



Annual Report

2018 2019

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Statement from the Board

The review period, 1 July 2018 to 30 June 2019, has been a time of change and refocusing.

As part of this, in January 2019 the NZRAB Board reviewed its underlying strategy and developed a new format strategic plan which articulated the NZRAB's vision as: "New Zealand's architects equipped to make the best possible contribution to the built environment." The plan also identified values for the NZRAB of "fairness, integrity, transparency and agility."

Work has been underway on a shift from adversarial to inquisitorial procedures for investigating complaints. In March 2019, these changes were approved in principle by Building and Construction Minister Jenny Salesa and at year's end work was underway developing these proposals in detail.

Additional resources have also been deployed to manage the increased numbers of complaints that the NZRAB receives nowadays.

The NZRAB is also working on new processes for assisting members of the public and their architects where appropriate to resolve difficulties without having to go through a formal complaints procedure.

Changes are also being developed to enable Board members to get out of operational activities, as currently required by the Registered Architects Rules 2006, and instead to focus on their governance function.

At the same time, the NZRAB has had to take on an additional staff member to process registration applications. The scale of the NZRAB's work is increasing steadily. During the 2018 2019 year, the number of Registered Architects increased from 1,965 to 2,035, this reflecting a long-term trend.

During the review period, new Board members Murali Bhaskar and Rob Hall were appointed. Warwick Bell left the Board after eight years as Chair. The Board thanks Warwick for his remarkable service.

The Board also thanks the NZRAB's Registration Convenors and Assessors, committee and working party members, and our office team for their dedication and effort throughout the year.



Gina Jones
Chairperson
24 October 2019



Marc Woodbury
Board Member
24 October 2019

Executive Summary

Key statistics¹

As at 30 June 2019, 2,035 architects were registered in New Zealand.

During 2018 2019:

- 111 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
- no disciplinary actions² was taken against any architects.

Chronology

- On 14 June 2019, the NZRAB provided the Ministry for Business, Innovation and Employment (MBIE) with a submission in response to a MBIE consultation about occupational regulation in the building sector and other matters.
- On 7 June 2019, the NZRAB consulted architects about the Architects' Code of Ethics and whether any of the clauses in the code were causing them any difficulties.
- On 27 March 2019, Building and Construction Minister Jenny Salesa approved in principle rule changes which would enable the NZRAB to reform its complaints procedures.
- On 23 January 2019, Building and Construction Minister Jenny Salesa announced the appointment of Gina Jones as Chair of the NZRAB, the appointment of Marc Woodbury as Deputy Chair, and the appointment of new Board members Murali Bhaskar and Robert Hall.
- On 15 November 2018, the NZRAB released its Annual Report for 2017 2018.
- On 6 November 2018, the NZRAB moved into new offices at Level 8, iCentre, 50 Manners St, Wellington, following the NZRAB being required to evacuate from its 79 Boulcott St office on 12 April 2018 due to seismic concerns.
- On 8 August 2018, the NZRAB invited architects and its other stakeholders to take part in a consultation regarding proposed changes to the NZRAB's complaints procedures, intended to make them simpler and less expensive.

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

² Complaint upheld.

Numerical Performance Indicators

	2018/19	2017/18	2016/17	2015/16
Governance				
Board members at 30 June	7	6	6	6
Board members appointed/reappointed	4	3	2	3
Board meetings ¹	11	12	12	13
Registration				
Registration applications accepted (excludes TTMRA)	90	142 ²	42 ³	68
Registration applications declined	28	28	8	18
Equivalency assessments	19	19	16	23
Initial registration process reviews received	0	0	0	1
TTMRA registrations ⁴	21	31	23	24
Continuing Registration				
Registered Architects at 30 June	2,035	1,960	1,889	1,846
Architects in voluntary suspension at 30 June	303	285	267	263
Architects granted a further 5-year continuing registration ⁵	177	227	922	284
Architects declined a further 5-years continuing registration	0	0	1	0
Percentage Registered Architects that are female at 30 June	25.0%	23.4%	21.7%	20.4%
APEC Architect				
NZ APEC Architects at 30 June	11	11	10	10
NZ APEC Architects applications accepted	0	1	0	0
Public Protection/Discipline				
Complaints received	13	13	7	7
Complaints dismissed or withdrawn	11	3	7	8
Complaints upheld	0	1	1	2
Complaints not yet resolved at 30 June	18	16	7	8
Protection of Title				
Misuse of the title reported and acted on	15	17	23	25
Prosecutions ⁶	0	0	0	0
Communications				
Newsletters	1	1	1	2
Consultations/surveys	2	0	2	0
Administration				
Staff at 30 June (full time equivalent)	4.5	3.5	3.5	3.5
Registration Assessors at 30 June	55	51	52	54
Finance				
Net surplus/(deficit)	(\$7,233)	(\$592)	\$103,007	(\$24,650)
Working Capital at 30 June	\$354,066	\$455,875	\$442,796	\$287,452
Equity at 30 June	\$474,492	\$481,725	\$482,317	\$379,310

