



REPORT

of the

BOARD OF ARCHITECTS OF QUEENSLAND

1 July 2012 to 30 June 2013

Letter of compliance

The Honourable Tim Mander, MP
Minister for Housing and Public Works
Level 7, 80 George Street
BRISBANE QLD 4000

12 September 2013

Dear Minister

I am pleased to present the Board of Architects of Queensland Annual Report on the administration of the *Architects Act 2002* for the financial year ended 30 June 2013.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

Yours faithfully

S M Savage
Chairperson

PART A

COMMUNICATION OBJECTIVE

This Annual Report provides information about the Board of Architects of Queensland's financial and non-financial performance for 2012/13.

This report has been prepared for the Minister to submit to Parliament. It has also been prepared to meet the needs of stakeholders including the commonwealth and local governments, industry and business associations, community groups, and also staff.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding this annual report, you can contact us on (07) 3224 4482 and an interpreter will be arranged to effectively communicate the report to you.

The action taken during the reporting period complies with Section 23 and Schedule of the *Public Sector Ethics Act 1994*.

Further copies of this report are available by contacting the Board on (07) 3224 4482, or on the Board's website at www.boaq.qld.gov.au.

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PART B

FINANCIAL STATEMENTS

STATEMENT OF AFFAIRS

The Board of Architects of Queensland is a statutory authority constituted under the *Architects Act 2002* (the Act). The Act commenced operation on 1 January 2003 and superseded the *Architects Act 1985*. Amendments to the Act contained in the *Architects Amendment Act 2010* received assent and commenced on 21 April 2010.

The main objects of the Act are:

- a) to protect the public by ensuring architectural services of an architect are provided in a professional and competent way; and
- b) to maintain public confidence in the standard of services provided by architects; and
- c) to uphold the standards of practice of architects.

The main objects are primarily achieved by:

- a) providing for the registration of individuals as architects under this Act; and
- b) providing for the monitoring and enforcement of compliance with this Act; and
- c) imposing obligations on persons about the practice of architecture; and
- d) establishing the Board of Architects of Queensland.

The Board was first constituted under the *Architects Act 1928*. A review of the Act was undertaken and a new Act was brought into force in 1985. Subsequently, as a result of a “*Review of Legislation Regulating the Architectural Profession, Inquiry Report No. 13, 4 August 2000*” conducted by the Commonwealth Productivity Commission, a further review of the Act was undertaken by the Department of Public Works resulting in the *Architects Act 2002*.

Structure

The Board consists of a chairperson and six members. There is a Registrar of the Board who is responsible for managing the administrative affairs of the Board.

Functions and Powers

The *Architects Act 2002* as amended on 21 April 2010 empowers the Board to:

- assess applications made to it;
- register individuals who are eligible for registration and issue certificates of registration;
- conduct, or authorise, investigations about the professional conduct of architects and contraventions of the Act;
- keep the register;
- advise the Minister for Housing and Public Works about the operation of the Act in its application to the practice of architecture;
- arrange or approve examinations in the practice of architecture for the purpose of registration under this Act;
- advance education in architecture and professional standards of architects;
- perform other functions given to the Board under the *Architects Act 2002* or any other Act; and
- perform a function incidental to one of the above functions.

How Functions Affect the Community

The functions of the Board of Architects of Queensland affect the community in that no persons other than persons who hold the prescribed qualifications and competencies may attain registration and consequently use the title “architect” and hold themselves out to be architects or registered architects. Persons holding themselves out to the public to be offering architectural services using a practising architect must comply with the requirements of the Act for the protection of the public.

Arrangements for Public Participation

The *Architects Act 2002* provides procedures for the public to lay complaints against architects or persons holding themselves out to be architects who are not registered with the Board.

Public participation is sought in any review of the Act by the Board, prior to any recommendations being made to the Government.

Categories of Documents

The Board maintains the following categories of documents:

- personal registration files on natural persons;
- forms and information on businesses using the term “architect” or “registered architect”;
- register of architects;
- documents lodged in respect of complaints against architects;
- documents lodged in respect of allegations relating to offences committed under the Act; and
- general files.

