



**Social Workers
Registration Board**

Kāhui Whakamana Tauwhiro

Aotearoa New Zealand's national social worker regulator

**Statement of Performance
Expectations 2021/2022**

For the period ending 30 June 2022

June 2021

Our Whakatauki

He ara pūkenga, he ara tauwhiro, hei whakamana mātā waka

The many pathways to knowledge, the many pathways of social work, upholding the dignity of all

Built from our foundational ngā uara/values

Matatika	To do what is right and just, ethical, fair, equitable, honest, unbiased, impartial, moral, trustworthy
Manaaki	To look after the dignity of others, to support, to tend to take care of, protect, look out for, show respect, generosity, and kindness towards others
Mahitahi	To work together as one, collaborate, cooperate, co-design, connect, interact, reciprocate, discuss, debate, work in unity with teamwork and synergy
Māia	To be bold, brave, capable, confident, courageous, and have endurance, strength, resilience

SAFE

We promote the safety of the public

PROFESSIONAL

We ensure social workers are qualified, knowledgeable, maintain CPD and undertake supervision

ACCOUNTABLE

We ensure social workers are accountable for their practise

INSIGHT

We provide insights into the social worker workforce

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Foreword

The Social Worker's Registration Board (SWRB) is Aotearoa New Zealand's national social worker regulator.

We are a Crown Agent under the Crown Entities Act 2004 and are governed by a seven-member Board appointed by the Minister for Social Development and Employment, under the Social Workers Registration Act 2003. We are monitored by the Ministry of Social Development and accountable to the Minister for Social Development and Employment. The SWRB is the only Crown entity regulator in the social sector.

We have approximately 30 staff located in our Wellington Office.

It is our role to protect the **SAFETY** of members of the public by maintaining a register of social workers, by ensuring that social workers are **PROFESSIONAL** in their practise, and that social workers are **ACCOUNTABLE** for their practise. We also provide **INSIGHT** into the social worker workforce, through our Lead Agency role for social worker workforce planning (this role was assigned to us by the Minister for Social Development and Employment in August 2020).

In addition to maintaining the social worker register and supporting the complaints and disciplinary function, we set and promote standards for social work education and recognise providers of education programmes for social work qualifications. We are also increasingly providing insights and regulatory guidance, including lessons we can gain from our complaints process and sharing the outcomes from the independent Social Workers Disciplinary Tribunal.

We also contribute towards the Government's broader Wellbeing priorities by supporting social workers to improve client physical and mental health outcomes, improving child, youth, and whānau wellbeing, and increasing access to support services that are culturally responsive.

Our mandate is similar to other regulatory authorities under the Health Practitioners Competence Assurance Act 2003. However, there are important differences in that the SWRB is a Crown Agent with additional accountability responsibilities. These responsibilities include enhancing social worker professionalism, and our mandate requires promotional and stakeholder engagement activities with the sector, employers, education providers and the public. As a fees and levy funded organisation, we operate on a cost recovery basis. We want to be transparent with the sector and other stakeholders on the nature of those costs. Therefore, in future we intend to undertake consultation prior to raising fees or the Disciplinary Levy to cover our costs, to allow for sector feedback.

Whilst we are transforming our practices as a modern regulator, by opening and increasing our communication channels and proactively engaging with social workers, employers, and the public, we continue to face funding challenges.

For the past two years we have been focusing on the move from manual to digital processing, developing policy and processes for mandatory registration, and informing the sector of the legislative changes. We have met the challenge of managing our operational

change programme, including building the base infrastructure to support the organisation to become more efficient and effective. This implementation funding has now ended, with no ongoing support for our new mandatory business as usual. The Minister has recognised that this puts the SWRB in a fragile financial position and puts us at risk of failing to continue our improvement journey. Through positive engagement with MSD, our Crown Monitor we have received Crown funding of \$450,000, that will ensure the medium-term financial sustainability of the organisation, whilst work on a fees and funding review is completed.

Whilst our aspirational 2021/22 priorities support both our continued journey to becoming a modern Government regulator and the continuous improvement of our policies and processes, we have revised our expectations, in the light of our funding constraints.

