



Annual Report

2020

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

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

Statement from the Board

The review period, 1 July 2019 to 30 June 2020, was interrupted by the Covid-19 pandemic. The first registration round of 2020 was postponed, and the Wellington offices of the New Zealand Registered Architects Board (NZRAB) were closed, with the secretariat working from home.

Matters became further complicated when the Chief Executive (CE), Paul Jackman, having already decided to retire, then fell ill, and Executive Officer – Public Protection Andrew Symonds had to step in as Acting CE, which Andrew did for an extended period.

The NZRAB and its various committees quickly adapted, meetings being conducted by video conference. The secretariat performed to a high standard. They were assisted, in that something analogous had happened months earlier when the secretariat had to evacuate from the NZRAB's Boulcott Street offices as a result of earthquake damage. The decision made then to shift to cloud computing proved fortuitous.

Although the NZRAB had an approved budget deficit for the year of c.\$302,000, the Board decided, particularly due to the unpredictable economic effects of the Covid-19 pandemic, that it would be prudent to postpone all project spend. The most significant planned project was to create a new CPD records management website. The savings from this postponement were offset to some extent by above budget complaints and discipline expenses and additional employment costs related to replacing the CE, resulting in an overall deficit of c.\$232,000. As is flagged on page 15 of this Report, the Board has continued to shape its thinking about its statutory role.

Prior to the Covid-19 pandemic, the review period had seen significant achievements, the most noteworthy being the introduction in January 2020 of new complaints and discipline procedures. This was a substantial reform that:

- established an informal process for trying to resolve complaints without having to invoke formal complaints procedures
- introduced inquisitorial rather than adversarial formal complaints procedures
- changed the way complaints are investigated so that a separate Investigating Panel undertakes the investigation, and the Board becomes involved if the investigation results in a recommendation for a penalty or if a Disciplinary Hearing is held.

As the 2019/20 year wound to a close, the Covid-19 lockdown restrictions eased and the NZRAB's offices opened again, on 18 May 2020. Also, the NZRAB announced the appointment of Margaret Bearsley as the new CE, replacing Paul.

Paul took up the post of CE in August 2007. Under his leadership, the NZRAB has evolved substantially and the Board thanks Paul for his sustained effort in this regard. The Board also welcomes Margaret and wishes her well in her new role. The Board thanks the NZRAB secretariat for their professionalism and dedication over the year.

The Board also thanks the Registration Assessors and other office holders for their significant work over the year.



Gina Jones
Chairperson
29 October 2020



Marc Woodbury
Board Member
29 October 2020

The Board Members

Gina Jones

Position: Chairperson

Appointed 23 January 2018, present term expires 31 August 2023
NZIA nominated



Gina Jones, FNZIA, FNZIOB, is a Registered Architect, with governance experience that is singularly construction focused. Gina's background includes: National President of the New Zealand Institute of Building (NZIOB), the inaugural National President of the National Association of Women in Construction, and Chair of the NZIOB Charitable Trust. Gina's industry accolades include the prestigious NZIOB Medal (2009). Gina founded Accent Architects and ran the practice for 22 years, with her earlier career spent at Ampersand Architects (Director) via TWMA Architects (Graduate/Associate). Gina is currently an Architect Consultant at Catalyst Consulting in Wellington. Gina has taught Professional Practice (post Graduate) at VUW's School of Architecture, and has deepened her governance capability by completing several Institute of Directors (IoD) run training courses.

Marc Woodbury

Position: Deputy Chairperson

Appointed 2 May 2016, present term expires 21 January 2023
NZIA nominated



Marc Woodbury is a Registered Architect, and Principal of the Wellington Practice of Studio of Pacific Architecture Ltd. Marc has over 20 years' experience in the design and delivery of a diverse range of architectural projects. Marc has an interest and knowledge in the area of sustainable architecture and at Studio Pacific organises the in-house Continuing Professional Development and mentoring programmes. Marc is also an NZRAB registration assessor.

Murali Bhaskar

Appointed 22 January 2019, present term expires 21 January 2023

Murali Bhaskar, FNZIA, is a Registered Architect, Principal and Design Director of BOON Ltd as well as Director of Team Architects NZ Ltd and is based in New Plymouth. Murali has over 25 years of project experience, specialising in master planning, civic, community and cultural, urban design, tourism and education projects. Murali has been a Trustee of the Taranaki Health Foundation since 2013 and is a Trustee of the New Plymouth Art in Public Places Trust. He was born and educated in Kerala, South India.



