



BOARD OF ARCHITECTS
OF QUEENSLAND

ANNUAL REPORT

2016 – 2017



This Annual Report provides information about the Board of Architects of Queensland's financial and non-financial performance for the 2016/17 financial year.

This report has been prepared for the Minister for Housing and Public Works 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 staff.



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Further copies of this report are available by contacting the Board on (07) 3069 2397, or on the Board's website at www.boaq.qld.gov.au.

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BOARD OF ARCHITECTS
OF QUEENSLAND

L3/87 Wickham Terrace
SPRING HILL
QLD 4000
Australia

GPO Box 316
BRISBANE Qld 4001

P +61 7 3069 2397
E registrar@boa.qld.gov.au
www.boa.qld.gov.au

Letter of Compliance

20 September 2017

The Honourable Mick de Brenni, MP
Minister for Housing and Public Works
PO Box 2457
BRISBANE QLD 4001

Dear Minister

I am pleased to present the Annual Report and Financial Statements for the Board of Architects of Queensland relating to the Board's administration of the *Architects Act 2002* for the 2016-2017 financial year.

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*.

The Compliance Checklist providing references to the relevant sections of the 2016-2017 Annual Report, where each disclosure requirement has been addressed can be found at page 17 of this report.

Yours faithfully

S M Savage
Chairperson

PART A

ANNUAL REPORT

THE BOARD OF ARCHITECTS OF QUEENSLAND

2016-2017



OVERVIEW OF BOARD'S OPERATIONS

Role & Objectives

The Board of Architects of Queensland (the Board) is a statutory authority constituted under the *Architects Act 2002* (the Act). The Act commenced on 1 January 2003, superseding 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;
- 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:

- d) providing for the registration of individuals as architects under the Act;
- e) providing for the monitoring and enforcement of compliance with the Act;
- f) imposing obligations on persons about the practice of architecture; and
- g) 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 which resulted in the *Architects Act 2002*.

Board Members

The *Architects Act 2002* provides for a Board membership of seven, including a Chairperson and Deputy Chairperson. Six Members are nominated by the Minister for Housing and Public Works. The seventh Member is elected by Queensland architects.

All Board appointments are made by the Governor in Council for three year terms.

The Board Members from 1 July 2016 to 30 June 2017 were:

- Professor Susan Savage (Chairperson) (*academic representative from a prescribed school of architecture, who is an architect or eligible for registration*);
- Mr Bruce Medek (Deputy Chairperson) (*elected architect*);
- Ms Alice Hampson (*representative of Queensland Chapter of the Australian Institute of Architects, who is an architect or eligible for registration*);
- Mr Miles Blucher (Townsville) (*an architect who resides and undertakes architectural services in regional Queensland*);
- Mr Christopher Douglas (*lawyer with at least 10 years standing with experience in building and construction law*);
- Ms Bridget Taylor (*person who has at least 10 years' experience as a construction contractor in the building and construction industry*);
- Ms Debra Johnson (*person who is not an architect who the Minister reasonable believes will represent community interests*).

Board Registry

The Board's administrative affairs are managed by the Registrar, Ms Anita Nikolaou, assisted by an Assistant Registrar and Administration Officer (all full-time positions).

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 the Act;
- advance education in architecture and professional standards of architects;
- perform other functions given to the Board under the *Architects Act 2002* or another Act;
- perform a function incidental to one of the above functions.

How the Board Affects the Community

Architects contribute significantly to the quality of the built environment and fundamentally impact the way people live and work.

Architects provide professional services in connection with the planning and the design,

construction, conservation, restoration or alteration of buildings.

These professional services include, but are not limited to, planning, strategic and land-use planning, urban design, provision of preliminary studies, design, models, drawings, specifications and technical documentation, coordination of technical documentation prepared by others as appropriate and without limitation (consulting engineers, landscape architects and other specialist consultants), construction economics, contract administration, monitoring of construction and project management (*Architects Accreditation Council of Australia*).

Architects using the title “architect” or offering “architectural design” or other “architectural services” in Queensland must be registered with the Board and comply with the requirements of the *Architects Act 2002 (Qld)*, the *Architects Regulation 2003*, and the Board's *Code of Practice*.

The Board also regulates the activities of registered architects under the Act, and they are also bound to comply with the requirements of the Act, and the Board's *Code of Practice*, which provides guidance to architects and consumers as to the appropriate professional conduct or practice standard. The Board considers and acts on complaints received relating to the quality of architectural services received by registered architects. The Board also plays a role in raising the standards of the industry through continuing professional development and other activities.

The Board is also responsible for undertaking the necessary compliance and enforcement activities under the Act to ensure that no persons other than persons who hold the prescribed qualifications and competencies may attain registration and consequently use the title “architect” or “registered architect” or otherwise hold

themselves out to be architects or offer architectural services to the public.