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 they are a Registered Architect
- any person who breaches the above can be prosecuted and fined up to \$10,000.

Initial Registration

During the review period, the NZRAB's initial registration procedures continued as normal. In total, 111 architects were granted registration for the first time and 28 registration applications were declined.

The NZRAB's registration procedures are dependent on the expertise of 55 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 their work.

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

² Section 50.

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-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 2018 2019, no recognised New Zealand academic qualifications were required to be reviewed.

These procedures have been developed by and are shared with Australia. In 2018, these procedures were revised, for implementation in 2019.

Continued Registration

Section 12 of the Act and Rule 22 require that all architects must be reviewed every five years to make sure they still meet the Rule 21 applicable minimum standard for continued registration. In the first half of 2019, 177 architects were reviewed and granted continuing registration for a further five years, and none were declined.¹

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."²

The CPD Framework is currently administered by the New Zealand Institute of Architects (Inc) (NZIA) on the NZRAB's behalf, though the intention is that from 2021 this will be brought inhouse. The Board has determined that it wants to reprioritise the way CPD is organised so it can more actively guide the content of the CPD that architects generally do. The Board views this as an opportunity to enhance the way CPD extends capacity in the profession. At the same time, the Board fully acknowledges the excellent work that the NZIA has done administering the CPD Framework since it was established in 2006.

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

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

² Rule 21(1)(b)

³ The Act, sections 18 to 23.

- 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.

Demographics

Figs 1 and 2 below provide a visual representation of the demographics of New Zealand’s architects by age and gender. Fig 3 shows self-identified ethnicity.