We will continue our work to maximise the contribution that the social sector makes to the wellbeing of all New Zealanders, within our reduced funding envelope.



A handwritten signature in cursive script, appearing to read "Shannon Pakura".

Shannon Pakura, RSW
Chair, SWRB

A handwritten signature in cursive script, appearing to read "Sarah Clark".

Sarah Clark
Chief Executive, SWRB

Board Statement

This Statement of Performance Expectations (SPE) reflects our proposed performance targets and forecast financial information for the financial year 1 July 2021 to 30 June 2022.

This SPE is produced in accordance with the requirements of section 149E of the Crown Entities Act 2004.

The forecast financial statements and underlying assumptions in this SPE have been authorised as appropriate for issue by the Board of the SWRB, in accordance with its role under the Crown Entities Act 2004.

The Board acknowledges responsibility for the information and prospective financial statements contained in this SPE.

Signed on 30 June 2021



Shannon Pakura, RSW
Chair, SWRB



Adam Davy
Chair, Finance Audit and Risk Committee,
SWRB

Section One

Our Performance Story

Strategic Context

The Social Workers Registration Board (SWRB) is Aotearoa New Zealand’s national social worker regulator. We protect the **SAFETY** of members of the public, by maintaining a register of social workers, by ensuring that social workers are **PROFESSIONAL** to practise, and that social workers are **ACCOUNTABLE** for their practise. We also provide **INSIGHT** into the social worker workforce.

We were established in 2003 and are governed by a seven-member Board appointed by the Minister for Social Development and Employment, under the Social Workers Registration Act 2003. We have three core roles:

Regulation	Registration, certification, scope of practice, conduct & competence standards, education programme recognition, complaints & notifications, and policy advice to Government that supports PROFESSIONAL and ACCOUNTABLE social work.
Compliance	Support, encourage, require compliance, and support Professional Conduct Committees and the Disciplinary Tribunal to ensure the SAFETY of the public
Workforce planning	Collect and analyse workforce data and information, and develop INSIGHT for others to use in workforce planning

Ngā uara/Our values

We operate increasingly by taking an intelligence-led, risk focused and evidence-based approach. Our new values/ngā uara of Matatika, Manaaki, Mahitahi and Māia will be the foundations of everything we do.

Matatika	To do what is right and just, ethical, fair, equitable, honest, unbiased, impartial, moral, trustworthy
Manaaki	To look after the dignity of others, to support, to tend to, take care of, protect, look out for, show respect, generosity, and kindness towards others
Mahitahi	To work together as one, collaborate, cooperate, co-design, connect, interact, reciprocate, discuss, debate, work in unity with teamwork and synergy
Māia	To be bold, brave, capable, confident, courageous, and have endurance, strength, resilience

Within an ever-changing environment (including the COVID-19 pandemic), we continue to evolve, learn, and shape ourselves to the current social and cultural landscape of Aotearoa. As a regulator, we continue to evolve as circumstances and society require, developing how we will look and be as a Treaty-led, values-based organisation.

This has provided an opportunity for us to revisit our values in a way that recognises the work of those who laid the path, our current journey to mandatory registration and our future goal of becoming a modern regulator.

Our values/ngā uara were shared with Māori experts within the regulatory space. Their feedback was positive, although they emphasised the challenge of embedding the accountability of these values into the organisation with staff, teams and collectively as the SWRB. We also need to bring ngā uara into our regulator activities and functions to earn value and respect.

Giving life to ngā uara in a way that inspires staff, is inclusive of all, and influences our regulator activities and functions will be a focus for additional effort and resource over the coming year.

Organisational structure

Following our organisational restructure in September last year we reviewed our functional areas to ensure that we are fit for purpose and able to deliver effectively on our three core roles and annual priorities.

