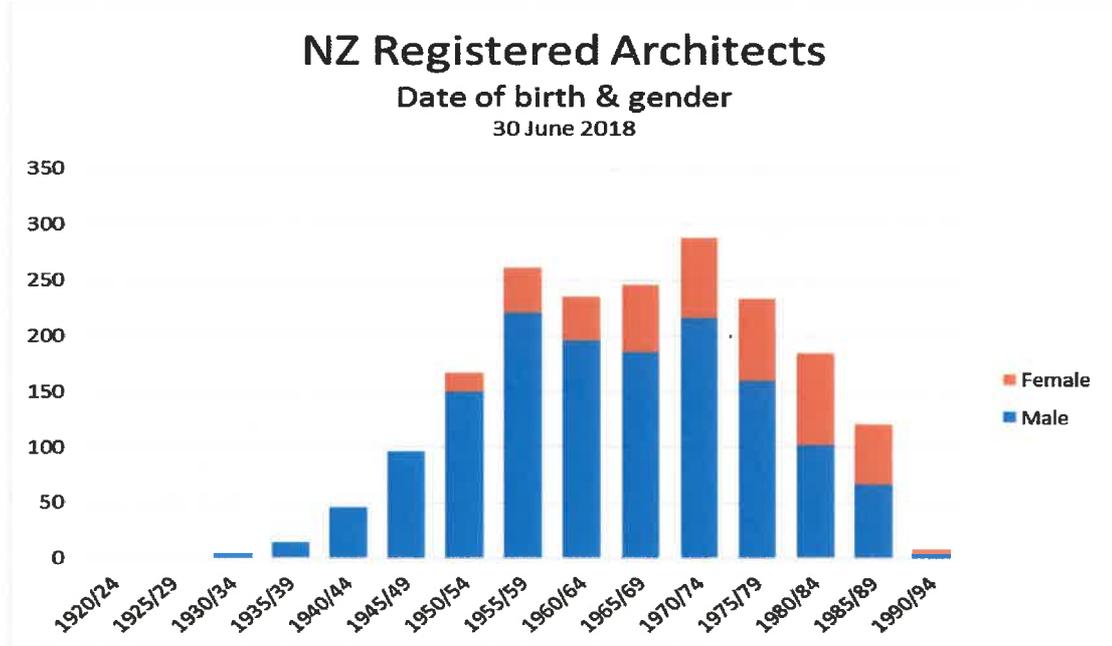
When architects have their five-yearly competence reviews, their CPD records can be cited as evidence that they have “taken reasonable steps to maintain the currency of (their) architectural knowledge and skills.”¹

The CPD Framework is administered by the New Zealand Institute of Architects (Inc) on the NZRAB’s behalf.

Demographics and Gender

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

Fig 1²



New Zealand Architects Register

The NZRAB maintains an online New Zealand Architects Register. The Register’s statutory purpose³ is to enable the public to:

- determine whether a person is a Registered Architect
- choose a suitable architect
- contact an 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.

¹ Rule 21(1)(b)

² There was one currently registered male architect born between 1920/24 and none in 1925/29

³ The Act, sections 18 to 23.



Public Protection (Complaints and Discipline)

The NZRAB is required to hold architects accountable if they have acted in a “negligent or incompetent manner” or for having “breached the code of ethics contained in the Rules.”¹ During 2017 2018:

- 7 complaints were not yet resolved at 1 July 2017
- 13 complaints were received
- 3 complaints were dismissed or withdrawn
- 1 complaint was upheld
- 16 complaints were not yet resolved at 30 June 2018.

A series of changes were made to the Architects’ Code of Ethics,² effective 1 January 2018, the main change being a new requirement that terms of appointment be in writing. These changes came after careful deliberation by a working party and consultation with the profession and other stakeholders.

The NZRAB became involved in litigation relating to a Board decision to dismiss a complaint. At issue was whether the rules permitted Investigating Committees to qualitatively assess evidence presented by the parties when deciding to dismiss a complaint. Ultimately the complaint was withdrawn, but, to ensure clarity in the future, a rule change was enacted allowing a complaint to be dismissed where “there is no real prospect of the Board at a disciplinary hearing being satisfied that there are grounds for disciplining the person complained about.”

Protection of Title

During the review period, 17 examples of the title “architect” being used wrongly were identified and responded to, typically with advice being sent to those making these mistakes.

International

On 1 January 2017, a new mutual recognition arrangement for fast-track cross-border registrations came into effect between New Zealand (and Australia) and the United States of America. At the time of writing, nine US architects had been registered in New Zealand as a result.

Communications

One email newsletter was issued to architects and other stakeholders. Architects were advised about the amendments to the Architects’ Code of Ethics.

Governance

The NZRAB is a statutory entity³ accountable to the Minister for Building and Construction (the Minister). The primary expression of that accountability is a performance agreement with the Minister and the *Annual Report*.

