



Social Workers  
Registration Board

Kāhui Whakamana Tauwhiro

# ANNUAL REPORT 2013–2014

**Presented to the House of Representatives pursuant  
to section 150 of the Crown Entities Act 2004**

New Zealand Government



WL 14364

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# PART 1: INTRODUCTION TO THE SOCIAL WORKERS REGISTRATION BOARD

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## THE SOCIAL WORKERS REGISTRATION BOARD

The Social Workers Registration Act 2003 (the Act) provides the framework for the registration of social workers.

A major purpose of the Social Workers Registration Act 2003 is:

- to protect the safety of members of the public, by prescribing or providing for mechanisms to ensure that social workers are:
  - competent to practise; and
  - accountable for the way in which they practise.

The Social Workers Registration Board (SWRB) was established under this Act in November 2003.

The SWRB, a Crown agent under the Crown Entities Act 2004, has the responsibility to organise the registration process, consider and take disciplinary actions relating to Registered Social Workers, encourage registration and act to enhance the professionalism of social workers.

The Social Workers Registration Board is charged with protecting the public's safety by implementing a registration framework to ensure that social workers are competent to practise and held accountable for their practice.

The Registration Framework of the SWRB covers five distinct areas:

- the registration of social workers;
- setting the standards for social work education;
- consideration of complaints about Registered Social Workers;
- promotion of the benefits of registration of social workers; and
- enhancing the professionalism of social workers.

### Registration

The Board provides:

- the application forms and guidance notes for social workers wishing obtain competence assessment
- the application forms and guidance notes for social workers wishing to apply for registration
- web-based downloads of forms and online information requests relating to recognised social work qualifications, applications for competence and registration and information on maintaining registration
- contact with registration staff via phone and email for general information on the requirements for competence assessments and registration
- follow-up telephone calls, email and written correspondence advising of competence and registration progress as well as support to complete the registration process.

## **Qualification Standards**

The Board sets the standards for social work education and training in New Zealand by:

- consulting with providers and other bodies that set standards for social work education and training in New Zealand, to promote and set standards
- undertaking five yearly programme recognition panel visits to all Board-recognised social work qualification providers
- providing ongoing advice and guidance to social work qualification providers on maintaining a recognised qualification and any issues regarding changes to programme delivery
- providing updates on Board policies regarding the process for recognition/re-recognition of social work qualifications.

## **Complaints System**

The Complaints and Disciplinary Tribunal provides:

- the mechanism for anyone to make a complaint, either verbally or in writing, regarding the provision of social work services by Registered Social Workers
- Complaint Assessment Committees whose role is to investigate complaints against Registered Social Workers and provide recommendations to the Tribunal on whether
  - the Board should review the competence or fitness of the Registered Social Worker concerned to practise social work (or both); or
  - it should submit the complaint to conciliation; or
  - it should submit the complaint or conviction to the Tribunal for a hearing; or
  - no further steps should be taken under the Act in relation to the complaint or conviction
- for hearings of complaints based on recommendations from the Complaints Assessment Committees.

## **Professional Development**

The Board provides:

- guidelines for Registered Social Workers around continuing professional development to support them to maintain registration
- web-based downloads, forms and online information relating to continuing professional development and the ongoing maintenance of registration
- contact with registration staff via phone and email to provide general information on the requirements for continuing professional development and maintaining registration
- a regular audit of Registered Social Workers continuing professional development portfolios
- follow-up telephone calls, email and written correspondence advising of audit requirements as well as advice for completion of professional development logs and audit requirements.

## **Information and Promotion**

The Board provides information to the public, the profession and employers of social workers on:

- obtaining and maintaining registration
- Registered Social Workers and whether they hold current practising certificates and valid competence certificates
- the process for making complaints about the provision of social work services provided by Registered Social Workers.
- the rights of people receiving social work services
- the responsibilities of Registered Social Workers.

The detailed description of the SWRB's functions is set out in Section 99 of the Act. In summary, they are:

- to receive and consider applications for registration and practising certificates, authorise the registration of social workers and maintain the Register;
- if the SWRB thinks fit, to adopt conditions subject to which all practising certificates, or the practising certificates of all Registered Social Workers of a particular description, must be issued;

- to promote and encourage high standards of practice and professional conduct among Registered Social Workers and the employers of social workers;
- to establish and maintain a Code of Conduct for Registered Social Workers, review the competence of social workers and to consider the cases of Registered Social Workers who may be unable to perform adequately the functions required to practise social work satisfactorily;
- in consultation with providers of social work education and training in New Zealand and bodies that set standards for social work education and training in New Zealand, to promote and set standards for such education and training, and recognise New Zealand educational qualifications for the purposes of the Act;
- to promote the benefits of registration and the establishment of accessible and efficient procedures for making, considering and determining complaints relating to social workers
- to advise, and make recommendations to, the responsible Minister in respect of matters relating to the regulation of the social work profession;
- subject to the Act, to disclose to the employers or prospective employers of social workers information it has obtained under this Act relating to people who are or have been applicants for registration or Registered Social Workers; and
- any other functions conferred or imposed on it by or under the Act or any other enactment.

### **Review of the Social Workers Registration Act 2003 and its Own Operations**

Section 104 of the Social Workers Registration Act 2003 requires that at intervals of not more than five years the SWRB is to review the operation of the Act, and its own operations. The SWRB is required to:

- review the operation of the Act and its own operations;
- consider the extent to which the Act, and the system of voluntary registration for which it provides, are achieving the stated purposes; and
- consider whether any amendments to the Act are necessary or desirable.

The SWRB last undertook a review of the Act in the 2011-2012 financial year and presented this to the Minister in December 2012.

### **Goals, Outcomes and Objectives**

The government is the major purchaser of social work services and has a significant interest in social worker quality and professionalism. In recognition of its status as a Crown agent and its national role, the SWRB has a stake in supporting the government's social objectives to increase economic growth, reduce inequality and improve the social and economic wellbeing of New Zealanders.

The SWRB has adopted the following outcomes framework to guide its work.

# OUTCOMES FRAMEWORK

OUR  
VISION

All Social Workers are registered

SOCIAL SECTOR OUTCOMES

We protect the public's safety by implementing a registration framework to ensure that social workers are competent to practise and held accountable for their practice

Range of government and non-government activities

Registration, Education, Accountability, Professional Standards, Information

OUR IMPACTS

- 1 Social workers registered to meet minimum standards via an efficient and accessible registration system
- 2 Social work students graduate with SWRB-recognised social work qualifications delivered to national standards
- 3 Registered Social Workers, the public and employers see evidence of an accessible, transparent and fair Complaints and Disciplinary Process
- 4 Registered Social Workers are viewed as professionals and adhere to accepted practice standards while continually developing their professional knowledge and skills
- 5 The system of registration is accessible and the benefits of registration are acknowledged by the profession, employers and the public

OUR  
OUTPUT

Implementation of the SWRB Registration Framework

WHAT WE DO

- 1 Receive applications for Registration and Annual Practising Certificates (APC)
- 2 Recognise Social Work Qualifications
- 3 Hold Social Workers accountable via Code of Conduct and Complaints and Disciplinary Tribunal
- 4 Review the competence of Social Workers and issue Annual Practising Certificates
- 5 Provide information and promote registration to the profession, employers and the public

OUR  
PRIORITIES

Social Workers and those that receive social work services

# PART 2: GOVERNANCE

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## **SWRB Board Members 2013–2014**

Toni Hocquard (Full term) – Chairperson  
Mary Miles (Full Term)  
Jim Heays (Full Term)  
William Pua (Full Term)  
Toni Millar (Full Term)  
Sara Georgeson (Full Term)  
Turitea Bolstad (Full Term)  
Shayne Walker (Full Term)  
Michelle Derrett (Full Term)  
Dianne Wepa-Belz (Full Term)

## **Board Meetings**

The Board met on:

- 30th August 2013
- 13th November 2013
- 13th December 2013
- 21st February 2014
- 4th April 2014
- 8th May 2014

## **Board Committees**

To facilitate its work, the Board reviewed and maintained a number of sub-committees for the 2013–2014 year.