Through its activities, the Board protects the public by ensuring architectural services of an architect are provided in a professional and competent way; maintains public confidence in the standard of services provided by architects; and upholds the standards of practice of architects.

Public Participation

The *Architects Act 2002* provides the grounds and processes by which persons who are aggrieved by an architect's conduct in carrying out architectural services may make complaints to the Board.

The Board also considers complaints from the public notifying the Board of persons holding themselves or others out to be architects or offering architectural services without them being registered with the Board, or corporations offering architectural services without having notified the Board under s114A of the Act.

If accepted, complaints can be investigated by the Board and the appropriate action taken, in the public interest and in the interests of upholding the standards of practice of the profession.

The Board also undertakes public and other stakeholder consultation in relation to legislative reviews, as appropriate, prior to recommendations being made to Government.

Strategic Direction

The Board's strategic direction is underpinned by the main objects of the *Architects Act 2002*.

The Board's three key goals in its *Strategic Plan 2016-2020* are to:

- ensure that the Board meets its statutory obligations to act independently, impartially and in the community interest;
- ensure the independent sustainability of the Board; and
- maintain community confidence in the architects of Queensland and the operations of the Board and its officers.

Performance Agreement

The Board has a current Performance Agreement with the Minister, as required under s99 of the Act, which identifies the Board's strategic direction for the current financial year and the two following financial years.

The Board's activities during the year were consistent with its Performance Agreement.

Amendments to the Act

The *Architects Act 2002* was amended during the 2009-10 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;
- 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; and

- make Continuing Professional Development (CPD) a requirement of continuing registration in respect of the process of renewal or restoration of registration.

Code of Practice

The Board's *Code of Practice*, approved under Regulation on 9 June 2005, provides guidance to architects and clients as to appropriate professional conduct and practice for architects.

The Code of Practice is based on the national *Architects' Model Statutory Code of Professional Standards and Conduct* which was developed jointly by the Architects Accreditation Council of Australia and the Royal Australian Institute of Architects, with the intention of ensuring harmony and consistency in the regulation of architects throughout Australia.

The Board's current Code of Practice is available on the Board's website: www.boaq.qld.gov.au.

Under the Act, the Board's *Code of Practice* is required to be reviewed at least every three years, and was last reviewed on 16 April 2014.

The Board has commenced a new review of the *Code of Practice*.

Architects Accreditation Council of Australia (AACA)

The Architects Accreditation Council of Australia (AACA), is an entity wholly owned by the Australian Architects Registration Boards, with membership comprised from all the Boards, which provides a forum for the discussion of matters of common interest, particularly the various aspects of registration, architectural education, and national standards setting.

The AACA also coordinates 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 AACA meets annually. The Board's representatives on the AACA are the Chairperson and the Registrar, which is the same structure for each jurisdiction.

The AACA remains pro-actively committed to the national recognition of registered architects. The Board of Directors of the 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 the 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.

PERFORMANCE OF FUNCTIONS

Registration of Architects

During the reporting year, the Board considered 127 applications from individuals seeking registration as architects, all of which were approved.

Eighty-nine of these were new registrations under the Queensland *Architects Act 2002*. Thirty-five were applications under the *Mutual Recognition (Queensland) Act 1992*. A further two were applications under the *Trans-Tasman Mutual Recognition Agreement (Queensland) Act 2003*.

The final application was the first to be made in Australia under the new *US/Australia/New*

Zealand Mutual Recognition of Registration Arrangement.

A further 21 individuals who had previously been registered as architects in Queensland were restored to the Register during the year.

As at 30 June 2017, there were 2,811 architects registered with the Board in Queensland, comprising 2,504 practising architects and 307 non-practising architects.

Notifications of Businesses offering Architectural Services

Annual registration 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 without offending against the Act if they provided to the Board an approved notice.

Further amendment to the Act effective 21 April 2010 provided for all architectural businesses to be able to notify the Board (under s141A) of their intention to offer architectural services and nominate the “architects” who are responsible for carrying out architectural services at each place the business provides the services.

More than 500 businesses have given notices to the Board under s141A of the Act providing business details and nominating the architects responsible for the architectural services offered.

These records are held at the Board’s office for inspection by the public on request.

Conduct of Examinations

The Board is responsible for arranging or approving examinations in the practice of

architecture for the purpose of registration under the Act.

Twice-yearly, the Board conducts the Queensland sessions of the national Architectural Practice Examination (APE) through the AACA.

Mr Ian Hamilton again undertook the role of State Convenor for the APE in Queensland this year. He was first appointed to this role in August 2011.