¹ The Act, section 25.

² Rules 46 to 58D

³ 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.



The NZRAB Board can have six to eight members. They are appointed by the Governor General on the advice of the Minister. Up to four Board members can be nominated to the Minister by the New Zealand Institute of Architects (Inc).¹

At 30 June 2018, 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	22/01/2020
Kimberly Browne*	Architect	03/10/2016	02/10/2018
Gina Jones*	Architect	23/01/2018	22/01/2020
Marc Woodbury*	Architect	02/05/2016	01/05/2018 ²
Louise Wright*	Architect	18/12/2014	22/01/2020

* NZIA nominated

Board members and other office holders are paid modest honoraria. These are described in detail in the NZRAB's Honoraria Policy. At face-to-face Board meetings, Board members declare any conflicts of interest. A register of Board members' interests is 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. The Act requires that each committee includes at least two Board members. As at 30 June 2018, these committees were as follows:

Strategy and Finance Committee

Members: Warwick Bell (Chair), Marc Woodbury, Louise Wright

Registration Committee

Members: Marc Woodbury (Chair), Diane Brand (Deputy Chair), Kimberly Browne, Judi Keith-Brown, Tony Orgias, Alec McDonald, Felicity Christian, Ainsley O'Connell, Warwick Bell (ex-officio)

Public Protection Committee

Members: Louise Wright (Chair), Gina Jones (Deputy Chair),Carolynn Bull, Donna Howell, Andrew Watson, Penny Mudford, Warwick Bell (ex-officio).

Investigating Committees are appointed to investigate complaints as required. These committees must comprise at least two Board members, one person who is not a Board member, one person who is an Architect and one person who is not an architect.³ Penny Mudford, who is not an architect, is the Standing Chair.

Rule Changes

The Act requires that there be rules or regulations relating to Registered Architects and how the NZRAB functions, these being the Registered Architects Rules 2006. During the review period, rule changes provided for revisions to the Architects' Code of Ethics, a new ground for an Investigating Committee to dismiss a complaint, and some fee changes.

¹ Section 52(3) of the Registered Architects Act 2005.

² A Board member whose term has expired continues to be a Board member until he or she is replaced or resigns (schedule to the Act, clause 3).

³ Rule 90(1).



Finance

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

- annual fees paid by Registered Architects
- service fees paid by registration applicants
- bank interest.

At 30 June 2018, the NZRAB's fees were as follows:

Fee	GST included
Application for initial registration, if it is the applicant's first application and there is an interactive assessment	\$1,200.60
Application for initial registration, if it is not the applicant's first application and there is an interactive assessment	\$600.30
Application for initial registration, if there is no interactive assessment or the applicant was previously a Registered Architect	\$632.50
Qualification equivalency assessment	\$517.50
Certificate of Registration July to June (or a monthly pro rata equivalent)	\$644.00
Review of registration assessment procedures	\$500.20

In 2017 2018, the NZRAB achieved a deficit of, \$592 relative to a budgeted deficit of \$67,737. At 30 June 2018, the NZRAB had working capital of \$455,875.

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 based on merit. The aims, aspirations and employment requirements of staff are recognised, and an inclusive, collegial work culture is encouraged.

On 12 April 2018, without warning the NZRAB was required to immediately evacuate its 79 Boulcott St office because of seismic concerns, as were other tenants in that building. Initially, staff worked from home, and two weeks later other temporary accommodation was found in the Wellington CBD. The 79 Boulcott St landlord advised that repairs to that building would take at least six months.



Key Performance Indicators

The NZRAB's Performance Agreement with the Minister for Building and Construction includes agreed outcomes that the NZRAB is required to achieve and key performance indicators for this, as follows, with accompanying results during 2017 2018.

Expectations	Measure	Result
Registration system		
Ensure the registration of architects is efficient and fair.	Survey of registration applicants after their applications have been completed show 90% of respondents perceive the Board's initial registration procedures are efficient and fair.	Achieved
	Any reviews of registration assessment procedures find all assessments were carried out in accordance with the procedures set out in the Registered Architects Act or the Registered Architect Rules.	Not applicable. No Rule 35 reviews were requested during 2017 2018.
Competency of architects		
Registered Architects maintain the skills and knowledge to be competent.	Recognised qualifications are regularly reviewed to ensure graduates have the required skills and knowledge to progress to registration.	Achieved
	Every five years, the Board quality assures all architects to make sure they meet the minimum standard for continued registration.	Achieved
Consumer accessibility and confidence		
The public are able to reliably ascertain whether or not a person is a Registered Architect.	An accurate online register of architects is available for the public to access for at least 95% of the year.	Achieved