The committees and their membership were:

Finance, Audit and Risk Management

Membership: T. Millar (Chair), T. Bolstad, M. Derrett, J. Heays, D. Wepa-Belz and T Hocquard.

Policy Development and Review

Membership: M. Miles (Chair), S. Georgeson, W. Pua, S. Walker and T Hocquard.

## **Board Member and Staff Insurance**

The SWRB has taken insurance cover for Board members, Board Committee members and employees for personal loss caused by wrongful acts in the course of their duties where indemnity is not available from the organisation. The SWRB has also taken insurance cover covering personal accident and travel risk for Board members, Board Committee members and employees where injury or loss occurs whilst on the organisation's business.

# PART 3: REPORT FROM THE CHAIRPERSON

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## REPORT FROM THE CHAIRPERSON

It is with great sadness that this is my last report as Chair of the Social Workers Registration Board as my two terms (the maximum allowed within our legislation) has come to an end.

It has been a privilege to have had the opportunity to be a member of the Board for the past 6 years and the Chair for about 4 ½ of those. As I leave I would like to reflect on the changes I have seen during that time, and make a little more visible the work that goes on in the background that many may not be aware of.

The role and function of the Social Workers Registration Board is and always has been very simple, that is to provide a registration mechanism for social workers with the primary goal of protecting the public.

But I often hear, "what's in it for me?" from both registered and non-registered social workers.

The benefits to social workers and the profession at large are indirect, as they should be, because the focus of the SWRB Act is on those we serve. Nonetheless, registration is allowing us to emerge and grow as a profession who values competent practice, demands accountability of itself and wants to increase its own professionalism.

These are the true hallmarks of a profession and after 30 years of being a social worker I feel a sense of pride in what we are now.

The challenge is that we still don't know who the 'real' social workers are, and voluntary registration continues to place us in an environment where anyone can claim to be a social worker.

We know that for the majority of those who have chosen to become registered, their practice is not the issue. This is evident in the low number of complaints that have been upheld. But regulation is often not about impacting on the behaviour of those already 'doing the right thing', it is about protecting the public from those who aren't.

Ironically, the current social worker registration system is totally funded by those 'who are doing the right thing', whilst some of those who choose not to be held accountable (i.e. don't become registered) continue to appear in our media and portray social work in a bad light. Furthermore, these people prey on the vulnerable, and engage in practices that are damaging to the very people the Social Workers Registration Board is trying to protect.

This is not a situation the Board has been happy with, so the Board made a decision to become more direct and active about seeking Mandatory Registration. This has led to strong presentations to the Social Services Select Committee and challenging those who are in a position to bring Mandatory Registration about.

We have seen the shift in thinking in several places and we are inching closer and closer.

The Board has also worked tirelessly with other stakeholders within the Social Work arena. For several years now the Alliance (consisting of the SWRB, ANZASW, Tangata Whenua Association of Social Workers and CSWEANZ and more recently the DHB Leaders Group) has met to discuss issues related to social work and to promote the social work profession.

As with most things, change does take time, and initially there is not much to see. However, I believe a strong foundation has been built over the last ten years, which was highlighted in the extremely successful conference last year. We are having conversations now that would not have been possible before and as a result Social Work is gaining profile and recognition.

Currently we are reviewing competency standards and processes, and the preparation and support provided to students and graduate social workers. These are big issues that can only result in better outcomes for the people we work with. Indirectly they will also provide a safer environment in which social workers operate and a recognition of the knowledge base and skill set required to be a social worker.

I would like to thank all of the Board members I have served with during my time on the Board. I have learnt so much from all of you, and know that sharing the experience with you has made it a truly life changing one.

But Board members come and go and I would particularly like to thank the Secretariat who are the constant of this organisation.

I would like to reassure all Registered Social Workers that you have a team of committed people who work in the Secretariat. As a Crown Entity our relationships within the Wellington environment and beyond are crucial, and we can thank our Secretariat for the high regard in which we are held.

In particular I would like to recognise the work of Sean McKinley, our Chief Executive. Sean has been with the Board since the beginning and has held fast to the purpose of the Board. He has supported me in my role on the Board and I have to say has made me look very good at times. To Sean a most sincere thank you.

I hand over to the new Chair, Shayne Walker, and feel really excited about the work that the Board is about to do and the safety I feel knowing that the Board is in good hands. To Shayne, current Board members and those to come in the future, good luck, enjoy your time and let's get that Mandatory Registration across the line.



**Toni Hocquard**  
Chairperson  
Social Workers Registration Board

## 2013–2014 Update on the Social Workers Registration Board Data

The Social Workers Registration Board continues to grow in terms of the number of social workers applying for and maintaining registration and overall the support for registration by the profession remains positive.

The following graphs provide a snapshot of the last five years of data recorded by the Board in relation to registration applications, annual practising certificate renewals, complaints received and the numbers of Registered Social Workers across the various employers of social workers in New Zealand.

### Managing the registration of social workers

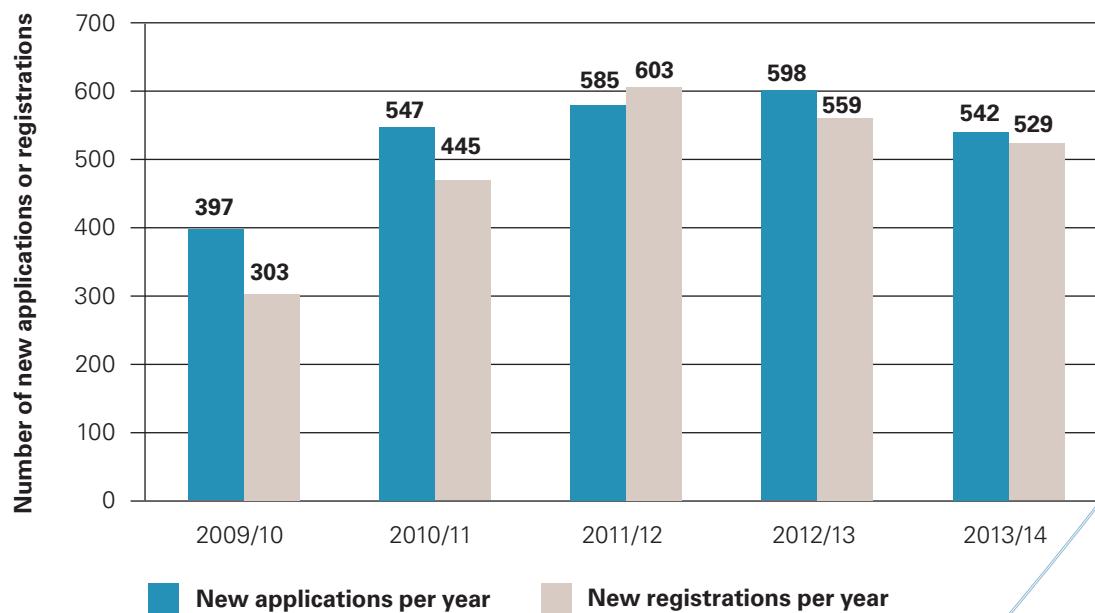
The Social Workers Registration Board has continued to work to ensure that the process for registering social workers has been made as accessible and simple as possible while still adhering to the requirement of the Social Workers Registration Act 2003.

Figure 1 below provides information on the numbers of social workers applying for registration each year along with the number of applicants (from the current or previous years) who have been registered.

The number of new applications for registration received by the Board remains fairly consistent although the slight decrease reflects that the Board has now registered a significant proportion of those social workers who meet the minimum criteria for registration.

The number of new registrations better reflects the number of new applications as the Board focused on clearing applications from previous years that remained incomplete. Now that incomplete applications are only valid for a year from when they are first received it is expected that they will be completed within the twelve-month time frame.

**Figure 1: Applications for Registration and New Registrations per year 2009–2014**



### Setting Standards for Social Work Education and Training

Since 1 January 2006 the entry-level qualification for the purposes of registration has been a degree-level social work qualification. The Board still recognises social work diploma qualifications if they were completed or commenced prior to 1 January 2006.