All of the above documents are subject to the requirements of the *Public Records Act 2002* and the *Information Privacy Act 2009* copies of which may be accessed from www.legislation.qld.gov.au

Access to Documents

Facilities for examining accessible documents and obtaining copies of those documents are available from the Board’s office at *The Mansions*, 40 George Street, Brisbane.

Right to Information Act 2009 (RTI) Procedures and Contact Point

The Registrar of the Board is the contact person for RTI matters and is available to assist applicants to submit an application to comply

with the Act. No applications were received during the year.

Applications should be addressed to:

Registrar
Board of Architects of Queensland
PO Box 15343
City East Qld 4002

or delivered in person to:

Registrar
Board of Architects of Queensland
The Mansions
40 George Street
Brisbane Qld 4000

Amendments to the Act

The *Architects Act 2002* was amended during the 2009 – 2010 financial year with the main objectives being to:

- introduce a simplified registration scheme which adopts procedures approved by the Architects Accreditation Council of Australia (AACA) and which have been adopted by architects’ registration boards in the Australian States and Territories;
- broaden the fitness to practise provisions in respect of health assessments of architects and the provision of criminal history reports by the Commissioner of Police;
- permit a registered architect to register as a non-practising architect in circumstances where they do not intend to practise; and
- introduce a range of miscellaneous amendments in relation to matters such as the powers of the Board in the registration process, restoration of registration, staffing of the Board, disciplinary and penalty provisions and disciplinary provisions relating to formerly registered architects.
- make Continuing Professional Development (CPD) a requirement of

continuing registration in respect of the process of renewal or restoration of registration.

Continuing Registration Requirements

A program for CPD compliance is currently being administered by the Board to comply with Continuing Registration Requirements. An audit of practising architects commenced in September 2012.

Code of Practice

The Board's Code of Practice was approved under Regulation on 9 June 2005 and was last reviewed on 29 April 2011. It may be accessed from the Board's website:

www.boaq.qld.gov.au

Performance Agreement

The Board entered into an agreement with the Minister pursuant to section 99 of the Act, identifying the Board's strategic direction for the 2012/2013 financial year and the two following years.

MATTERS TO BE INCLUDED IN THE ANNUAL REPORT

Pursuant to section 107 of the Act the Board advises:

- (a) no ministerial direction was given to the Board under section 98(1) of the Act during the year;
- (b) the Board's activities during the year were consistent with its performance agreement; and
- (c) details in respect of disciplinary matters or offences under the Act may be found at pages 7 and 8.

THE BOARD

The *Architects Act 2002* provides for a Board membership of seven. Six of those members are nominated by the Minister for Housing and Public Works. One is elected by registered architects.

The Members from 1 July 2012 to 30 June 2013 were:

Professor S Savage (Chairperson) (*academic representative from a prescribed school of architecture*)

Mr B Medek (Deputy Chairperson) (*representative of Queensland Chapter of the Australian Institute of Architects*)

Ms T Dennis (*an architect who resides and undertakes architectural services in regional Queensland*)

Ms J Whitehead (*lawyer with at least 10 years experience in Building & Construction Industry*)

Ms K Seaman (*person with at least 10 years experience as a construction contractor*) from 1 January 2012

Mr M Duggan (*person who is not an architect*)

Mr John Deicke (*elected member*).

This Board met 10 times during the period from 1 July 2012 to 30 June 2013. The number of meetings attended and total remuneration received by these members are as follows:

S Savage	8	\$2,842.00
J Whitehead	10	\$3,006.00
B Medek	10	\$3,006.00
J Deicke	8	\$2,338.00
T Dennis	10	\$3,284.00
K Seaman	7	\$2,004.00
M Duggan	10	\$3,006.00

Ms Dennis received Special Assignment Fees additional to her meeting fees for participation in the State and National Visiting Panel process through which the Queensland university schools of architecture retain their accreditation with the Architects Accreditation Council of Australia (AACA).

There has been no overseas travel undertaken by Board members on behalf of the Board during the year.

BUSINESS

The Business of the Board is managed by the Registrar, Mr Denis Bergin who is assisted by an Assistant Registrar and an Administration Officer.

FINANCE

The Board is a non-profit, self-funded Statutory Authority which operates in accordance with the *Architects Act 2002*.

The audited annual financial statements of the Board have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009*, relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

REGISTRATION

The Board considered 135 applications from individuals seeking registration as architects, all of which were approved. A further 43 individuals were restored following previous removal from the register.