Prof Diane Brand

Appointed 19 December 2015, present term expires 31 August 2023

Diane Brand is the Dean of the Faculty of Creative Arts and Industries at the University of Auckland, which includes the Schools of Architecture and Planning, Music, Fine Arts and Dance. She is a member of the Editorial Board of the Journal of Urban Design.



Kimberly Browne

Appointed 3 October 2016, present term expires 21 January 2023
NZIA nominated

Kimberly Browne is an Australian-educated New Zealand Registered Architect and an Associate Principal at Jasmax Limited. Since arriving in Auckland in 2000, Kimberly has gained experience in the education, commercial and residential sectors much of it alongside NZIA gold-medal-winning Architect Marshall Cook. Kimberly returned to Jasmax in 2015 and has recently completed work on the new \$220 million Faculty of Engineering Building for the University of Auckland. She has been an NZRAB Registration Assessor since 2011.



Rob Hall

Appointed 22 January 2019, present term expires 21 January 2023

Rob Hall is a Fellow of the Royal Institution of Chartered Surveyors and previously of the Chartered Institution of Water and Environmental Management. He is the Chief Executive Officer of Development Christchurch Limited with extensive experience in development and programme management around the world. Rob has an interest in sustainable urban redevelopment and how modern design impacts people and enhances our communities.



Louise Wright

Appointed 18 December 2014 - present term expires 31 August 2023
NZIA nominated

Te Arawa (Ng. Whakaue, Ng. Rangiwhewehi), Tuwharetoa (Rauhoro),
Rongowhakaata, Te Aitanga-ā-Māhaki, Te Aitanga-ā-Hauiti

Louise Wright is a Registered Architect based in Arrowtown. Her practice, Assembly Architects Ltd, is a design-focused practice delivering mainly residential and boutique commercial projects in the Southern Lakes region. Prior to establishing Assembly with her husband Justin Wright, Louise was an Associate at Athfield Architects in Wellington. Louise is a member of the Jack's Point Design Review Board, is on the Arrowtown Planning Advisory Group, and is on the NZIA Awards Advisory panel. In 2017 Louise convened the NZIA National Awards Jury, and in 2020 was awarded the Architecture+Women Wirihihana Leadership Award.



Executive Summary

Key statistics¹

As at 30 June 2020, 2,111 architects were registered in New Zealand.

During the 2019/20 financial year:

- 92 persons were granted registration and 15 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
- Two disciplinary actions² were taken.

Chronology

- On 21 August 2019, architects and other stakeholders were consulted regarding a proposed increase in the architects' Annual Certificate of Registration Fee, from \$644.00 (GST included) to \$724.50 (GST included).
- On 26 September 2019, the NZRAB issued a Cautionary Note to the Profession in regard to avoiding inducements.
- On 14 November 2019, the NZRAB published its Annual Report for 2019.
- On 12 December 2019, the NZRAB issued its last newsletter to architects for 2019.
- On 10 January 2020, new procedures by which members of the public could have their concerns investigated about architectural services they had received came into effect.
- On 5 March 2020, regulations were enacted increasing the Annual Certificate of Registration fee from \$644.00 to \$724.50 effective 1 July 2020.
- On 12 March 2020, Executive Officer – Public Protection, Andrew Symonds, stood in as Acting CE. This was owing to NZRAB CE Paul Jackman being on extended sick leave.
- On 24 March 2020, following the Government's decision to place New Zealand on Covid-19 Alert Level 4, the NZRAB's Wellington office was shut and the secretariat worked from home. In addition, the impending Pathway 1 Initial Registration Round was postponed. The NZRAB's office reopened on 18 May 2020.
- On 27 March 2020, the NZRAB issued a newsletter to architects providing an update on the impact of the Covid-19 pandemic on the NZRAB's activities.
- On 9 April 2020 the NZRAB issued an advisory note to architects saying that, to assist them deal with the Covid-19 pandemic, all architects' CPD points targets were being reduced by 200 points.

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

² Complaint upheld.