The Social Workers Registration Board currently recognises a range of undergraduate and postgraduate social work qualifications provided by seventeen providers. The Board reviews programmes every five years.

At the undergraduate level, the Board recognises the following qualifications:

- Five 4-year degrees at Universities (Three of these may be awarded with honours and two have an honours stream).
- One 4-year degree at a private training establishment.
- One 4-year degree at a polytechnic.
- Eight 3-year degrees in the polytechnic/institute of technology sector.
- One 3-year degree and one 4-year degree in the Wananga sector.
- One 4-year combined social work, mental health and addictions double major at a polytechnic.

At the postgraduate level there are two university professional masters programmes currently offered, both of which may be awarded with honours. A further masters professional programme is recognised but is taking no more students at this stage. Graduate Diplomas and postgraduate diplomas are being taught out with no further intakes.

The qualifications and providers are as set out in Table 1 below:

**Table 1: Current SWRB Recognised Social Work Qualifications**

<b>INSTITUTION</b>	<b>QUALIFICATION</b>
Bethlehem Tertiary Institute	<ul style="list-style-type: none"> <li>• Bachelor of Social Work</li> </ul>
Christchurch Polytechnic Institute of Technology	<ul style="list-style-type: none"> <li>• Bachelor of Social Work</li> </ul>
Eastern Institute of Technology	<ul style="list-style-type: none"> <li>• Bachelor of Applied Social Sciences (Social Work major) (May be awarded with an additional major in Counselling or Psychotherapy)</li> </ul>
Massey University	<ul style="list-style-type: none"> <li>• Bachelor of Social Work (may be awarded with Honours)</li> <li>• Master of Applied Social Work (may be awarded with Honours)</li> </ul>
Manukau Institute of Technology	<ul style="list-style-type: none"> <li>• Bachelor of Applied Social Work</li> </ul>
NorthTec	<ul style="list-style-type: none"> <li>• Bachelor of Applied Social Service (Social Work major)</li> <li>• Bachelor of Applied Social Service (Social Work and Mental Health and Addictions double major)</li> </ul>
Open Polytechnic	<ul style="list-style-type: none"> <li>• Bachelor of Social Work</li> </ul>
Te Wananga o Aotearoa	<ul style="list-style-type: none"> <li>• Bachelor of Social Work (Biculturalism in Practice)</li> </ul>
Te Wananga o Raukawa	<ul style="list-style-type: none"> <li>• Poutuārongo Toiora Whānau</li> </ul>
The University of Auckland	<ul style="list-style-type: none"> <li>• Bachelor of Social Work</li> <li>• Bachelor of Social Work (Honours)</li> <li>• Master of Social Work (Professional) (may be awarded with Honours)</li> </ul>
Unitec Institute of Technology	<ul style="list-style-type: none"> <li>• Bachelor of Social Practice (Social Work major) (Community Development major – for graduates completing 2009 onwards)</li> </ul>
University of Canterbury	<ul style="list-style-type: none"> <li>• Bachelor of Social Work (may be awarded with Honours)</li> <li>• Master of Social Work (Applied)</li> </ul>
University of Otago	<ul style="list-style-type: none"> <li>• Bachelor of Social Work</li> <li>• Bachelor of Social Work (Honours)</li> </ul>
University of Otago	<ul style="list-style-type: none"> <li>• Bachelor of Social and Community Work *#</li> <li>• Post Graduate Diploma in Social and Community Work *#</li> <li>• Master of Social and Community Work *#</li> </ul>
University of Waikato	<ul style="list-style-type: none"> <li>• Bachelor of Social Work</li> </ul>
Waiaiiki Institute of Technology	<ul style="list-style-type: none"> <li>• Bachelor of Applied Social Science (Social Work)</li> </ul>
Whitireia New Zealand	<ul style="list-style-type: none"> <li>• Bachelor of Social Work</li> </ul>
Wintec	<ul style="list-style-type: none"> <li>• Bachelor of Applied Social Science (Social Work major)</li> </ul>

\*Programme being phased out  
# No further intake

At the December 2011 Board meeting the Board resolved to review the programme recognition standards, and established a steering committee to ensure a process whereby stakeholders were consulted. The Board also engaged an external project manager to manage the review process and the review of the SWRB Programme Recognition Standards was presented to the Board in November 2012.

As a result of the review the Board has determined that the entry level professional qualification in Social Work will be a 4-year, 480-credit point bachelor's degree with at least 210 credit points at level 7 or above, or a 2-year, 240-credit point master's degree. The move to a 4-year entry level professional qualification in Social Work is being progressively implemented as programmes are reviewed. All programmes will have been reviewed against the 4-year degree standards by 31 December 2016.

### **Considering complaints against Registered Social Workers**

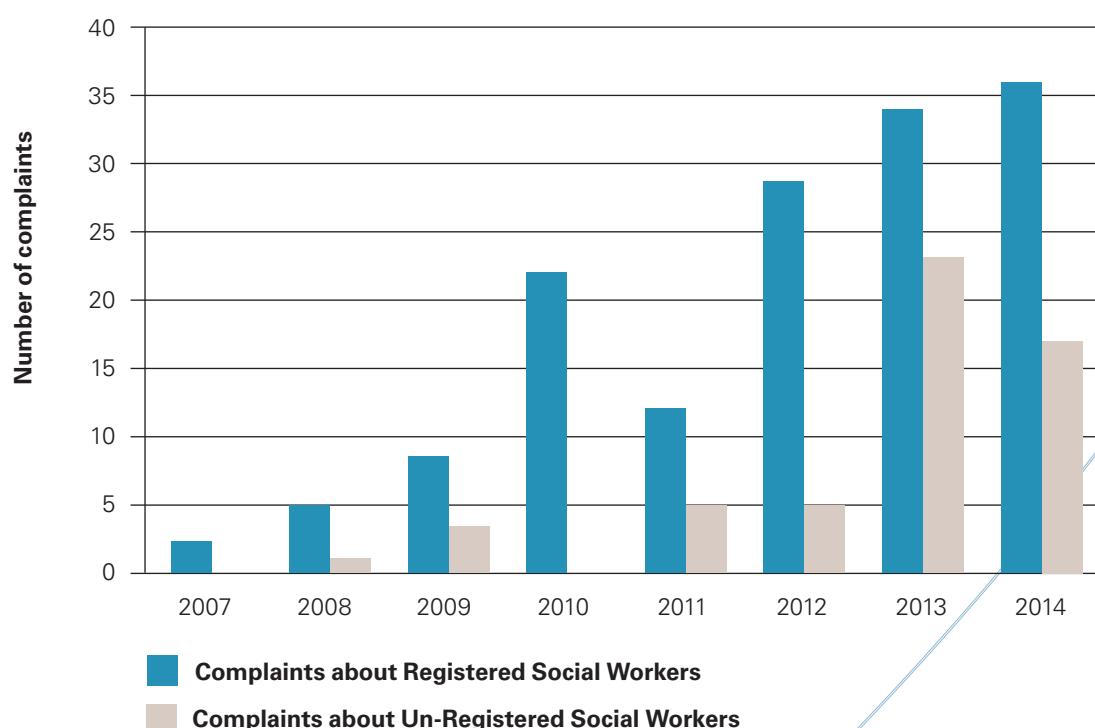
The Social Workers Registration Board Complaints and Disciplinary Tribunal can only accept complaints about the practice of Registered Social Workers where there is an identified breach of the Code of Conduct.

Figure 2 below indicates the number of complaints received in a given year.

A Competence Review is usually undertaken when a complaint does not reach the threshold of an identified breach of the Code of Conduct but the Chair of the Tribunal considers there to be enough evidence to warrant a referral back to the Social Workers Registration Board with the recommendation that a competence review is undertaken. The social worker's competence to practise is reviewed and any necessary conditions or restrictions on the social worker's practice are imposed.

Under the SWR Act a complaint is referred to the Health & Disability Commission if the complainant is a consumer of a health service.

**Figure 2: Complaint Numbers 2007–2014**



The Board receives a number of complaints about social workers who are not registered but is unable to act on the complaint.