Our current organisational structure is as follows:



Setting the scene

Aotearoa New Zealand's national social worker regulator			
Our whakataukī (proverb) is...			
He ara pūkenga, he ara tauwhiro, hei whakamana mātā waka The many pathways to knowledge, the many pathways of social work, upholding the dignity of all			
Our purpose is to...			
Legislative mandate			Assigned lead agency
Protect the safety of members of the public	Enhance social worker professionalism	Promote the benefits of registration	Social worker workforce planning
<i>SAFE - Fitness to practise, character/reputation, health convictions</i>	<i>PROFESSIONAL- Qualified, experienced, knowledgeable, skilled, maintain CPD and supervision</i>	<i>ACCOUNTABLE - Held to account if not meeting conduct, competence, or health standards</i>	<i>INSIGHT - Data, information, and insights on where social workers are needed most</i>
Our vision is that... "Social workers in Aotearoa are accountable, recognised and valued" amongst our key audiences being...			
Social workers	Iwi	Employers	Minister & Ministry
Our four outcomes , which support our vision are...			
Active partner with Māori	Responsive to Aotearoa's diverse communities	Social workers have strong professional practise	There is public trust and confidence in the social worker profession
...which we seek to achieve through our three core roles ...			
Regulation	Registration, certification, scope of practice, conduct & competence, education programme recognition, notifications, policy advice		
Compliance	Support, encourage, and require compliance, support Professional Conduct Committees and Disciplinary Tribunal		
Workforce planning	Collect and analyse workforce data and information, and develop insights, for others to use in workforce planning		

Operational focus for 2021/2022

Building on work to date

Our new structure will support us to focus on ensuring that social workers are **SAFE**, **PROFESSIONAL**, and **ACCOUNTABLE**, and enable us to provide the **INSIGHT** the sector needs to have the right number of social workers in the right place to meet demand for social work services, at the right time.

Our journey to being an intelligence-led, risk focused, and evidence-based regulator is supporting our core roles of regulation, compliance and workforce planning and enabling us to deliver on the annual expectations set by the Minister for Social Development and Employment.

As well as continuing to deliver on our core roles, 2021/2022 will see us focus our resources towards:

- strengthening social worker professionalism
- ensuring that Māori development is central to our work
- building our understanding of workforce planning evidence and growing sector connectedness.

Strengthening social worker professionalism

The introduction of a mandatory environment is itself a significant step forward in the professionalisation of social work in Aotearoa New Zealand, where we ‘support and encourage’ high standards of practice and professional conduct among social workers and the employers of social workers.

In 2022, we will build our capacity to do research, surveys, and data analysis (including of complaints and notifications received) that includes identifying trends in harm by practitioners and social work issues. This will inform our activities directed at social worker professionalism, such as:

- information and compliance marketing campaigns for social workers, social work students, employers, education providers and the public, and to attract people into the social work profession or return to practise
- audits/reviews of social workers’ continuing professional development logs targeted to parts of the sector showing the highest harm by practitioners, rather than randomly as currently
- provide learnings for the sector from Tribunal determinations
- transition the Zoom webinar series to focus on issues related to professional obligations such as understanding the Scope of

Practice, Code of Conduct, and mandatory reporting of serious misconduct

- moving 8,500 social workers onto the new MySWRB online access as part of the practising certificate round
- reviewing competence standards
- education framework staged development including reviewing the Programme Recognition Standards to improve consistency and quality of social work degrees. This includes working with Te Pūkenga (NZ Institute of Skills and Technology), which has signalled social work as a priority area
- updating the Code of Conduct and professional standards.

Ensuring that Māori development is central to our work

The aims, aspirations, involvement, and engagement of Māori as tangata whenua continue to be integral to our priorities in 2021/22 by:

- establishing a Māori Development Strategy and action plan so that we can become an organisation that is known for being culturally competent and aware, inclusive, and understanding of tangata whenua needs
- strengthening our relationship with our Te Kāhui Māori who advise the Board
- growing our internal capability
- building on our engagement with Kaupapa Māori social services, educators, and Māori social workers
- focusing on tikanga within the organisation including staff performance appraisal measures reflecting Te Ao Māori and team meetings being facilitated from Te Ao Māori values (our organisational values)
- launching a speaker series on the intersection between Te Ao Māori and the regulatory space.