The number of individuals registered as architects in Queensland at 30 June 2013 was 2708.

ARCHITECTURAL BUSINESSES

The approval of architectural companies ceased with the introduction of the *Architects Act 2002*.

On 1 July 2003, amendments to the Act commenced which allowed architectural companies to use the word “architect” or “architectural services” in their title or names without thereby offending against the Act if they provided to the Board an approved notice pursuant to the amendments. Further amendment to the Act in 2010 provided for all architectural businesses to use the notice.

Over 450 businesses have lodged relevant notices with the Board under the amendments.

The notices disclose details of the businesses’ offices and architects responsible for the architectural services offered.

Amendments to the Act effective 21 April 2010 contain new provisions under section 141(A) which had previously only related to companies but now have been expanded to include all businesses.

EXAMINATIONS

The Board conducts the Architectural Practice Examination (APE) on behalf of the Architects Accreditation Council of Australia (AACA). This examination currently qualifies candidates for registration pursuant to the *Architects Act 2002*.

The APE is a three part examination which provides an Australia wide, uniform format for registration of architects based on the AACA national competency standards. The second part of the APE, the national written examination paper, is prepared by the AACA and the same paper is sat at the same time and day in each State and Territory. The Board is responsible for the appointment of a State Convenor to represent the Board in the preparation and conduct of the APE. Mr Ian Hamilton was appointed to this position in August 2011.

In September 2012, 82 candidates applied for Parts 1 & 2 of the Architectural Practice Examination. 80 candidates sat the National Examination Paper (NEP) and 71 were successful. 79 candidates applied for the Part 3 oral examination of whom 63 were successful.

In April 2013, 47 candidates applied for admission to Parts 1 & 2 of the APE. 47 candidates sat the National Examination Paper (NEP) and 32 were successful. 47 candidates applied for the Part 3 oral examination of whom 34 were successful.

The Board records its appreciation to the University of Queensland, the Queensland University of Technology and members of the profession for their assistance in the conduct of these examinations.

BREACHES OF THE ACT

Complaints against Architects

Two matters were carried over from the previous financial year. One complaint resulted in the Board deciding to undertake an investigation under section 42(1)(b) of the Act. The Board then decided to enter into an agreed undertaking with the architect pursuant to section 73(2)(b) of the Act. The other complaint remains ongoing.

A further eight complaints were received during the course of the year. The Board decided in six cases not to undertake an investigation on the basis that the complaints did not disclose any grounds upon which it was reasonably open to the Board to conclude that a ground for disciplinary action might be established against the architect. Two complaints are subject to investigations which are ongoing as of 30 June 2013.

Part 7 Offences under the Act

Part 7 of the *Architects Act 2002* creates various offences which the Board is responsible to enforce.

Part 7 of the *Architects Act 2002* makes it an offence for a person to use the term “architect” or “registered architect” or hold themselves out to be an architect unless registered pursuant to the Act. Only individuals may be registered. Part 7 sets out various requirements which a person must follow in order to offer architectural services to the public from a place.

The Board received eighteen new complaints and considered one existing complaint from 2011-2012 during the year concerning potential breaches of Part 7 of the Act by persons other than architects. In respect of the complaint from the previous year the Board filed charges in the Brisbane Magistrates Court resulting in Stephen Ainsworth Ingram pleading guilty to multiple offences under the Act and being fined \$11,000 as well as \$30,000 in costs being awarded to the Board.

In respect of the other complaints, the Board decided to send warning letters to the subjects of these complaints advising of the provisions of Part 7 of the Act.

Complaints made under Part 7 of the Act are generally in respect of persons allegedly holding themselves out to be architects. To assist the public in understanding the role and responsibilities of an architect, the Board commissioned the preparation of a brochure to inform the public of the benefits of engaging an architect. The brochure has been widely distributed across the State, to members of the public and the profession.

REVIEW OF BOARD DECISIONS BY THE QUEENSLAND CIVIL AND ADMINISTRATIVE TRIBUNAL (QCAT)

No applications were made to the QCAT.

ACCREDITATION OF ARCHITECTURAL SCHOOLS

Only qualifications in architecture recognised by AACA or deemed equivalent by AACA meet the requirement for eligibility for registration under the Act.