Identifying the number of these complaints is difficult. Often complainants will call to ask if a particular social worker is registered and, when told they are not, do not continue with the discussion or else they find out the social worker is not registered as they do not appear on the public register.

### Enhancing the professionalism of social workers

The SWRB maintains a Code of Conduct for social workers and reinforces high standards of practice by requiring Registered Social Workers to meet minimum criteria in order to hold an Annual Practising Certificate (APC).

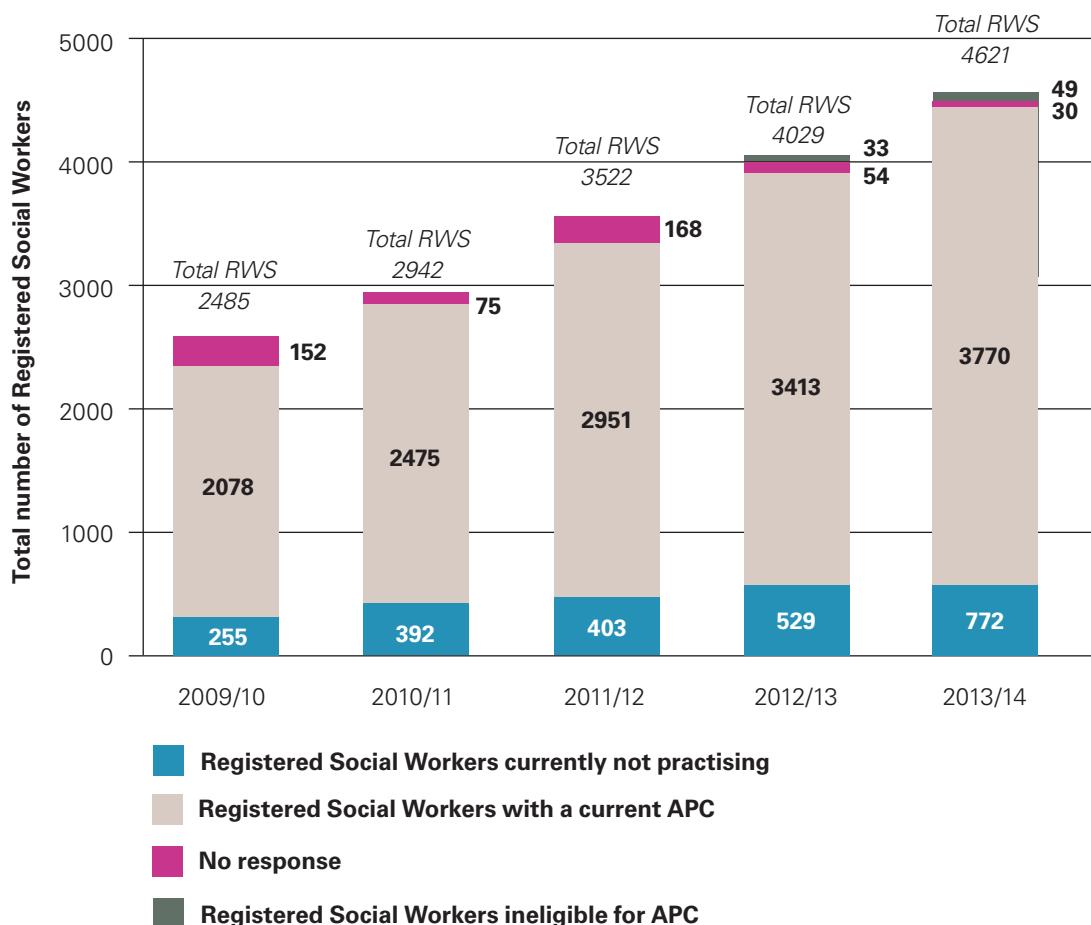
This minimum criteria involves maintaining a valid competence assessment certificate, being a fit and proper person to practise social work and engaging in ongoing professional development.

While the Board accepts that some social workers will not be practising the Board requires confirmation of this to ensure that social workers are not practising without valid APCs.

The Board actively follows up on Registered Social Workers who may be practising without a current APC advising both the practitioner and their employer of their obligations under the SWR Act.

Figure 3 shows total registrations compared with total APCs issued. It sets out the number of Registered Social Workers who identify as practising, not practising or did not respond to the renewal notice sent to them. In 2012/2013 the Board also started to identify those not eligible to renew.

**Figure 3: Total Registrations compared with Total APCs issued 2009–2014**



## Promoting the benefits of registration.

The benefits of registration are two-fold.

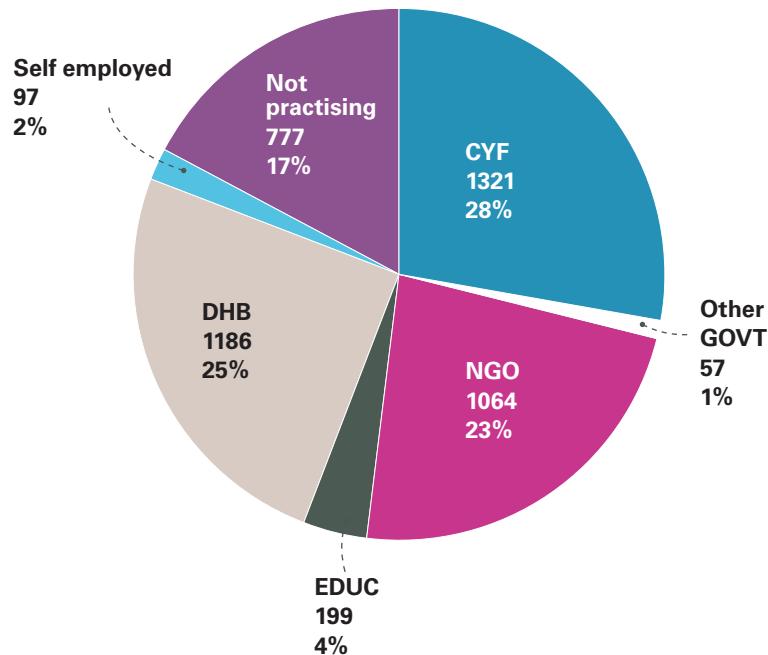
Primarily it has the purpose of protecting the safety of the public by providing a mechanism to ensure that social workers are competent to practise and are held accountable for the way in which they practise.

The registration framework also provides a process for social workers to have their competence and fitness to practise social work publicly acknowledged.

Figure 4 below provides the number of Registered Social Workers who have identified that they are employed within different sectors or else not practising.

Child, Youth and Family (28%) and the District Health Boards (25%) are the largest single employers of Registered Social Workers followed by the non-government sector organisations employing 23%.

**Figure 4: Number of Registered Social Workers by Employer 2014.**



## Equal Employment Opportunities (EEO)

The SWRB is committed to the values of equity and fairness as a good employer and provides policies, programmes and practices that promote these values in supporting a small but busy office.

# PART 4: FINANCIAL STATEMENTS

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## STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2014

In terms of the Crown Entities Act 2004, the Board is responsible for the preparation of the SWRB's financial statements and statement of service performance, and for the judgements made in them.

The Board of the SWRB has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the SWRB for the year ended 30 June 2014.



**Shayne Walker**  
Chairperson

31 October 2014



**Toni Millar**  
Chair Finance, Audit and Reporting Committee

31 October 2014

# AUDIT REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

**To the readers of the  
Social Workers Registration Board's  
financial statements and non-financial performance information  
for the year ended 30 June 2014**

The Auditor-General is the auditor of the Social Workers Registration Board (the Registration Board). The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the Registration Board on her behalf.

We have audited:

- the financial statements of the Registration Board on pages 25 to 37, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Registration Board that comprises the impacts measures on pages 9 to 13 and the statement of service performance on pages 18 to 24 and pages 38 to 39.