Fig 1

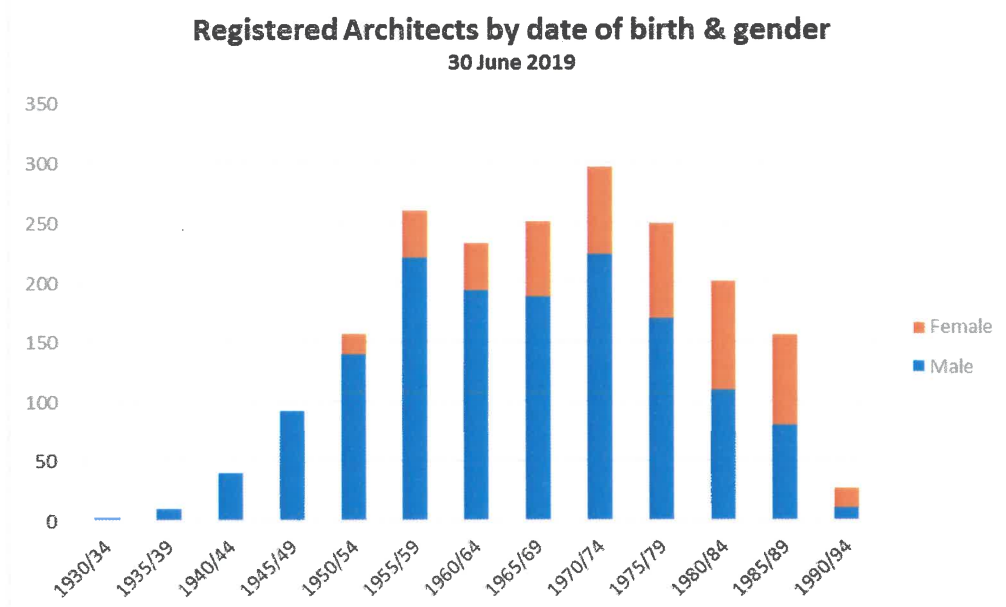


Fig 2

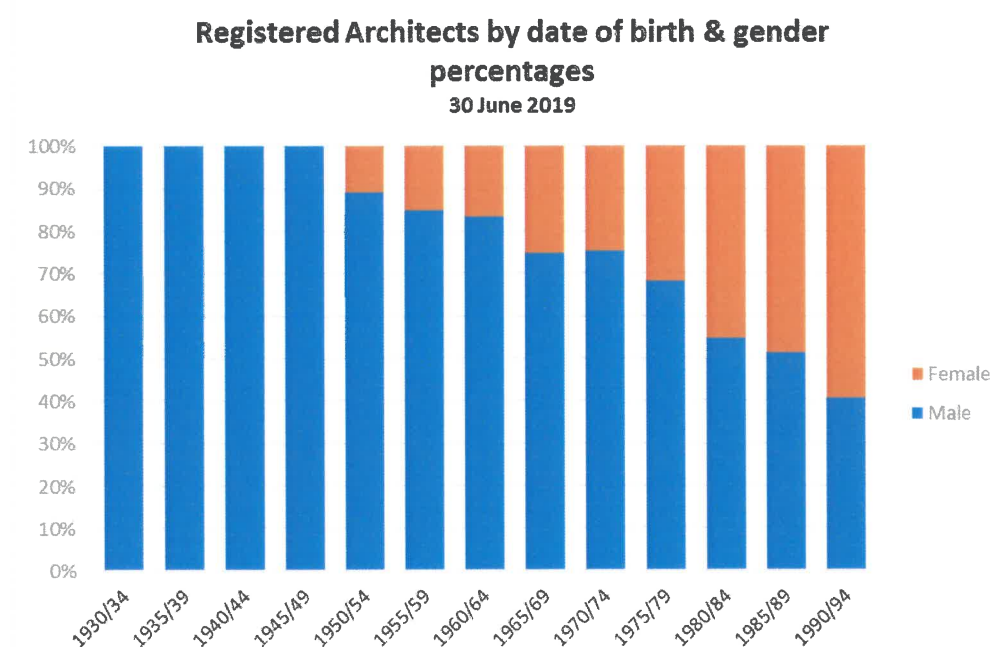
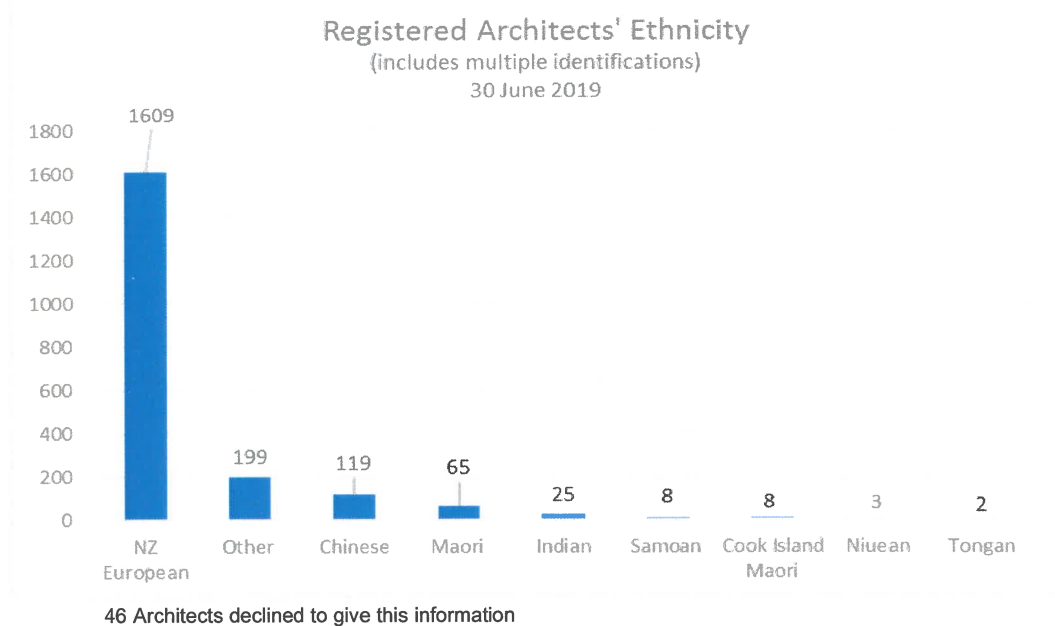