The Board maintains a role in the accreditation of fully accredited courses of architecture offered by the University of Queensland and the Queensland University of Technology. During the year, representatives of the Board participated in State and National Visiting Panels.

Two new schools of architecture at Griffith and Bond Universities have been established over the past three years with Preliminary Assessments being undertaken in preparation for a future National Visiting Panel Assessment.

BOARD STUDENT PRIZES

The awarding of prizes in recognition of students' academic achievement in the courses in architecture at the University of Queensland and the Queensland University of Technology has long been a tradition of the Board, this year being the 73rd such occasion.

The recipients of this year's prizes are:

The University of Queensland
Rachael McCall
Queensland University of Technology
Nicholas Martoo

ARCHITECTS ACCREDITATION COUNCIL OF AUSTRALIA (AACA)

The Architects Accreditation Council of Australia (AACA), consisting of representatives of all Australian Architects Registration Boards, provides a forum for the discussion of matters of common interest, particularly the various aspects of registration and architectural education.

AACA also provides the services of a national assessment panel in architecture which provisionally assesses the academic qualifications of overseas persons as to their equivalence with accepted Australian standards. State and Territory committees on behalf of AACA confirm these assessments by interview of candidates.

The Board continues to provide updated information to the AACA national listing of registered architects across all jurisdictions within Australia.

AACA meets annually and the Board's representation is maintained by the Chairperson and the Registrar. Current priorities of the AACA include a review of the Architectural Practice Examination which is an integral part of the eligibility requirements that must be satisfied by applicants applying under the provisions of

the *Architects Act 2002* for registration as an architect in Queensland.

Also, the AACA remains pro-actively committed to the national recognition of registered architects. The Board of Directors of AACA supports the adoption of a proposed national registration model based upon modification of current mutual recognition arrangements.

The Board will continue to enter into dialogue with AACA and the other State and Territory Boards on the issue of national recognition of registration of architects. Harmonisation will continue across a broad range of practices and procedures affecting architectural jurisdictions.

GENERAL

The Board places on record its appreciation for assistance received from the officers of various Government Departments, AACA, other Statutory Authorities, and in particular the Department of Housing and Public Works.

Publication of the Annual Report

An electronic copy of the Annual Report is available on the Board's website at www.boaq.qld.gov.au

THE BOARD OF ARCHITECTS OF QUEENSLAND

FINANCIAL STATEMENTS

30 JUNE 2013

THE BOARD OF ARCHITECTS OF QUEENSLAND FINANCIAL STATEMENTS 2012-13

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General Information

These financial statements cover the Board of Architects of Queensland.

The Board of Architects of Queensland is a Queensland Government Statutory Body established under the *Architects Act 2002*.

The head office and principal place of business of the Board is:

Level 1, The Mansions

40 George Street

Brisbane QLD 4000

A description of the nature of the Board's operations and its principal activities is included in the notes to the financial statements.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

THE BOARD OF ARCHITECTS OF QUEENSLAND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Income from Continuing Operations			
Fees and Other Receipts	2	531,836	533,456
Interest Revenue		16,945	21,810
Penalties and Costs		41,460	5,619
Other Revenue		2	940
Total Income from Continuing Operations		590,243	561,825
Expenses from Continuing Operations			
Employee Expenses	3	270,357	265,679
Administration Expenses	4	223,304	201,836
Examination Expenses		69,304	75,872
Board Member Expenses		33,468	37,824
Total Expenses from Continuing Operations		596,433	581,212
Operating Result from Continuing Operations		(6,191)	(19,386)
Other Comprehensive Income		-	-
Total Comprehensive Income		(6,191)	(19,386)