Numerical Performance Indicators

	2019/2020	2018/19	2017/18	2016/17
Governance				
Board members at 30 June	7	7	6	6
Board meetings ¹	18	11	12	12
Registration				
Registration applications accepted (excludes TTMRA)	78	90	142 ²	42 ³
Registration applications declined	15	28	28	8
Equivalency assessments	19	19	19	16
Initial registration process review applications received	1	0	0	0
TTMRA registrations ⁴	14	21	31	23
Continuing Registration				
Registered architects at 30 June	2,111	2,035	1,960	1,889
Architects in voluntary suspension at 30 June	280	303	285	267
Architects granted a further 5-years continuing registration ⁵	172	177	227	922
Architects declined a further 5-years continuing registration	0	0	0	1
Percentage registered architects that are female at 30 June	26.0% ⁶	25.0%	23.4%	21.7%
APEC Architect				
NZ APEC architects at 30 June	12	11	11	10
NZ APEC architects applications accepted	0	0	1	0
Public Protection/Discipline				
Complaints received	11	13	13	7
Complaints dismissed or withdrawn	22	11	3	7
Complaints upheld	2	0	1	1
Complaints not yet resolved at 30 June	5	18	16	7
Protection of Title				
Misuse of the title reported and acted on	14	15	17	23
Prosecutions ⁷	0	0	0	0
Communications				
Newsletters	2	1	1	1
Consultations/surveys	1	2	0	2
Administration				
Staff at 30 June (full time equivalent)	5.5 ⁸	4.5	3.5	3.5
Registration Assessors at 30 June	58	55	51	52
Finance				
Net surplus/(deficit)	(\$232,253)	(\$7,233)	(\$592)	\$103,007
Working Capital at 30 June	\$125,718	\$354,066	\$455,875	\$442,796
Equity at 30 June	\$236,238	\$474,492	\$481,725	\$482,317

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 last registration round of the 2016/17 year was delayed from March to May 2017 and, as a result, Board decisions to grant registration were made in August 2017, i.e. in the 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 Trans-Tasman Mutual Recognition Act 1997.

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

⁶ See graphs on page 7 of this Report, which show the trend for gender balance in younger architects.

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

⁸ The normal FTE complement is 4.5, but the handover period between the incoming and outgoing CEs occurred across the end of the financial year, resulting in 5.5 FTE at 30 June 2020.

Statement of Service Performance

Overview

The architectural profession's current institutional arrangements are derived from the Registered Architects Act 2005 (the Act) which established the NZRAB, and the Registered Architects Rules 2006 (the Rules).

Under section 50 of the Act, the NZRAB's functions are:

- making rules relating to architects
- registering architects, issuing certificates of registration and assessing whether architects meet the standard for continued registration
- maintaining a register of architects
- investigating complaints and, if required, disciplining architects
- providing information to the public about the registration system for architects.

Under section 3, one of the purposes of the Act 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 were interrupted by the Covid-19 restrictions. In total, 92 architects were granted registration for the first time and 15 registration applications were declined.

These numbers are lower than usual because, owing to the Covid-19 pandemic, registration assessments were postponed in the last half of the 2019/20 financial year.

The NZRAB's registration procedures are dependent on the expertise of 58 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 to demonstrate their professional experience.

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 and experience are equivalent to more typical applicants as described above.

Recognised New Zealand academic qualifications are reviewed and quality-assured every five years. During 2019/20, no recognised New Zealand academic qualifications were required to be reviewed.

These procedures have been developed by and are shared with Australia.

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. During 2019/20, 172 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.

New Zealand Architects Register

The NZRAB maintains an online New Zealand Architects Register. The Register's statutory purpose is to enable the public to:³

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

² Rule 21(1)(b).

³ Sections 18 to 23 of the Act.

Demographics

Figures 1 and 2 below provide a visual representation of the demographics of New Zealand's architects by age and gender. The NZRAB is very pleased with the growing trend for gender balance in the profession coming through. Figure 1 shows that the youngest cohorts have a near 50/50 gender split. Figure 3 on page 11 shows architects' self-identified ethnicity, with approximately 79% of architects self-identifying as New Zealand European, 3% as Māori, and fewer than 1% as being from Pacifica nations.