Fig 3



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 2018 2019:

- 16 complaints were not yet resolved at 1 July 2018
- 13 complaints were received
- 11 complaints were dismissed or withdrawn
- no complaints were upheld
- 18 complaints were not yet resolved at 30 June 2019.

Protection of Title

During the review period, 15 examples of the title “architect” being used wrongly were identified and responded to, typically with advice sent to those making these mistakes.

International

The NZRAB international relations have two main parts. As a result of the government-to-government Trans-Tasman Mutual Recognition Arrangement, Australian Registered Architects are entitled to registration in New Zealand and vice versa. For this reason, the NZRAB works closely with the Architects Accreditation Council of Australia which represents Australia’s state registration boards. Procedures for degree accreditation and competency requirements for architects are shared.

The NZRAB also has mutual recognition arrangements to assist cross border registrations with Singapore, Japan, Canada and the USA.

¹ The Act, section 25.

Communications

One email newsletter was issued to architects and other stakeholders. Architects and the NZRAB's other stakeholders were consulted about:

- the Architects' Code of Ethics and whether any of the clauses in the code were causing them any difficulties
- proposed changes to the NZRAB's complaints procedures, intended to make them simpler and less expensive.

Governance

The NZRAB is a statutory entity¹ 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 *NZRAB Annual Report*.

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).²

On 23 January 2019, Building and Construction Minister Jenny Salesa announced the appointments of Gina Jones as Chair of the NZRAB, Marc Woodbury as Deputy Chair and new Board members Murali Bhaskar and Robert Hall.

At 30 June 2019, the Board members were as follows:

Board members	Occupation	First appointed	Current term expires
Gina Jones* (Chairperson)	Architect	23/01/2018	22/01/2020
Marc Woodbury* (Dep Chairperson)	Architect	02/05/2016	21/01/2023
Murali Bhaskar	Architect	22/01/2019	21/1/2023
Prof Diane Brand	Academic & Architect	19/12/2015	22/01/2020
Kimberly Browne*	Architect	03/10/2016	21/01/2023
Robert Hall	Chief Executive Officer ³	22/01/2019	21/01/2023
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 2019, these committees were as follows:

Executive Committee

Members: Gina Jones (Chair), Marc Woodbury (Dep Chair), Louise Wright, Rob Hall

Audit and Risk Committee

Members: Rob Hall (Chair) Diane Brand, Gina Jones (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.

³ Development Christchurch Ltd

Communications Committee

Members: Murali Bashkar (Chair), Kimberly Browne (Deputy Chair), Gina Jones (ex-Officio)

Registration Committee

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

Public Protection Committee

Members: Louise Wright (Chair), Rob Hall (Deputy Chair), Donna Howell, Penny Mudford, Murali Bhaskar, Gina Jones (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.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 2019, 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 2018 2019, the NZRAB achieved a deficit of, \$7,233 relative to a budgeted deficit of \$60,179. At 30 June 2019, the NZRAB had working capital of \$354,066.

¹ Rule 90(1).

Secretariat

The NZRAB employs 4.5 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 workplace 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 6 November 2018, the NZRAB moved into new offices at Level 8, ICentre, 50 Manners St, Wellington. This followed the NZRAB being required to evacuate from its 79 Boulcott St office on 12 April 2018 due to seismic concerns.

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 2018 2019.

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.	Not Achieved 79% of respondents said Board's initial registration procedures are efficient. 89% of respondents said Board's initial registration procedures are fair.
	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 2018 2019.
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.	Not applicable No degree accreditation reviews were scheduled during 2018 2019
	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.	Achieved
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

24 October 2019

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 2019.