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF ARCHITECTS OF QUEENSLAND

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Notes	2013 \$	2012 \$
Current Assets			
Cash and Cash Equivalents	5	584,970	562,926
Trade and Other Receivables	6	20,893	15,682
Prepayments	7	10,582	19,060
Total Current Assets		<u>616,445</u>	<u>597,668</u>
Non-Current Assets			
Property, Plant and Equipment	8	3,367	5,680
Total Non Current Assets		<u>3,367</u>	<u>5,680</u>
Total Assets		<u><u>619,812</u></u>	<u><u>603,348</u></u>
Current Liabilities			
Trade and Other Payables	9	62,041	59,721
Unearned Revenue		398,637	383,688
Accrued Employee Benefits		13,010	8,624
Total Current Liabilities		<u>473,688</u>	<u>452,033</u>
Non Current Liabilities			
Accrued Employee Benefits		29,000	28,000
Total Non Current Liabilities		<u>29,000</u>	<u>28,000</u>
Total Liabilities		<u><u>502,688</u></u>	<u><u>480,033</u></u>
NET ASSETS		<u><u>117,124</u></u>	<u><u>123,315</u></u>
EQUITY			
Accumulated Surplus		117,124	123,315
TOTAL EQUITY		<u><u>117,124</u></u>	<u><u>123,315</u></u>

The above financial statement should be read in conjunction with the accompanying notes.

QAO
certified statements

THE BOARD OF ARCHITECTS OF QUEENSLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	\$
		Accumulated Surplus
Balance as at 1 July 2011		142,701
Operating Result from Continuing Operations		(19,386)
Balance as at 30 June 2012		<u>123,315</u>
Balance as at 1 July 2012		123,315
Operating Result from Continuing Operations		(6,191)
Balance as at 30 June 2013		<u>117,124</u>

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF ARCHITECTS OF QUEENSLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		547,226	543,210
Penalties and Costs		2,520	520
Interest Revenue		16,945	21,810
Receipts from ATO		9,244	7,917
GST Collected		44	172
<i>Outflows:</i>			
Employee Expenses		(216,758)	(212,891)
Superannuation		(22,943)	(22,004)
Board Member Expenses		(27,360)	(33,578)
Examination Expenses		(69,554)	(76,101)
Administrative Expenses		(138,313)	(149,476)
Investigations/Hearings/Legal Expenses		(44,631)	(52,109)
GST Paid on Purchases		(34,373)	(38,310)
Net Cash from Operating Activities	10	22,044	(10,840)
Cash Flows from Investing Activities			
<i>Outflows:</i>			
Acquisition of Assets		-	(6,937)
Net Cash from Investing Activities		-	(6,937)
Net Movement in Cash		22,044	(17,777)
Cash at the beginning of the financial year		562,926	580,703
Cash at the end of the financial year	5	584,970	562,926

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Objectives of the Board

The objectives of the Board of Architects of Queensland are to protect the public by ensuring architectural services of an architect are provided in a professional and competent way, to maintain public confidence in the standard of services provided by architects and to uphold the standards of practice of architects.

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

The Board of Architects of Queensland has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2013, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, The Board of Architects has applied those requirements applicable to not-for-profit entities, as the Board is not-for-profit Statutory Body. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial report covers The Board of Architects of Queensland as an individual entity.

(c) Revenue Recognition

Revenue from renewal fees is recognised on an accrual basis.

Under *Architects Act 2002*, the registration period finishes at 30 June each year. Registrants who do not renew their registration are removed from the Board's register.

(d) Cash and Cash Equivalents

For financial reporting purposes, cash includes all cash at bank, on hand and deposits at call with financial institutions.

(e) Receivables

Receivables are recognised at the amounts due at the time of sale or service delivery. The collectability of receivables is assessed periodically with an allowance being made for impairment.

(f) Acquisition of Assets

Cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies (continued)

(g) Property, Plant and Equipment

All items of plant and equipment with a cost or other value in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

(h) Depreciation of Property, Plant and Equipment

Property, plant and equipment have been recorded in the financial report at cost less accumulated depreciation. Depreciation on all property, plant and equipment has been calculated on a straight-line basis so as to allocate the cost of each asset progressively over its estimated useful life to the Board.

For each class of depreciable asset the following depreciation rates are used:

Class	Rate
Plant and Equipment	
- Computer Equipment	33%

(i) Taxation

The Board is a State Body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax. The Board's income from fees is exempt from Goods and Services Tax (GST) in accordance with Division 81 Written Determination. Input tax credits receivable and GST payable on income from sources other than fees from/to the Australian Tax Office are recognised.

(j) Trade and Other Payables

Trade creditors are recognised upon receipt of the goods and services ordered at the agreed purchase price. The amounts are non-interest bearing and are normally paid within the terms stated on the creditor's invoice.