Figure 1

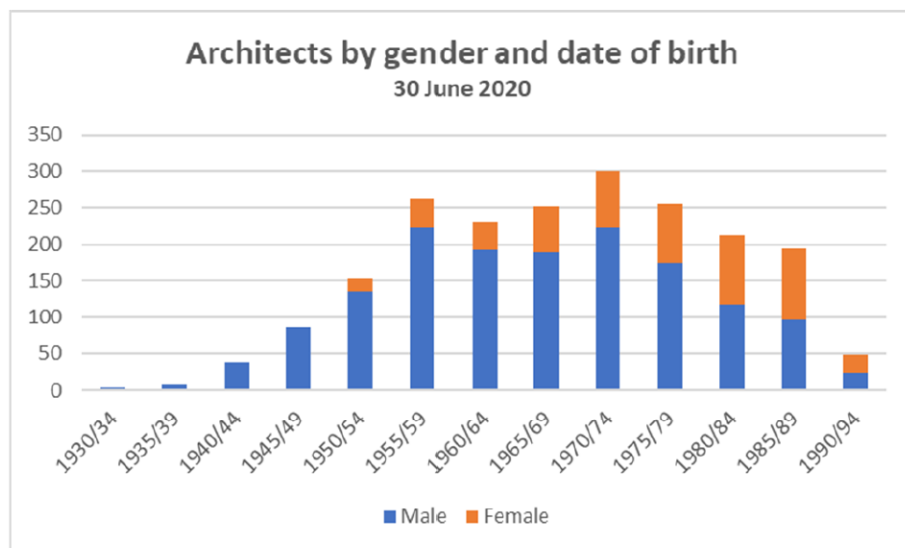


Figure 2

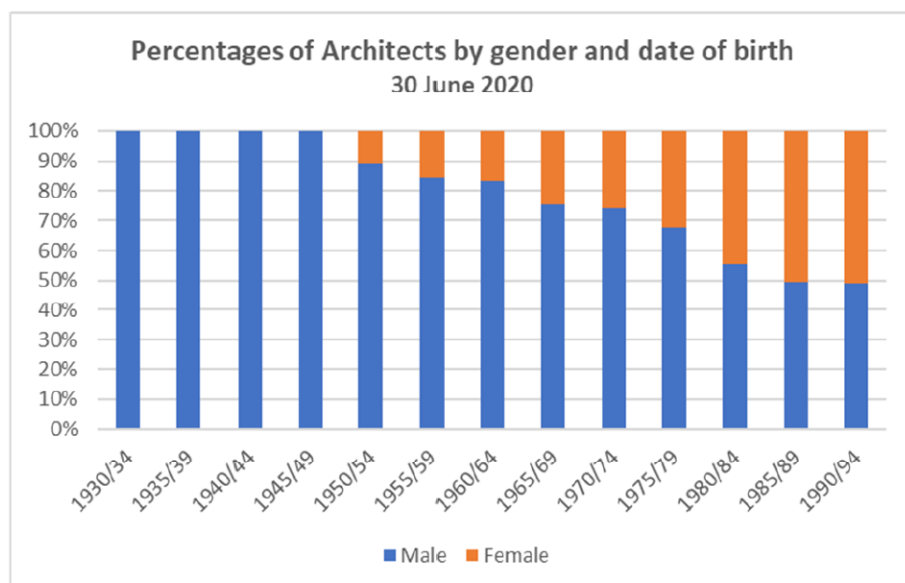
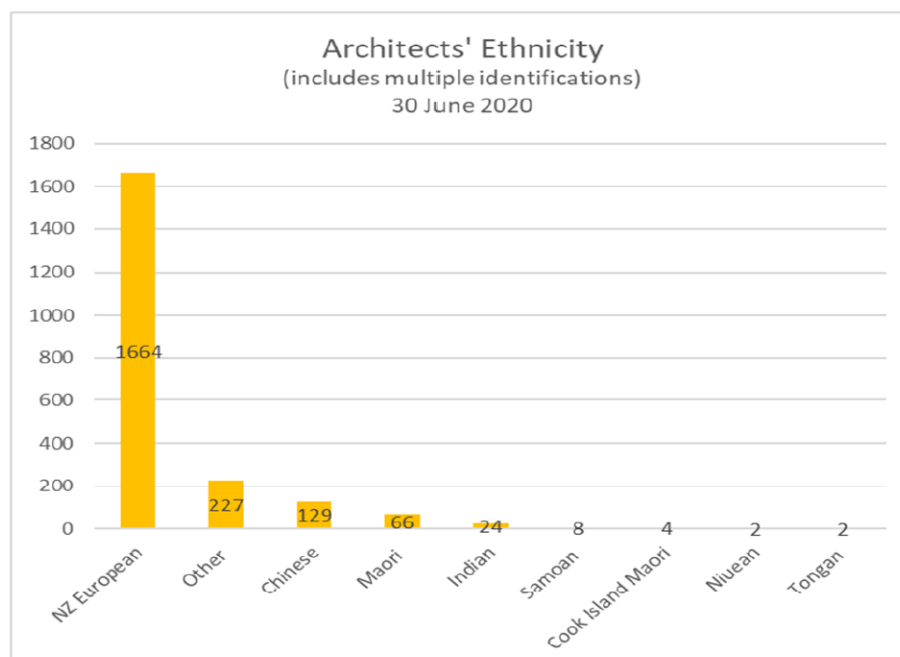