### Opinion

In our opinion:

- the financial statements of the Registration Board on pages 25 to 37:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Registration Board's:
    - financial position as at 30 June 2014; and
    - financial performance and cash flows for the year ended on that date.
- the non-financial performance information of the Registration Board on pages 9 to 13, 18 to 24 and 38 to 39:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Registration Board's service performance and outcomes for the year ended 30 June 2014, including for each class of outputs:
    - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
    - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Members of the Board and our responsibilities, and we explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Registration Board's financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Registration Board's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Members of the Board;
- the appropriateness of the reported non-financial performance information within the Registration Board's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## **Responsibilities of the Members of the Board**

The Members of the Board are responsible for preparing financial statements and non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Registration Board's financial position, financial performance and cash flows; and
- fairly reflect its service performance and impacts.

The Members of the Board are also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Members of the Board are also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

The Members of the Board's responsibilities arise from the Crown Entities Act 2004 and the Social Workers Registration Act 2003.

## **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

## **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Registration Board.



S B Lucy  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

# STATEMENT OF SERVICE PERFORMANCE 2013–2014

## Introduction

The SWRB established five output classes.

- 1 **REGISTRATION** – Managing the registration of social workers
- 2 **EDUCATION** – Setting standards for social work education and training
- 3 **ACCOUNTABILITY** – Considering complaints against Registered Social Workers
- 4 **PROFESSIONAL STANDARDS** – Enhancing the professionalism of social workers
- 5 **INFORMATION AND PROMOTION** – Promoting the benefits of registration

## OUTPUT 1 REGISTRATION

### Managing the registration of social workers

Description: This output involves the operation of a Register of Social Workers, and the issuing of competence and registration certificates, as provided for in the Social Workers Registration Act 2003.

As part of this process the Board will process applications for competence and registration.

Applications for competence and registration are to be checked to ensure they comply with the criteria in the Act and with the policies of the Board.

### OUTPUT

Results/Measures	Target 2013/14	Actual 2013/14
Non-binding overseas qualification assessments completed	Within 20 working days	100%
Competence assessments completed	Within 20 working days	100%
New applications for registration completed and presented to the Board for approval	Within 60 working days	100%

### QUANTITY

Results/Measures	Target 2013/14	Actual 2013/14
Non-binding overseas qualification assessments completed	50	54
Social workers undertaking competence assessments	400	<u>365 by SWRB</u> <u>32 by ANZASW*</u> 397 in Total
Social workers applying for registration	500	542

\*The SWRB recognises the competence assessment process of the ANZASW (Aotearoa New Zealand Association of Social Workers) for the purposes of gaining and maintaining social work registration with the Board.

## QUALITY

Results/Measures	Target 2013/14	Actual 2013/14
Percentage of applicants for non-binding overseas qualification assessments reporting satisfaction with progress	90%	89%
Percentage of applicants for competence assessments reporting satisfaction with process	90%	92%
Percentage of applicants for registration reporting satisfaction with process	90%	92%
Percentage of employers of applicants for registration reporting satisfaction with process	90%	91%

## OUTPUT 2 EDUCATION

### Setting standards for social work education and training

Description: This output involves the Board setting the standards for social work education and training in New Zealand and ensuring that the delivery of social work qualifications in New Zealand adheres to the Social Workers Registration Board Programme Recognition Standards. The Board will maintain and review the Programme Recognition Standards for recognised social work education providers and reinforce high standards of education so that social workers achieve minimum competencies prior to engaging in professional practice.

There is an on-going cost of training members of the Programme Recognition Panels as well as ensuring international moderation through engaging an international social work education member for each panel. The Board secretariat also provides on-going advice and assistance to recognised tertiary education organisations providing social work programmes as well as assisting potential providers to meet recognition standards. The Board secretariat also undertakes assessments of the overseas social work qualifications of applicants for registration to ensure that they are equivalent to recognised New Zealand social work qualifications.

## OUTPUT

Results/Measures	Target 2013/14	Actual 2013/14
Programme recognition visits undertaken for programmes due for recognition or re-recognition	100%	100%
A review of the Programme Recognition Standards will be undertaken and the outcomes reported to the Board in order for the standards to be revised	-	-

## QUANTITY

Results/Measures	Target 2013/14	Actual 2013/14
The number of programme recognition visits undertaken for programmes due for recognition or re-recognition	3	5*
A review of the Programme Recognition Standards will be undertaken and the outcomes reported to the Board in order for the standards to be revised	-	- **

\*Changes to the Programme Recognition Standards have resulted in the Board allowing some institutions to defer full re-recognition panel assessments but have resulted in institution requesting visits to assist them to develop programmes to meet the new standards. This has meant that the SWRB has made more visits than initially planned.

\*\*The outcome of the reviewed Programme Recognition Standards can be found on the SWRB policy website page [www.swrb.govt.nz/policy](http://www.swrb.govt.nz/policy) under the title 'Programme recognition standards\_2014' Qualifications in New Zealand.

## QUALITY

Results/Measures	Target 2013/14	Actual 2013/14
Percentage of social work qualification providers responding positively to the role of the Board and the quality of the programme recognition standards and process	90%	92%
Percentage of participants responding positively to the review of the Programme Recognition Standards and the revised standards	90%	92%
Qualification providers meeting programme recognition standards	17	17
Number of social work students graduating from recognised social work qualification providers	700	575

## OUTPUT 3 ACCOUNTABILITY

### Considering complaints against Registered Social Workers

Description: This output involves the Board providing administrative support to an independent Social Workers Complaints and Disciplinary Tribunal which can appoint Complaint Assessment Committees (CACs) to assess complaints against Registered Social Workers.

There will be an ongoing cost of training members of the Social Workers Complaints and Disciplinary Tribunal as well as establishing and providing training for CACs. The Board secretariat will also provide ongoing administrative support to both the Complaints and Disciplinary Tribunal and CACs. The number and the complexity of complaints expected remain unknown but there is likely to be an increase in complaints over the next few years as public awareness increases. A disciplinary reserve has been established to meet the costs of complaints.

## OUTPUT

Results/Measures	Target 2013/14	Actual 2013/14
Complaints received are responded to	Within 20 working days	100%
Complaints received are referred to Complaints and Disciplinary Tribunal	Within 20 working days	100%
Registered Social Workers who are the subject of accepted complaints are advised	Within 20 working days	100%

## QUANTITY

Results/Measures	Target 2013/14	Actual 2013/14
Percentage of complaints received are responded to	100%	100%
Percentage of complaints received are referred to Complaints and Disciplinary Tribunal	100%	100%
Percentage of Registered Social Workers who are the subject of an accepted complaint are advised	100%	100%
Number of complaints received that are referred to Health and Disability Commission	2	1
Number of complaints received that are currently under investigation	25	13
Number of complaints received that are referred to Board for a competence review or supervision	4	2
Number of complaints received that are referred to a Tribunal Hearing	2	0
Number of complaints received that are Resolved or Decision to take No Further Action	15	10
Number of complaints upheld and action taken during the year to address the practise of the Registered Social Worker.	10	10

\*Complaint numbers are demand-driven measures and are included only to provide useful context as the SWRB has no control over the number of complaints received.

## QUALITY

Results/Measures	Target 2013/14	Actual 2013/14
Percentage of positive feedback from the Chair of the Complaints and Disciplinary Tribunal regarding information and support provided by the Board Secretariat	100%	100%
Percentage of positive feedback from the Complaint Assessment Committees regarding information and support provided by the Board Secretariat	100%	100%

## OUTPUT 4 PROFESSIONAL STANDARDS

### Enhancing the professionalism of social workers

Description: The Board will maintain and review the Code of Conduct for social workers and reinforce high standards of practice in order that Registered Social Workers are accountable for their ongoing professional development. The Board will continue to promote the code of conduct to social workers and their employers as well as the on-going issuing of practising certificates for all Registered Social Workers.

