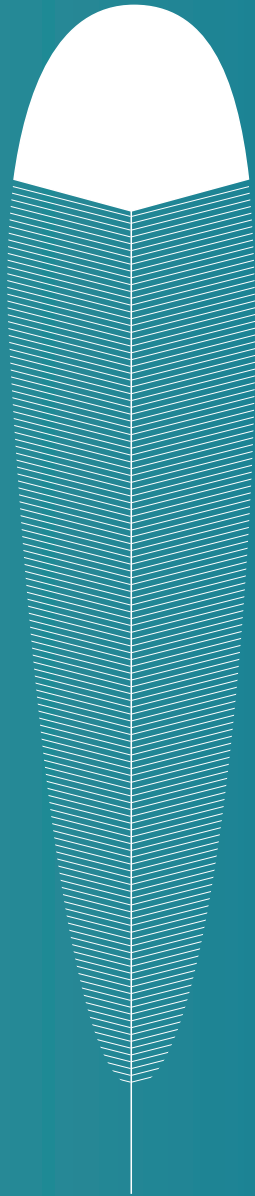




# ANNUAL REPORT 2017–2018

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

New Zealand Government



# CONTENTS

## Part 1: Introduction P. 2

Report from the Chair  
P.2

An Overview  
Of Our Work  
P. 4

Outcomes  
Framework  
P. 6

Measuring  
Success  
P. 7

Priorities And  
Goals  
P. 7

Registration  
P. 7

Education  
P. 8

Accountability  
P. 9

Professional  
Standards  
P. 11

Information And  
Promotion  
P. 12

How Have We  
Assessed Performance?  
P. 13

## Part 2: Governance P. 14

SWRB Board  
Members 2017-18  
P. 14

Board  
Meeting Dates  
P. 16

Board  
Committees  
P. 16

Insurance  
P. 16

## Part 3: Priorities P. 17

2017-18 Update On The  
Social Workers Registration  
Board Data  
P. 17

Managing The Registration  
Of Social Workers  
P. 17

Setting Standards For  
Social Work Education  
And Training  
P. 19

Considering Complaints  
Against Registered Social  
Workers  
P. 20

Enhancing The  
Professionalism Of  
Social Workers  
P. 21

Promoting The Benefits  
Of Registration  
P. 22

Organisational Review  
P. 23

Equal Employment  
Opportunities (EEO)  
P. 24

## Part 4: Financial Statements P. 26

Statement Of Responsibility  
For The Year Ended  
30 June 2018  
P. 26

Audit Report  
P. 27

Independent  
Auditor's Report  
P. 27

Statement Of Service  
Performance  
P. 31

Statement Of  
Comprehensive Revenue  
And Expenses  
P. 32

Statement Of Changes  
In Net Assets/Equity  
P. 32

Statement Of  
Financial Position  
P. 33

Statement Of Cash Flows  
P. 34

Notes To The  
Financial Statements  
Statements of Accounting  
Policies  
P. 35

# 01

## INTRODUCTION

---

### REPORT FROM THE CHAIR

**Ko tō mātau whāinga** – Ka tautoko ngā tauwhiro i te mauri ora o ō tātau hapori, o ō tātau me ngā tāngata takitahi hoki

**Our Vision** – Social workers enable the Mauri Ora of our communities, family, whānau and individuals.

It is with a combination of celebration and some sadness that I began to draft my contribution to the Annual Report 2017/18. It has been a year of achievements and change, with more ahead. We've seen the Bill introduced which will finally see mandatory registration and title protection for social workers in Aotearoa New Zealand. Members of the Board, both past and present, have promoted mandatory registration as one of the most important ways we can lift the professionalism of social work, and ensure that as a Board we are well placed to protect the public by ensuring social workers are accountable, competent and safe to practise now and into the future. The Board have also been looking to the future as we begin the planning for implementation of the new legislation, led by our new Chief Executive Sarah Clark, who has joined the organisation at a key moment in our history.

The Board along with the sector have been active in supporting the passage of the Bill, with a submission and appearance before the Select Committee in February. As this Annual Report goes to press we are still awaiting the debate in the House following the Committees deliberations, but we wish to recognise the Minister for her engagement with us, along with others in the sector, in responding to submissions.

We are optimistic that the legislation will pass before the end of the year, with a two-year window before mandatory registration finally comes into effect. We have had a voluntary system for so long that it has added blurred lines and confusion and has sometimes made the task of the Board more difficult than it needs to be in future. For example, now when social workers seek to come off the register there will be no question as to whether they will continue to practise as a social worker – you will have to be registered and hold an Annual Practising Certificate before that is possible. As many will be aware, having social workers side by side, some of whom are not registered with those who are, and who therefore abide by our Code of Conduct and have met the registration requirements, is confusing – most especially so for the public whose safety we place at the centre of our activities.

But the years' work has contained more than just focusing on the draft legislation. Key highlights include a decision taken by the Board to split the Chief Executive and Registrar roles. This reflects the growing volume and nature of work undertaken by the secretariat. The Board have been most appreciative of Susan Yorke in her role as the inaugural Registrar, as she has drawn on her extensive experience as a lawyer and work across several of the health regulatory authorities.

There has been a focus on incremental refinements over the year, from simplifying forms such as the template for Competency Assessment, to how we capture and report on notifications and complaints. These are all steps the Board are pleased to see, and we expect more work to be undertaken on our systems and processes over the next year. We do have to carefully manage our budget, and this will come under increasing pressure as we ramp up for implementation. We receive no Crown Appropriation and therefore rely on fees, in particular from social workers to fund the work that we do but are mindful of the pressures faced by those working in the sector.

There is more to the SWRB than transactions however. That is why I am pleased that we have developed a Strategy Plan 2018-2022 to help guide the current and future Board as we embark on this new path. In particular explicitly defining our vision and values so that the sector and members of the public can clearly see what to expect from us. Our purpose is to protect the public by ensuring social workers are accountable, competent and safe to practise now and into the future and it is at the heart of all that we do. We are also transparent and accountable, and strive to demonstrate our values:

- Kaitiakitanga is the responsibility of the SWRB for safe stewardship, guardianship and protection
- Rangatiratanga is the responsibility of the SWRB to lead, advocate for, facilitate and act with integrity
- Manaakitanga is the responsibility of the SWRB to engage in mana-enhancing relationships through the demonstration of care, mutual respect, hospitality, generosity and aroha
- Whanaungatanga is the responsibility of the SWRB to purposefully connect and strengthen mutual and sustainable relationships

With over 7,100 Social Workers registered, and over with 5,680 social workers having a current Annual Practising Certificate (APC), we are well placed to embrace the future.

Finally, I would like to express my thanks to my colleagues for their hard work and commitment and to the secretariat for their dedication and provision of support to the Board.

Kia kaha.

A handwritten signature in black ink, appearing to read 'Shayne Walker', with a long horizontal line extending to the right.

**Shayne Walker**  
Chair

## THE SOCIAL WORKERS REGISTRATION BOARD

The Social Workers Registration Board (SWRB) is a Crown entity established under the Social Workers Registration Act (2003).

The Act provides the regulatory framework for the registration of social workers and is intended to protect the safety of the public by ensuring that social workers are competent to practise and accountable for the way in which they practise.

The SWRB is responsible for:

- Managing the registration of social workers
- Considering complaints about Registered Social Workers
- Enhancing the professionalism of social workers
- Promoting the benefits of social worker registration
- Setting the standards for social work education and training

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

The Social Workers Complaints and Disciplinary Tribunal provides the mechanism for making a complaint about a Registered Social Worker. Complaint Assessment Committees investigate conduct complaints and provide recommendations to the Tribunal.

## AN OVERVIEW OF OUR WORK

The Board's functions are set out in section 99 of the Act. They are prioritised below under the Board's agreed outputs.

### Managing the registration of social workers

- Receiving and considering registration applications, taking recognised educational qualifications and social worker competence into account
- Authorising the registration of social workers and maintaining a Public Register
- Considering applications for, and issuing, Annual Practising Certificates (APCs).

### Considering complaints against Registered Social Workers

- Maintaining a Complaints and Disciplinary Tribunal and providing support services to the Tribunal
- Promoting to employers the development of procedures for making, considering and determining complaints related to social workers they employ.

### Enhancing the professionalism of social workers

- Maintaining a Code of Conduct for both Registered Social Workers and the general social work profession.
- Promoting and encouraging high standards of practice and professional conduct amongst Registered Social Workers and employers of social workers.

### **Promoting the benefits of registration**

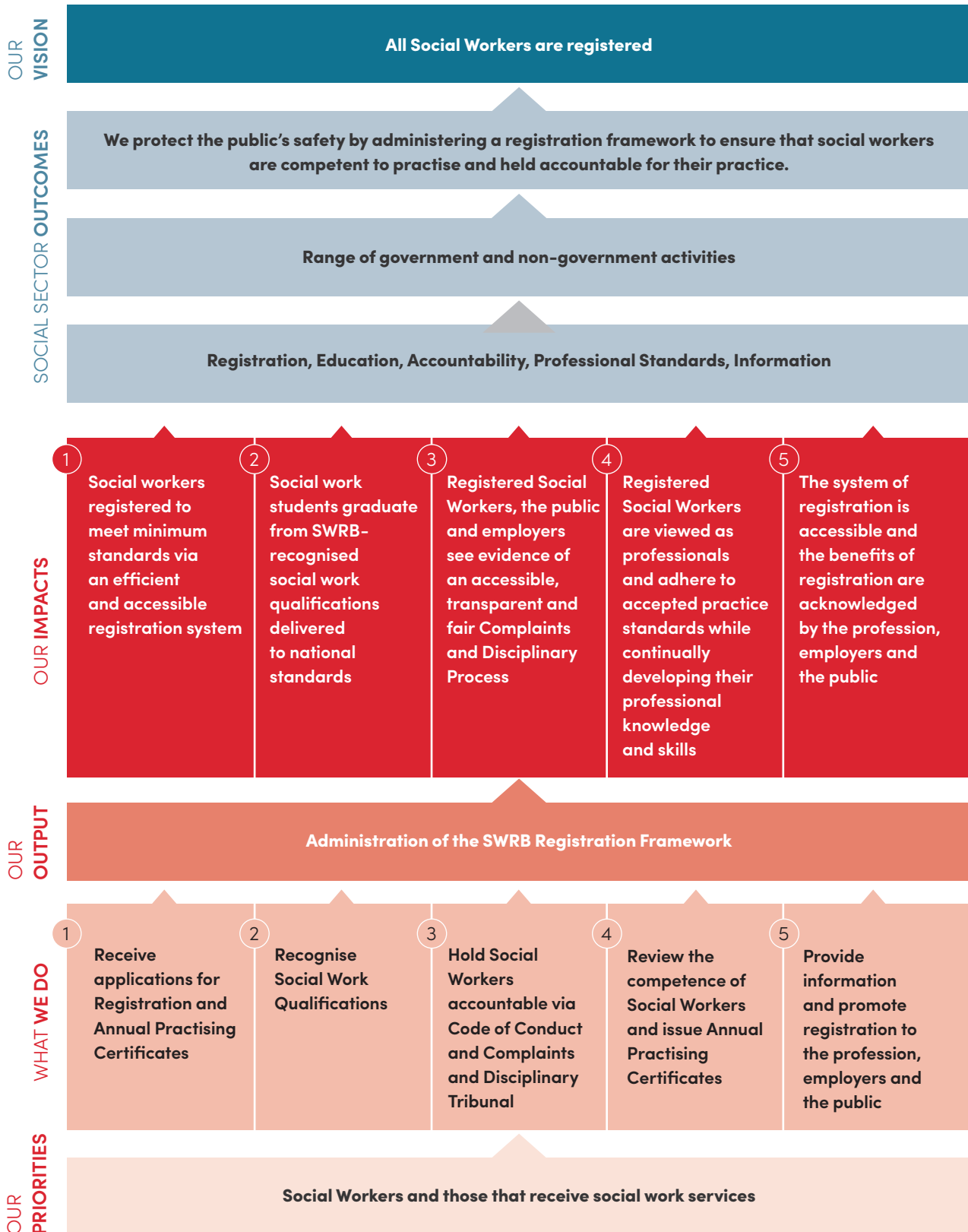
- Promoting the benefits of registration amongst social workers, employers of social workers and the public
- Acknowledging the status of Registered Social Workers as qualified, competent and regulated professionals
- Reinforcing the place Registered Social Workers as contributing members of multi-disciplinary teams working within many sectors.