There is more to do to get to where we can genuinely meet our obligations under the Act to –

Ensure the aims and aspirations of Māori as tangata whenua and appropriate involvement of Māori as tangata whenua are integral and ongoing priorities, and

Maintain mechanisms to ensure the views of Māori as tangata whenua are readily accessible to us at all times.

Building our understanding of workforce planning evidence and growing sector connectedness

In August 2020, Cabinet agreed to designate the Social Workers Registration Board as the lead agency to provide and support workforce planning for all social workers. The intent is to support a strategic, cross-sectoral approach to coordinate and promote action to ensure that the supply of social workers can meet demand. The SWRB will act as a focal point of expertise and knowledge in relation to the social worker workforce, wherever social workers are employed or deployed. It will contribute to ensuring that health and social services are of high quality, where social workers involved can be held accountable for their practice. Activities include:

- conducting our annual social worker workforce survey through our new database (iMIS)
- based on the workforce survey we plan to develop further workforce reporting capability through iMIS and later in the year capture workforce data from employers of social workers, social work educators and potentially through the social workers' Continuing Professional Development (CPD) process
- we are building our links with other agencies that have a workforce function including the Ministries of Health, Education, Oranga Tamariki and the Ministry of Business, Innovation and Employment. Based on their advice and our suite of workforce data, we are exploring the possible development of a demand and supply tool. In addition, we are also exploring research opportunities with social researchers, and social work providers and agencies into unmet need
- to support this work, we will recruit an Advisor - Workforce Planning and Data and Insights Analyst.

As well as our focus towards the three programmes of activity listed above, we will also continue to strengthen our business-as-usual operations. This will help us to maintain our digital infrastructure, for example through our iMIS database, and our use of improved and higher levels of data to inform our activities through higher quality and more timely activities.

We will also update our Statement of Intent (SOI) 2017–2021 later this year.

Our proposed work programme is provided on the next page.

Proposed 2021/22 work programme

2021/22 work programme	Board governance & Crown entity obligations	Professional obligations	Professionalism & professional identity enhancement	Complaints & disciplinary
	<p>Priority (2 to 4 years – Outcomes Framework)</p> <p>Project</p> <p>Core operations</p>	Statement of Intent 2021-2025	Education framework staged development	Māori development action plan & activities
	Board induction & training	Code of Conduct & professional standards	Information campaigns	Complaints & notifications
	Board self-evaluation	Competence framework & standards review	Guidance & practice notes	Supporting Professional Conduct Committee cases
	Kaupapa Māori/ build internal capability	Assessment panels skills review	Research & data analysis	Supporting Disciplinary Tribunal hearings
	Kahui/Board Advisory	Return to practice criteria	Compliance marketing campaigns	Complaints & notifications data capture process
	Governance support (secretariat)	CPD business rules & processes	Social worker CPD audits	Serious misconduct, health, competence mandatory reporting criteria
	Memoranda of Understanding with agencies & organisations	Fit & proper - previous convictions criteria	Workforce Survey Education Provider Survey	
	Crown entity strategy, planning & performance requirements			Storage of electronic evidence
	Letter Of Expectation from the Minister of Social Development			Complaints & notifications data analysis & trends insights
	2022 Funding review			Social worker workforce function phasing
				Internal & external communications activities (website, publications, Ministerials, OIAs, guides, press releases)
				Influencing policy development
				Team operations (registration, education, policy, social worker advisory, professional standards, finance, HR, IT)

-  In progress
-  Ongoing
-  Starts in 2021/22

Section Two

Statement of Performance Expectations 2021/2022

Output Class: delivery of mandatory registration and workforce planning for all social workers

The following Statement of Performance Expectations (SPE) sets out the outputs the SWRB is funded to provide and the standards against which we will assess our performance.

Our SPE outlines the performance expectations of the SWRB for the year ended 30 June 2022, covering both service performance and the prospective financial statements that are agreed with the Minister for Social Development and Employment.

The SPE is a key element of public and government accountability and enables the Crown to be part of setting annual expectations for the entities that it directly funds.