Figure 3



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 2019/20:

- 18 complaints were not yet resolved at 1 July 2019
- 11 complaints were received
- 22 complaints were dismissed or withdrawn
- 2 complaints were upheld
- 5 complaints were not yet resolved at 30 June 2020.

On 10 January 2020, the NZRAB complaints procedures were amended so that now when a member of the public raises a concern about their architect or the service provided, the matter is looked into to see if, with help provided by the NZRAB, the parties can resolve the matter by agreement. If a solution cannot be found in this way, then the member of the public has the choice of laying a formal complaint or raising a competence concern about the architect.

The NZRAB’s formal complaints procedures also changed, so that now the Investigating Panel that looks into the matter has a delegated authority to either dismiss the complaint or find fault. This contrasts with the previous arrangements where an investigation had to be followed by a formal Disciplinary Hearing if the investigation had determined there was a case to answer. The Investigating Panel’s new procedures are inquisitorial, as

¹ The Act, section 25.

opposed to adversarial, so the Panel reviews the complaint and the architect's response, and if needed interviews the parties, and then comes to a view. This makes the process less heavy-handed and expensive.

However, if the architect is found to be at fault by the Investigating Panel, the architect does have the right to insist on a formal Disciplinary Hearing before the Board, to have the matter formally tested.

Almost all the complaints the NZRAB has received have been about residential projects where mistakes may have been made, but there hasn't been a risk to public safety or deliberately unethical behaviour. These new procedures better match these realities and should be more constructive for everyone.

Protection of Title

During the review period, 14 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's international relations have two main parts. As a result of the Trans-Tasman Mutual Recognition Act, 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.

Communications

Two newsletters were issued to architects and other stakeholders. Architects and the NZRAB's other stakeholders were consulted about the increase in the Annual Certificate of Registration Fee that architects are required to pay.

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's Annual Report.

The NZRAB Board can have six to eight members. They are appointed by the Minister. Up to four Board members can be nominated to the Minister by the NZIA.²

¹ The NZRAB is classified as being "an agency associated with a ministerial portfolio" and it is not covered by the Crown Entities Act 2004.

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

At 30 June 2020, the Board members were as follows:

Board members	Occupation	First appointed	Current term expires
Gina Jones* (Chair)	Architect	23/01/2018	22/01/2020 #
Marc Woodbury* (Deputy Chair)	Architect	02/05/2016	21/01/2023
Murali Bhaskar	Architect	22/01/2019	21/01/2023
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 ¹	22/01/2019	21/01/2023
Louise Wright*	Architect	18/12/2014	22/01/2020 #

* NZIA nominated

Board members whose terms have expired continue as Board members until they resign or are replaced. On 7 August 2020, these members' appointments were renewed, and their terms all expire on 31 August 2023.

Board members and other office holders are paid modest honoraria. These are described in detail in the NZRAB's Honoraria Policy. At Board meetings, Board members declare any conflicts of interest in relation to matters covered at the meeting. A register of Board members' interests is also maintained. The Board publishes its minutes on the website (www.nzrab.nz).