The APE is a nationally uniform system of assessment of candidates, based on the *National Standard of Competency for Architects* which has been agreed to by the State/Territory Boards. Successful completion of this three-part examination, subsequent to having already gained a qualification in architecture recognised by the AACA, qualifies candidates to apply for registration as architects in Queensland, pursuant to other requirements of the *Architects Act 2002*.

Part 1 of the APE involves assessment of a candidate’s Statement of Practical Experience and Logbook against the minimum 3,300 hours of experience required across all 15 prescribed Performance Criteria of the *National Standard of Competency for Architects*. The second part of the APE, the written National Examination Paper (NEP), is developed each year by the AACA on behalf of the State/Territory Boards, with the sitting by candidates synchronised across the country. The third part of APE involves an interview with two Board examiners.

In the September 2016 APE session, sixty-one candidates applied for admission to sit Parts 1 and 2 of the APE. Sixty-one candidates sat the written NEP, of whom 59 were successful. Sixty-eight candidates applied to sit the Part 3 interview examination, of whom 53 were successful.

In the April 2017 APE session, 53 candidates applied for admission to sit Parts 1 and 2 of the APE. Forty-eight candidates sat the written NEP, of whom 29 were successful. Thirty-nine

candidates applied to sit the Part 3 interview examination, of whom 31 were successful.

The Board records its appreciation to members of the architectural profession for their support and assistance in the conduct of these examinations.

Accreditation of Architectural Schools

Only qualifications in architecture recognised by the AACA, or overseas qualifications in architecture assessed by the AACA to be equivalent, meet the requirement for eligibility for applying for registration under the *Architects Act 2002*.

The review and accreditation and recognition processes for architectural courses are prescribed in the Trans-Tasman and nationally agreed *Australian and New Zealand Architecture Program Accreditation Procedure* (ANZAPAP).

The Board is responsible for the accreditation of architectural courses offered in Queensland which can lead to registration as an architect. On advice from the AACA, and after considering the results of the ANZAPAP evaluation and accreditation processes, the Board currently accredits four architectural courses for delivery in Queensland; these being courses offered by the University of Queensland, the Queensland University of Technology, Griffith University and Bond University.

The Board also participates as a joint owner in the process of accreditation of Queensland architectural courses. During the year, representatives of the Board participated in State and National Visiting Panels, which comprise members from a standing panel of experts nominated from architect registration boards, professional institutes of architecture and the AACA.

The Board's Chairperson, Professor Susan Savage, was also a member of the ANZAPAP

Development Group which, during the year, reviewed the ANZAPAP and made 69 recommendations for its improvement in its Final Report.

Board Student Prizes

This is the 77th year the Board has awarded a Board of Architects of Queensland Student Prize to the student of each accredited Queensland architectural course identified as having shown the greatest proficiency across the whole of the program.

The recipients of the Board Prizes for 2016 were:

The University of Queensland

Mr Owen Murphy

Queensland University of Technology

Ms Ofel Ribu

Griffith University

Ms Sasha Wales

The Board decided this year that with the accreditation of the Bond University architectural course that it will in future also include a student from Bond University, commencing with next year's prize list.

COMPLIANCE & ENFORCEMENT

Continuing Registration Requirements

The *Architects Act 2002* (s16) requires the Board to be satisfied that an architect has maintained an appropriate level of knowledge, skill and

competence in order to renew their registration each year.

In 2010, the Board introduced a formal program of CPD requirements and a CPD policy based on a joint policy developed by the AACA and the AIA. In September 2012, an annual program of random audits of registered practising architects' CPD records commenced.

Queensland practising architects are required to undertake a minimum of 20 hours of CPD each year, 10 hours of which must be formal CPD activities.

In September 2016, the Board audited the CPD records of 171 (seven per cent) randomly selected practising architects from the Queensland Register. The Board also audited nine additional architects who had been found to have been previously CPD non-compliant.

As a result of the audit, follow up compliance and enforcement and educative work was undertaken by the Board with 16 architects whose records did not meet the Board's requirements.

The Board is currently developing an online CPD record to make available to architects to assist with managing this requirement, and to streamline auditing processes.

Complaints against Architects

Part 3 Division 2 of the Act provides for complaints to be made to the Board by persons who are aggrieved by an architect's conduct in carrying out architectural services.

Nine complaints against architects were received during the year. In seven cases, the Board decided not to undertake an investigation on the basis that the evidence 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 currently under investigation by the Board.

Two other matters ongoing from the previous year were also finalised during this reporting year. In one of these cases, the Board decided there were no grounds for disciplining the architects concerned based on the evidence. In the other case, the Board undertook an investigation but dismissed the complaint.

Part 7 Offences under the Act

Part 7 of the *Architects Act 2002* contains various offence provisions against persons who are not registered with the Board but who are holding themselves out/being held out as architects or offering architectural services.