Gina Jones
Chairperson



Marc Woodbury
Deputy Chairperson

Financial Statements for the Year ended 30 June 2019

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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 2019

	Note	2019	2019 Budget (Unaudited)	2018
<u>Income</u>				
Application for Registration		109,574	95,811	149,683
Certificate of Registration	1	1,131,907	1,113,560	1,078,676
Qualification Equivalency Assessment		8,100	9,900	7,650
Competence Reviews		-	-	1,650
Other Income		11,717	-	-
Discipline Hearing Cost Recovery		-	-	10,792
Interest Received		13,689	13,000	12,955
Total Income		<u>1,274,987</u>	<u>1,232,271</u>	<u>1,261,406</u>
<u>Less Expenses</u>				
Administration		69,707	53,817	69,043
Audit Fees		6,935	7,063	6,935
Communication		7,106	5,077	16,959
Protection of Title		-	-	400
Complaints and Discipline		93,831	156,458	112,759
Continuing Registration		191,492	187,362	192,365
Depreciation	7	10,744	6,780	4,975
Amortisation	7	5,801	5,801	17,920
Employee Related Costs	2	431,272	423,463	391,003
Governance		67,015	61,250	46,621
Occupancy Costs		69,299	77,254	36,239
Registration		329,018	308,125	366,780
Total Expenses		<u>1,282,220</u>	<u>1,292,450</u>	<u>1,261,998</u>
<u>Net Surplus / (Deficit)</u>		<u>(\$7,233)</u>	<u>(\$60,179)</u>	<u>(\$592)</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 2019

	Note	2019	2019 Budget (Unaudited)	2018
<u>Current Assets</u>				
Bank	3	1,500,844	1,473,770	1,552,424
Accounts Receivable and Prepayments	4	35,982	33,000	58,827
Total Current Assets		1,536,826	1,506,770	1,611,251
<u>Current Liabilities</u>				
Creditors and Accrued Expenses	5	172,749	199,220	154,801
Employee Costs Payable	6	87,519	29,273	81,251
Income in Advance	1	922,492	950,000	919,323
Total Current Liabilities		1,182,760	1,178,493	1,155,375
Working Capital		<u>\$354,066</u>	<u>\$328,277</u>	<u>\$455,875</u>
Fixed Assets	7	120,426	93,269	25,850
<u>NET ASSETS</u>		<u>\$474,492</u>	<u>\$421,546</u>	<u>\$481,725</u>
Represented By:				
Equity	8	<u>\$474,492</u>	<u>\$421,546</u>	<u>\$481,725</u>

Gina Jones

Chairperson

Date...24 October 2019

Mary

Board Member

Date...24 October 2019

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 2019

	2019	2019 Budget (Unaudited)	2018
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts	1,289,239	1,276,545	1,297,317
Interest Received	13,689	13,000	12,955
	<u>1,302,928</u>	<u>1,289,545</u>	<u>1,310,271</u>
Cash was disbursed to:			
Payments to suppliers and employees	1,173,315	1,210,945	1,169,970
Occupancy Costs	69,299	77,254	36,239
	<u>1,242,614</u>	<u>1,288,199</u>	<u>1,206,208</u>
Net Cash Flows from Operating Activities	<u>60,315</u>	<u>1,347</u>	<u>104,063</u>
Cash Flows from Investing Activities			
Purchase of Fixed Assets	(111,895)	(80,000)	(7,275)
Net Increase in Cash Flow	<u>(\$51,580)</u>	<u>(\$78,653)</u>	<u>\$96,788</u>
Add Opening Bank Funds 01/07/18	1,552,424	1,552,424	1,455,636
Closing Bank Funds 30/06/19	<u>\$1,500,844</u>	<u>\$1,473,770</u>	<u>\$1,552,424</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 2019

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 2019 to 30 June 2020 prior to the commencement of the year to which they relate.

2 Employee Related Costs

	2019	2018
Change to Provision for Holiday Pay	5,147	14,908
Gross Salaries	402,332	362,334
Employer's Superannuation	12,069	10,869
ACC Expenses	203	1,458
Legal Fees	125	-
Recruitment	8,011	-
Staff Amenities	1,972	1,397
Staff Training	1,359	-
Staff Travel	54	37
Total Employee Related Costs	<u>\$431,272</u>	<u>\$391,003</u>

3 Bank

	2019	2018
Bank	1,120,645	1,179,969
Cash on Hand	50	50
Short Term Deposits	380,149	372,405
Total Bank	<u>\$1,500,844</u>	<u>\$1,552,424</u>

The NZRAB has a total VISA credit card facility of \$40,000.