Protection of Title		
The titles 'Registered Architect' and 'Architect' are protected in terms of the Registered Architects Act.	The Board investigates all cases where persons knowingly misrepresent themselves as architects.	Achieved
Complaints and discipline		
Ensure complaints regarding architects are resolved in accordance with the requirements of the Registered Architects Act and Registered Architects Rules.	No decisions are overturned on appeal due to a failure to follow the requirements of the Registered Architects Act and/or the Registered Architects Rules.	Not achieved. The Court of Appeal overturned a Board decision to dismiss a complaint. This reflected a difficulty interpreting a ground for dismissing a complaint, since resolved by a rule change.
Governance		
The Board has robust strategic planning processes that identify strategies for improving the registration and licensing system.	The Board annually reviews its Strategic Plan and identifies risks and opportunities and strategies for achieving its goals.	Achieved
	The Annual Report reports on the implementation of the Board's Strategic Plan.	Achieved
Undertake an annual self-appraisal of the Board's performance and provide a summary to MBIE.	The self-appraisal identifies areas which are working well, areas for improvement, and is discussed by the Board.	Achieved
Provide MBIE with a view on membership and succession.	The Chair's advice shows the current skills and experience of Board members and identifies any gaps and proposals for the Minister to consider in future appointment rounds.	Achieved
Meet all obligations under relevant legislation, including reporting under the Registered Architects Act.	All legislative obligations are met.	Achieved

25 October 2018

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.



Warwick Bell
Chairperson



Marc Woodbury
Board Member

Financial Statements for the Year ended 30 June 2018

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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 2018

	Note	2018	2018 Budget	2017
<u>Income</u>				
Application for Registration		149,683	99,022	48,415
Certificate of Registration	1	1,078,676	1,071,840	1,053,170
Qualification Equivalency Assessment		7,650	9,000	8,100
Competence Reviews		1,650	550	4,400
Other Income		-	-	(750)
Discipline Hearing Cost Recovery		10,792	-	23,341
Fines		-	-	2,000
Interest Received		12,955	16,000	14,257
Total Income		1,261,406	1,196,412	1,152,933
<u>Less Expenses</u>				
Administration		69,043	43,153	76,165
Audit Fees		6,935	6,935	6,870
Communication		16,959	11,345	13,168
Protection of Title		400	-	1,880
Complaints and Discipline		112,759	170,609	114,764
Continuing Registration		192,365	197,369	219,783
Depreciation	7	4,975	4,030	5,747
Amortisation	7	17,920	17,920	28,108
Employee Related Costs	2	391,003	379,036	370,689
Governance		46,621	67,037	59,083
Occupancy Costs		36,239	35,416	33,518
Registration		366,780	331,299	120,150
Total Expenses		1,261,998	1,264,149	1,049,926
Net Surplus / (Deficit)		(\$592)	(\$67,737)	\$103,007

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 2018

	Note	2018	2018 Budget	2017
<u>Current Assets</u>				
Bank	3	1,552,424	1,483,401	1,455,636
Accounts Receivable and Prepayments	4	58,827	53,000	73,374
Total Current Assets		1,611,251	1,536,401	1,529,010
<u>Current Liabilities</u>				
Creditors and Accrued Expenses	5	154,801	197,398	175,277
Employee Costs Payable	6	81,251	61,993	51,981
Income in Advance	1	919,323	900,000	878,956
Total Current Liabilities		1,155,375	1,159,391	1,106,214
Working Capital		\$455,875	\$377,010	\$422,796
Fixed Assets	7	25,850	37,572	59,522
<u>NET ASSETS</u>		\$481,725	\$414,582	\$482,317
Represented By:				
Equity	8	\$481,725	\$414,582	\$482,317



Chairperson

Date...25 October 2018



Board Member

Date...25 October 2018

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 2018

	Note	2018	2017 Budget	2017
Cash Flows from Operating Activities				
Cash was provided from:				
Receipts		1,297,317	1,216,552	1,154,156
Interest Received		12,955	16,000	14,257
		<u>1,310,271</u>	<u>1,232,552</u>	<u>1,168,412</u>
Cash was disbursed to:				
Payments to suppliers and employees		1,169,970	1,169,372	1,001,019
Occupancy Costs		36,239	35,416	33,518
		<u>1,206,208</u>	<u>1,204,788</u>	<u>1,034,538</u>
Net Cash Flows from Operating Activities		<u>104,063</u>	<u>27,764</u>	<u>133,874</u>
Cash Flows from Investing Activities				
Purchase of Fixed Assets		(7,275)	-	(1,518)
Net Increase in Cash Flow		<u>\$96,788</u>	<u>\$27,764</u>	<u>\$132,356</u>
Add Opening Bank Funds 01/07/17		1,455,636	1,455,636	1,323,279
Closing Bank Funds 30/06/18		<u>\$1,552,424</u>	<u>\$1,483,400</u>	<u>\$1,455,635</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 2018

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 2018 to 30 June 2019 prior to the commencement of the year to which they relate.