It is an offence for a person to use the term "architect" or "registered architect" or otherwise hold themselves out to be an architect or offer architectural services unless they are registered with the Board and comply with the requirements of the Act.

The Board received and considered 29 complaints during the year concerning potential breaches of Part 7 of the Act by persons other than architects.

The Board decided to send warning letters to 22 persons identified as holding themselves out as architects or offering architectural services when they are not registered with the Board, as well as letters to 21 other parties identified as having held out these persons as architects or as offering architectural services in contravention of Part 7 of the Act. The Board decided to dismiss one complaint as it did not consider an offence had been committed.

The Board decided to authorise an investigator to undertake investigations in relation to five complaints, all of which matters are still ongoing.

A further matter is still being considered by the Board.

Review of Board Decisions

No applications were made to the Queensland Civil and Administrative Tribunal (QCAT) for a review of a Board decision during the reporting year, under Part 8 Division 2 of the Act. No reviews of Board decisions in respect of disciplinary proceedings were conducted during the year.

CORPORATE GOVERNANCE

Machinery of Government Changes

No machinery of government changes occurred during the reporting period which directly impacted the Board's operations.

Risk Management

The Board has established a risk management program consistent with the principles set out in *AS/NZS ISO 31000:2009*.

Risk management was addressed as part of the Board's strategy meeting held in July, where the Board discussed and revised its risk register.

Recordkeeping

In accordance with the *Public Records Act 2002 (Qld)*, the Board uses record keeping best practices to identify, capture and maintain complete and accurate records which are retained in an accessible and useable format that preserves the evidential integrity of those records for as long as they are required.

Information Management & Privacy

The Board maintains the following categories of documents:

- register of persons who are or who have been architects;

- notices and forms given to the Board by corporations or other prescribed entities using the title "architect" or offering "architectural services" or "architectural design services";
- documents relating to complaints against architects;
- documents lodged in respect of allegations relating to offences committed under the Act;
- documents lodged in support of applications by candidates for entry to the Architectural Practice Examinations;
- Board papers; and
- general files.

Board documents in the above categories 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 and Right to Information

Facilities for examining accessible documents and obtaining copies of those documents are available from the Board's office at Level 3, 87 Wickham Terrace, Spring Hill.

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 RTI applications were received during the year.

RTI applications should be addressed to:

The Registrar
Board of Architects of Queensland
GPO Box 316
Brisbane QLD 4001

or delivered in person to:

The Registrar

Board of Architects of Queensland
Level 3, 87 Wickham Terrace
Spring Hill
Brisbane QLD 4000

Board Meetings & Remuneration

The Board met 11 times during the year. The number of meetings attended and total remuneration received by Members was:

S Savage	10	\$2,500.00
B Medek	11	\$2,000.00
A Hampson	8	\$2,000.00
M Blucher	11	\$2,000.00
C Douglas	6	\$2,000.00
B Taylor	10	\$2,000.00
D Johnson	11	\$2,000.00

Overseas Travel

No overseas travel was undertaken by Board Members or Registry staff during the year.

Internal Audit

The Board received no direction from the Minister for Housing and Public Works to establish an internal audit function, nor did the Board consider it appropriate or necessary to do so due to the small size of the organisation (three employees) and the Board's limited resources.

External Audit

An external audit of the Board's financial affairs was conducted during the year by the Queensland Audit Office.

The Queensland Audit Office Audit Report is included at the end of this Annual Report.

Code of Conduct

The Board Members and Registry staff are expected to maintain the highest standards of

conduct, integrity and accountability reflecting the principles and values underlying good administration as expected by the public.

All Board Members, as well as Registry staff (whether employed under the *Public Service Act 2008* or Board appointed staff), are bound by the *Public Service Ethics Act 1994* and adhere to the *Queensland Public Service Code of Conduct*. Appropriate education and training is undertaken by staff and Board Members.

The administrative procedures and management practices of the Board during the reporting period were in accordance with the requirements of Sections 22-23 of the *Public Sector Ethics Act 1994*.

Ministerial Directions

No Ministerial direction was given to the Board under section 98(1) of the Act during the year.

Finance

The Board is a non-profit, self-funded statutory authority which operates independently, impartially and in the public interest, in accordance with the *Architects Act 2002*.

All costs associated with the regulation of architects, including the Board's costs of administration of the Act, are met by fees levied on architects registered under the Act.

A significant influence on the Board's financial position is the number of complaints in a year that require investigation and disciplinary action or prosecution.

The Board's audited annual financial statements 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.

The Board's full financial statements are included in Part 2 of this Annual Report.

Acknowledgements

The Board places on record its appreciation for assistance received from the officers of other Australian Architect Registration Boards, the AACA, other Statutory Authorities, and the Department of Housing and Public Works during the year.

