

NZRAB BOARD MANUAL

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

To achieve clarity, for the purposes of this document “NZRAB” refers to the New Zealand Registered Architects Board as an entity and “the Board” refers to the eight-person board.

Purpose

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

The Act describes the NZRAB’s functions as being to:

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

Thus the NZRAB’s core business involves:

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

Governance

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

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

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

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

- how Board members are appointed (1), who can be Board members (2), terms of appointment (3) and what happens when Board members resign (6) or are removed (7)
- the duties of Board members (9 to 12)
- how Board members may rely on some sources of information and advice (12)
- Board members obligations in terms of disclosing interests (13 to 16)
- Board members confidentiality obligations (17), their liabilities (18) and their honoraria (19)
- the appointment and roles of the Board Chairperson and Deputy Chairperson (20 to 24)
- procedures for Board meetings (25 to 32)
- Board powers to delegate, contract, obtain legal advice and enter into agreements (33 to 37)
- the NZRAB's obligations as an employer (38 to 39)
- how the NZRAB's finances are to be arranged (40 to 44)
- limitations on the NZRAB acquiring shares in another body corporate (45).

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

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

The NZRAB is a body corporate and a legal entity. The NZRAB may exercise its powers only for the purpose of performing its functions. The NZRAB is a statutory entity, ie it is established by the Act, but it is not a Crown Entity, and so the Crown Entities Act does not apply. The NZRAB is covered by the Official Information Act.

The Minister responsible for the Act is the Minister for Building and Construction (the Minister), and the monitoring agency that advises the Minister on the Act and the NZRAB's performance is the Department of Building and Housing.

An output agreement between the Minister and the NZRAB for the period 1 July 2006 to 30 June 2007 was drafted but not signed, given the pressure of events, and remains an outstanding issue.

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

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

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

The Board's key tasks include:

- appointing and monitoring the performance of the Chief Executive
- annually approving and monitoring the implementation of the Strategic Plan
- annually approving the budget and monitoring the NZRAB's financial performance
- determining NZRAB policy and monitoring its implementation
- making those decisions specifically required of the Board under the Act in relation to registration, continuing registration and discipline, where they impact on individuals
- ensuring that the Act's reporting requirements are met
- ensuring that the organisation operates in a financially sound matter and is financially accountable, via planning and budgeting, financial reporting at quarterly Board meetings, annual auditing and financial reporting to the Minister.

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

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

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

removed from the public website 12 months after the meeting being reported on took place.

Board decisions are sometimes made by email, most commonly for registrations. These are deemed to be Board meetings for which minutes are kept and a specific procedural protocol applies (see attachment 1).

Governance Principles

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

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

The Board will do best when it sets clear expectations as to the outcomes that it requires and then empowers those tasked with implementation to determine the best form of that implementation. The Board and Board members must be careful to avoid becoming involved in policy implementation, and management and administrative functions. The Board should make its expectations clear in terms of overall risk management.

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

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

Board Committees

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

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

Appointments to these committees are made by the Board Chairperson.

The current committees are:

Strategy and Finance Committee

Function: To assist the Chief Executive in developing the annual Strategic Plan and Budget and to provide oversight in their implementation.

Registration Committee:

Function: To develop initial registration policy and provide oversight of initial registration procedures.

Continuing Registration Committee

Function: To develop policy and provide oversight of the issuance of on-going Certificates of Registration, CPD and the five yearly Competence Reviews required by the Act.

International and Standards Committee

Function: To develop policy, learn from international best practice and provide oversight of the NZRAB's international liaison covering New Zealand's jurisdictional obligations, the development of registration standards, and other benchmarks shared with other jurisdictions.

Public Protection Committee

Function: To develop policy and provide oversight of the NZRAB's disciplinary procedures. This Committee also appoints Investigating Committees and recommends to the Board appointments to Disciplinary Committees, if required.

The Board has also appointed an **Apec Monitoring Committee** to process any applications by New Zealand Registered Architects to become APEC Architects.

Responsibilities of Board members

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

The responsibilities of individual Board members include:

- being informed as to the Act and the Rules; the NZRAB's strategic plan and budget; and the NZRAB's obligations, policies and procedures
- attending Board meetings, having received and considered meeting agendas and papers
- attending, where applicable, committee meetings, having received and considered meeting agendas and papers
- supporting the organisation in public fora etc, where appropriate and subject to liaison with the Chairperson.