(k) Employee Benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Payroll tax and worker' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies (continued)

(k) Employee Benefits (continued)

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued.

This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements prepared pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury and Trade. Refer to Note 3 for the disclosures on Executive Remuneration.

The Registrar is employed by the Board on a full-time basis. However, this position is paid by the Department of Housing and Public Works (therefore, all benefits are recognised in the Department of Housing and Public Works' financial statements), with all positions being reimbursed by the Board on a quarterly basis.

(l) Prepayments and Insurance

Professional Indemnity Insurance and Insurance for Directors and Officers is paid annually in advance in April each year. The pre-paid component is recorded as a current asset. Postage is also pre-paid and the credit remaining from postage unspent is recorded as a current asset.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies (continued)

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Board becomes party to the contractual provisions of the financial instrument.

Classification and subsequent measurement

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Board does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Board holds no financial assets classified at fair value through profit and loss.

(n) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(o) Going Concern

This financial report has been prepared on a going concern basis and the Board will be able to meet its debts as and when they fall due.

(p) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(q) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies (continued)

(r) Critical Accounting Estimates and Judgements

The Board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

(s) Unearned Revenue

Annual Renewal Fees received during April, May and June 2013 for the registration year commencing 1 July 2013 are recognised as Unearned Revenue in 2012-13.

(t) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2012-13.

The Board applies Australian Accounting Standards and Interpretations in accordance with their respective commencement dates. At the date of authorisation of the financial statements, the new or amended Australian Accounting Standards applicable to the Board with future commencement dates are set out below.

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 1053 *Application of Tiers of Australian Accounting Standards*
- AASB 9 *Financial Instruments (December 2010)* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]

Due to the nature of the Board's activities, these standard changes will not have a significant impact on the Board of Architects of Queensland's financial statements.

All other Australian Accounting Standards and Interpretations with future commencement dates are not applicable to the Board's activities.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
2. Fees and Other Receipts		
Application Fees	29,593	29,608
Registration Fees	16,570	12,268
Restoration and Processing Fees	6,962	6,933
Renewal Fees	384,155	375,652
Examination Fees	94,555	108,995
Total	<u>531,836</u>	<u>533,456</u>
3. Employee Expenses		
Wages	130,688	121,430
Reimbursement of Registrar's Salary and Expenses	116,790	125,726
Superannuation	14,329	13,498
Long Service Leave	1,000	3,000
Other	7,550	2,025
Total	<u>270,357</u>	<u>265,679</u>

Executive Remuneration 1 July 2012 – 30 June 2013

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non-Monetary Benefits \$	\$	\$	\$	\$
Registrar	97,439	-	2,450	12,495	-	112,384
Total Remuneration	97,439	-	2,450	12,495	-	112,384

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

3. Employee Expenses (continued)

Executive Remuneration 1 July 2011 – 30 June 2012

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non-Monetary Benefits \$	\$	\$	\$	\$
Registrar	92,404	-	2,449	12,015	-	106,868
Total Remuneration	92,404	-	2,449	12,015	-	106,868

* Base short term employee benefits have been reduced by \$10,775 as salary sacrificed employee superannuation contributions were incorrectly included in 2011-12.

	2013	2012
Number of employees including both full-time employees and part-time employees measured on a full time equivalent basis	2	2
Number of Board members paid wages during the year:	7	9

The names of current Board members are:

John Deicke
Bruce Medek
Julie Whitehead

Tania Dennis
Susan Savage

Michael Duggan
Kathleen Seaman

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

4. Administrative Expenses

Accounting and Audit Fees	7,574	12,532
Advertising	2,684	1,750
Impairment Losses on Trade Receivables	32,800	2,550
Bank Charges	6,119	6,400
Accommodation Expenses	40,797	45,616
Archiving Fees	1,407	1,417
Depreciation	2,312	1,257
Telephone	2,545	2,463
Printing and Stationery	6,179	6,580
Postage and Couriers	3,425	3,508
Investigations, Hearings, Legals	48,775	47,675
Insurance	5,153	5,670
Legislation Workshops	1,779	281
Office Systems (includes computer maintenance)	20,786	31,277
Online Registration	17,052	14,704
Election Costs	3,951	-
Memberships (AACCA)	19,745	17,605
Other	221	551
Total	223,304	201,836

*Total audit fees paid to the Queensland Audit Office relating to the 2012-13 financial statements are estimated to be \$5,500 (2012: \$5,200). There are no non-audit services included in this amount.