COMPLIANCE CHECKLIST

Summary of requirement		Basis for requirement	Annual report reference (page number)
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister 	ARRs – section 7	5
Accessibility	<ul style="list-style-type: none"> Table of contents 	ARRs – section 10.1	3
	<ul style="list-style-type: none"> Glossary 	ARRS – section 9.1	na
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	2
General Information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	7-9
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	7-9
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	7-10
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	7-9
	<ul style="list-style-type: none"> Other whole-of-government plans/specific initiatives 	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	7,9
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	7,9
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	Part B – Financial Statements
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	7-8
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	7,15
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	N/A
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> Queensland Public Service Values 	ARRs – section 13.4 ARRS – section 13.5	15
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	14
	<ul style="list-style-type: none"> Audit Committee 	ARRs – section 14.2	15
	<ul style="list-style-type: none"> Internal Audit 	ARRs – section 14.3	15
	<ul style="list-style-type: none"> External Scrutiny 	ARRs – section 14.4	15
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	14

Summary of requirement		Annual report reference (page number)	
Governance – human resources	• Workforce planning and performance	ARRs – section 15.1	8
	• Early retirement, redundancy and retrenchment	ARRs – section 15.2	Nil
Open Data	• Consultancies	ARRs – section 16 ARRs – section 33.1	Nil
	• Overseas travel	ARRs – section 16 ARRs - section 33.2	15
	• Queensland Language Services Policy	ARRs – section 16 ARRs – section 33.3	2
Financial Statements	• Certification of financial statements	FAA – section 62 FPMS – section 43 ARRs – section 17.1	Part B – Financial Statements
	• Independent Auditors Report	FPMS – section 50 ARRs – section 17.2	
	• Independent Auditor's consideration of Other Information	ARRs – section 17.3	

FAA – *Financial Accountability Act 2009*

FPMS - *Financial and Performance Management Standard 2009*

ARRs – *Annual report requirements for Queensland Government agencies*

PART B - FINANCIAL STATEMENTS

THE BOARD OF ARCHITECTS OF QUEENSLAND

FINANCIAL STATEMENTS

30 JUNE 2017

THE BOARD OF ARCHITECTS OF QUEENSLAND FINANCIAL STATEMENTS 2016-17

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Notes To and Forming Part of the Financial Statements

Management Certificate

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 3

87 Wickham Terrace

Spring Hill QLD 4001

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 2017

	Notes	2017	2016
		\$	\$
Income from Continuing Operations			
Fees and Other Receipts	2	605,935	575,277
Interest Revenue		16,029	14,870
Penalties and Costs		5,660	4,830
Other Revenue		-	-
		<hr/>	<hr/>
Total Income from Continuing Operations		627,624	594,977
 Expenses from Continuing Operations			
Employee Expenses	3	291,661	280,942
Administration Expenses	4	227,131	195,604
Examination Expenses		65,789	57,993
Board Member Expenses		25,611	23,861
		<hr/>	<hr/>
Total Expenses from Continuing Operations		610,192	558,400
		<hr/>	<hr/>
Operating Result from Continuing Operations		<u>17,432</u>	<u>36,577</u>
 Other Comprehensive Income		-	-
		<hr/>	<hr/>
Total Comprehensive Income		<u>17,432</u>	<u>36,577</u>

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 2017

	Notes	2017 \$	2016 \$
Current Assets			
Cash and Cash Equivalents	5	744,349	717,969
Trade and Other Receivables	6	14,607	9,651
Prepayments	7	21,046	10,543
Total Current Assets		780,002	738,163
Non-Current Assets			
Property, Plant and Equipment	8	-	-
Total Non Current Assets		-	-
Total Assets		780,002	738,163
Current Liabilities			
Trade and Other Payables	9	62,301	65,996
Unearned Revenue		474,221	453,377
Accrued Employee Benefits	10	51,694	50,085
Total Current Liabilities		588,216	569,458
Non Current Liabilities			
Accrued Employee Benefits	10	6,731	1,082
Total Non Current Liabilities		6,731	1,082
Total Liabilities		594,947	570,540
NET ASSETS		185,055	167,623
EQUITY			
Accumulated Surplus		185,055	167,623
TOTAL EQUITY		185,055	167,623

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

THE BOARD OF ARCHITECTS OF QUEENSLAND

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	\$
		Accumulated Surplus
Balance as at 1 July 2015		131,046
Operating Result from Continuing Operations		36,577
Other Comprehensive Income		-
Total Comprehensive Income / (Loss)		<u>36,577</u>
Balance as at 30 June 2016		<u>167,623</u>
 Balance as at 1 July 2016		 167,623
Operating Result from Continuing Operations		17,432
Other Comprehensive Income		-
Total Comprehensive Income / (Loss)		<u>17,432</u>
Balance as at 30 June 2017		<u>185,055</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 2017