The SWRB currently delivers services under a single Output Class: delivery of mandatory registration and workforce planning for all social workers. There is further work over the coming year to begin reporting under sub output classes; likely to cover our three core roles, regulation, compliance, and workforce planning.

As part of our transformational journey, the SWRB is in the process of reviewing performance measures. This review will ensure that our measures remain relevant, fit for purpose, and provide a fuller picture of our organisational performance, in the new mandatory environment. This includes our SPE measures as well as those to be included in our new SOI.

As a result of this review a range of new and/or revised measures are provided within this SPE.

How will we measure our performance?

Output Class: Delivery of mandatory registration and workforce planning for all social workers				
Output measure description and type	Source	2020/21 Target	2020/21 Estimated Result	2021/22 Target
Timeliness measures (T)				
SPE(T)1: Number and percentage of New Zealand qualified registration applicants who are notified of the outcome of their application within 40 working days¹	Application tracking through iMIS	New measure		80%
SPE(T)2: Number and percentage of complaints and notifications that initial decisions are made on (and social worker or complainant² informed of) within 40 working days	Notification tracking	New measure		65%
Quantitative measures (QT)				
SPE(QT)1: Assist education providers to ensure that they are meeting education standards through midcycle reviews and programme re-recognitions³ (<i>updated measure</i>)	Education programme recognitions and reviews, Consultation Log	4 programme re-recognitions 4 programme midcycle reviews (Standard for previous measure)	3 programme re-recognitions 2 midcycle reviews (Estimate for previous measure)	<ul style="list-style-type: none"> ▪ 3 midcycle reviews ▪ 5 programme re-recognitions
Qualitative measures (QL)				
SPE(QL)1: Percentage of applicants who report being satisfied with the registration process⁵ (<i>updated measure</i>)	Survey	80-85% (Standard for previous measure)	58% (Estimate for previous measure)	80%
SPE(QL)2: Percentage of applicants who report being satisfied with the practising certificate renewal process⁴ (<i>updated measure</i>)	Survey	80-85% (Standard for previous measure)	74% (Estimate for previous measure)	80%

¹ Measures relating to the s13 experience pathway and overseas pathways will be incorporated in the next financial year following the update of these policies and procedures.

² In cases where the social worker is not informed that a notification was made due to the fact that no further action (NFA) is being taken, the period included in this measure ends when the complainant is told of this NFA decision.

³ Refers to the SWRB Programme Recognition Standards.

^{5 & 4} Timeliness has been removed from both satisfaction measures in order to avoid the conflation of two variables through one numerical average. Further, our survey question for this measure asks about 'overall satisfaction' with the process, which incorporates timeliness.

SPE(QL)3: Percentage of staff and other attendees who report that the Māori Speaker Series improved their understanding of te ao Māori within the regulatory context	Survey	New measure		85%
SPE(QL)4: Feedback is sought from the sector on key policy and programme changes	Sector Support & Engagement reports	New measure		This can be evidenced through: <ul style="list-style-type: none"> ▪ Consultation with the operational policy reference group ▪ Ad hoc working groups <ul style="list-style-type: none"> ▪ Stakeholder surveys ▪ Zoom sessions and in-person engagement ▪ Monitoring and responding to emails
SPE(QL)4: Percentage of stakeholders who rate leadership provided by the SWRB on social workings registration and workforce planning as effective ⁵	Survey (TBC)	75%	TBC	75%

Operational Performance

Operational performance measure description and type	Source	2020/21 Target	2020/21 Estimated Result	2021/22 Target
Timeliness measures (T)				
SPE(T)3: Number and percentage of invoices paid within 10 working days	Financial management system	New measure		75%
Quantitative measures (QT)				
SPE(QT)2: Percentage of suppliers that are Māori businesses ⁶	Masterfile of suppliers	New measure		5%

⁵ This is the performance measure contained in the 2021/2022 Estimates. NB This measure will be reviewed during 2022/2023 estimates process as it cannot be collected.

⁶ This measure has been developed in alignment with the updated government procurement targets.