	2013	2012
	\$	\$
5. Cash and Cash Equivalents		
Cash at bank	60,569	45,414
Petty Cash	200	200
Franking Machine	(56)	(434)
QTC Investment Account	524,257	517,747
Total	584,970	562,926
6. Trade and Other Receivables		
Trade Receivables	44,040	5,100
Allowance for Impairment	(35,350)	(2,550)
Net Receivables	8,690	2,550
GST Receivables	12,203	13,132
Total	20,893	15,682

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

7. Prepayments

Prepaid Insurance	4,292	4,394
Other Prepayments	6,289	14,666
Total	10,582	19,060

8. Property, Plant and Equipment

Computer Equipment	6,937	6,937
Accumulated Depreciation - Computer Equipment	(3,570)	(1,257)
Total	3,367	5,680

Total Property, Plant and Equipment	3,367	5,680
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Movements Schedule

Computer Equipment

Carrying amount at 1 July	5,680	-
Acquisitions	-	6,937
Depreciation	(2,312)	(1,257)
Carrying amount at 30 June	3,367	5,680

9. Trade and Other Payables

Trade Creditors	44,654	4,448
Accrued Expenses	6,732	45,700
Other Payable	10,655	9,573
Total	62,041	59,721

2013	2012
\$	\$

10. Reconciliation of Operating Result to Net Cash from Operating Activities

Operating Result	(6,191)	(19,386)
Depreciation	2,312	1,257
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	(5,211)	(5,078)
Decrease (increase) in Prepayments	8,479	(7,090)
Increase (decrease) in Payables	41,113	4,591
Increase (decrease) in Unearned Revenue	14,949	8,036
Increase (decrease) in Accruals	(38,968)	2,852
Increase (decrease) in Accrued Employee Benefits	5,561	3,978

Net cash from operating activities

22,044

(10,840)

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

11. Contingent Assets and Liabilities

Contingent Assets

As at 30 June 2013, the following cases were filed in the courts naming the State of Queensland acting through The Board of Architects of Queensland as plaintiff

	2013	2012
	Number of Cases	Number of Cases
Supreme Court	-	-
Federal Court	-	-
Magistrates Court	-	1
Total	-	1

Contingent Liabilities

There are no contingent liabilities at balance date.

12. Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2013.

13. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2013.

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	2013	2012
	\$	\$
Not later than one year	20,478	20,477
Later than one year and not later than five years	-	20,478
Later than five years	-	-
Total	20,478	40,955

The lease is for the business premises and is a non-cancellable lease with a 3 year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments can be increased by the CPI once a year during the rent review on 1 May. An option exists to renew the lease at the end of the term for one additional term of three years.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

14. Financial Risk Management

Categorisation of Financial Instruments

The Board's financial instruments consist mainly of deposits with financial institutions, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Category	2013 \$	2012 \$
Financial assets		
Cash and cash equivalents	584,970	562,926
Receivables	20,893	15,682
Total	605,863	578,608
Financial liabilities		
Financial liabilities measured at amortised cost:		
Payables	62,041	59,721
Total	62,041	59,721

Risk Management Strategy

The Board's overall risk management strategy is designed to meet its financial targets, whilst minimising potential effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

The Board did not have any derivative instruments at 30 June 2013.

Specific Financial Risk Exposures and Management

The main risks the Board is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Board. The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowances for impairment.

The following table represents the Board's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk	2013 \$	2012 \$
Financial Assets		
Receivables	20,893	15,682

Total

20,893

15,682

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

14. Financial Risk Management (Continued)

No collateral is held as security and no credit enhancements relate to financial assets held by the Board.

The Board manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Board invests in secure assets, and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.

Impairment loss expense on trade receivables for the current year is \$32,800. This is an increase of \$30,250 from 2012 and is due to a receivable recognised following a court order which is subject to repayment through the State Penalties and Enforcement Registry over an extended period increasing the risk of the full amount not being recovered.