	Notes	2017 \$	2016 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		602,609	577,923
Penalties and Costs		5,660	5,860
Interest Earned		12,913	14,870
<i>Outflows:</i>			
Employee Expenses		(217,890)	(214,672)
Superannuation		(40,622)	(40,187)
Board Member Expenses		(27,035)	(20,500)
Examination Expenses		(66,510)	(57,273)
Administrative Expenses		(197,719)	(169,353)
Investigations/Hearings/Legal Expenses		(45,028)	(13,703)
Net Cash from Operating Activities	11	26,380	82,965
Cash Flows from Investing Activities			
<i>Outflows:</i>			
Acquisition of Assets		-	-
Net Cash from Investing Activities		-	-
Cash Flows from Financing Activities			
<i>Outflows:</i>			
Acquisition of Assets		-	-
Net Cash from Financing Activities		-	-
Net Movement in Cash		26,380	82,965
Cash at the beginning of the financial year		717,969	635,004
Cash at the end of the financial year	5	744,349	717,969

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 2017

Objectives of the Board

Note 1	Summary of Significant Accounting Policies
Note 2	Fees and Other Receipts
Note 3	Employee Expenses
Note 4	Administrative Expenses
Note 5	Cash and Cash Equivalents
Note 6	Trade and Other Receivables
Note 7	Prepayments
Note 8	Property, Plant and Equipment
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Note 10	Provision for Employee Benefits
Note 11	Reconciliation of Operating Result to Net Cash from Operating Activities
Note 12	Contingent Assets and Liabilities
Note 13	Events Occurring after Reporting Date
Note 14	Commitments for Expenditure
Note 15	Financial Risk Management

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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) Statement of Compliance

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 2017, 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.

Interest revenue is recognised using the effective interest method, for which floating rate financial assets is the rate inherent in the instrument.

(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.

No debts were written off this financial year.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (continued)

(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.

(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.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (continued)

(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's 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.

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.

The registrar is employed by the board on a full time basis. The position is paid by the Department of Housing & Public Works, therefore all benefits specific to these positions are recognised in the Department of Housing & Public Works' financial statements, with all expenses being reimbursed by the board on a monthly basis.

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

Annual Leave and Long Service Leave

Provision is made for The Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement. The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (continued)

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 Board's obligation is limited to its contribution to QSuper.

(k) Employee Benefits (continued)

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.

(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.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (continued)

(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) 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.

(q) 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.

(r) Unearned Revenue

Annual Renewal Fees received during April, May and June 2017 for the registration year commencing 1 July 2017 are recognised as Unearned Revenue in 2016-2017.

(s) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2016-17.

The Board applies Australian Accounting Standards and Interpretations in accordance with their respective commencement dates. At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

As from the Board's financial statements for 2017-18, this standard will require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of reconciliation in the notes to the Statement of Cash Flows.

Although the Board anticipates that the adoption of AASB 2016-2 may have an impact on the Board's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards (continued)

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

These standards will first apply to the Board from its financial statements for 2019-20.

The new Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations, as such transactions are accounted for in accordance with AASB 15. AASB 1058 requires an entity to recognise:

- income immediately in profit or loss for the excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue. For this purpose, the assets, liabilities and revenue are to be measured in accordance with the relevant Accounting Standards;
- liabilities for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the relevant Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer; and
- volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services shall be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

AASB 1058 mandatorily applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, provided AASB 15 is applied for the same period.

Although the Board anticipates that the adoption of AASB 1058 may have an impact on the Board's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16 Leases

This standard will first apply to the Board from its financial statements for 2019-20.. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact for Lessees

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards (continued)

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for agencies that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of the agency's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The Board will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

Although the Board anticipates that the adoption of AASB 16 may have an impact on the Board's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Board's activities, or have no material impact on the Board.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
2. Fees and Other Receipts		
Application Fees	35,139	36,083
Registration Fees	20,867	20,263
Restoration and Processing Fees	3,661	6,044
Renewal Fees	453,198	430,782
Examination Fees	93,070	82,105
Total	<u>605,935</u>	<u>575,277</u>

3. Employee Expenses		
Wages	130,777	125,033
Reimbursement of Registrar's Salary and Expenses	132,798	134,801
Superannuation	15,400	14,251
Long Service Leave	8,592	3,287
Annual Leave	(1,334)	852
Other	5,428	2,718
Total	<u>291,661</u>	<u>280,942</u>

Key Management Personnel

	2017	2016
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	7

The names of current Board members are:

Prof Susan Savage (Chair)	Bruce Medek	Miles Blucher
Christopher Douglas	Alice Hampson	Debra Johnson
Bridget Taylor		

Board members appointed during the year are:

Alice Hampson	Debra Johnson	Bridget Taylor
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Board members that have retired during the year are:

Paul Bidwell	Richard Kirk	Gilbert Smith
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THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

3. Employee Expenses (continued)

Key Management Personnel (continued)

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2016-17.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Denis Bergin	The Registrar is responsible for managing the business requirements of the Board. This includes keeping a register of Architects.	PO6 Public Service Act 1996	June 2006 (August 2016)
Helen Krsticevic	The Registrar is responsible for managing the business requirements of the Board. This includes keeping a register of Architects.	AO7 Public Service Act 1996	August 2016 (February 2017)
Gary Stirling	The Registrar is responsible for managing the business requirements of the Board. This includes keeping a register of Architects.	AO7 Public Service Act 1996	August 2016 (September 2016)
Anita Nikolaou	The Registrar is responsible for managing the business requirements of the Board. This includes keeping a register of Architects.	AO7 Public Service Act 1996	January 2017
Prof Susan Savage	The Chairman is responsible for the oversight, management and leadership of the Board. The role provides direction as to the economic and operational goals of the Board.	Board Member (Chairman)	January 2015
Richard Kirk	The Deputy Chairman is responsible for the oversight, management and leadership of the Board. The role provides direction as to the economic and operational goals of the Board	Board Member (Deputy Chairman)	July 2013 (June 2016)
Bruce Medek	The Deputy Chairman is responsible for the oversight, management and leadership of the Board. The role provides direction as to the economic and operational goals of the Board	Board Member (Deputy Chairman)	July 2016

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

3. Employee Expenses (continued)

Key Management Personnel (continued)

Executive Remuneration 1 July 2016 – 30 June 2017

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non-Monetary Benefits \$	\$	\$	\$	\$
Registrar (Denis)	50,885	-	493	5,299	-	56,677
Acting Registrar (Helen)	9,588	-	-	815	-	10,403
Acting Registrar (Gary)	43,215	-	664	4,359	-	48,238
Registrar (Anita)	55,823	-	955	1,929	-	58,707
Chairman (Susan)	2,500	-	-	-	-	2,500
Deputy Chairman (Richard)	2,000	-	-	-	-	2,000
Total Remuneration	164,011	-	2,112	12,402	-	178,525

Executive Remuneration 1 July 2015 – 30 June 2016

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non-Monetary Benefits \$	\$	\$	\$	\$
Registrar (Denis)	104,592	-	992	10,873	-	116,457
Acting Registrar (Anne)	31,888	-	670	3,465	-	36,023
Acting Registrar (Gary)	21,369	-	449	2,719	-	24,537
Chairman (Susan)	2,500	-	-	-	-	2,500
Deputy Chairman (Richard)	2,000	-	-	-	-	2,000
Total Remuneration	162,349	-	2,111	17,057	-	181,517

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
4. Administrative Expenses		
Accounting	4,015	5,882
Audit Fees	7,100	6,800
Bank Charges	5,908	5,102
Accommodation Expenses	46,552	55,426
Depreciation	-	-
Office Expenses	32,968	23,597
Investigations, Hearings, Legals	44,145	14,092
Legislation Workshops	2,863	3,850
Office Systems (includes computer maintenance)	24,799	21,396
Online Registration	39,769	36,252
Memberships (AACA)	19,012	23,207
Total	<u>227,131</u>	<u>195,604</u>

5. Cash and Cash Equivalents

Cash at bank	39,865	39,651
Petty Cash	118	67
QTC Investment Account	689,016	678,251
CBA Term Deposit	15,350	
Total	<u>744,349</u>	<u>717,969</u>

6. Trade and Other Receivables

Trade Receivables	22,240	27,900
Allowance for Impairment	(22,240)	(27,900)
Net Receivables	-	-
GST Receivables	14,607	9,651
Total	<u>14,607</u>	<u>9,651</u>

7. Prepayments

Prepaid Insurance	4,521	4,456
Prepaid Rent	-	3,835
Other Prepayments	16,525	2,252
Total	<u>21,046</u>	<u>10,543</u>

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
8. Property, Plant and Equipment		
Computer Equipment	6,937	6,937
Accumulated Depreciation - Computer Equipment	(6,937)	(6,937)
Total	-	-
Total Property, Plant and Equipment	-	-
Movements Schedule		
Computer Equipment		
Carrying amount at 1 July	-	-
Acquisitions	-	-
Depreciation	-	-
Carrying amount at 30 June	-	-
9. Trade and Other Payables		
Trade Creditors	34,859	3,075
Accrued Expenses	16,689	56,945
Accrued Interest	(3,116)	-
Franking Machine	590	231
Other Payable	13,280	5,745
Total	62,301	65,996
10. Provision for Employee Benefits		
Current		
Annual Leave Payable	6,627	7,961
Long Service Leave Payable	45,067	42,124
Total	51,694	50,085
Non-Current		
Annual Leave Payable		
Long Service Leave Payable	6,731	1,082
Total	6,731	1,082
Analysis of Provisions		
Opening Balance at 1 July	51,167	47,028
Additional Provisions raised during the year	21,438	13,120
Amounts Used	14,180	(8,981)
Balance at 30 June 2017	58,425	51,167