The NZRAB has appointed several committees to undertake policy development and monitor performance. The Act requires that each committee includes at least two Board members. As at 30 June 2020, these committees were as follows:²

Executive Committee

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

Audit and Risk Committee

Members: Rob Hall (Chair) Diane Brand, Gina Jones (ex-officio)

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, Tony Orgias, Alec McDonald, Judi Keith-Brown, Ainsley O'Connell, Craig Moller, Paul Lelieveld, Stephanie Roughan, Felicity Christian, Michael Melville, Darryl Haines, Gina Jones (ex-officio)

Public Protection Committee

Members: Louise Wright (Chair), Rob Hall (Deputy Chair), Donna Howell, Penny Mudford, Nicole Smith, Murali Bhaskar, Denise Civil, Gina Jones (ex-officio)

Investigating Panels are appointed to investigate complaints. These Panels must comprise at least three members, of which no more than two can be Board members,

¹ Development Christchurch Ltd

² On 27 August 2020, the Board disestablished all of the Committees other than the Audit and Risk Committee and the Investigating Panels, as part of its strategic refocus described on page 15.

and at least one must be an architect and one *not* an architect (who acts as a representative of consumer interests).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 2020, 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 2019/20, the NZRAB realised a deficit of, \$232,253 relative to a budgeted deficit of \$301,917. At 30 June 2020, the NZRAB had working capital of \$125,718.

On 5 March 2020, regulations were enacted increasing the Annual Certificate of Registration fee from \$644.00 to \$724.50 (GST included) effective on 1 July 2020.

Secretariat

The NZRAB employs 4.5 full-time-equivalent staff, including the CE.

Clause 38 of the Schedule to 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 within the team. The key to this is flexible hours of work, so people can meet their family or other obligations.

Care is taken that the workplace itself is congenial and safe. Employment decisions are based on merit. Team members' aims, aspirations and employment requirements are recognised, and an inclusive, collegial work culture is encouraged.

On 12 December 2019, the CE, Paul Jackman, tendered his resignation, effective 3 July 2020. The search for a new CE began in the New Year and on 2 June 2020 the appointment of Margaret Bearsley as the next CE was announced.

The Covid-19 pandemic presented the secretariat with particular challenges. On 24 March 2020, following the Government's decision to place New Zealand on

¹ Rule 90(1), as at 10 January 2020. Prior to this, Investigating Committees were appointed.

Alert Level 4, the NZRAB's Wellington office was shut down and the secretariat worked from home. The NZRAB's office reopened on 18 May 2020.

Future focus

The NZRAB is looking to the future with a fresh focus on its functions as a regulator of the profession of architecture. Among the goals we hope to implement over the coming months and years are:

§ lifting the standards of the profession, through—

- §§ a more rigorous approach to reviewing architects' competency
- §§ a more robust approach to responding to complaints about architects
- §§ expansion of the architects' code of ethics to include requirements such as not bringing the profession into disrepute, not acting in an unprofessional manner (e.g., not engaging in bullying or harassing behaviour), and having an annual 'fit and proper person' requirement
- §§ making a certain number of CPD hours mandatory, and expecting the profession to undertake CPD appropriate to individuals' areas of practice

§ reorganizing the Secretariat into an advisory Executive to the Board, to better assist the Board in the performance of its regulatory functions

§ gaining a level of independence from the profession we regulate by exploring alternative funding models, including potentially obtaining a proportion of our funding from the Crown. This would strengthen architects' occupational regulation, by giving the regulator a greater degree of independence from the profession, to fund the actions it takes to protect the public.

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 2019/20.

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 93% of respondents said the Board's initial registration procedures are efficient and 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.	Achieved 1 Rule 35 review was undertaken during 2019/20, and found that the procedures were carried out in accordance with the Act and Rules
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 2019/20
	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 Available >99.99% of the year

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.	Not applicable No such cases were identified
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 (no appeals were lodged)
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 ¹
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

¹ The Board's self-appraisal was undertaken prior to the 27 August 2020 strategic reset referred to on page 15, and the results, therefore, do not reflect the change in Board culture.

29 October 2020

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 2020.



Gina Jones
Chairperson



Marc Woodbury
Board Member

Financial Statements for the Year ended 30 June 2020

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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 2020