### OUTPUT

Results/Measures	Target 2013/14	Actual 2013/14
Competence assessment re-certifications due for renewal completed	90%	61%
Annual Practising Certificates due for renewal received and issued	95%	108%
Continuing Professional Development Audits due are received and assessed	90%	91%

### QUANTITY

Results/Measures	Target 2013/14	Actual 2013/14
Competence assessment re-certifications issued for existing Registered Social Workers	492 due to be completed	119 by SWRB 306 by ANZASW* 425 in Total
Annual Practising Certificates issued to new applicants for registration	500	529
Annual Practising Certificates renewed for existing Registered Social Workers	3,000	3,241
Continuing Professional Development Audits received and assessed	5% random audit of competence re-certifications undertaken quarterly 1 July to 31 December 2013. Increased to 10% random audit of competence re-certifications undertaken quarterly 1 January to 30 June 2014.	35 due in total 32 received to date

\*The SWRB recognises the competence assessment process of the ANZASW (Aotearoa New Zealand Association of Social Workers) for the purposes of gaining and maintaining social work registration with the Board.

## QUALITY

Results/Measures	Target 2013/14	Actual 2013/14
Competence assessment re-certification applications are processed in accordance with sections 38-46 of the Social Workers Registration Act 2003	100%	100%
Annual Practising Certificate applications processed in accordance with sections 25-37 of the Social Workers Registration Act 2003	100%	100%
Continuing Professional Development (CPD) Audit of Registered Social Workers is undertaken for the year and the CPD logs of those randomly-selected social workers are assessed against Board policy	90%	91%

## OUTPUT 5 INFORMATION AND PROMOTION

### Promoting the benefits of registration

Description: This output recognises that the registration of social workers is voluntary. The Board, therefore, will promote registration and its benefits to social workers and their employers. The Board intends to continue meeting with social workers, their employers and other stakeholders at least once a year and will also be issuing regular newsletters and updates to the sector.

### OUTPUT

Results/Measures	Target 2013/14	Actual 2013/14
Promotional material developed and updated for social workers on the benefits of registration	Updated promotional material available	Updated promotional material available for Social Workers on the benefits of registration via presentation material delivered via 45 meetings with social workers and employers of social workers
Promotional material developed and updated for employers of social workers on the benefits employing Registered Social Workers	Updated promotional material available	Updated promotional material available updated for Employers of Social Workers on the benefits of employing Registered Social Workers via presentation material delivered via 45 meetings with social workers and employers of social workers
Promotional material developed for the public on the registration system for social workers	Public advertising campaign developed	Under development*

\*The focus of the draft public advertising campaign was on mandatory registration of social workers and this is being reviewed in light of the decision not to move forward with mandatory registration at this time. The advertising campaign will be redrafted to reflect this decision.

## QUANTITY

Results/Measures	Target 2013/14	Actual 2013/14
Information packs on registration provided to all social workers who request them	100%	100%
Meetings held with social workers and employers of social worker to provide information on the benefits of registration	20	45
Information provided to the public on the benefits of registration via a public advertising campaign	2 public advertising campaigns	Under development*

*\*The focus of the draft public advertising campaign was on mandatory registration of social workers and this is being reviewed in light of the decision not to move forward with mandatory registration at this time. The advertising campaign will be redrafted to reflect this decision.*

## QUALITY

Results/Measures	Target 2013/14	Actual 2013/14
Percentage of applicants for registration reporting satisfaction with the information supplied	90%	92%
Percentage of employers of applicants for registration reporting satisfaction with the information supplied	90%	87%
Percentage of the public surveyed reporting satisfaction with the information supplied	90%	Under development*

*\*The focus of the draft public advertising campaign was on mandatory registration of social workers and this is being reviewed in light of the decision not to move forward with mandatory registration at this time. The advertising campaign will be redrafted to reflect this decision.*

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
<b>INCOME</b>				
Application, registration, and practising fees		1,335,563	1,296,650	1,226,004
Expense recoveries and other income		24,313	10,500	13,242
SWRB Conference		62,870	50,000	-
Depreciation recovered		-	-	394
Interest		28,491	25,000	31,262
<b>Total Income</b>		1,451,237	1,382,150	1,270,902
<b>EXPENDITURE</b>				
Audit fees		21,949	20,000	21,688
Board and Tribunal costs		59,366	60,000	57,324
Course recognition		18,578	50,000	15,084
Depreciation and amortisation		98,505	102,000	100,261
Loss on disposal of property, plant and equipment		14,716	-	1,228
Personnel costs	1&15	670,661	665,500	589,872
Promotion and publications		59,333	40,000	58,510
Operating lease costs		91,739	95,000	94,373
SWRB Act review costs		-	-	9,029
SWRB Conference		91,298	50,000	-
Other expenses		298,086	276,000	353,082
<b>Total Expenditure</b>		1,424,231	1,358,500	1,300,451
<b>Surplus/(Deficit)</b>		\$ 27,006	\$ 23,650	\$ (29,549)
<b>Other comprehensive income</b>		-	-	-
<b>Total comprehensive income</b>		<b>\$ 27,006</b>	<b>\$ 23,650</b>	<b>\$ (29,549)</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
Balance at 1 July		554,674	\$663,581	584,223
Total comprehensive income		27,006	23,650	(29,549)
<b>Balance at 30 June</b>	9	<b>\$ 581,680</b>	<b>\$ 687,231</b>	<b>\$ 554,674</b>

Explanations of major variances against budget are provided in note 20.  
The accompanying notes and accounting policies form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	NOTE	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	2	1,091,461	43,995	1,178,062
Investments	3	-	1,550,000	300,000
Accounts receivable		-	1,926	5,652
Pre-payments		57,373	4,000	19,668
<b>Total current assets</b>		1,148,834	1,599,922	1,503,382
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	4	53,331	56,148	82,565
Intangible assets	5	201,381	207,284	175,943
<b>Total non-current assets</b>		254,712	263,432	258,508
<b>Total assets</b>		<b>1,403,546</b>	<b>1,863,354</b>	<b>1,761,890</b>
Less:				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accruals	6	154,414	230,124	211,969
Employee entitlements	7	68,684	22,000	33,554
Income received in advance	8	570,720	924,000	961,693
Deferred lease liability		4,537	-	-
<b>Total current liabilities</b>		798,355	1,176,124	1,207,216
<b>NON-CURRENT LIABILITIES</b>				
Deferred lease liability		23,511	-	-
<b>Total liabilities</b>		821,866	1,176,124	1,207,216
<b>Net assets</b>		<b>\$ 581,680</b>	<b>\$ 687,231</b>	<b>\$ 554,674</b>
<b>EQUITY</b>				
General funds		581,680	687,229	554,674
<b>Total equity</b>	9	<b>\$ 581,680</b>	<b>\$ 687,231</b>	<b>\$ 554,674</b>

*Explanations of major variances against budget are provided in note 20.*

*The accompanying notes and accounting policies form part of these financial statements.*

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Registration fees, levies and APC fees		944,590	1,349,124	1,383,580
Other revenue		87,183	10,500	13,242
Interest received		34,143	27,474	30,737
Payments to suppliers		(707,561)	(448,254)	(571,523)
Payments to personnel		(635,531)	(687,500)	(591,129)
<b>Net cash flows from operating activities</b>	10	<b>(277,176)</b>	<b>(251,344)</b>	<b>264,907</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Movement in bank term deposits	11	300,000	(150,000)	113,407
Sale of property, plant and equipment		-	-	2,984
Purchase of property, plant and equipment		(25,886)	(24,000)	(54,268)
Purchase of intangible assets		(83,539)	(90,000)	(83,765)
<b>Net cash flows from investing activities</b>		<b>190,575</b>	<b>(264,000)</b>	<b>(21,642)</b>
<b>Net increase/(decrease) in cash or cash equivalents</b>		<b>(86,601)</b>	<b>(12,657)</b>	<b>243,265</b>
Cash or cash equivalents at beginning of the year		1,178,062	56,652	934,797
<b>Cash or cash equivalents at end of the year</b>		<b>\$1,091,461</b>	<b>\$43,995</b>	<b>1,178,062</b>

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes and accounting policies form part of these financial statements.

# **STATEMENT OF ACCOUNTING POLICIES**

## FOR THE YEAR ENDING 30 JUNE 2014

### **Reporting entity**

The Social Workers Registration Board ('the Board') is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the Board's ultimate parent is the New Zealand Crown.

The Board's primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return.

Accordingly, the Board has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS').

The financial statements for the Board are for the year ending 30 June 2014 and were approved by the Board on 31 October 2014.

### **Basis of preparation**

#### ***Statement of Compliance***

The financial statements of the Board have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ('NZ GAAP').

The Board has applied the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Reporting Standards (NZ IFRS) and its interpretations as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

The Board qualifies for differential reporting exemptions as it has no public accountability and does not qualify as large under the criteria set out in the Framework for Differential Reporting.

Differential reporting exemptions as available under the Framework for Differential Reporting have been applied in relation to:

NZ IAS 24    Related Party Disclosures  
NZ IFRS 7    Financial Instruments: Disclosure

#### ***Measurement base***

The financial statements have been prepared on a historical cost basis.

#### ***Functional and presentation currency***

The financial statements are presented in New Zealand dollars. The functional currency of the Board is New Zealand dollars.

#### ***Changes in accounting policies***

There have been no changes in accounting policies during the financial year.

The Minister of Commerce has approved a new Accounting Standards Framework developed by the External Reporting Board (XRB). Under this Framework the Board is classified as a Tier 3 reporting entity and is permitted to apply simple format reporting standard. These standards have been developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. This means the Board will transition to the new standards in preparing its 30 June 2015 financial statements. The Board has assessed that the implications of the new Accounting Standards Framework will be minimal.

Due to the change in the Accounting Standards Framework for public benefit entities, any new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. The XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## SIGNIFICANT ACCOUNTING POLICIES

### Revenue

Revenue is measured at the fair value of consideration received or receivable.

#### *Interest*

Interest income is recognised using the effective interest method.

#### *Fees*

Revenue from Annual Practising Certificate fees are recognised in the year to which the practising certificate relates. Other fee revenue is recognised on receipt.

### Leases

#### *Operating leases*

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Board are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the surplus/deficit.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with New Zealand registered banks with original maturities of three months or less.

### Accounts receivable

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Board will not be able to collect amounts due according to the original terms of the receivable.

### Investments

At each balance sheet date the Board assesses whether there is any objective evidence that an investment is impaired.

### Bank deposits

Investments in bank deposits are initially measured at fair value. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method.

### Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture and office equipment, which are shown at cost less any accumulated depreciation and impairment losses.

#### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably.

### ***Disposals***

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus/deficit.

### ***Subsequent costs***

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus/deficit as they are incurred.

## **Property, plant and equipment**

### ***Depreciation***

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Depreciation of furniture and office equipment is provided on a diminishing value basis at rates provided under the Income Tax Act 2007.

The depreciation rates of major classes of assets have been estimated as follows:

Leasehold improvements	16.7%
Furniture and office equipment	18–39.8%
Computer equipment	48%

## **Intangible assets**

### ***Software acquisition and development***

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Board, are recognised as an intangible asset. Direct costs include the software development.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs of maintaining the Board's website are recognised as an expense when incurred.

### ***Amortisation***

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus/deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	5 years	20%
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## **Impairment of non-financial assets**

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Board would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount and recognised in other comprehensive income.

### **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **Employee entitlements**

#### *Short-term employee entitlements*

Employee entitlements that the Board expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

The Board recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

### **Good and Service Tax (GST)**

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income Tax**

The Board is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2014

		2014	2013	
<b>1 PERSONNEL COSTS</b>		<b>\$</b>	<b>\$</b>	
Salaries, wages, Board and Committee and Tribunal remuneration		617,695	579,188	
Defined contribution plan employer contribution		17,836	11,941	
Increase/(decrease) in employee entitlements		35,130	(1,257)	
		<u>670,661</u>	<u>589,872</u>	
<b>2 CASH AND CASH EQUIVALENTS</b>				
Cash on hand and at bank		165,386	375,333	
Cash equivalents – bank call deposits		926,075	802,729	
<i>The carrying value of short-term deposits with maturity dates of 3 months or less approximates their fair value.</i>		<u>1,091,461</u>	<u>1,178,062</u>	
<b>3 INVESTMENTS</b>				
Current investments are represented by:				
Bank term deposit		-	300,000	
<i>The carrying value of short-term deposits with maturity dates of 12 months or less approximates their fair value. The weighted average effective interest rate for term deposits in 2014 was 4.20%. (2013 3.82%).</i>				
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>	<b>Furniture and office equipment</b>	<b>Computer equipment</b>	<b>Leasehold alterations</b>	<b>Total</b>
<b>COST</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2012	110,432	72,483	84,441	267,356
Additions	24,529	26,380	3,360	54,269
Disposals	(7,213)	-	-	(7,213)
Balance at 30 June 2013	127,748	98,863	87,801	314,412
Balance at 1 July 2013	127,748	98,863	87,801	314,412
Additions	10,886	12,156	2,845	25,887
Disposals	(62,780)	(41,422)	(87,802)	(192,004)
Balance at 30 June 2014	75,854	69,597	2,844	148,295
<b>ACCUMULATED DEPRECIATION</b>				
Balance at 1 July 2012	81,144	56,689	49,275	187,108
Depreciation expense	11,818	15,708	20,613	48,139
Elimination on disposal	(3,394)	-	-	(3,394)
Balance at 30 June 2013	89,568	72,397	69,888	231,853
Balance at 1 July 2013	89,568	72,397	69,888	231,853
Depreciation expense	10,920	14,257	15,231	40,408
Elimination on disposal	(52,127)	(40,169)	(85,001)	(177,297)
Balance at 30 June 2014	48,361	46,485	118	94,964

4 PROPERTY, PLANT AND EQUIPMENT <i>CONTINUED</i>	Furniture and office equipment	Computer equipment	Leasehold alterations	Total
CARRYING AMOUNT	\$	\$	\$	\$
At 1 July 2012	29,288	15,794	35,166	80,248
At 30 June and 1 July 2013	38,180	26,466	17,912	82,559
At 30 June 2014	27,493	23,112	2,726	53,331

The total amount of property, plant, and equipment in the course of construction is \$nil (2013 \$nil)

5 INTANGIBLE ASSETS	Acquired software	Total
<b>COSTS</b>	\$	\$
Balance at 1 July 2012	286,330	286,330
Additions	83,765	83,765
Disposals	-	-
Balance at 30 June 2013	370,095	370,095
Balance at 1 July 2013	370,094	370,094
Additions	83,538	83,538
Disposals	-	-
Balance at 30 June 2014	453,633	453,633
<b>ACCUMULATED AMORTISATION</b>		
Balance at 1 July 2012	142,033	142,033
Amortisation expense	52,122	52,122
Elimination on disposal	-	-
Balance at 30 June 2013	194,155	194,155
Balance at 1 July 2013	194,155	194,155
Amortisation expense	58,097	58,097
Elimination on disposal	-	-
Balance at 30 June 2014	252,252	252,252
<b>CARRYING AMOUNT</b>		
At 1 July 2012	144,297	144,297
At 30 June and 1 July 2013	175,940	175,940
At 30 June 2014	201,381	201,381

There are no restrictions over the title of the Board's intangible assets, nor are any intangible assets pledged as security for liabilities.

6 ACCOUNTS PAYABLE AND ACCRUALS	2014	2013
	\$	\$
Creditors	130,119	184,458
Accrued expenses	24,295	27,511
	<b>154,414</b>	<b>211,969</b>

Creditors are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value approximates their fair value.