4	Accounts Receivable and Prepayments		
		2019	2018
	Prepayments	24,157	22,229
	Trade Debtors	6,205	29,641
	Sundry Debtors	5,620	4,657
	Deposits Paid	-	2,300
	Total Accounts Receivable and Prepayments	<u>\$35,982</u>	<u>\$58,827</u>
5	Creditors and Accrued Expenses		
		2019	2018
	Trade Creditors	34,080	18,488
	Sundry Creditors	5,353	2,963
	GST	116,411	118,417
	Accrued Expenses	16,905	14,933
	Total Creditors and Accrued Expenses	<u>\$172,749</u>	<u>\$154,801</u>
6	Employee Costs Payable		
		2019	2018
	Holiday Pay Accrued	52,073	46,926
	IRD Scheduling Payments	20,306	22,730
	Kiwisaver	5,115	3,400
	Donations	30	30
	Net Pay	9,995	8,165
	Total Employee Costs Payable	<u>\$87,519</u>	<u>\$81,251</u>

7 **Fixed Assets**

	Opening Carrying Amount	Purchases	Disposals	Current Year Depreciation	Closing Carrying Amount
2019					
Tangible Assets					
Computers and Equipment	542	3,711		1,808	2,445
Office Furniture and Fittings	19,504	108,186	(774)	8,936	117,980
Total Tangible Assets	<u>\$20,047</u>	<u>111,897</u>	<u>(774)</u>	<u>\$10,744</u>	<u>\$120,426</u>
Intangible Assets					
Website	5,801	-	-	5,801	-
Total Fixed Assets	<u>\$25,848</u>	<u>111,897</u>	<u>(774)</u>	<u>\$16,545</u>	<u>\$120,426</u>
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	<u>\$35,799</u>	<u>7,275</u>	<u>(18,052)</u>	<u>\$4,975</u>	<u>\$20,047</u>
Intangible Assets					
Website	23,721	-	-	17,920	5,801
Total Fixed Assets	<u>\$59,520</u>	<u>7,275</u>	<u>(18,052)</u>	<u>\$22,895</u>	<u>\$25,850</u>

8 **Accumulated Funds**

2019		Accumulated Surpluses or Deficits
Opening Balance		481,725
Surplus / (Deficit)		<u>(7,233)</u>
Closing Balance		<u><u>474,492</u></u>
2018		Accumulated Surpluses or Deficits
Opening Balance		482,317
Surplus / (Deficit)		<u>(592)</u>
Closing Balance		<u><u>481,725</u></u>

9 **Statement of Commitments as at 30 June 2019**

Capital Commitments

As at 30 June 2019, there were no capital commitments entered into (2018: 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:

	2019	2018
Less than 1 year	41,390	165,560
Between 1-2 years	-	41,390
Between 3-5 years	-	-

Premises

Less than 1 year	56,000	18,632
Between 1-2 years	112,000	-
Between 3-5 years	126,000	-

Photocopier

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

10 **Contingent Liabilities**

As at 30 June 2019, 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**

There have been no Post-Balance-Date events.

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF NEW ZEALAND REGISTERED ARCHITECTS BOARD'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The Auditor-General is the auditor of the New Zealand Registered Architects Board. The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, to carry out the audit of the financial statements of the New Zealand Registered Architects Board on his behalf.

Opinion

We have audited the financial statements of the Board that comprise the entity information, the statement of financial position as at 30 June 2019, the statement of financial performance and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Board on present fairly, in all material respects:

- the entity information,
- its financial position as at 30 June 2019; 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 24 October 2019. 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 financial statements, 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 financial statements

The Board is responsible for preparing financial statements that are fairly presented and that comply 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the New Zealand Registered Architects Board for assessing the New Zealand Registered 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 New Zealand Registered 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

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 financial statements, 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 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements 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 the Public Audit Act 2001 and Registered Architects Act 2005.

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.



Chrissie Murray
Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General
Wellington, New Zealand