	Note	2020	2020 Budget (Unaudited)	2019
<u>Income</u>				
Application for Registration		85,618	91,248	109,574
Certificate of Registration	1	1,165,845	1,148,280	1,131,907
Qualification Equivalency Assessment		6,300	8,550	8,100
Other Income		17,235	16,800	11,717
Discipline Hearing Cost Recovery		27,220	-	-
Interest Received		9,663	13,000	13,689
Total Income		1,311,881	1,277,878	1,274,987
<u>Less Expenses</u>				
Administration		72,238	180,654	69,707
Audit Fees		9,940	8,585	6,935
Communication		14,421	4,013	7,106
Complaints and Discipline		229,566	172,383	93,831
Continuing Registration		251,110	252,904	191,492
Depreciation	7	15,251	14,126	10,744
Amortisation	7	-	5,801	5,801
Employee Related Costs	2	538,631	454,435	431,272
Governance		85,074	111,176	67,015
Occupancy Costs		65,104	66,172	69,299
Registration		262,800	309,546	329,018
Total Expenses		1,544,135	1,579,795	1,282,220
<u>Net Surplus / (Deficit)</u>		<u>(\$232,253)</u>	<u>(\$301,917)</u>	<u>(\$7,233)</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 2020

	Note	2020	2020 Budget (Unaudited)	2019
<u>Current Assets</u>				
Bank	3	1,374,029	1,039,441	1,120,695
Investments		150,000	150,000	380,149
Accounts Receivable and Prepayments	4	15,256	24,000	35,982
Total Current Assets		1,539,285	1,213,441	1,536,826
<u>Current Liabilities</u>				
Creditors and Accrued Expenses	5	217,557	191,777	172,719
Payroll Costs Accrued	6	105,369	29,589	87,519
Income in Advance	1	1,090,640	920,000	922,492
Total Current Liabilities		1,413,566	1,141,366	1,182,760
Working Capital		\$125,718	\$72,075	\$354,066
<u>Fixed Assets</u>				
Property, Plant and Equipment		110,520	100,499	120,426
Intangible Assets		6,001	-	-
Total Fixed Assets	7	116,521	100,499	120,426
<u>NET ASSETS</u>		<u>\$242,239</u>	<u>\$172,574</u>	<u>\$474,492</u>

Gina Jones

Chairperson

Date...29 October 2020

Mary

Board Member

Date 29 October 2020

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 2020

	2020	2020 Budget (Unaudited)	2019
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts	1,481,343	1,273,211	1,289,239
Interest Received	9,663	13,000	13,689
	<u>1,491,006</u>	<u>1,286,211</u>	<u>1,302,928</u>
Cash was disbursed to:			
Payments to suppliers and employees	1,391,372	1,531,442	1,173,315
Occupancy Costs	65,104	66,172	69,299
	<u>1,456,476</u>	<u>1,597,614</u>	<u>1,242,614</u>
Net Cash Flows from Operating Activities	<u>34,530</u>	<u>(311,403)</u>	<u>60,315</u>
Cash Flows from Investing Activities			
Purchase/Sale of Investments	230,149	230,149	(380,149)
Purchase of Fixed Assets	(11,345)		(111,895)
Net Increase in Cash Flow	<u>\$253,334</u>	<u>(\$81,254)</u>	<u>(\$431,729)</u>
Add Opening Bank Funds 01/07/2019	1,120,695	1,120,695	1,552,424
Closing Bank Funds 30/06/2020	<u>\$1,374,029</u>	<u>\$1,039,441</u>	<u>\$1,120,695</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 2020

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.

D Investments

Investments in the Statement of Cash Flows comprise short term deposits.

F 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

	2020	2019
Change to Provision for Holiday Pay	18,539	5,147
Gross Salaries	468,845	402,332
Employer's Superannuation	13,147	12,069
ACC Expenses	856	203
Legal Fees	1,656	125
Recruitment	26,618	8,011
Staff Amenities	4,246	1,972
Staff Training	4,659	1,359
Staff Travel	65	54
Total Employee Related Costs	<u>\$538,631</u>	<u>\$431,272</u>

3 Bank

	2020	2019
Bank	1,373,979	1,120,645
Cash on Hand	50	50
Total Bank	<u>\$1,374,029</u>	<u>\$1,120,695</u>

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

4 Accounts Receivable and Prepayments

	2020	2019
Prepayments	14,408	24,157
Trade Debtors	-	6,205
Sundry Debtors	848	5,620
Total Accounts Receivable and Prepayments	<u>\$15,256</u>	<u>\$35,982</u>

5 Creditors and Accrued Expenses

	2020	2019
Trade Creditors	30,602	34,080
Sundry Creditors	7,776	5,353
GST	141,162	116,411
Accrued Expenses	38,017	16,905
Total Creditors and Accrued Expenses	<u>\$217,557</u>	<u>\$172,749</u>

6 Payroll Costs Accrued

	2020	2019
Holiday Pay Accrued	70,612	52,073
IRD Scheduling Payments	17,882	20,306
Kiwisaver	3,432	5,115
Donations	30	30
Salaries Accrued	13,413	9,995
Total Payroll Costs Accrued	<u>\$105,369</u>	<u>\$87,519</u>

7 **Fixed Assets**

	Opening Carrying Amount	Purchases	Disposals	Current Year Depreciation	Closing Carrying Amount
2020					
Property, Plant and Equipment					
Computers and Equipment	2,445	5,345		2,588	5,202
Office Furniture and Fittings	117,980	-		12,663	105,317
Total Property, Plant and Equipment	<u>\$120,426</u>	<u>5,345</u>	<u>-</u>	<u>\$15,251</u>	<u>\$110,520</u>
Intangible Assets					
Website	-	6,000	-	-	6,000
Total Fixed Assets	<u>\$120,426</u>	<u>11,345</u>	<u>-</u>	<u>\$15,251</u>	<u>\$116,520</u>

2019

Property, Plant and Equipment

Computers and Equipment	542	3,711		1,808	2,445
Office Furniture and Fittings	19,504	108,186	(774)	8,936	117,980
Total Property, Plant and Equipment	<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>

8 **Accumulated Funds**

2020

	Accumulated Surpluses or Deficits
Opening Balance	171,192
Surplus / (Deficit)	(232,253)
Closing Balance	<u>242,239</u>

2019

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

9 **Statement of Commitments as at 30 June 2020**

Capital Commitments

As at 30 June 2020, \$8,000 is committed to complete an upgrade to the NZRAB online database, of which the online register is a part (2019: Nil).

Operating Commitments

CPD Administration

The NZRAB has a constructive commitment in place with the New Zealand Institute of Architects to administer the NZRAB's CPD framework up to 31st December 2020. The cost of this agreement based on current numbers is:

	2020	2019
Less than 1 year	110,000	41,390
Between 1-2 years	-	-
Between 3-5 years	-	-
<i>Premises</i>		
Less than 1 year	56,000	56,000
Between 1-2 years	112,000	112,000
Between 3-5 years	70,000	126,000
<i>Photocopier</i>		
Less than 1 year	3,276	1,001
Between 1-2 years	6,552	-
Between 3-5 years	273	-

10 **Related Parties Transactions with Board Members**

	2020	2019
Warwick Bell	-	8,380
Gina Jones	31,800	17,416
Marc Woodbury	27,286	21,740
Rob Hall	9,515	3,460
Murali Bhaskar	9,807	2,695
Diane Brand	8,470	7,893
Louise Wright	12,744	10,973
Kimberly Bown	8,856	12,226
Total Board Honoraria	<u>\$108,178</u>	<u>\$81,783</u>

11 **Contingent Liabilities**

As at 30 June 2020, there were no contingent liabilities.

12 **COVID-19**

In March 2020, the World Health Organisation declared an ongoing global outbreak of a novel coronavirus, known as COVID-19, as a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID alert and nationwide lockdown commenced.

At 29 October 2020, the board has been able to absorb the majority of the impact from the nationwide lockdown. However, the full financial and operational impact of the COVID-19 pandemic is not able to be determined. The effects noted during 2020 include:

- Delay of revenue received from new registrants due to face-to-face interviews being unable to be performed prior to 30 June
- Reduction in travel expenditure due to lockdowns
- Receipt and subsequent return of the wage subsidy, once it became clear that the NZRAB had not suffered the required 30% decrease in revenue

13 **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
PERFORMANCE REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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 performance report of the New Zealand Registered Architects Board on his behalf.

Opinion

We have audited the performance report of the Board that comprises the entity information, the statement of financial position as at 30 June 2020, 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 Board on presents fairly, in all material respects:

- the entity information,
- its financial position as at 30 June 2020; and
- its financial performance and cash flows for the year then ended; and

complies with generally accepted accounting practice in New Zealand and has been prepared in accordance with PBE SFR-A (PS) Public Benefit Entity Simple Format reporting – Accrual (Public Sector).

Our audit was completed on 2 November 2020. 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.

Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Board as set out in Note 12 to the performance report.

Responsibilities of the Board for the performance report

The Board is responsible for preparing 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 performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board is responsible 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 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 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 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 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