Board members also have a duty to:

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

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

Code of Conduct

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

A Board member must:

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

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

Conflict of Interest

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

Board members should seek to avoid conflicts of interest wherever possible. Full disclosure of any interest that could cause a potential conflict must be made to the Board.

The Chair and Board should review declared conflicts, taking account of the significance of the potential conflict for the NZRAB and the possible consequences if it is not handled properly.

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

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

In the case of a continuing material conflict of interest, the Board member should consider resigning from the Board.

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

Professional Integrity

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

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

- making the extent of the dissent and its possible consequences clear to the Board in order to influence the decision
- asking the Board to obtain additional legal, accounting or other professional advice
- asking that the decision be postponed to the next meeting to allow time for further consideration and informal discussion

- tabling a statement of dissent and asking that it be minuted
- writing to the chair or all members of the Board, and asking that the letter be filed with the minutes
- if necessary, resigning and advising the Minister as to the reasons.

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

Board members' honoraria

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

Chair	-	\$550
Deputy chair	-	\$460
Member	-	\$370

Fees are paid to board members personally and are subject to Withholding Tax. Where Board members provide other services to the Board, such as attending committees or taking part in discipline hearings, their fees are as per Board meetings.

Claims for preparation time can be made at the same rate as attendance at the meeting being prepared for, but the time claimed must not exceed the time taken for the meeting itself. The Board also covers the costs of members' travel and accommodation when on Board business.

Online information for Board members

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

- Board minutes
- Board meeting agendas and papers (from November 2007 forwards).
- The Board's protocol for conducting Board meetings online
- Board and staff contact details
- the Board Calendar
- the NZRAB's Annual Reports and Strategic Plans
- The Board manual
- The Board Committee structure
- Board Committee papers and minutes
- NZRAB Policies and key file notes etc
- Registered Architects Act 2005
- Registered Architects Rules 2006
- Registered Architects Rules revised fees schedule
- The NZRAB Output Agreement

- MED paper on principles for occupational regulation
- Documents that the NZRAB has made public, eg press statements, newsletters to Architects, consultation announcements etc.

The Chairperson

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

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

The Chief Executive

The Chief Executive is accountable to the Board Chairperson.

At its March 2007 meeting the Board resolved "That the Chief Executive be delegated all functions, duties and powers of the Board except those matters required to be dealt with under section 10, section 13 and section 26 of the Act."

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

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

Broadly, the Chief Executive's performance is assessed against the deliverables identified in the strategic plan.

NZRAB Email Board Meeting Protocol

This document provides the protocol that the NZRAB will follow when conducting Board matters by email.

Matters that can be deal with by electronic meeting

Where a decision needs to be made between face-to-face Board meetings, an issue may be presented to members by email. Matters requiring discussion before decision will generally be dealt with at a scheduled Board meeting, unless the matter is urgent.

Calling an electronic meeting

The Chief Executive or the Executive Officer, on the instruction of the Chair, presents the matter to Board members by e mail. **Board members should acknowledge receipt of the email to the Chief Executive and the Originator with a cc to Board members,** whether or not they wish to comment or vote on the issue.

Alert for Matters Requiring a Decision

All matters requiring a decision will be clearly identified as such in the email "subject" line by the description "**BOARD DECISION REQUIRED**"

Quorum for an electronic meeting

A quorum will be achieved for an electronic meeting if a simple majority of Board members acknowledge receipt. For this purpose, an "out of office" reply will not be treated as an acknowledgement.

Voting at electronic meetings

A matter put to an electronic meeting will be deemed passed if a simple majority of those Board members "present" (ie those who have acknowledged receipt) indicate their agreement to the matter put to the meeting.

Qualified responses to matters requiring a decision

Board Members may wish to comment on an issue rather than give a simple "yes/no" response. The comment should be sent to all Board Members to give them a chance to respond. If a Board member who has already voted indicates that the discussion has led to him or her wanting to change his or her vote, this is permitted, subject to a reasonable time frame after which the matter is deemed to be settled, this being indicated by the CE or EO advising Board members by email of the outcome.

Conduct of an electronic meeting

The CE or EO are responsible for ensuring that this protocol is complied with and will promptly report the result of the meeting to the Board by e mail. The decision will be recorded in a minute to be confirmed at the next face-to-face Board meeting.