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
11. Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating Result	17,432	36,577
Depreciation		-
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	(4,956)	878
Decrease (increase) in Prepayments	(10,503)	5,135
Increase (decrease) in Trade & Other Payables	(3,694)	13,642
Increase (decrease) in Unearned Revenue	20,843	22,594
Increase (decrease) in Accrued Employee Benefits	7,258	4,139
Net cash from operating activities	26,380	82,965

12. Contingent Assets and Liabilities

There are no contingent assets or liabilities at balance date.

13. Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2017.

14. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2017.

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

	2017	2016
	\$	\$
Not later than one year	36,909	-
Later than one year and not later than five years	121,725	-
Later than five years	-	-
Total	158,634	-

The lease is for the business premises and is a non-cancellable lease with a 5 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 period on 18 July. An option exists to renew the lease at the end of the term for one additional term of five years.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

15. 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	Note	2017 \$	2016 \$
Financial assets			
Cash and cash equivalents	5	744,349	717,969
Receivables	6	14,607	9,651
Total		758,956	727,620
 Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	9	62,301	65,996
Total		62,301	65,996

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.

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:

	2017 \$	2016 \$
Maximum Exposure to Credit Risk		
Financial Assets		
Receivables	14,607	9,651
Total	14,607	9,651

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

15. Financial Risk Management (continued)

Categorisation of Financial Instruments (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 nil. There have been no court orders requiring repayment during the 2017 year.

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					
2017	Overdue				
	Less than 30 days	30 days +	60 days +	90 days +	Total
	\$	\$	\$	\$	\$
Financial Assets					
Trade Receivables	-	-	-	22,240	22,240
Allowance for Impairment	-	-	-	(22,240)	(22,240)
	-	-	-	-	-

Individually Impaired Financial Assets					
2016	Overdue				
	Less than 30 days	30 days +	60 days +	90 days +	Total
	\$	\$	\$	\$	\$
Financial Assets					
Trade Receivables	-	-	-	27,900	27,900
Allowance for Impairment	-	-	-	(27,900)	(27,900)
	-	-	-	-	-

Movements in the Allowance for Impairment

	2017	2016
	\$	\$
Balance at 1 July	35,350	35,350
Increase / (decrease) in allowance recognised in operating result	(13,110)	(7,450)
Balance at 30 June	22,240	27,900

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

15. 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.

	2017	2016
	\$	\$
Financial liabilities		
Payables		
Less than 1 year	62,301	65,996
Total	62,301	65,996
Total financial liabilities		
Less than 1 year	62,301	65,996
Total	62,301	65,996

No Receivables recognised in the financial statements were overdue at 30 June 2017.

(c) Interest rate risk

Exposure to interest rate risk arises on cash and cash equivalents. A 1% increase/decrease in current interest rates will result in a \$7,180 increase/decrease in profit and equity respectively.

(d) Fair value

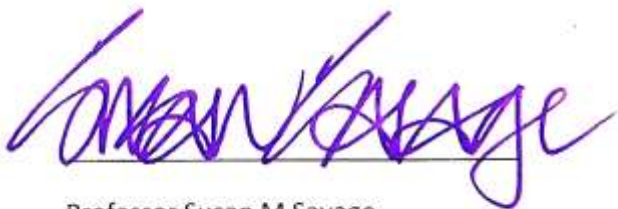
Cash, cash equivalents, receivables and payables are short-term in nature and their carrying value approximating their fair values so are not disclosed separately. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an 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), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

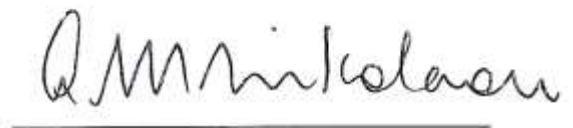
In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- 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 2017 and of the financial position of the Board at the end of that year.
- c) These assertions are based on an appropriate system of internal controls of risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Professor Susan M Savage
Chairperson

Dated this 23 day of Aug, 2017.



Anita Nikolaou
Registrar

INDEPENDENT AUDITOR'S REPORT

To the Board of Board of Architects of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Board of Architects of Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and *Auditor-General of Queensland Auditing Standards*.

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

Responsibilities of the entity 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 the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's Responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial 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 my 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.
- 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 expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
 - (i) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material aspects


David Adams
as Delegate of the Auditor-General



Queensland Audit Office
Brisbane