7 EMPLOYEE ENTITLEMENTS	2014	2013
	\$	\$
Accrued salaries	25,780	9,263
Annual leave	42,904	24,291
	<b>68,684</b>	<b>33,554</b>

8 FEES RECEIVED IN ADVANCE	2014	2013
	\$	\$
Annual Practising Certificate	570,720	897,693
Prepaid Application fees	-	64,000
	<b>570,720</b>	<b>961,693</b>

*The Board's Annual Practising Certificate year commences on 1 July. Fees received prior to balance date for the subsequent year are recognised as income in that year.*

9 EQUITY	2014	2013
	\$	\$
<b>General funds</b>		
Balance at 1 July	554,674	584,223
Surplus/(deficit)	27,006	(29,549)
Balance at 30 June	<b>581,680</b>	<b>554,674</b>

10 RECONCILIATION OF CASH FLOW WITH REPORTED OPERATING SURPLUS	2014	2013
	\$	\$
Reported (deficit)/surplus	27,006	(29,549)
<b>Add/(Deduct) non-cash items:</b>		
Depreciation and amortisation	98,505	100,261
Loss on disposal	14,716	1,228
Depreciation recovered	-	(394)
	<b>140,227</b>	<b>71,546</b>
<b>Movements in working capital items</b>		
(Increase)/decrease in receivables and prepayments	(32,053)	15,209
Increase/(decrease) in accounts payable	(29,507)	21,833
Increase/(decrease) in employee entitlements	35,130	(1,257)
Increase/(decrease) in income received in advance	(390,973)	157,576
<b>Net cash flows from operating activities</b>	<b>(277,176)</b>	<b>264,907</b>

## 11 DISCLOSURE OF CASH FLOWS

The cash flows relating to the Board's investing activities have been netted off in the Statement of Cash Flows because the amounts involved are held in short deposits which are rolled over frequently during the year.

12 CAPITAL COMMITMENTS AND OPERATING LEASES	2014 \$	2013 \$
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### **Capital commitments**

The Board has made no commitments for capital expenditure at year end. (2013 Nil)

### **Operating leases as lessee**

The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:

Not later than one year	84,141	78,644
Later than one year and not later than five years	336,563	-
Later than five years	56,547	-
	<b>477,251</b>	<b>78,644</b>

*The Board leases Level 6, 11 Chews Lane, 45-55 Willis Street, Wellington for a term of 6 years commencing 1 March 2014 and expiring on 28 February 2020. There is a right of renewal for two further periods of 3 years with a final expiry date of 28 February 2026.*

*There are no restrictions placed on the Board by the leasing arrangement.*

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## 13 CONTINGENCIES

### **Contingent liabilities**

The Board has no contingent liabilities at year end. (2013 Nil)

### **Contingent assets**

The Board has no contingent assets at year end. (2013 Nil)

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## 14 RELATED PARTY TRANSACTIONS

The Board is a wholly owned entity of the Crown. The government significantly influences the role of the Board but is not a major source of revenue. All related party transactions have been entered into on an arm's length basis.

*Collectively, but not individually, significant, transactions with government-related entities*  
In conducting its activities, the Board is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Board is exempt from paying income tax.

The Board also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2014 totalled \$123,427 (2013 \$92,591). These purchases included air travel from Air New Zealand, and postal services from New Zealand Post.

No provision has been required, nor any expense recognised for impairment of receivables from related parties (2013 Nil).

15 BOARD MEMBER REMUNERATION	2014 \$	2013 \$
The total value of remuneration paid or payable to each Board member during the year was:		
Bolstad, Turitea	6,083	1,875
Derrett, Michelle	5,633	1,875
Eruera, Moana	-	750
Georges, Sara	5,250	4,403
Heays, James	3,495	3,000
Hocquard, Toni (Board Chair)	5,578	14,233
Millar, Toni	7,020	4,500
Miles, Mary	2,985	5,978
Nes, Paula	-	4,553
Pua, William	3,833	2,438
Walker, Shane	3,913	2,805
Wepa-Belz, Dianne	5,520	2,063
	49,310	48,473

*There have been no payments made to committee members appointed by the Board who are not Board members during the financial year.*

*The Board has effected Directors and Officers Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.*

16 EMPLOYEE REMUNERATION	Number of Employees	
	2014	2013
Remuneration falling in the following bands		
\$140,000 and \$149,999	1	1
\$100,000 and \$110,000	1	-

*During the year ended 30 June 2014 no employee received compensation and other benefits in relation to cessation (2013 Nil). No Board member received compensation or other benefits in relation to cessation (2013 Nil).*

## 17 EVENTS AFTER BALANCE DATE

There were no significant events after the balance sheet date.

18 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES	2014 \$	2013 \$
The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:		
<b>Loans and receivables</b>		
Cash and cash equivalents	1,091,461	1,178,062
Investments	-	300,000
Accounts receivable and prepayments	57,373	25,320
	1,148,834	1,503,382
<b>Financial liabilities measured at amortised cost</b>		
Creditors	130,119	184,458

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## 19 CAPITAL MANAGEMENT

The Board's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Board is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The Board manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the Board effectively achieves its objectives and purpose, whilst remaining a going concern.

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## 20 EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

### **Statement of comprehensive income**

#### *Application, registration, and practicing fees*

Applications for registration and competence assessment significantly exceeded that budgeted. Apart from programme accreditation other revenue had no significant variation from budget.

#### *Expense recoveries and other income*

Course accreditation fees and expense recoveries are determined by external organisations who are not able to be influenced by the Board.

#### *SWRB Conference*

This was the inaugural conference organised by the Board and attendance and revenues were difficult to budget.

#### *Course recognition*

Fewer courses subject to accreditation review.

#### *Loss on disposal of property, plant & equipment*

Change in premises was not contemplated at the time budget was prepared.

#### *Personnel costs*

Secretariat staff numbers brought up to desired level only for part of the year.

#### *Promotion and publications*

Higher than expected costs for newsletters and general promotional activity.

#### *SWRB Conference*

Includes the cost of publishing booklet on conference.

#### *Other expenses*

Higher than budgeted costs in relation to IT functionality in line with requirements to operate and maintain interactive database developments.

### **Statement of financial position**

#### *Cash, cash equivalents and investments*

Fees receipts for 2014–15 year prior to 30 June budgeted to be received prior to 30 June.

#### *Accounts Payable and accruals*

Reduction in GST content of fees received in advance and fewer trade creditors unpaid at balance date.

#### *Fees in advance*

Fees received prior to year end relating to the subsequent year were below budgeted levels as a result of major employers choosing not to pay for renewal of Annual Practising Certificates prior to 30 June 2013.

## STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE (FINANCIAL)

FOR THE YEAR ENDED 30 JUNE 2014

### **OUTPUT 1 REGISTRATION**

Managing the registration of Social Workers

<b>Resources employed</b>		<b>Actual 2014</b>	<b>Budget 2014</b>
		\$	\$
Revenue	Third party revenue	287,938	220,825
	Interest	2,849	2,500
	Total revenue	290,787	223,325
Expenditure	Total expenditure	286,324	274,500
	Net surplus(deficit)	<b>\$ 4,463</b>	<b>\$ (51,175)</b>

### **OUTPUT 2 EDUCATION**

Setting standards for social work education and training

<b>Resources employed</b>			
Revenue	Third party revenue	24,159	10,125
	Interest	1,465	1,250
	Total revenue	25,624	11,375
Expenditure	Total expenditure	272,599	273,900
	Net surplus(deficit)	<b>\$ (246,975)</b>	<b>\$ (262,525)</b>

### **OUTPUT 3 ACCOUNTABILITY**

Considering complaints against Registered Social Workers

<b>Resources employed</b>			
Revenue	Third party revenue	-	-
	Interest	-	-
	Total revenue	-	-
Expenditure	Total expenditure	276,390	251,900
	Net surplus(deficit)	<b>\$ (276,390)</b>	<b>\$ (251,900)</b>

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**OUTPUT 4 PROFESSIONAL STANDARDS**

Enhancing the professionalism of social workers

<b>Resources employed</b>		<b>Actual 2014</b>	<b>Budget 2014</b>
Revenue	Third party revenue	1,079,140	1,101,075
	Interest	24,217	21,250
	Total revenue	1,103,357	1,122,325
Expenditure	Total expenditure	313,356	313,900
	Net surplus(deficit)	<b>\$ 790,001</b>	<b>\$ 808,425</b>

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**OUTPUT 5 INFORMATION AND PROMOTION**

Promoting the benefits of registration

<b>Resources employed</b>			
Revenue	Third party revenue	31,470	25,125
	Interest	-	-
	Total revenue	31,470	25,125
Expenditure	Total expenditure	275,564	244,300
	Net surplus(deficit)	<b>\$ (244,094)</b>	<b>\$ (219,175)</b>







SOCIAL WORKERS  
REGISTRATION BOARD

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