Prospective financial statements for the Social Workers Registration Board

For the year ending 30 June 2022

Prospective revenue and expense for 2021-22 for the SWRB

Expense on the output for 2021/2022 will be funded by payments received by the Board from social workers who apply for registration, from Registered Social Workers who wish to maintain their registration and from Tertiary Education Organisations that require their social work qualifications to be recognised for the purposes of the Social Workers Registration Act 2003.

Actual 2019/20 \$000	Actual 2020/21 \$000		Forecast 2021/22 \$000
4,251	5,227	Revenue	4,950
3,637	5,243	Expense	5,191
614	(16)	Total surplus/(deficit)	(241)

Statement of prospective comprehensive revenue and expense for the SWRB for the year ending 30 June 2022

Actual 2019/20 \$	Actual 2020/21 \$		Forecast 2021/22 \$
		Revenue	
2,691,669	3,381,305	Registration & practising fees and levy	3,446,076
1,343,000	1,393,000	Revenue from the Crown Program recognition & other revenue	1,168,000
172,081	436,865	Interest	325,656
44,115	15,555		9,996
<hr/>	<hr/>	Total Income	<hr/>
4,250,866	5,226,725		4,949,728
		Expense	
107,492	118,164	Administration and overhead costs	173,579
211,522	304,034	Complaints and tribunal fees	180,000
49,007	193,500	Publications & Promotions	140,108
48,362	136,209	Depreciation & amortisation	117,004
2,310,449	3,199,779	Personnel costs	3,495,211
910,015	1,290,982	Other expenses	1,085,320
<hr/>	<hr/>	Total Expense	<hr/>
3,636,847	5,242,668		5,191,222
<hr/>	<hr/>	Other Comprehensive revenue	<hr/>
0	0		0
<hr/>	<hr/>	Net Surplus/(deficit)	<hr/>
614,019	(15,943)		(241,494)

The accompanying notes and accounting policies form part of these financial statements.
These statements have not been audited

Statement of prospective changes in equity for the SWRB for the year ended 30 June 2022

Actual 2019/20 \$	Actual 2020/21 \$		Forecast 2021/22 \$
479,768	1,093,787	Total Crown Equity at start of year	1,077,844
614,019	(15,943)	Net surplus/(deficit)	(241,494)
<u>1,093,787</u>	<u>1,077,844</u>	Total Crown Equity at end of year	<u>836,350</u>

The accompanying notes and accounting policies form part of these financial statements
 These statements have not been audited

Statement of prospective financial position for the SWRB as at 30 June 2022

Actual 2019/20 \$	Actual 2020/21 \$		Forecast 2021/22 \$
		Current Assets	
1,222,752	1,954,856	Cash & cash equivalents	1,958,497
1,035,129	2,204,986	Account receivable	2,305,093
1,311,098	200,000	Investments	650,000
83,330	80,477	Prepayments	80,477
<u>3,652,309</u>	<u>4,440,319</u>		<u>4,994,067</u>
		Non-current assets	
76,058	58,878	Property plant & equipment	50,878
<u>216,784</u>	<u>394,271</u>	Intangible assets	305,268
<u>3,945,151</u>	<u>4,893,468</u>	Total Assets	<u>5,350,213</u>
		Less	
		Current Liabilities	
500,387	714,315	Accounts payable & accruals	598,717
117,198	129,208	Employee costs payable	175,288
2,141,134	2,861,393	Income received in advance	3,710,492
92,647	81,344	Deferred lease liability	29,366
<u>2,851,366</u>	<u>3,786,260</u>		<u>4,513,863</u>
		Non-Current Liabilities	
0	29,366	Deferred lease liability	0
<u>2,851,366</u>	<u>3,815,626</u>	Total Liabilities	<u>4,513,863</u>
<u>1,093,787</u>	<u>1,077,844</u>	Net Assets employed	<u>836,350</u>
		Crown Equity	
479,768	1,093,787	Accumulated surplus	1,077,844
614,019	(15,943)	Current year surplus/(deficit)	(241,494)
<u>1,093,787</u>	<u>1,077,844</u>	Total Crown Equity	<u>836,350</u>