2 Employee Related Costs

	2018	2017
Change to Provision for Holiday Pay	14,908	601
Gross Salaries	362,334	354,815
Employer's Superannuation	10,869	10,643
ACC Expenses	1,458	843
Staff Amenities	1,397	1,997
Staff Training	-	1,743
Staff Travel	37	48
Total Employee Related Costs	<u>\$391,003</u>	<u>\$370,689</u>

3 Bank

	2018	2017
Bank	1,179,969	1,090,238
Cash on Hand	50	50
Short Term Deposits	372,405	365,348
Total Bank	<u>\$1,552,424</u>	<u>\$1,455,636</u>

The NZRAB has a total VISA credit card facility of \$50,000.

4	Accounts Receivable and Prepayments		
		2018	2017
	Prepayments	22,229	28,278
	Trade Debtors	29,641	38,918
	Sundry Debtors	4,657	6,178
	Deposits Paid	2,300	-
	Total Accounts Receivable and Prepayments	\$58,827	\$73,374
5	Creditors and Accrued Expenses		
		2018	2017
	Trade Creditors	18,488	27,571
	Sundry Creditors	2,963	194
	GST	118,417	103,782
	Accrued Expenses	14,933	43,730
	Total Creditors and Accrued Expenses	\$154,801	\$175,277
6	Employee Costs Payable		
		2018	2017
	Holiday Pay Accrued	46,926	32,018
	IRD Scheduling Payments	22,730	12,057
	Kiwisaver	3,400	3,354
	Donations	30	30
	Net Pay	8,165	4,522
	Total Employee Costs Payable	\$81,251	\$51,981

7 **Fixed Assets**

	Opening Carrying Amount	Purchases	Disposals	Current Year Depreciation	Closing Carrying Amount
2018					
Tangible Assets					
Computers and Equipment	1,318			776	542
Office Furniture and Fittings	34,480	7,275	(18,052)	4,199	19,504
Total Tangible Assets	\$35,799	7,275	- 18,052	\$4,975	\$20,047
Intangible Assets					
Website	23,721	-	-	17,920	5,801
Total Fixed Assets	\$59,520	7,275	- 18,052	\$22,895	\$25,850
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	\$40,028	1,518	1,518	\$5,747	\$35,799
Intangible Assets					
Website	51,829	-	-	28,108	23,721
Total Fixed Assets	\$91,857	1,518	1,518	\$33,855	\$59,522

8 **Accumulated Funds**

2018		Accumulated Surpluses or Deficits
Opening Balance		482,317
Surplus / (Deficit)		(592)
Closing Balance		<u>481,725</u>
2017		Accumulated Surpluses or Deficits
Opening Balance		379,310
Surplus / (Deficit)		103,007
Closing Balance		<u>482,317</u>

9 **Statement of Commitments as at 30 June 2018**

Capital Commitments

As at 30 June 2018, there were no capital commitments entered into (2017: 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 25th September 2019.

The cost of this agreement based on current numbers is:

	2018	2017
Less than 1 year	165,560	82,780
Between 1-2 years	41,390	-
Between 3-5 years	-	-
<i>Premises</i>		
Less than 1 year	18,632	27,540
Between 1-2 years	-	18,360
Between 3-5 years	-	-
<i>Photocopier</i>		
Less than 1 year	4,003	4,003
Between 1-2 years	1,001	4,003
Between 3-5 years	-	1,001

10 **Contingent Liabilities**

As at 30 June 2018, there were no contingent liabilities.

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**

On 17th August 2018 a new lease agreement was signed for Level 8, 50 Manners Street. This lease is for a term of six years with a total commitment of \$336,000.



**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
NEW ZEALAND REGISTERED ARCHITECTS BOARD
PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

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

Opinion

We have audited the performance report of the New Zealand Registered Architects Board on pages 5 to 10 and pages 14 to 22, that comprise the statement of service performance, the entity information, the statement of financial position as at 30 June 2018 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 include accounting policies and other explanatory information.

In our opinion the performance report of the New Zealand Registered Architects Board on pages 5 to 10 and pages 14 to 22 present fairly, in all material respects:

- the statement of service performance.
- the entity information,
- its financial position as at 30 June 2018; 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 PBE-SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)

Our audit was completed on 25 October 2018. 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 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 New Zealand Registered Architects Board for assessing the Name of 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 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 Board's 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 New Zealand Registered 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 New Zealand Registered 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 represents 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 Registered Architects Act 2005.

Other Information

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 13, but does not include the statement of service performance, entity information, financial statements, and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the New Zealand Registered 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 New Zealand Registered Architects Board.



Stuart Signal
Staples Rodway Audit Limited
On behalf of the Auditor-General
Hastings, New Zealand