### **Setting the standards for social work education and training**

- Ensuring that the delivery of social work qualifications in New Zealand adheres to the Social Workers Registration Board Programme Recognition Standards
- Maintaining and reviewing the Programme Recognition Standards for recognised social work education providers
- Reinforcing high standards of education so that social workers achieve minimum competencies before professionally practising.

# OUTCOMES FRAMEWORK

The SWRB has adopted the following outcomes framework to guide our work:





## MEASURING SUCCESS

Our vision is to see all social workers practising in New Zealand registered, and in 2017-18, the Board focused on measures related to our call for mandatory registration and with specific attention to registration, education, professional standards and accountability.

## PRIORITIES AND GOALS

In our 2017-18 Statement of Performance Expectations, we outlined the following priorities and goals as per our outcomes framework. Their status and/or progress are also noted below.

### Registration

**Social workers are registered to meet minimum standards through an efficient and accessible registration system.**

1. Further develop our online presence to ensure an efficient, accessible registration system.  
The SWRB has taken an active approach to expanding its online presence. During the 2017-18 year we refined the Public Register to no longer show registered social workers worksite address. This enhancement was made to help ensure the safety of registered social workers and their clients and with consideration that listing a site address added no benefit as the register lists a registered social workers employer. Further developments were also made to the Public Register, with the process to show details of registered social workers with conditions being refined to clearly reflect this on the Public Register.

All registration processes were also reviewed, and changes and amendments were made aimed at enhancing efficiencies and making the processes clearer for social workers. When undertaking a survey around registration applications, 81% of applicants identified benefits with the online registration process and though there were comments about how we could improve services, the overall response was positive including the comments:

*"Happy with the information provided and also the online process"*

*"Great easy process"*

2. Looking at the cost of applying for and maintaining registration.  
The SWRB provides access to a registration system for a large number of social workers which is continuing to grow each year and expected to increase further under mandatory registration. When undertaking surveys around registration applications and renewal of APCs, a common theme from practitioners was their concern around the cost to apply for and maintain their registration, as illustrated below:

*"To me it is a very high annual fee for an industry that is not up there for wages"*

*"It is too expensive for [the] annual certificate as NGOs didn't cover the fees, therefore the practitioners avoid being registered because they can't afford the fees"*

The SWRB are conscious of the cost burden faced by individuals and organisations. As such, we want to ensure we operate with a careful eye on expenditure, and that we are consistent with expectations of other regulators. The SWRB application and APC renewal fees compare favorably to those regulators in the health sector, however, the Board does need to be more transparent in relation to the costs involved and what these costs cover. We have identified future developments to enhance our fee setting over the next 12 months, which will include consulting the sector.

Performance Measure	Target 2016/17	Actual 2016/17	Target 2017/18	Actual 2017/18
The percentage users who report satisfaction with the online functions provided by the Board	At least 80% of users report satisfaction with the functions provided by the Board	65% <sup>1</sup>	At least 80% of users report satisfaction with the functions provided by the Board	78% <sup>2</sup>
The percentage of users who report identifiable benefits from using the online functions provided by the Board	At least 80% of users report satisfaction with the functions provided	65% <sup>3</sup>	At least 80% of users report satisfaction with the functions provided	85%

## Education

### **Social work graduates enter the workforce with the expected entry-level competencies as a result of completing Board recognised social work qualifications delivered to national standards supported by educators.**

1. Working with professional associations, employers and educators to develop an assessed and supported first year of practice for new graduates and a post qualification framework for specialist practice.

The Board is actively supporting the Ako Aotearoa funded project *Enhancing the readiness to practice of newly qualified social workers*. This project is developing a professional capability framework that will provide guidance for employers and educators as the profession moves to a post qualification framework that considers practice from a generic new graduate to an advanced specialist perspective. The SWRB have also been an active stakeholder in the Associate Minister of Education's review of the quality of social work pre-service tertiary education qualifications. This has involved a number of groups from across the social work sector, including educators, employers, unions and the professional body, ANZASW. This is likely to influence the work programme of the SWRB as the review progresses.

2. Continue to work with tertiary education providers to ensure they meet the SWRB requirements for degree delivery.

The Board maintained its programme of programme recognition reviews, to ensure that programmes meet the standards required for delivery of a professional social work degree. The Board secretariat also regularly meets with the Council for Social Work Education Aotearoa New Zealand (CSWEANZ) to discuss social work education and has an ongoing relationship with the Tertiary Education Commission.

- 1 The registration process went online in August 2016 and a survey of satisfaction with the online application process found 91% of respondents were moderately to extremely satisfied. However, for the purpose of this measure we are using very or extremely satisfied.
- 2 Note that 11% of respondents were 'moderately satisfied' so total of all 'moderately to extremely satisfied' is 89%
- 3 The registration process went online in August 2016 and a survey of satisfaction with the online application process found 91% of respondents were moderately to extremely satisfied. However, for the purpose of this measure we are using very or extremely satisfied.

Performance Measure	Target 2016/17	Actual 2016/17	Target 2017/18	Actual 2017/18
The percentage of employers who rate the quality of social work graduates in relation to the extent which they meet the graduate profile as set out in the SWRB Programme Recognition Standards	A baseline of 75% and this figure trends upwards over the remaining years	Not measured	A baseline of 75% and this figure trends upwards over the remaining years	80% <sup>4</sup>

## Accountability

**Social workers are held accountable to the Board’s Code of Conduct and the public, the profession and the employers of social workers see evidence of an accessible, transparent and fair process.**

1. The Board will recruit additional complaints assessment committee members.

The Board recruited an additional 11 complaints assessment committee members and provided training for them. We also recruited and trained 12 new assessors for the face to face competence assessment process. The process and assessment tools used were also reviewed and continue to develop to ensure the process is rigorous, fair and consistent.

2. Publicity relating to the professional standards processes

We have reviewed and updated pages on our website that relate to the Complaint Assessment Committees, clearly outlining the process we follow when we receive a concern about a registered social worker. The online complaint submission process also continues to be used in conjunction with initial notifications via email, letter and telephone. The SWRB also take time to talk through the processes to individual complainants and registered social workers.

<sup>4</sup> For the purpose of this measure we are using the response we received from a survey of employers. However, given the very low response rate we do not have confidence in the validity of this result. SWRB will use a different methodology for 2018/19 in order to increase response rates.

Performance Measure	Target 2016/17	Actual 2016/17	Target 2017/18	Actual 2017/18
The percentage of eligible registered social workers who maintain their registration through competence recertification and practising certificate renewal	A baseline of 95% and this figure trends upwards with a target of 100% over the remaining years	82%	A baseline of 95% and this figure trends upwards with a target of 100% over the remaining years	80%
The percentage of employers who support the social workers they employ to maintain their registration through payment of competence recertification and practising certificate renewal costs	A baseline of 75% and this figure trends upwards over the remaining years	Estimated 45%	A baseline of 75% and this figure trends upwards over the remaining years	86% <sup>5</sup>
The percentage of registered social workers who report identifiable enhancement to their practice as a result of maintain registration	A baseline of 75% and this figure trends upwards over the remaining years	Not measured <sup>6</sup>	A baseline of 75% and this figure trends upwards over the remaining years	67%
The percentage of employers who report identifiable enhancement to the professionalism and practice of their social workers as a result of maintain registration	A baseline of 75% and this figure trends upwards over the remaining years	Not measured	A baseline of 75% and this figure trends upwards over the remaining years	20% <sup>7</sup>
The percentage of employers who report that they are satisfied with the advice they receive will be no less than	Not measured	Not measured	90%	40% <sup>8</sup>

5 For the purpose of this measure we are using the response we received from an employers survey. This figure has questionable validity, given a low return rate of responses to the employer survey. SWRB will ensure a more direct method to contact employers in future. We note that both health and statutory protection sectors support employees through payments which would represent a result of 44%.

6 With the introduction of legislation to make registration mandatory the emphasis has moved from the need to promote registration, to supporting the passage of the legislation. This was the focus of the SWRB for much of the 2016/17 year and has meant this measure has been superseded by events. It should be noted however that the number of social workers who have chosen to be registered in a voluntary environment has had a consistent upward trend, indicating that it is valued by the sector.

7 For the purpose of this measure we are using the response we received from a survey of employers. However, given the very low response rate we do not have confidence in the validity of this result. SWRB will use a different methodology for 2018/19 in order to increase response rates.

8 As above

## Professional Standards

**Social workers are required to meet accepted practice standards and are expected to continually develop their professional knowledge and skills for them to be viewed as professionals by the public, employers, and their peers across multi-disciplinary teams.**

### 1. Working with the Tangata Whenua Voices in Social Work

In 2015 the Social Work Registration Board invited Tāngata Whenua Voices in Social Work (TWVSW) to contribute to the SWRB review of social workers competence to work with Māori. The opportunity to design a framework informed and guided by Māori knowing, thinking, understanding and wisdom, “as old or new friends in a new time”<sup>9</sup> invokes the imagery of our old people’s voices, guiding, enriching and supporting contemporary social work practice. It also highlights the potential of Mātauranga and Āhuatanga Māori as critical in the fashioning of preferred approaches to good social work practice in Aotearoa New Zealand.

In February 2018 Tangata Whenua Voices in Social Work presented the framework to the Board. Since its development the context for the work has changed to a stronger education focus. Therefore, the Board has made the Kaitiātanga framework available to all education providers so that the principles of Te Rangatiratanga, Te Whanaungatanga and Te Manaakitanga are embedded in programmes and these principles guide competence assessment. The framework is also available on our website as a resource to inform and support social workers in their practice. The concepts of the Framework are now recognised as the takepū for the work of the Board – the applied practice principles/values with which we operate. The framework is also being used to inform the development of a Māori Responsiveness Strategy.

### 2. Reviewing the Board’s competence assessment processes

Part of the Board’s statutory role is to ensure registered social workers are competent to practise social work. Under the existing legislation this happens as part of the registration process, and once a social worker is registered, they are required to hold a valid competence certificate which they must recertify every five years. Also, if a notification is made that raises questions about a registered social workers competence, they may have to complete a competence assessment. When undertaking a survey around competence assessments, there was mixed feedback from respondents, with the majority of respondents being critical on the current competence assessment process.

*“It’s quite a long process and requires lots of paperwork to be done. This does not show if we are good social workers, it simply shows how good our writing skills are”*

*“I don’t think it should be renewed every 5 years. It take[s] a lot of time and didn’t improve anything”*

Under proposals in the draft legislation it is likely that there will be a change in the way in which competence is assessed. While developing the competence assessment framework will be a significant part of the SWRB work programme in 2018/19 we have also looked for where improvements could be made in the short term. As a consequence a new simplified template has been introduced to allow a more streamlined process for social workers to record their Continuing Professional Development. A number of respondents to the survey provided a positive view of these changes the SWRB are implementing:

*“I think some of the changes to CPD logs will be improvements”.*

*“I do like the new format and sign off”*

9 Te Rangihīroa in Sorrenson, Nā tō hoa Aroha, 1986

The method by which assessments are undertaken has also been evolving. As the year ended the SWRB was in the process of engaging a senior social worker to bring much of the Board's competence process in-house, with a view to strengthen consistency.

The Board has also worked with the Ministry for Children and the Family and Sexual Violence Working group to map their core competencies to the SWRB competencies at a high level to ensure all framework competencies are assessed prior to qualification completion.

### **Information and Promotion**

**In August 2017, Social Workers Registration Legislation Bill passed its first reading in Parliament. The passage of the legislation has been the priority for the Board, with much of the engagement and promotion related to keeping the sector informed. This included the use of our newsletter (four editions through the year), presentations to sector bodies (for example the National DHB Health Social Work Leaders Council), and social workers (for example our Principal Advisor (Social Work Practice) talked to a number of social workers in the South Canterbury region, facilitated by local employers). At the national level SWRB has extended the membership of the cross-sector Alliance to strengthen the two-way communication with stakeholders beyond those on our register. This has also proved a useful mechanism for the sector to consider and discuss the proposed legislation.**

The Board also works with the professional body, the Aotearoa New Zealand Association of Social Work to inform students about social work registration with institutions being visited through the year. This provides the opportunity for students to hear first hand of the role of the Board and understand the complementary functions of the professional body.

In December 2017 the Board approved a Communication and Stakeholder Engagement Plan to provide guidance and develop a more strategic approach.

## How have we assessed performance?

Performance Measure	Target 2016/17	Actual 2016/17	Target 2017/18	Actual 2017/18
The percentage of social work qualifications due for re-recognition that are assessed by panels prior to the expiry date will be no less than	100%	100%	100%	75% <sup>10</sup>
The percentage of completed applications for registration that are assessed and presented to the Board for approval within 60 working days, will be no less than	100%	100%	100%	100%
The percentage of applicants who report being satisfied with the registration and APC renewal process will be no less than	90%	89% <sup>11</sup>	95%	78% <sup>12</sup>
The percentage of competence assessments that are completed within 20 working days will be no less than	100%	100%	100%	100%
The percentage of competence re-certification assessments that are completed within 20 working days will be no less than	100%	100%	100%	100%
The percentage of applicants who report being satisfied with the Competence Assessments process will be no less than	90%	80% <sup>13</sup>	95%	53% <sup>14</sup>
The number of events that inform and promote the benefits of Registration to Social Workers, employers of Social Workers and the public, will be no less than	50	39 <sup>15</sup>	60	75
The percentage of formal complaints received and referred to the Complaints and Disciplinary Tribunal to be processed within 20 working days will be no less than	100%	100%	100%	100%
The Select Committee's satisfaction with the SWRB advice is	N/A	N/A	100%	N/A <sup>16</sup>

10 Te Wānanga o Raukawa who were due to complete a re-recognition requested a one-year extension to enable an internal degree review, prior to the re-recognition. This extension was granted.

11 This was assessed via an online survey. However, the wording of the survey did not distinguish clearly between the initial registration process and the annual practising certificate and reported a combined result.

12 Note that 11% of respondents were 'moderately satisfied' so the total of all 'moderately to extremely satisfied' is 89%

13 Note that 9% of respondents were 'slightly satisfied' so total of all 'slightly or greater' is 90%

14 Note that 30% of respondents were 'moderately satisfied' so total of all 'moderately to extremely satisfied' is 83%

15 Much of the focus for the 2016/17 year was on supporting the select committee inquiry which limited the ability of the organisation to speak at external events.

16 The SWRB sought feedback from the Social Services and Community Select Committee in response to this performance measure and they acknowledged our advice and thanked us for our work. However, it is also useful to note that since this measure was developed in 2016/17, the level of interaction has altered and changed in nature. In the previous financial year, the SWRB acted as an advisor on the Social Work Registration Act. In 2017/18 the SWRB was a submitter on the new legislation rather than an advisor, so this measure no longer meets the intended purpose.

# 02

## GOVERNANCE

---

### SWRB Board members 2017-18

#### Shayne Walker (Chair)



Shayne (Ngai Tahu, Kāti Mamoe, Waitaha, Ngāti Kahungunu) has been a Senior Lecturer in the Department of Sociology, Gender and Social Work at the University of Otago since 1996. He is a registered social worker and is the Chairperson of the Social Workers Registration Board. He has a strong practice background of working with tamariki and whanau in community organisations, youth-work and foster care. His research and teaching has focused on the nature of matauranga Māori (ways of knowing), ako Māori (the teaching and learning of Māori knowledge), Māori social services development and alternative care child protection and Māori social work theory and practice.

#### Turitea Bolstad (Deputy Chair)



Turitea has a background in law providing advocacy services in the Taranaki Region. As a Criminal Lawyer and Youth Advocate, she works closely with social service organisations and agencies. She has previously served on the Taranaki District Law Society, Taranaki Community Law Centre and Taranaki Lotteries Distribution Committee and is currently a Mahia Mai A Whai Tara board member.

#### Michelle Derrett



Michelle hails from Dunedin and is a registered social worker. She came to social work following a career in the sciences and has a strong interest in social work practice from a scientific analytical standpoint and using critical reflective practice theories. Michelle is currently the Social Work Professional Leader for the Southern District Health, a role that includes clinical practice in Women's and Children's Health.

#### Dianne Wepa



Dianne is of Ngāti Kahungunu descent. She is a registered social worker with a background in mental health, clinical/cultural supervision and nursing/social work education. As an associate lecturer at Auckland University of Technology, Dianne has developed expert knowledge in the field of cultural safety education, Māori health and research ethics. Dianne completed her PhD in 2016 with a focus on cultural safety within hospital and community settings.



### **Lisa King**



Lisa is a registered social worker with nearly 30 years experience. She is a social work educator and has a strong interest in the development of indigenous, kaupapa Māori and bicultural social work, supervision and education. Her ahikaa connections are Ngāti Te Aukiwa me Ngāti Kōhua, her whakapapa links are more extensive.

### **Leisa Moorhouse**



Leisa is a registered social worker of Ngāpuhi descent with experience in community and statutory social work in Aotearoa New Zealand and England. She currently works in private practice as a Supervisor and an Educator. She is passionate about growing competent practitioners who work from a strong positioning of personal and cultural authenticity in the pursuit of mauri ora for those we work alongside.

### **Shirley Ikkala**



Shirley is of Ngāti Whātua Ōrākei and Cook Island descent. She is a registered social worker with more than 20 years' experience working mostly in the government sector. She is currently the Kaiārahi, National Curriculum Manager for the social work degree programme at Te Wānanga o Aotearoa. Shirley has a keen interest in the need for accountability and responsibility in the social work sector.

### **Khoa Nguyen**



Khoa is a Vietnamese New Zealander. He is a certified Chartered Accountant and Managing Director of Viet River Holdings Ltd, a niche consultancy company providing executive lease, governance and commercial connections to the ASEAN market. He has held various directorships and is an avid volunteer. He is currently a member of the New Zealand Lottery Grants Board and Rangitāne Tū Mai Rā Investment Limited Partnership.

### **Scott Thomson**



Scott is a physiotherapist from Christchurch and co-owns the Merivale Hand Clinic. He is a past Chair of the New Zealand Private Physiotherapy Association and the International Private Physical Therapist Association. He has been closely involved with the development of physiotherapy standards through the New Zealand Physiotherapy Accreditation Scheme and as a member of the Standards New Zealand Technical Committee developing the Allied Health Services Sector Standards. Scott is currently a member of the Physiotherapy Board of New Zealand.

## Paula Rose



Paula has a wide range of experience across the policing, welfare, community and media standards sectors. She is a former National Manager Road Policing, NZ Police and was involved in implementing MSD's action plan for vulnerable children. She sits on the boards of WorkSafe NZ, Brackenridge, and the Broadcasting Standards Authority, is a Commissioner on the Transport Accident Investigation Commission, a member of the Parole Board, and on the South Island Trust Board for St John. In 2013 she was awarded a QSO for her contribution to policing and the community.

## Board meeting dates

The Board met on:

- 11 August 2017
- 13 October 2017
- 7 and 8 December 2017
- 15 and 16 February 2018
- 20 April 2018
- 14 and 15 June 2018

## Board committees

To facilitate its work, the Board reviewed and maintained several sub-committees for the 2017-18 year.

The committees and their membership were:

<b>Finance, Audit and Risk Management</b>	Membership: Khoa Nguyen (Chair), Shayne Walker, Michelle Derret, Lisa King, Paula Rose and Scott Thomson
<b>Policy Development and Review</b>	Membership: Michelle Derrett (Chair), Shayne Walker, Leisa Moorhouse and Shirley Ikkala
<b>Te Komiti Māori</b>	Membership: Lisa King (Chair), Shayne Walker, Turitea Bolstad, Leisa Moorhouse, Shirley Ikkala and Dianne Wepa
<b>Remuneration</b>	Membership: Paula Rose (Chair), Shayne Walker, Turitea Bolstad, Dianne Wepa and Khoa Nguyen

## Insurance

The SWRB has taken out insurance for Board members and staff to cover 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 out insurance to cover personal accident and travel risk for Board members and staff where injury or loss occurs while carrying out the organisation's business.

# 03

## PRIORITIES

### 2017-18 Update on the Social Workers Registration Board Data

The social work profession, and the employers of social workers, continue to support social work registration even though it is voluntary, as evidenced by the number of social workers applying for and maintaining registration.

The following graphs and tables provide a snapshot of data recorded by the Board in relation to registration and applications, Annual Practising Certificate renewals, complaints received and the numbers of registered social workers across the various employers of social workers in New Zealand.

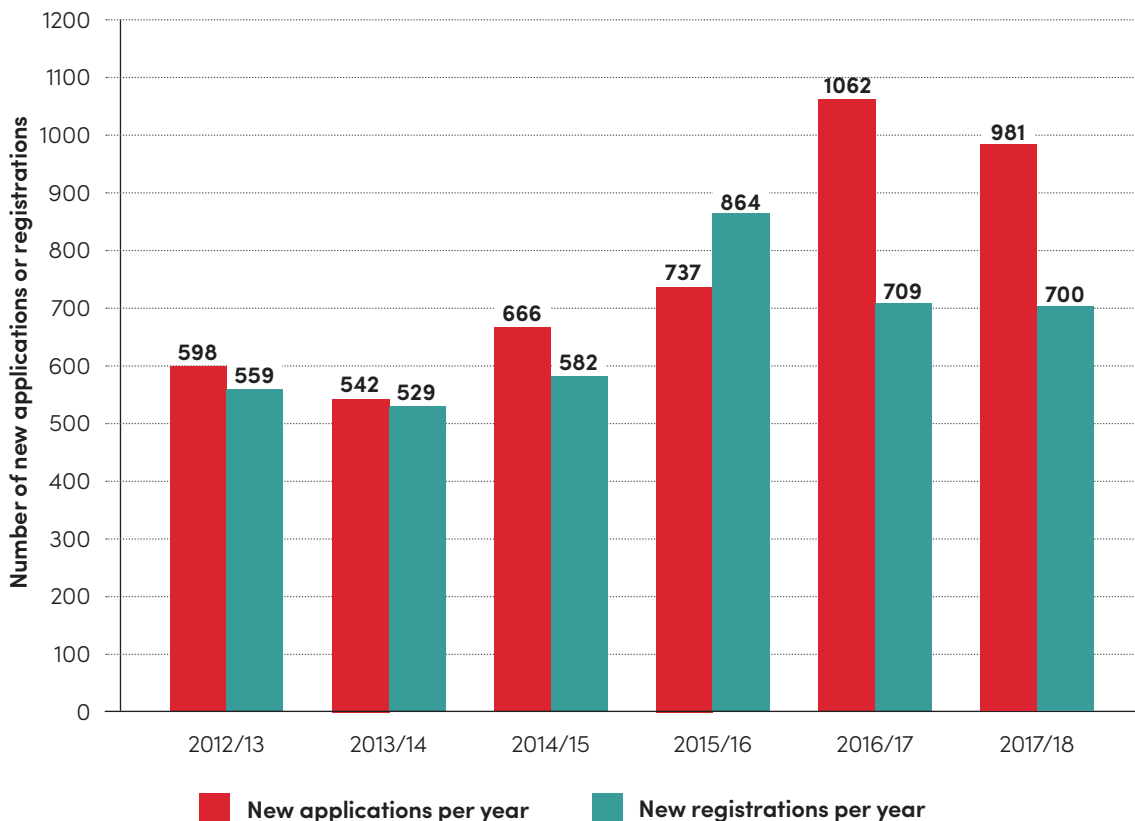
### Managing the registration of social workers

In 2017-18 the number of new applications for registration continued to increase, with 981 applications for registration being received<sup>17</sup>. This equates to 123% of the annual target of 800.

Figure 1 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.

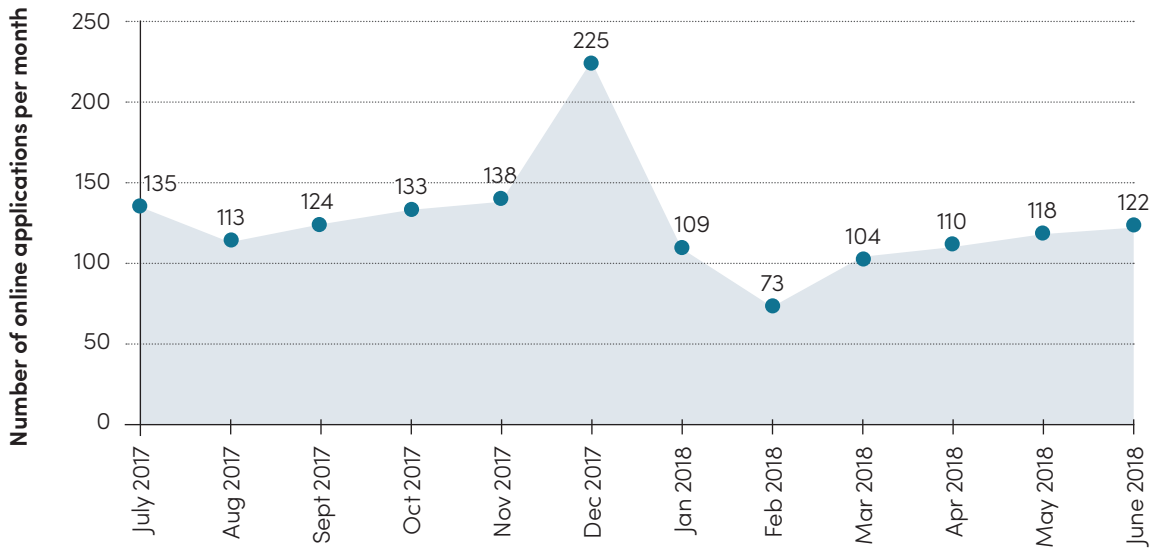
Figures 2-4 provide a month-by-month breakdown of the number of registration applications received and granted.

**Figure 1: Applications for registration and new registrations per year 2012-2018**

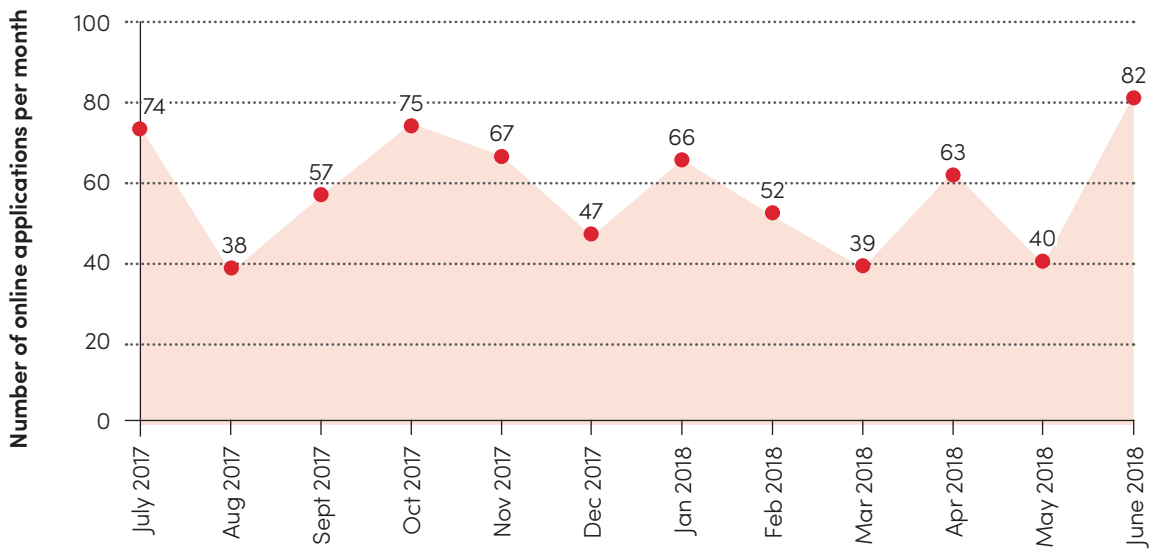


<sup>17</sup> Since reviewing our registration processes through the 2017-18 year, the SWRB does not begin processing applications until full payment has been received. This means that the number of applications discussed as being received (paid for) will differ from the number of applications that were completed through the online application.

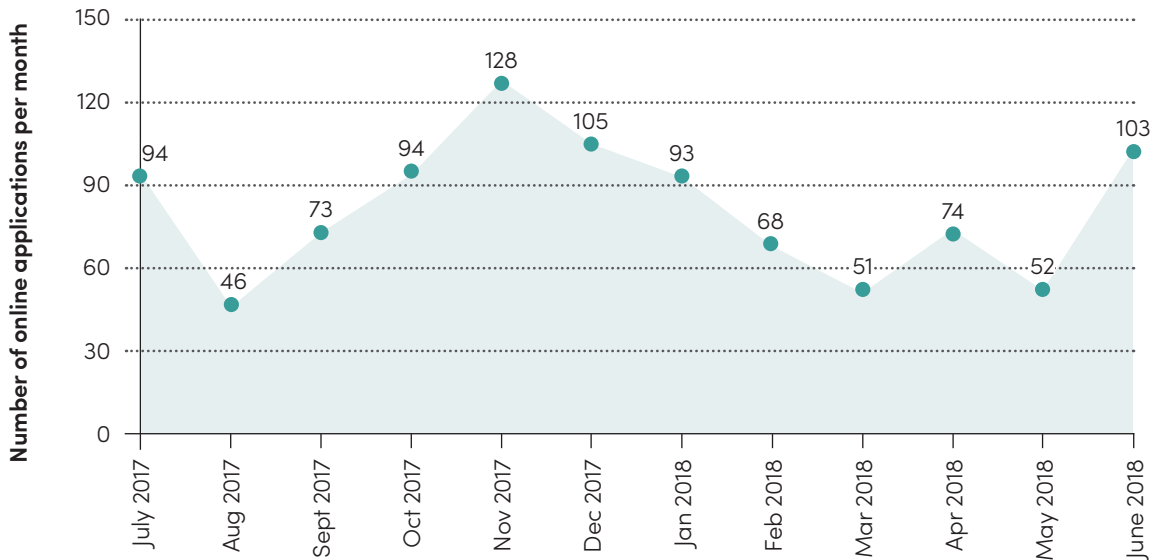
**Figure 2: Online applications for registration per month**



**Figure 3: New registrations per month**



**Figure 4: Total per month**



## Setting standards for social work education and training

Since 1 January 2006, the entry level qualification for registration has been a degree level social work qualification. However, the Board continues to recognise historical social work qualifications started before that date.

The Board currently recognises a range of undergraduate and postgraduate social work qualifications provided by 17 providers. We review programmes every five years. At the undergraduate level, for entry in 2018 the Board recognised:

- Five four-year degrees at universities (three of these may be awarded with honours and two have an honours stream)
- One four-year degree at a private training establishment
- Nine four-year degrees in polytechnics or institutes of technology sector
- Two four-year degrees in the wānanga sector

At the postgraduate level, there are four university professional masters programmes, one of which may be awarded with honours.

In 2017 there were 3,310 students reported to be enrolled in SWRB recognised social work programmes. This was down by 575, or 15% lower than the recent high point for enrolments in 2015. As in previous years, the majority of 2017 students were female (84%), under 30 (47%) and studying full-time (75%) in undergraduate programmes (92%).

In terms of student ethnic identity 45% of students identified as European, 30% as Māori, 17% as Pacific peoples, 5% as Asian and 4% as other. It is important to note that, following the practice of Statistics NZ, students are permitted to select up to three different ethnic identities, so the numbers do not represent individual students. The proportion of social work students identifying as Māori and Pacific peoples is twice the proportion of people so identifying in the general population (based on the 2013 census: Māori 15% and Pacific peoples 7%).

In 2017, 691 students (or 21% of total enrolments) were eligible to graduate. In some programmes the numbers eligible to graduate are low because of the transition from a three-year to a four-year programme, the transition should be complete by 2018.

Te Wānanga o Aotearoa reported the highest overall number of enrolments with 543 students (or 16% of total enrolments) closely followed by Massey University with 536 enrolments (also 16% of the total). Both Te Wānanga o Aotearoa and Massey University reported more than twice the number of enrolments of any other provider. Auckland University came in third with 256 (or 8%) of reported enrolments.

Two factors distinguish the student enrolments at Te Wānanga o Aotearoa from Massey University. Firstly, Massey University has the highest number of part-time student enrolments forming 58% (n=309) of total Massey enrolments, and 38% of all part-time social work students in Aotearoa New Zealand.

Conversely, full-time students form 95% (n=516) of the student population at Te Wānanga o Aotearoa, and account for 21% of all full-time social work students. In fact, Te Wānanga o Aotearoa has more than twice the number of full-time students than any other provider including Massey University.

Table 1 provides a breakdown of the recognised social work qualifications currently offered in New Zealand.

**Table 1: Recognised social work qualifications currently offered in New Zealand**

INSTITUTION	QUALIFICATION
Ara Institute of Technology	<ul style="list-style-type: none"> <li>Bachelor of Social Work</li> </ul>
Bethlehem Tertiary Institute	<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 Social Work (may be awarded with Honours)</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</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 Work</li> </ul>
Open Polytechnic	<ul style="list-style-type: none"> <li>Bachelor of Social Work</li> </ul>
Te Wānanga o Aotearoa	<ul style="list-style-type: none"> <li>Ngā Poutoko Whakarara Oranga – Bachelor of Bicultural Social Work</li> </ul>
Te Wānanga 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>
Toi Ohomai Institute of Technology	<ul style="list-style-type: none"> <li>Bachelor of Social Work</li> </ul>
Unitec New Zealand	<ul style="list-style-type: none"> <li>Bachelor of Social Practice</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> <li>Master of Social and Community Work (Applied) (may be awarded with Honours)</li> </ul>
University of Waikato	<ul style="list-style-type: none"> <li>Bachelor of Social Work (may be awarded with Honours)</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 Social Work</li> </ul>

### Considering complaints against Registered Social Workers

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

When a notification of concern does not reach the threshold of an identified Code of Conduct breach and relates to a social worker's competence, a Competence Review is usually undertaken by the Board. The social worker's competence to practise is reviewed and the social worker may be referred for a competence assessment. The Board will consider the outcome of that assessment and may impose conditions or restrictions on the social worker's practice.

If the complainant is a consumer of a health service, the complaint will be referred to the Health and Disability Commissioner.

The Board also receives a number of complaints it cannot act on; for instance, these may be about social workers who are not registered or relate to procedure being handled with Oranga Tamariki or the Family Court.

There are a range of possible procedural steps once a notification or complaint has been made, depending on individual circumstances. They include an initial risk assessment, any preliminary inquiries, and a triage process to determine the next steps. The triage meeting occurs fortnightly and is attended by the Chief Executive, Registrar and senior members of staff. Currently our legislation does not define what a 'complaint' is but directs all complaints to the Tribunal Chair. As this is impractical and unwieldy, we use the triage process to establish if a notification should proceed to a formal complaint about a social worker's conduct. If it does proceed to a formal complaint, the matter is then given to the Tribunal Chair who decides if it should be referred to a Complaints Assessment Committee (CAC).

Table 2 provides a month-by-month breakdown of the number of notifications were received in the 2017-18 year.

Table 3 provides the number of cases that were referred to a Complaints Assessment Committee, the Tribunal or for a face to face competence assessment.

**Table 2: Number of notifications received by month**

MONTH/YEAR	NOTIFICATIONS PER MONTH
July 2017	13
August 2017	17
September 2017	20
October 2017	4
November 2017	8
December 2017	14
January 2018	17
February 2018	11
March 2018	12
April 2018	8
May 2018	14
June 2018	20

**Table 3: Number of cases referred to a CAC, the Tribunal or for a face to face competence assessment**

MONTH/YEAR	Number referred from 1 July 2017 to 30 June 2018
Cases referred to a CAC	21
Cases referred to the Tribunal	2
Cases referred for a face to face competence assessment	8

### Enhancing the professionalism of social workers

The SWRB maintains a Code of Conduct and reinforces high standards of practice by requiring Registered Social Workers to meet minimum criteria in order to hold an APC.

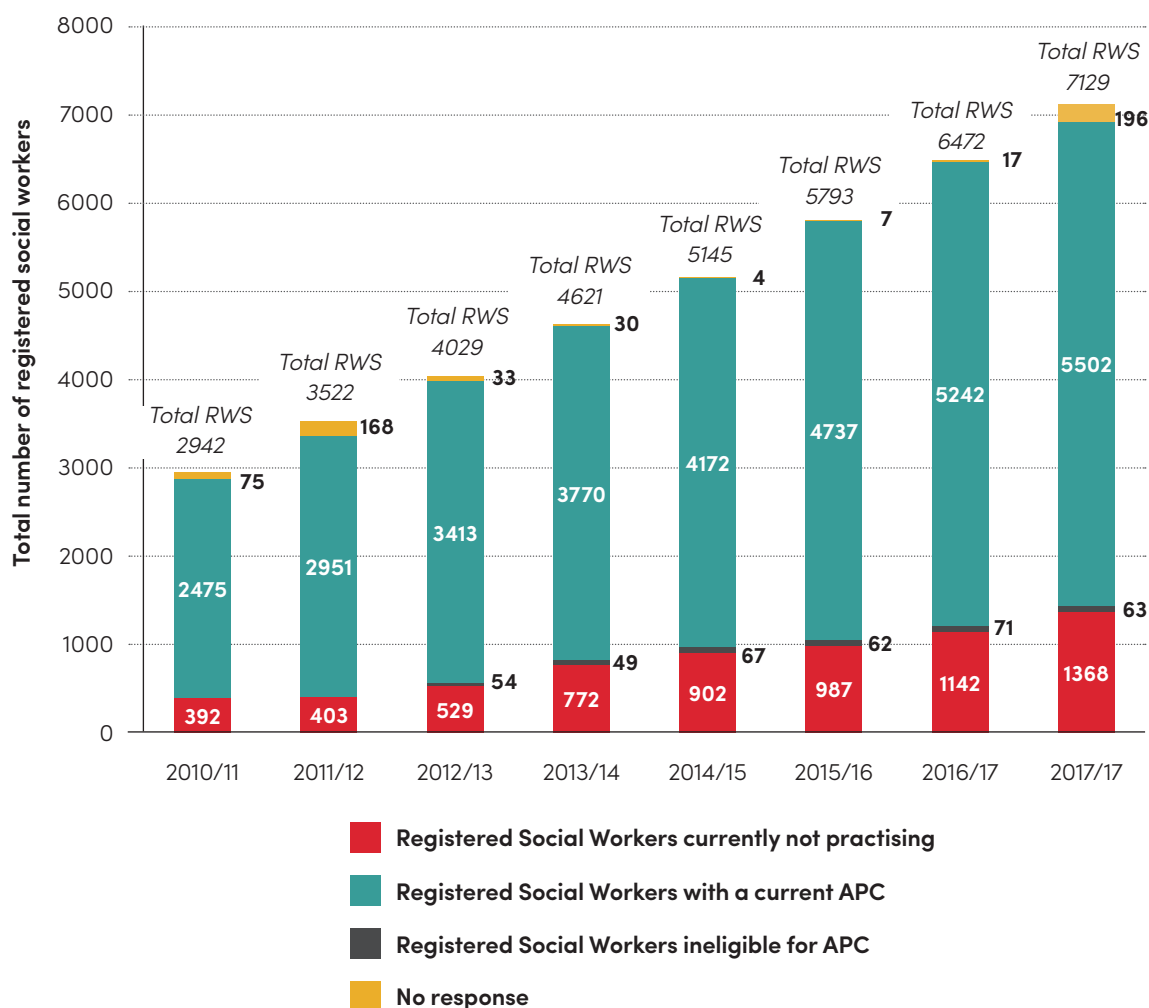
The minimum criteria includes maintaining a valid competence certificate, being a fit and proper person to practise social work and engaging in ongoing professional development.

When a registered social worker is no longer practising, the board requires confirmation of this (to ensure that no registered social worker is practising without a valid APC), before changing their registration status to reflect that they are not practising.

The Board actively follows up on registered social workers who may be practising without a current APC, advising both them and their employer of their obligations under the Social Workers Registration Act (2003).

Figure 2 sets out the number of registered social workers who identify as practising, not practising, who are ineligible to renew (because their competence certificate has expired) or who did not respond to the renewal notice sent to them.

**Figure 2: Total Registrations compared with Total APCs issued 2010 - 2018**



### Promoting the benefits of registration

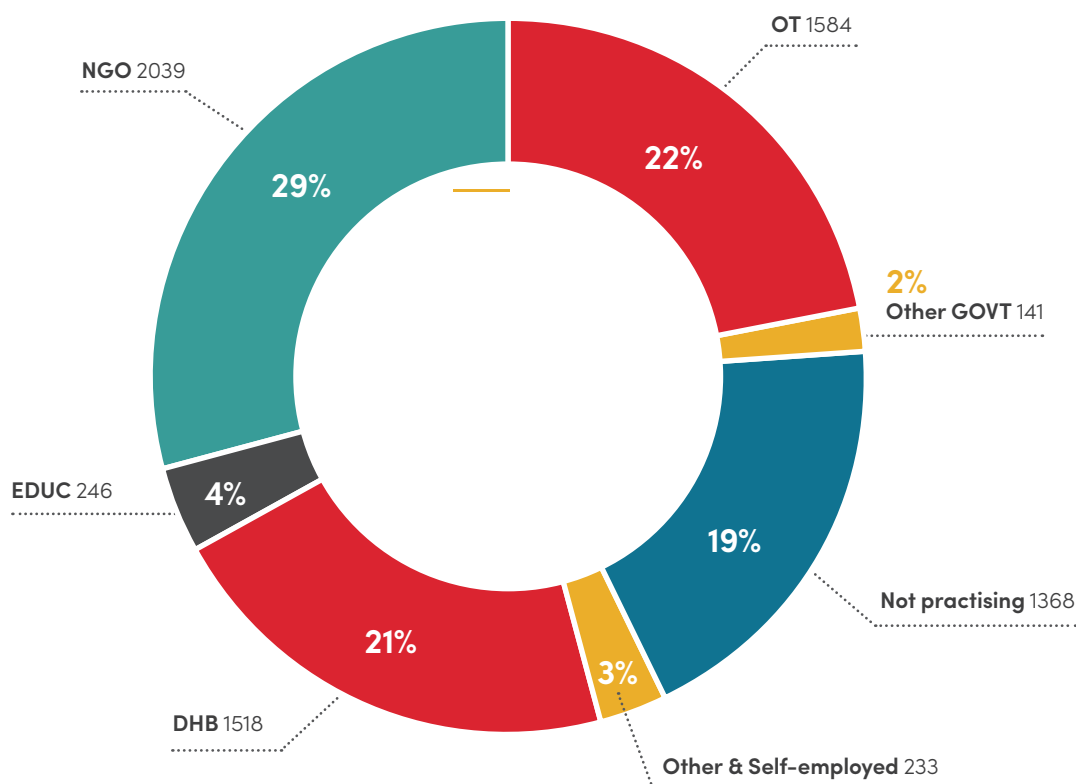
The benefits of registration are two-fold; its primary function is protecting the safety of members of the public by providing mechanisms to ensure that social workers are competent to practise and are held accountable for the way in which they practise.

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

Figure 3 shows where registered social workers have identified where they are employed or, where they are not practising.



**Figure 3: Number of Registered Social Workers by employer**



### Organisational Review

In 2017/18 the SWRB completed an organisational review in the context of new legislation that is currently going through parliament which will replace the current voluntary registration system and make registration mandatory, coming into effect from mid-2018. The move to a mandatory regulation system will have far-reaching implications for the organisation and this review looked at some of the changes the SWRB could make to ensure a robust system is in place to manage it.

#### 1. Staffing

The review outlined that an urgent formal review of the staff structure would benefit the organisation to ensure the SWRB has adequate capacity to meet the demands of, not only the current workload, but also the demands of a mandatory environment. This resulted in changes to support greater staffing capacity and clarity about decision making responsibilities.

#### 2. Splitting the Chief Executive and Registrar roles

The Chief Executive role has an emphasis on the leadership and management of the organisation while the Registrar role focuses on providing advice and assistance to the Board to implement its regulatory functions specified in the Social Workers Registration Act (2003). The Board agreed to split these roles to allow a greater and more specialised focus on meeting the statutory role of the Registrar, particularly in the context of a mandatory environment.

#### 3. Strategic Plan

A five-year strategic plan was developed by the Board through the later half of 2017. The Strategy identified three priorities for the organisation:

- Safety of the Public
- Strong organisation
- Effective governance

The strategic plan also outlines the following takepū to help inform and guide the organisation's work going forward:

- Kaitiakitanga is the responsibility of the SWRB for safe stewardship, guardianship and protection
- Rangatiratanga is the responsibility of the SWRB to lead, advocate for, facilitate and act with integrity
- Manaakitanga is the responsibility of the SWRB to engage in mana-enhancing relationships through the demonstration of care, mutual respect, hospitality, generosity and aroha
- Whanaungatanga is the responsibility of the SWRB to purposefully connect and strengthen mutual and sustainable relationships

The Strategy was presented to the Board in June 2018 for discussion and is expected to be released by December 2018.

### Equal Employment Opportunities (EEO)

The Social Workers Registration Board is committed to being a good employer and to adopting policies and practices that ensure the fair and proper treatment of its employees in all aspects of their employment. This includes adhering to the Human Rights Commission EEO and Crown Entities Good Employer principles requiring:

- Good and safe working conditions; and
- An equal employment opportunities programme; and
- The impartial selection of suitability-qualified people for appointment.

The Board also recognises

- The aims and aspirations of Māori; and
- The employment requirements of Māori; and
- The need for greater involvement of Māori in social work.

The SWRB is committed to providing

- Opportunities for enhancing the abilities of individual employees; and
- Recognition of the aims, aspirations and cultural differences of ethnic or minority groups; and
- Recognition of the employment requirements of women; and
- Recognition of the employment requirements of people with disabilities.

The SWRB continues to develop and maintain

- Even representation of men and women in its workplace and decision-making structures; and
- Participation and representation of Māori as employees and Board members; and
- Participation and representation of other ethnic groups as employees and Board members; and
- Participation and representation of people with disabilities as employees and Board members.

SWRB policies are in place to ensure that all Board staff maintain standards of integrity, conduct and concern for protecting public safety and interests. These are available to staff in the Employee Handbook, which was developed in April 2018.

The following Good Employer elements are in place with the SWRB's employees and Board members:

- **Leadership, accountability and culture**

The SWRB has 11 FTE staff and all actively engage in the development of policies and procedures that impact on their positions. The Board utilises the Public Service Code of Conduct, as well as operational staff and governance manuals.

- **Recruitment selection and induction**

The SWRB recruitment process is based on merit and we have a mix of full-time and part-time staff.

- **Employee development, promotion and exit**

All SWRB staff have access to professional development opportunities and receive ongoing support from senior members of staff, annual performance appraisals are undertaken.

- **Flexibility and work design**

The SWRB works with staff to allow flexible working arrangements, where ever possible.

- **Remuneration recognition and conditions**

Staff salaries are reviewed on an annual basis, taking into account relevant external factors.

- **Harassment and bullying prevention**

The SWRB operates a zero tolerance of bullying and harassment and encourages staff to bring any issues immediately to the attention of the Chief Executive or Board.

- **Safe and healthy environment**

SWRB staff have access to an Employment Assistance Programme that provides confidential counselling and advice. All staff are provided with information on emergency procedures. Health and safety equipment, including emergency provisions, are available in the SWRB office for use in the event of a disaster.

- **Diversity**

For most of the 2018 year the SWRB secretariat consisted entirely of female staff, with one part-time male secondee joining in March. From the SWRB secretariat staff, we have 7 staff members who identify as New Zealand European/Pakeha, 1 staff member who identifies as European, 1 staff member who identifies as Australian, 1 staff member who identifies as Pasifika and 1 staff member who identifies as Māori.

# 04

## FINANCIAL STATEMENTS

---

### STATEMENT OF RESPONSIBILITY

The Board are responsible for the preparation of the Social Workers Registration Board financial statements and statement of performance and the judgements made in them.

The Board are responsible for any end of year performance information provided by the Social Workers Registration Board under section 19A of the Public Finance Act 1989.

The Board have responsibility for establishing and maintaining 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 performance fairly reflect the financial position and operations of the Social Workers Registration Board for the year ended 30 June 2018.

Signed on behalf of the Board



**Board Chair**

Date 31 October 2018



**Board Member (FAR Chair)**

Date 31 October 2018

## INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

### To the readers of the Social Workers Registration Board's financial statements and performance information for the year ended 30 June 2018.

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

#### Opinion

We have audited:

- the financial statements of the Registration Board on pages 32 to 52, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Registration Board on pages 8 to 10, 13 and 31.

In our opinion:

- the financial statements of the Registration Board on pages 32 to 52:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2018; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information on pages 8 to 10, 13 and 31:
  - presents fairly, in all material respects, the Registration Board's performance for the year ended 30 June 2018, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Board for the financial statements and the performance information**

The Board is responsible on behalf of the Registration Board for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine what is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board are responsible on behalf of the Registration Board for assessing the Registration Board's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Registration Board, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004.

### **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Registration Board's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registration Board's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Registration Board's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registration Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registration Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 52, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Registration Board in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Registration Board.

### **John Whittal**

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

A handwritten signature in black ink, appearing to read 'John Whittal', written over a horizontal line.



## STATEMENT OF SERVICE PERFORMANCE

### For the year ended 30 June 2018

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 practice and held accountable for their practice.

The Board has one output class:

#### Implementation of the Social Workers Registration Board Registration Framework

	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Revenue	2,256	2,010	2,061
Expenses	2,118	2,120	2,042

This is implemented via the following processes:

- Management of the registration of social workers
- Consideration of complaints against Registered Social Workers
- Enhancement of the professionalism of social workers
- Promotion the benefits of registration
- Set standards for social work education and training

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	Actual 2018 \$	Budget 2018 \$	Actual 2017 \$
REVENUE	2	2,223,902	1,979,510	2,034,269
<b>EXPENSES</b>				
Administration and Overhead costs		99,096	440,000	89,437
Complaints and Tribunal Fees		49,430	398,050	46,654
Publications		52,220	-	26,413
Depreciation & Amortisation expense		97,809	106,800	114,953
Personnel costs	3	1,233,805	1,025,200	1,109,143
Other expenses	4	585,964	149,500	655,032
<b>Total Expenses</b>		<b>2,118,324</b>	<b>2,119,550</b>	<b>2,041,633</b>
<b>Surplus/(deficit) before finance income</b>		<b>105,578</b>	<b>(140,040)</b>	<b>(7,364)</b>
Finance Income	5	31,607	30,000	27,049
<b>Surplus/(deficit) for the year</b>		<b>137,185</b>	<b>(110,040)</b>	<b>19,685</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>\$ 137,185</b>	<b>\$ (110,040)</b>	<b>\$ 19,685</b>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Total \$
Balance as at 1 July 2016	421,091
Net surplus or deficit/total comprehensive revenue and expense for the year	19,685
<b>Net Assets/Equity at 30 June 2017</b>	<b>440,776</b>
Balance as at 1 July 2017	440,776
Net surplus or deficit/total comprehensive revenue and expense for the year	137,185
<b>Net Assets/Equity at 30 June 2018</b>	<b>\$ 577,961</b>

The above Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	NOTE	Actual 2018 \$	Budget 2018 \$	Actual 2017 \$
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	6	2,383,333	681,968	748,693
Investments	7	-	1,250,000	1,350,000
Receivables	8	102,513	24,271	23,875
Prepayments		27,622	6,000	16,679
<b>Total current assets</b>		<b>2,513,468</b>	<b>1,962,239</b>	<b>2,139,247</b>
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	9	92,264	115,708	133,273
Intangible Assets	10	77,031	96,604	123,665
		169,295	212,312	256,938
<b>Total assets</b>		<b>2,682,763</b>	<b>2,174,551</b>	<b>2,396,185</b>
<b>CURRENT LIABILITIES</b>				
Payables	11	416,802	434,900	405,010
Deferred revenue	12	1,602,342	1,414,000	1,488,449
Lease liability	13	6,276	6,276	6,276
Employee entitlements	14	75,179	35,000	45,195
<b>Total current liabilities</b>		<b>2,100,599</b>	<b>1,890,176</b>	<b>1,944,930</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liability	13	4,203	4,203	10,479
<b>Total liabilities</b>		<b>2,104,802</b>	<b>1,894,379</b>	<b>1,955,409</b>
<b>Net assets</b>		<b>\$ 577,961</b>	<b>\$ 280,172</b>	<b>\$ 440,776</b>
<b>EQUITY</b>				
Accumulated surplus/(deficit)		577,961	280,172	440,776
<b>Total equity</b>		<b>\$ 577,961</b>	<b>\$ 280,172</b>	<b>\$ 440,776</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	Actual 2018 \$	Budget 2018 \$	Actual 2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Revenue Received		2,255,896	1,979,510	2,121,551
Interest received		34,868	25,729	23,708
Payments to Personnel		(1,203,821)	(1,025,200)	(956,416)
Payments to Suppliers		(789,035)	(940,184)	(944,467)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>297,908</b>	<b>39,855</b>	<b>244,376</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Receipts from sale of property, plant and equipment		337	-	600
Receipts from sale or maturity of investments		1,350,000	250,000	-
Purchase of property, plant and equipment		(3,630)	(45,000)	(40,812)
Purchase of intangible assets		(9,975)	-	(33,262)
Acquisition of investments		-	-	(1,350,000)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>1,336,732</b>	<b>205,000</b>	<b>(1,423,474)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>1,634,640</b>	<b>244,855</b>	<b>(1,179,098)</b>
Cash or cash equivalents at beginning of the year	6	748,693	437,113	1,927,791
<b>Cash or cash equivalents at end of the year</b>	<b>6</b>	<b>\$ 2,383,333</b>	<b>\$ 681,968</b>	<b>\$ 748,693</b>

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

# NOTES TO THE FINANCIAL STATEMENTS STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018

## 1. STATEMENT OF ACCOUNTING POLICIES

### Reporting Entity

The Social Workers Registration Board (SWRB) is a crown entity registered under the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing SWRB's operations includes the Crown Entities Act 2004, the Crown Service Enterprise Act 2002 and the Social Workers Registration Act 2003. SWRB's ultimate parent is the New Zealand Crown.

SWRB's primary objective is to provide services to the New Zealand public and does not operate to make a financial return. For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), SWRB is a public sector public benefit entity.

The financial statements for the Board are for the year ending 30 June 2018 and were approved by the Board on 31 October 2018.

### Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

### Statement of compliance

SWRB has elected to report in accordance with Tier 2 Public Benefit Entity Standards (Public Sector) and has applied disclosure concessions. SWRB is eligible to report in accordance with Tier 2 Public Benefit Entity Standards because it is not publicly accountable and its operating expenditure is less than \$30 million. These financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") and The Crown Entities Act 2004.

This is the first set of financial statements prepared under PBE Standards RDR. The financial statements of SWRB at 30 June 2017 were prepared in accordance with Tier 3 PBE SFR-A (PB) Standards and the accounting policies applied differ in certain respects from PBE Standards RDR. When preparing SWRB's financial statements for the year ended 30 June 2018, management has amended certain accounting policies applied in the previous financial statements to comply with PBE Standards RDR and has applied PBE FRS 47 First-time Adoption of PBE Standards by Entities other than those Previously Applying NZ IFRS. There was no transitional adjustments required so there has been no impact on the comparative figures.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars (\$) which is SWRB's functional and presentation currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

### Standards issued and not yet effective and not early adopted

PBE IPSAS 39 Employee Benefits      Effective Date: 1 January 2019

Prescribes the accounting and disclosure requirements for employee benefits. **Critical accounting estimates and assumptions**

In preparing these financial statements, SWRB has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events and are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives of software assets (refer to note 10)  
[Critical judgements in applying accounting policies](#)
- APC revenue non-exchange classification (refer to note 2)

### Summary of accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

#### a) Goods and Services Tax

The financial statements are stated exclusive of Goods and Services Tax (GST), with the exception of receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the 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 activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### b) Income Tax

SWRB is a public authority under the Income Tax Act 2007 and consequently is exempt under s CW 38 from the payment of income tax. Accordingly no provision has been made for income tax.

#### c) Budget figures

The budget figures are derived from the Statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

#### d) Financial Instruments

##### i. Financial Assets

Financial assets and financial liabilities are recognised when SWRB becomes a party to the contractual provisions of the financial instrument.

SWRB derecognises a financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or SWRB has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

SWRB has transferred all the risks and rewards of the asset; or

SWRB has neither transferred nor retained all the risks and rewards of the asset, but has transferred control of the asset.

At the reporting date all of SWRB's financial assets are classified as loans and receivables. SWRB determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

*ii. Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

At initial recognition, they are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

SWRB's loans and receivables comprise cash and cash equivalents, investments and receivables.

*iii. Impairment of financial assets*

SWRB assesses at the end of the reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that a loss event has an impact on the estimated future cash flows through the use of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, SWRB first assesses whether there is objective evidence of impairment of financial assets that are individually significant. If SWRB determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

*iv. Financial liabilities*

SWRB's financial liabilities include trade and other creditors. All financial liabilities are initially recognised at fair value (less directly attributable transaction cost) and are measured subsequently at amortised cost using the effective interest method.

**e) Reclassification of Figures**

Where appropriate, prior year figures have been reclassified for comparability with current year's figures.

## 2. REVENUE

### Accounting policy

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to SWRB and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to SWRB's revenue streams must also be met before revenue is recognised.

### Revenue transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange.

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange.

### Revenue from non-exchange transactions

#### Revenue from the Crown

An amount of \$80,000 of other revenue was received from MSD to fund a fees review, (2017: \$Nil).

#### Practising Fees

SWRB's annual recertification cycle runs from 1 July to 30 June. Fees received in advance of the commencement of the recertification cycle are recognised on the first day of the recertification year, that is 1 July. Fees received within the recertification year to which they relate are recognised in full upon receipt.

#### Other Revenue from non-exchange transactions

Application fees and fees for competence assessment, competence recertification and non-binding assessment are recognised when all application data has been received.

	Actual 2018 \$	Actual 2017 \$
<b>Revenue from non-exchange revenue transactions:</b>		
Practising fees	1,571,079	1,455,598
Application fees	288,151	309,679
Competence fees	282,566	247,682
Expense recoveries	1,472	20,426
Other revenue	80,634	884
<b>Total non-exchange revenue</b>	<b>2,223,902</b>	<b>2,034,269</b>
<b>Total revenue</b>	<b>\$ 2,223,902</b>	<b>\$ 2,034,269</b>



### 3. PERSONNEL COSTS

#### i. Short-term employee benefits

Short-term employee benefit liabilities are recognised when SWRB has a legal or constructive obligation to remunerate employees for services provided with 12 months of reporting date, and is measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis.

#### ii. Superannuation schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

#### Breakdown of personnel costs and further information

	Actual 2018 \$	Actual 2017 \$
Salaries	926,865	834,510
Other Fees	271,389	235,104
Superannuation employer contributions	32,451	37,143
Other personnel costs	3,100	2,386
<b>Total personnel costs</b>	<b>\$ 1,233,805</b>	<b>\$ 1,109,143</b>

#### Employee remuneration

	Actual 2018 \$	Actual 2017 \$
Total remuneration paid or payable:		
\$100,000 - \$109,999	1	0
\$110,000 - \$119,999	0	0
\$120,000 - \$129,999	1	0
\$130,000 - \$139,999	0	1
\$140,000 - \$149,999	0	0
\$150,000 - \$159,999	0	0
\$160,000 - \$169,999	0	1
\$170,000 - \$179,999	1	0
<b>Total employees</b>	<b>3</b>	<b>2</b>

During the year ended 30 June 2018 no employee's received compensation and other benefits in relation to termination. (2017: 1 employee, \$35,464)

**Board member remuneration:**

The total value of remuneration paid or payable to each Board members during the year was:

	<b>Actual 2018</b>	<b>Actual 2017</b>
	\$	\$
Walker, Shayne (Board Chair)	19,518	13,439
Bolstad, Turitea	7,498	8,520
Derrett, Michelle	8,263	7,305
Gregson, Sara	0	1,545
Ikkala, Shirley	7,663	4,410
King, Lisa-Marie	5,833	6,270
Millar, Toni	0	1,785
Moorhouse, Leisa	7,123	6,015
Nguyen, Khoa	8,869	7,575
Rose, Paula	7,348	5,760
Thomson, Scott	7,154	3,645
Wepa, Dianne	8,163	5,895
<b>Total Board member remuneration</b>	<b>\$ 87,432</b>	<b>\$ 72,164</b>

*There have been no payments made to committee members appointed by the Board who are not Board members during the financial year SWRB has provided a deed of indemnity to Directors for certain activities undertaken in the performance of SWRB's functions.*

*SWRB has taken out 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.*

#### 4. EXPENSES

	<b>Actual 2018</b>	<b>Actual 2017</b>
	\$	\$
<b>Other Expenses</b>		
Audit fees	23,800	23,200
Bad debts	348	-
Doubtful debts	1,804	-
Legal fees	73,488	67,486
Insurance	6,408	6,178
Computer expenses	112,942	133,334
Professional fees	94,453	60,705
Training and development	17,586	19,472
Staff expenses	3,400	51,292
Board costs	64,994	74,025
Other expenses	186,741	219,341
<b>Total other expenses</b>	<b>\$ 585,964</b>	<b>\$ 655,032</b>

#### 5. NET FINANCE INCOME

Interest revenue is recognised using the effective interest method by accruing on a time proportion basis the interest due for the investment.

	<b>Actual 2018</b>	<b>Actual 2017</b>
	\$	\$
<b>Finance Income</b>		
Loans and receivables - Interest received	31,607	27,049
<b>Total finance income</b>	<b>\$ 31,607</b>	<b>\$ 27,049</b>

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short term, highly liquid investments with original maturities of three months or less.

	<b>Actual 2018</b>	<b>Actual 2017</b>
	\$	\$
Cash on hand and at bank	2,162,859	729,189
Cash equivalents - bank call deposits	19,573	19,504
ANZ Term Deposits	200,901	-
<b>Total cash and cash equivalents</b>	<b>2,383,333</b>	<b>748,693</b>
<b>Net cash and cash equivalents in the statement of cash flows</b>	<b>\$ 2,383,333</b>	<b>\$ 748,693</b>

<b>Interest rates</b>	<b>Term Deposit 1008</b>	
Cheque Account	0.10%	Interest rate: 1.9%
Call deposits	0.12%	Maturity date: 9 July 2018
Rates are percent per annum and subject to change at any time		Amount: \$200,901

## 7. SHORT TERM INVESTMENTS

Short term investments comprise term deposits which have a maturity greater than three months and therefore do not fall into the category of cash and cash equivalents.

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

	<b>Actual 2018</b>	<b>Actual 2017</b>
	\$	\$
<b>Short term Investments</b>		
ANZ Term Deposits	-	1,350,000
<b>Total short term investments</b>	<b>-</b>	<b>\$ 1,350,000</b>

## 8. TRADE RECEIVABLES

Short term receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. Impairment is the difference between the amount due and the present value of the amount expected to be collected.

	Actual 2018 \$	Actual 2017 \$
<b>Receivables under exchange transactions</b>		
Interest receivable	229	3,490
<b>Total receivables under exchange transactions</b>	<b>\$ 229</b>	<b>\$ 3,490</b>
<b>Receivables under non-exchange transactions</b>		
Accounts receivable	104,284	20,385
less: provision for impairment	(2,000)	-
<b>Total receivables under non-exchange transactions</b>	<b>102,284</b>	<b>20,385</b>
<b>Total Receivables</b>	<b>\$ 102,513</b>	<b>\$ 23,875</b>

All receivables greater than 30 days in age are considered past due. Receivables are normally assessed for collectability on an individual basis.

Movements in the provision for uncollectability of receivables are as follows:

Balance at 1 July	-	-
Additional provisions made during the year	2,348	-
Receivables written off during the year	(348)	-
<b>Balance at 30 June</b>	<b>\$ 2,000</b>	<b>-</b>

## 9. PROPERTY, PLANT AND EQUIPMENT

### i. Recognition and measurement

Items of property plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction its cost is measured at its fair value at the date of acquisition.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to SWRB. Ongoing repairs and maintenance are expensed as incurred.

### iii. Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are reported net in the surplus or deficit.

### iv. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in surplus or deficit on a straight line or diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment.

*The depreciation rates for the prior period:*

Leasehold Improvements	16.7% SL
Computer Equipment	48% DV
Furniture & Fittings	18% - 60% DV

*The depreciation rates for the current period:*

Leasehold improvements	16.7% SL
Computer Equipment	48% DV
Furniture & Fittings	18% - 39.6% DV

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

### v. Impairment of property, plant and equipment

SWRB does not hold any cash-generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

*Non cash-generating assets*

Property, plant and equipment are reviewed for indicators of impairment annually and recoverable service amount is estimated if such indicators are identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an assets carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### Breakdown of property, plant and equipment and further information

Movements for each class of property, plant, and equipment is as follows:

	Furniture & office equipment \$	Computer equipment \$	Leasehold alterations \$	Total \$
<b>Cost</b>				
Balance at 1 July 2016	142,210	94,054	81,364	317,628
Additions	17,016	23,796	-	40,812
Disposals	(1,119)	(1,807)	-	(2,926)
Balance at 30 June 2017 / 1 July 2017	158,107	116,043	81,364	355,514
Additions	1,217	2,413	-	3,630
Disposals	(3,715)	(61)	-	(3,776)
<b>Balance at 30 June 2018</b>	<b>\$ 155,609</b>	<b>\$ 118,395</b>	<b>\$ 81,364</b>	<b>\$ 355,368</b>

	Furniture & office equipment \$	Computer equipment \$	Leasehold alterations \$	Total \$
<b>Accumulated depreciation and impairment losses</b>				
Balance at 1 July 2016	71,294	73,174	29,056	173,524
Depreciation expense	17,413	18,329	14,567	50,309
Elimination on disposal	(832)	(760)	-	(1,592)
<b>Balance at 30 June 2017/1 July 2017</b>	<b>87,875</b>	<b>90,743</b>	<b>43,623</b>	<b>222,241</b>
Depreciation expense	14,557	12,075	14,568	41,200
Elimination on disposal	(210)	(127)	-	(337)
Transfer to assets held for sale	-	-	-	-
Impairment losses	-	-	-	-
Reversal of impairment losses	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>102,222</b>	<b>102,691</b>	<b>58,191</b>	<b>263,104</b>

<b>Carrying amounts</b>				
As at 1 July 2016	70,916	20,880	52,308	144,104
Balance at 30 June 2017/1 July 2018	70,232	25,300	37,741	133,273
<b>Balance at 30 June 2018</b>	<b>\$ 53,387</b>	<b>\$ 15,704</b>	<b>\$ 23,173</b>	<b>\$ 92,264</b>

## Restrictions

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

## Capital commitments

The amount of contractual commitments for the acquisition of property, plant, and equipment is \$nil (2017: \$nil)

## 10. INTANGIBLE ASSETS

### i. Recognition and measurement

Intangible assets 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 are recognised as an intangible asset. Staff training costs are recognised as an expense when incurred.

### ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in surplus or deficit as incurred.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with development and maintenance of SWRB's website are expensed when incurred.

### iii. Amortisation

Amortisation is recognised in surplus or deficit on a straight line basis over the estimated useful lives of each amortisable intangible asset. The amortisation charge for each financial year is expensed in the surplus or deficit.

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

Website and database	5 years	20% SL
----------------------	---------	--------

### iv. Impairment of intangible assets

Refer to the policy for impairment of property, plant and equipment in Note 9. The same approach applies to the impairment of intangible assets.

### v. Critical accounting estimates and assumptions

#### *Estimating useful lives of software assets*

SWRB's internally generated software largely comprises an interactive database provided to the public as part of SWRB's regulatory functions. Internally generated software has a finite life, which requires SWRB to estimate the useful life of the software assets.

In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use;
- the effect of technological change on systems and platforms; and
- the expected timeframe for the development and replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position.



SWRB has estimated a useful life of 5 years for its regulatory platform. This useful life is still considered reasonable based on the current performance and use of the software. There are currently no indicators the period of use of the software will be materially different.

### Breakdown of intangible assets and further information

Movements for each class of intangible asset are as follows:

	Database & Website \$	Total \$
<b>Cost</b>		
Balance at 1 July 2016	547,252	547,252
Additions	33,993	33,993
Disposals	-	-
Balance at 30 June 2017 / 1 July	581,245	581,245
Additions	9,975	9,975
Disposals	-	-
<b>Balance at 30 June 2018</b>	<b>\$ 591,220</b>	<b>\$ 591,220</b>

	Database & Website \$	Total \$
<b>Accumulated depreciation and impairment losses</b>		
Balance at 1 July 2016	392,936	392,936
Amortisation expense	64,644	64,644
Elimination on disposal	-	-
<b>Balance at 30 June 2017 / 1 July</b>	<b>457,580</b>	<b>457,580</b>
Amortisation expense	56,609	56,609
Elimination on disposal	-	-
Impairment losses	-	-
Reversal of impairment losses	-	-
<b>Balance at 30 June 2018</b>	<b>514,189</b>	<b>514,189</b>

<b>Carrying amounts</b>		
As at 1 July 2016	154,316	154,316
Balance at 30 June 2017 / 1 July	123,665	123,665
<b>Balance at 30 June 2018</b>	<b>\$ 77,031</b>	<b>\$ 77,031</b>

## Restrictions

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

## Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2017: \$nil)

## 11. PAYABLES

Short term payables are recorded at the amount payable.

	Actual 2018 \$	Actual 2017 \$
<hr/>		
Payables under exchange transactions		
Accounts payable	116,998	166,379
Accruals	20,101	21,521
<b>Total payables under exchange transactions</b>	<b>\$ 137,099</b>	<b>\$ 187,900</b>

	Actual 2018 \$	Actual 2017 \$
<hr/>		
Payables under non-exchange transactions		
Taxes payable (GST & PAYE)	279,703	217,110
Total payables under non-exchange transactions	279,703	217,110
<b>Total Payables</b>	<b>\$ 416,802</b>	<b>\$ 405,010</b>

## 12. DEFERRED REVENUE

	Actual 2018 \$	Actual 2017 \$
<hr/>		
Deferred revenue under non-exchange transactions		
Income in advance (annual practising certificate)	1,542,342	1,428,449
Prepaid registration application fees	60,000	60,000
<b>Total deferred revenue under non-exchange transactions</b>	<b>\$ 1,602,342</b>	<b>\$ 1,488,449</b>

SWRB's annual practising certificate year commences on 1 July. Fees received prior to balance date for the subsequent year are recorded as fees received in advance.

## 13. OPERATING LEASE

### i. Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased assets are classified as operating leases.

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(i) Leases as lessee

	2018 < 1 year \$	2018 2-5 years \$	2017 < 1 year \$	2017 2-5 years \$
<b>Rental Lease</b>				
Level 6, 11 Chews Lane, 45-55 Willis Street, Wellington				
Operating lease	96,420	64,280	96,420	160,700
Lease incentive	(6,276)	(4,203)	(6,276)	(10,479)
<b>Total rental lease commitments</b>	<b>\$ 90,144</b>	<b>\$ 60,077</b>	<b>\$ 90,144</b>	<b>\$ 150,221</b>

The lease commenced 1 March 2014, and expires 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.

	2018 < 1 year \$	2018 2-5 years \$	2017 < 1 year \$	2017 2-5 years \$
<b>Other lease commitments</b>				
Photocopier	563	-	1,688	563
Telephones	162	-	649	162
<b>Total other lease commitments</b>	<b>725</b>	<b>-</b>	<b>2,337</b>	<b>725</b>
<b>Total lease commitments</b>	<b>\$ 90,869</b>	<b>\$ 60,077</b>	<b>\$ 92,481</b>	<b>\$ 150,946</b>

SWRB has entered into a lease agreement for a photocopier commencing 7 November 2013 for a term of five years. SWRB has entered into a lease agreement for rental of telephones commencing 1 October 2015 for a term of three years.

SWRB has no lease commitments for the period five years or later (2017:Nil)

## 14. EMPLOYEE ENTITLEMENTS

### Short term employee entitlements

Employee benefits that are to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

## Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

## Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

## Critical accounting estimates and assumptions

### Measuring retirement and long service leave obligations

Long service leave is calculated using the the Projected unit credit (PUC) method.

The present value of long service leave obligations depend on a number of factors that are determined on an actuarial basis. The two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

The salary inflation factor of 2.5% has been determined after considering historical salary inflation patterns. Actual entitlement owing has been used in 2018 due to the long service leave vesting.

## Breakdown of employee entitlements

### Current portion

	Actual 2018 \$	Actual 2017 \$
Annual leave	37,877	45,195
Salaries payable	12,847	-
Long service leave	24,455	-
	<b>\$ 75,179</b>	<b>\$ 45,195</b>

## 15. CONTINGENCIES

There are no contingent liabilities and no contingent assets as at 30 June 2018 (Contingent liabilities and assets at 30 June 2017: nil).

## 16. RELATED PARTY TRANSACTIONS

SWRB is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client / recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect SWRB would have adopted in dealing with the party at an arm's length in the same circumstances.

## Key management personnel compensation

	Actual 2018 \$	Actual 2017 \$
<b>Board members</b>		
Remuneration	\$ 87,432	\$ 72,164
Full time equivalent members	0.50	0.46
<b>Leadership team</b>		
Remuneration	\$ 499,129	\$ 437,601
Full time equivalent members	3.75	3.42
<b>Total key management personnel remuneration</b>	<b>\$ 586,561</b>	<b>\$ 509,765</b>
<b>Total full-time equivalent personnel</b>	<b>4.25</b>	<b>3.88</b>

The full time equivalent for Board members has been determined based on the frequency and length of meetings and the estimated time frame for Board members to prepare for meetings. An analysis of Board member remuneration is provided in Note 3.

## 17. FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	NOTE	Actual 2018 \$	Actual 2017 \$
<b>Financial liabilities measured at amortised cost</b>			
Payables (excluding deferred revenue and taxes payable)	11	137,099	187,900
Employee entitlements	14	75,179	45,195
Lease liability	13	10,479	16,755
<b>Total financial liabilities measured at amortised cost</b>		<b>222,757</b>	<b>249,850</b>
<b>Loans and receivables</b>			
Cash and cash equivalents	6	2,383,333	748,693
Receivables	8	102,513	23,875
Short term investments	7	-	1,350,000
<b>Total loans and receivables</b>		<b>\$ 2,485,846</b>	<b>\$ 2,122,568</b>

## 18. EVENTS AFTER REPORTING DATE

There were no significant events after the reporting date that impact these financial statements.

## 19. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations of major variances from SWRB's budgeted figures in the statement of performance expectations are as follows:

### **Statement of comprehensive revenue and expense**

Total revenue (not including interest) is \$244k above budget, primarily driven by increased volume of registrants and the one-off MSD contribution to funding model review

Variances in individual expense categories from budget are due to the reclassification of the expenses. Internal budget categories have been used and these agree to the statement of performance expectation's overall total.

### **Statement of cash flows**

Cashflow from investing activities was \$1.1m more than expected due to an administrative delay in placing funds available on short term deposit. Excess funds were invested shortly after balance date.

## 20. SIGNIFICANT ADJUSTMENTS ARISING ON TRANSITION TO TIER 2 PBE STANDARDS RDR

There have been no transitional adjustments to the net assets / equity arising on the transition to Tier 2 PBE Standards RDR.









SOCIAL WORKERS  
REGISTRATION BOARD

Offices:

**Level 6**  
**11 Chews Lane**  
**Wellington 6011**

Postal Address:

**PO Box 3452**  
**Wellington Central**  
**Wellington 6140**

[www.swrb.govt.nz](http://www.swrb.govt.nz)