The Board has impaired all assets that are past due. Ageing of impaired financial assets is disclosed in the following tables:

Individually Impaired Financial Assets

2013	Overdue				Total
	Less than 30 days	30 days +	60 days +	90 days +	
	\$	\$	\$	\$	\$
Financial Assets					
Trade Receivables	-	-	-	44,040	44,040
Allowance for Impairment	-	-	-	(35,350)	(35,350)
	-	-	-	8,690	8,690

Individually Impaired Financial Assets

2012	Overdue				Total
	Less than 30 days	30 days +	60 days +	90 days +	
	\$	\$	\$	\$	\$
Financial Assets					
Trade Receivables	-	-	-	5,100	5,100
Allowance for Impairment	-	-	-	(2,550)	(2,550)
	-	-	-	2,550	2,550

Movements in the Allowance for Impairment

	2013	2012
	\$	\$
Balance at 1 July	2,550	0

QAO
certified statements

Increase / (decrease) in allowance recognised in operating result	32,800	2,550
Balance at 30 June	35,350	2,550

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

14. Financial Risk Management (Continued)

(b) Liquidity risk

The Board manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Board has sufficient funds available to meet employee and supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following tables sets out the liquidity risk of financial liabilities held by the Board. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the payment of the principal amount outstanding at balance date.

	2013	2012
	\$	\$
Financial liabilities		
Payables		
Less than 1 year	62,041	59,721
Total	<u>62,041</u>	<u>59,721</u>
Total financial liabilities		
Less than 1 year	62,041	59,721
Total	<u>62,041</u>	<u>59,721</u>

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

	2013	2012
	\$	\$
Cash and cash equivalents		
Less than 1 year	60,713	45,179
Total	<u>60,713</u>	<u>45,179</u>
Short-term investments		
Less than 1 year	524,257	517,747
Total	<u>524,257</u>	<u>517,747</u>
Total financial assets		
Less than 1 year	584,970	562,926
Total	<u>584,970</u>	<u>562,926</u>

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

14. Financial Risk Management (Continued)

(c) Interest rate risk

Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates would change by +/-1% from the year-end rates applicable to the Board's financial assets and liabilities.

Exposure to interest rate risk arises on cash and cash equivalents recognised at reporting date whereby a future change in interest rates will affect future cash flows.

	2013	2012
	\$	\$
Financial instruments		
Cash and cash equivalents	60,713	45,179
Short-term investments	524,257	517,747
Interest rate risk:		
-1% - Profit	(5,850)	(5,629)
-1% - Equity	(5,850)	(5,629)
+1% - Profit	5,850	5,629
+1% - Equity	5,850	5,629

(d) Fair value

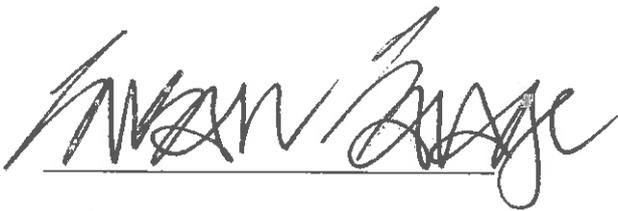
Cash, cash equivalents, receivables and payables are short-term in nature and their carrying value approximating their fair values so are not disclosed separately. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

CERTIFICATE OF THE BOARD OF ARCHITECTS OF QUEENSLAND

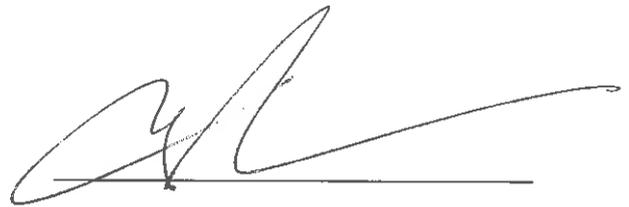
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) The statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of The Board of Architects of Queensland for the financial year ended 30 June 2013 and of the financial position of the Board at the end of that year.



Professor Susan M Savage
Chairperson



Denis Bergin
Registrar

Dated this 28 day of August, 2013.

INDEPENDENT AUDITOR'S REPORT

To the Board of Board of Architects of Queensland

Report on the Financial Report

I have audited the accompanying financial report of Board of Architects of Queensland, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairperson and Registrar.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Board of Architects of Queensland for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



C F Dougherty CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane