

Board Manual

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This Board Manual is intended to provide Board members with a guide as to how the Board works and their role within it.

Purpose of the NZRAB

The New Zealand Registered Architects Board (NZRAB) is a statutory entity created by the Registered Architects Act 2005 (the Act) to ensure that Registered Architects are competent and reputable, so the public can rely on them.

The Act¹ describes the NZRAB's functions as being to:

- a) make rules relating to Registered Architects
- b) register Architects, issue certificates of registration and assess whether Registered Architects meet the requirements for continued registration
- c) maintain a register
- d) investigate complaints and, if required, discipline Registered Architects
- e) provide information to the public about the registration system for Registered Architects.

Thus the NZRAB's core business entails:

- registering architects
- maintaining a register of architects which the public can view online
- every five years reviewing each architect in terms of whether he or she is still safe to practice
- operating a complaints and discipline procedure.

Governance

The NZRAB's institutional and governance arrangements are set out in the Act.

Part 3 of the Act is the primary source in this regard. Part 3:

- establishes the NZRAB as a body corporate and then defines its powers (s50)
- describes the required composition of the NZRAB Board (s52)
- describes how the NZRAB may create committees (S55 to 57)
- describes the NZRAB's accountability and reporting obligations (S58 to 66)
- establishes that the NZRAB must make Rules (Registered Architects Rules 2006) and how this shall be done (S67 to 74).

The Act also has a schedule which among other things describes:

- how Board members are appointed (1), who can be Board members (2), terms of appointment (3) and what happens when Board members resign (6) or are removed (7)
- the duties of Board members (9 to 12)
- how Board members may rely on some sources of information and advice (12)
- Board members obligations in terms of disclosing interests (13 to 16)
- Board members confidentiality obligations (17), their liabilities (18) and their honoraria (19)
- the appointment and roles of the Board Chairperson and Deputy Chairperson (20 to 24)

¹ Section 50

- procedures for Board meetings (25 to 32)
- Board powers to delegate, contract, obtain legal advice and enter into agreements (33 to 37)
- the NZRAB's obligations as an employer (38 to 39)
- how the NZRAB's finances are to be arranged (40 to 44)
- limitations on the NZRAB acquiring shares in another body corporate (45).

More detail as to how the NZRAB shall conduct its business is provided in the Registered Architects Rules 2006. The Rules cover:

- the title of Registered Architect (part 1)
- initial and continuing registration (part 2, subparts 1 to 5)
- suspensions and cancellations for non-disciplinary reasons (part 2, subpart 6)
- the Register (part 2, subpart 7)
- Code of Minimum Standards of Ethical Conduct for Registered Architects (part 3)
- complaints and discipline procedures (part 4)
- delegations (part 5)
- rule making procedures (part 6)
- information that must be contained in assessment forms for initial registration (schedule 1)
- the NZRAB's fees (schedule 2).

The NZRAB may exercise its powers only for the purpose of performing its functions. The NZRAB is a statutory entity, ie it is established by the Act, but it is not a Crown Entity, and so the Crown Entities Act does not apply. The NZRAB receives no funding from the state and its reporting obligations are less onerous. Typically the NZRAB is not required to appear before a select committee to have its *Annual Report* or expenditure reviewed. The NZRAB is covered by the Official Information Act.

The NZRAB is accountable to the Minister responsible for the Act, the primary expression of that accountability being the NZRAB's *Annual Report*.

The Ministry for Business, Innovation and Employment (MBIE) is the monitoring agency that advises the Minister on the Act and the Board's performance. The relationship between the Minister, MBIE and the NZRAB is set out in an Accountability Agreement which is renewed annually.

Under the Act, in general the NZRAB Board is empowered to delegate its functions as it sees fit. However, decisions in regard to registration, continuing registration and disciplinary penalties, as applying to individuals, must be made by the Board itself.

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

The Board's key tasks include:

- appointing and monitoring the performance of the Chief Executive
- annually approving and monitoring the implementation of the Strategic Plan
- annually approving the budget and throughout the year monitoring the Board's financial performance
- ensuring that the organization operates in a financially sound manner and is financially accountable, via planning and budgeting, financial reporting at

quarterly Board meetings, and annual auditing and financial reporting to the Minister.

- determining Board policy and monitoring its implementation
- making those decisions specifically required of the Board under the Act in relation to registration, continuing registration and discipline, where they impact on individuals
- conducting disciplinary hearings
- ensuring that the Act's reporting requirements are met.

The Act also defines the collective duties of the NZRAB, or any NZRAB subsidiary, as being:

- to not contravene the Registered Architects Act 2005
- to act in a manner consistent with the objectives and functions of the Board and its statement of intent (*Accountability Agreement*)
- to perform its functions efficiently and effectively and in a manner consistent with the spirit of service to the public
- to operate in a financially responsible manner by maintaining its long-term financial viability
- to cover its annual costs from its net annual income
- to act as a successful going concern
- to prudently manage its assets and liabilities.

Typically the NZRAB Board meets face-to-face four times a year. Minutes and Board papers are available on the Board members' confidential section of the website. The public can view confirmed Board minutes on the NZRAB website.

Board decisions are sometimes made by email, most commonly for registrations. These are deemed to be Board meetings for which minutes are kept also. Conference-call Board meetings also occur.

Governance Principles

The following principles should apply to the way the NZRAB Board carries out its functions.

- **The Board speaks with one voice**
The Board makes its decisions collectively and having done so Board members are obliged to support those decisions. The Chairperson is the Board's public representative.
- **The Board's focus should be on policy decisions**
The Board is required to make specific decisions about individuals in terms of initial registration, continuing registration and discipline matters. That apart, the Board's principle task is to make high level policy decisions and to monitor their implementation. In this regard the strategic plan and the deliverables identified in it are of particular importance.

The Board will do best when it sets clear expectations as to the outcomes that it requires and then empowers those tasked with implementation to determine the best form of that implementation. The Board and Board members must be careful to avoid becoming involved in policy implementation itself and

management and administrative functions. The Board should make its expectations clear in terms of overall risk management.

More broadly, the following are sound principles to which the Board should adhere.

- The Board should be committed to organisational performance as well as to compliance.
- The Board must be open to new strategic thinking and the demands of a changing environment.
- The selection of the chief executive should be done with particular care.
- Delegations must be explicit and clear so the Board can focus on ends and not means.
- Operational and reputational risks should be identified and mitigated.
- The Board should pay proper attention to its own effectiveness.

Board Committees

The Board has established a number of committees tasked with policy development and operational oversight in key areas of the Board's activities. The Act (S56) requires that each Committee must include at least two Board members.

These committees work on the detail of the Board's activities, so that the Board can concentrate on broader policy and governance issues. The intent is that policy proposals do not come before the Board unless they have already been subjected to significant scrutiny and development.

Appointments to these committees are made by the Board Chairperson. As a general principle Board members are expected to serve on two committees. The Board Chair is ex officio on all committees.

The current committees are:

Strategy and Finance Committee

Function:

1. To assist the Chief Executive in developing the annual Strategic Plan and Budget and to provide oversight in their implementation.
2. To undertake the Committees objectives concerning financial and other risks, procedures and controls, and the general overall management of the NZRAB.
3. To provide oversight of the Board's international liaison.
4. To undertake the Remuneration Committee responsibilities of the Board.

Registration Committee

Function:

1. To advise the NZRAB Board on the development and implementation of the Board's initial and continuing registration policies and procedures.
2. To assist with and monitor the implementation of the Board's initial and continuing registration policies and procedures, including initial registration assessments and continuing registration competence reviews.
3. To ensure that the NZRAB has available a group of suitable Registration Assessors able to undertake initial registration assessments and continuing registration competence reviews, and then to provide recommendations to the Board based on those assessments and reviews.

4. To develop policy and registration standards, learning from international best practice and other benchmarks shared with other jurisdictions.

Public Protection Committee

Function:

1. To advise the NZRAB Board on the development and implementation of the Board's policies and procedures in regard to public protection, including complaints and discipline procedures, the New Zealand Architects Register and protection of title
2. To assist with and monitor the implementation of the Board's policies and procedures in regard to public protection, including complaints and discipline procedures, the New Zealand Architects Register and protection of title.
3. To recommend to the Board appointments to Investigating Committees and Disciplinary Committees, when required.

Investigating Committee

Function: To investigate complaints about architects.

Disciplinary Committee

Function: To conduct hearings into complaints about architects. Note that in 2015 the Registered Architects Rules 2006 were changed so that Disciplinary Committees are no longer required and instead disciplinary hearings are conducted by the Board itself. At the time of writing a number of complaints were still being processed under the old rules, but once they are concluded the need for Disciplinary Committees as described will end.

Board Fees Committee

Function: To authorize payments for work undertaken for the Board as per the Honoraria Policy.

In addition the NZRAB administers two committees connected with the APEC Architect Project, though legally these are not Board committees as such, their authority coming from the APEC Architect Project which is represented in New Zealand by the NZRAB. These two committees are:

APEC Architect Monitoring Committee

Function: To make determinations in regard to admission to the New Zealand section of the APEC Architect Register and carry out other functions as required by the APEC Architect Manual

APEC Architect Assessment Panel

Function: To provide assessment panels that make recommendations to the APEC Architect Monitoring Committee in regard to admission to the New Zealand section of the APEC Architect Register

Responsibilities of Board members

Board members have a fiduciary duty to act in the NZRAB's interest and not to let personal gain in any way override the interests of the NZRAB. No Board member may make any personal gain at the expense of the NZRAB.

The responsibilities of individual Board members include:

- being informed as to the Act and the Rules; the NZRAB's strategic plan and budget; and the NZRAB's obligations, policies and procedures

- attending Board meetings, having received and considered meeting agendas and papers
- attending, where applicable, committee meetings, having received and considered meeting agendas and papers
- supporting the organisation in public fora etc, where appropriate and subject to liaison with the Chairperson.

Board members also have a duty to:

- act in good faith, with reasonable care, diligence and skill, and with honesty and integrity
- avoid or declare any conflicts of interest
- not misuse information obtained as a Board member.

The Act states that each Board member “is accountable to the Minister for performing his or her duties and responsibilities as a member” (the Schedule, clause 9(1)).

Also, at a practical level, Board members have a duty to be careful with NZRAB information that is confidential. The NZRAB’s Privacy Policy describes the NZRAB’s obligations in terms of not disclosing confidential information about architects or registration applicants or parties to a complaint.

Board members need to be especially careful with emails, to ensure that they do not accidentally go to unauthorised parties. Particular care should be taken with email addresses and autocomplete functions, and with emails and/or spread sheets that may retain earlier messages or other data that should not be disclosed.

Code of Conduct

The following are principles which Board members should use to guide their individual conduct.

A Board member must:

- act honestly, in good faith and in the best interest of the NZRAB as a whole
- use care and diligence in fulfilling the functions of office and exercising the powers attached to that office
- use the powers of office for proper purposes, in the best interest of the NZRAB as a whole
- recognise that his or her primary responsibility is to the NZRAB as a whole, but should, where appropriate, have regard for the interests of the Board’s stakeholders.
- not make improper use of information acquired as a Board member
- not take improper advantage of the position of Board member
- not allow personal interests, or the interests of any associated person, to conflict with the interest of the NZRAB
- be independent in judgement and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board
- ensure confidential information received in the course of the exercise of directorial duties remains the property of the NZRAB, it being improper to disclose, or allow it to be disclosed, confidential information unless authorised by the NZRAB, or the person from whom the information is provided, or as required by law

- not engage in conduct likely to bring discredit upon the NZRAB
- at all times comply with the spirit, as well as the letter of the law and with the principles of this code.

Conflict of Interest

Board members must not take improper advantage of their position to gain, directly or indirectly, a personal advantage or an advantage for any associated person.

Board members should seek to avoid conflicts of interest wherever possible. Full disclosure of any interest that could cause a conflict must be made to the Board. Also at each Board meeting Board members should declare any changes required to the Board Members Schedule of Interests.

The Chair and Board should review declared conflicts, taking account of the significance of the potential conflict for the NZRAB and possible consequences if it is not handled properly. At the beginning of each Board meeting members are asked to declare any conflicts of interest relating to the matters being raised at the meeting.

Where a conflict does arise, the Board member must consider whether to:

- refrain from participating in the debate and/or voting on the matter
- be absent from discussion of the matter
- arrange that the relevant Board papers are not sent
- in an extreme or continuing case, resign from the Board.

If a Board member is an architect and is the subject of a complaint that is to be heard by a disciplinary hearing, the Board member should withdraw from all Board activities until the matter is resolved, given the conflict of interest.

The Chief Executive must always be alert to the potential for a conflict of interest between management interests and the Board members' fiduciary duties.

Professional Integrity

Board members from time to time will disagree with colleagues including the Chair and Chief Executive. In general, all Board members should accept the decisions of the Board and the instructions of the Chair as loyal members of the Board.

When a Board member cannot accept a Board decision, he or she should consider:

- making the extent of the dissent and its possible consequences clear to the Board in order to influence the decision
- asking for additional legal, accounting or other professional advice
- asking that the decision be postponed to the next meeting to allow time for further consideration and informal discussion
- tabling a statement of dissent and asking that it be minuted
- writing to the chair or all members of the Board, and asking that the letter be filed with the minutes
- if necessary, resigning and advising the Minister as to the reasons.

A decision to resign must be communicated in writing to the Minister, copied to the Chair, and, on a matter of principle, should be immediate.

Board members' honoraria

Board members receive honoraria for time attending meetings and time preparing for Board and committee meetings. Fee rates per day (based on an 8 hour day) are:

Chair	-	\$572
Deputy chair	-	\$482
Member	-	\$385

Fees are paid to board members personally and are subject to Withholding Tax. Where Board members provide other services to the Board, such as attending committees or taking part in discipline hearings, their fees are as per Board meetings. Committee Chairs receive the Chair's fee for that work.

If Board members wish, payments can go to their company or practice, for which an IRD withholding tax exemption (IR331) should be obtained.

Claims for preparation time must not exceed the time taken for the meeting. The Board covers the costs of members' travel and accommodation on Board business.

The Board's Honoraria Policy lays out these payments in more detail.

Online information for Board members

Board members can inform themselves as to the NZRAB's activities via a section of the NZRAB website – www.nzrab.org.nz – that is only available to them. Passwords for access can be obtained from the secretariat. The following are available:

- Board minutes
- Board meeting agendas and papers (from November 2007 forwards).
- The Board's protocol for conducting Board meetings online
- Board and staff contact details
- the Board Calendar
- the Board's *Annual Reports* and Strategic Plans
- The Board manual
- The Board Committee structure
- Board Committee papers and minutes
- NZRAB Policies
- Registered Architects Act 2005
- Registered Architects Rules 2006
- Registered Architects Rules fees schedule
- The NZRAB Accountability Agreement
- A government paper on principles for occupational regulation
- Documents that the Board has made public, eg press statements, newsletters to Architects, consultation announcements etc.

The Chairperson

The Chairperson (and Deputy Chairperson) is appointed by the Minister and is accountable to the Minister. The key duties of the Chairperson are to:

- in conjunction with the Chief Executive, set the agenda for Board meetings
- chair Board meetings, articulating the consensus of the meeting to obtain decisions
- provide leadership at Board meetings and more generally
- represent the NZRAB publicly
- represent the NZRAB to the Minister and other stakeholders
- determine the memberships of Board Committees
- chair the Strategy and Finance Committee
- ensure that the Board minutes are accurate
- review the Board's and the NZRAB's performance
- act as the interface between the Board and the Chief Executive
- undertake the Chief Executive's annual performance review.

The Chief Executive

The Chief Executive is accountable to the Board Chairperson.

The Chief Executive is responsible for the Board's work programme, staffing and expenditure and, in more detail, governance, policy development and stakeholder relations. Particular outputs required from the Chief Executive include:

- in conjunction with the Chairperson, preparation of Board agendas and minutes
- preparation of the NZRAB's strategic plan and budget
- implementation of the NZRAB's annual strategic plans and budgets
- preparation of performance reports to the Board and the *Annual Report*.

The Chief Executive's performance is assessed against a set of key performance indicators.