The accompanying notes and accounting policies form part of these financial statements
 These statements have not been audited

Statement of prospective cash flows for the SWRB for the year ended 30 June 2022

Actual 2019/20 \$	Actual 2020/21 \$		Forecast 2021/22 \$
		Cash Flows from Operating Activities	
1,984,547	3,158,168	Revenue received	4,603,615
1,343,000	1,601,950	Revenue from the Crown	1,343,200
47,146	17,011	Interest received	11,496
(1,553,893)	(2,044,547)	Payment to suppliers	(1,983,515)
(1,921,286)	(2,815,060)	Payment to employees	(3,501,155)
<u>(100,487)</u>	<u>(82,477)</u>	Net Cash flows from operating activities	473,641
		Cash Flows from Investing Activities	
541,047	1,111,098	Net movement in bank term deposits held	(450,000)
1,693	-	Sale of property, plant & equipment	-
(48,125)	(39,367)	Purchase of property, plant & equipment	(20,000)
(202,263)	(257,150)	Purchase of intangible assets	-
<u>292,352</u>	<u>814,581</u>	Net Cash flows from investing activities	(470,000)
191,866	732,104	Net increase (decrease) in cash or cash equivalents	3,641
1,030,886	1,222,752	Cash or cash equivalents at beginning of year	1,954,856
<u>1,222,752</u>	<u>1,954,856</u>	Cash or cash equivalents at end of year	<u>1,958,497</u>

The accompanying notes and accounting policies form part of these financial statements
 These statements have not been audited

Notes to the prospective financial statements

For the year ending 30 June 2022

Basis of preparation

The forecast financial statements of the Social Workers Registration Board have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice.

These forecast financial statements comply with public benefit entity (PBE) financial reporting standard (FRS) 42 – Prospective Financial Statements. They have been prepared in accordance with Tier 2 PBE Accounting Standards. We are required to prepare a Statement of Performance Expectations including prospective financial statements at or before the start of each financial year to promote public accountability by providing a base against which entity's actual performance can later be assessed. The forecast financial statements may not be appropriate for any other purposes.

All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Changes in accounting policies

There have been no changes in accounting policies. All accounting policies were applied consistently during the period.

Functional and presentation currency

The financial statements are presented in New Zealand dollars. Transactions not in New Zealand dollars are translated at the exchange rate at the date of the transaction, Monetary asset and liability balances are to be translated using the exchange rate at balance date.

Significant accounting policies

Revenue

Revenue is recognised to be extent that it is probable that economic benefit will flow to the Board and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the Crown

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements. This funding is restricted in its use for the purpose of the Board meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder.

Revenue from exchange transaction

Interest income

Interest revenue is recognised as it accrues, using the effective interest method.

Revenue from non-exchange transaction

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.

Disciplinary Levy

The disciplinary levy is to reflect the costs of managing complaints and disciplinary processes. The disciplinary levy income is recognised as income upon receipt by the applicant.

Leases

Operating leases

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

Cash and cash equivalents

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

Accounts receivable

Accounts receivable are 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.

Investments

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

Short-term investments

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

Property, plant, and equipment

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably, and the total value of the item exceeds \$2,000.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset.

Gains and losses on disposals are included in the statement of financial performance.

Subsequent costs

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as they are incurred.

Depreciation

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

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

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

Leasehold improvements (16.7% SL)

Furniture and office equipment (18% - 60% DV)

Computer equipment (48% DV)

Impairment of property, plant and equipment

If an asset's value to the Board in using the asset falls below the carrying amount of the asset it is impaired and the carrying amount is written down to the recoverable amount and recognised in the statement of financial performance.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The Board does not hold any intangible assets that have an indefinite life.

The amortisation periods for the Board's assets are as follows:

Developed website and computer software (20% SL)

Creditors and other payables

Creditors and other payables are initially measured at cost.

Employee benefits

Wages, salaries, and annual leave

Payments for wages, salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis.

Income tax

The Board is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

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