

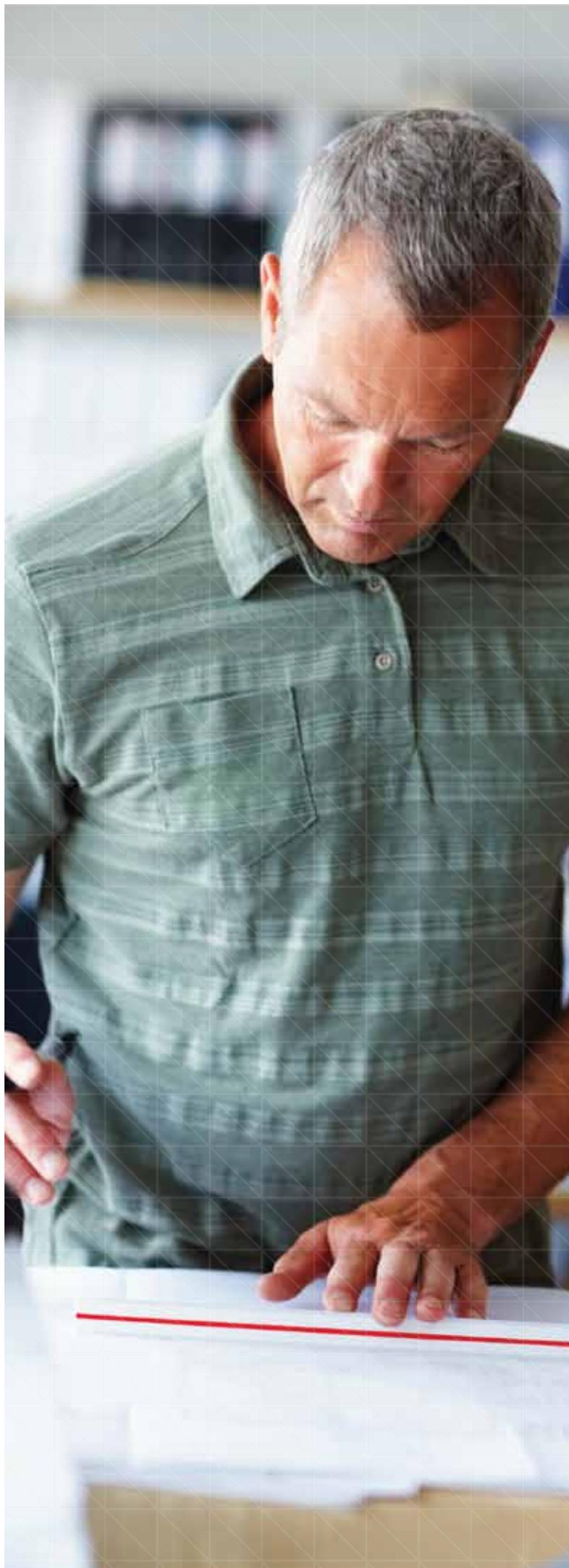


Architects Registration Board.
Annual Report 2011

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Annual report 2011

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2011 Headlines

- Revised electoral scheme for electing architects to the Board approved by the Privy Council
 - Resolved 196 cases of possible wrongful use of the title “architect” by correspondence
 - Consulted widely on revisions to the General Rules, with Board approving all proposed changes
 - Held the retention fee at £80 - the same level as in 2010
 - Retention fee collection period shortened from 90 days to 60 days from 2013
 - Improved the procedures for the prescribed examination to take account of the new Criteria
 - ARB's Equality Scheme revised and updated to take account of the public sector equality duty
 - Changed the provisions for practical training experience to reflect the global nature of the practice of architecture
 - Fraud and Bribery Prevention policy introduced following enactment of the 2010 Bribery Act
 - Renewed prescription of 12 qualifications
 - Participated in the European Commission's consultation on the Qualifications Directive
 - Attended the Home building and Renovating show at the NEC in Birmingham to raise the profile of the UK Register of Architects
 - Continued to be an active participant in the Architects Council of Europe, ensuring that the UK has a voice in architectural developments at a European level
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01.

About ARB

Chair's foreword

2011 has been a year where it was very much "business as usual" for the Board and its committees as we continued to deliver our statutory responsibilities under the Architects Act 1997.

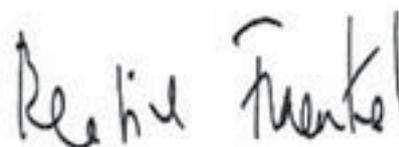
The economic climate is still very much to the forefront of our minds when we make decisions, particularly where those decisions directly affect architects. Many practices - from small to large - are having to weather the additional pressures brought about by the downturn in the economy. It is therefore important for us as their regulator to maintain a dialogue with RIBA and other professional bodies to ensure that we keep abreast of the difficulties that the profession is facing. As Chair, I find it particularly helpful to meet a wide range of representatives from our stakeholder bodies. This gives me a valuable understanding and insight into current and potential issues, which I am then able to share with the Board.

As mindful as we are of the needs of architects, as a public body we must also balance these with the needs of the public. It is a key tenet for any regulator to act in the public interest if public confidence in the profession it is regulating is to be maintained. I believe we have achieved this balance through our work in setting and maintaining standards both for entry to the Register and remaining on the Register. This work will stand us in good stead for the Government's triennial review of ARB in 2013.

Also placing us in a strong position is our expertise in all things European. As you will read further on in this report, we have made amazing progress in advancing the UK's interests against some fairly strong opposition at times. Our robust approach ensures that UK architects will continue to benefit from the opportunities that Europe has to offer, and that their ARB-prescribed qualifications ensure that they receive automatic recognition in any of the European member states.

In my Foreword last year, I reported on the efficiency measures that we had implemented. There has been no let-up in our drive to secure even more efficiencies, and I was very pleased that we were able to keep the retention fee at £80 for the second year running. Much of the success for this initiative is due to ARB's loyal and committed staff, all of whom work tirelessly to ensure the smooth running of our operations. My thanks go to them and to our Registrar, Alison Carr, for keeping all the plates spinning.

Finally, I must take this opportunity to thank the Board for their hard work during 2011. I was immensely proud to be re-elected as Chair, and I am grateful to them for their support throughout the year. They are all busy people but they give generously of their time and expertise, and I thank them for their unfailing enthusiasm and dedication to ARB.



Beatrice Fraenkel
Chair, ARB

Registrar's report

2011 has been a year of bringing projects and improvements to the way we work to fruition. We have made a number of changes to our Rules and processes, aimed at improving what we do. Keeping our Rules under regular review and consulting on any changes with a wide range of stakeholders - including architects - reflects the importance of continuously looking at the way we work to deliver the Act, to make sure we are following good practice and working in the most efficient way.

We agreed changes to the annual retention fee collection period after consulting widely on the proposals. Currently, architects can remain on the Register effectively for free for the first three months of the year. Their name is removed from the Register if they then choose to resign or if they fail to pay the fee, but they will have enjoyed free use of the title "architect" for three months. This is potentially misleading for members of the public, and unfair on those architects who pay their fee on time. We believe that the shorter collection period will encourage architects to pay promptly, and reduce the significant number of architects who forget to pay, given the four-month period between issuing the fee invoice and the final payment date. The Board also agreed to a new cut-off date for paying the fee, which will be introduced over a two-year transition period. We will issue details about these changes nearer the time.

In readiness for the 2012 election of architects to the Board, we began the long build up to the start of the election by reviewing and updating the electoral scheme that governs the election. The review was largely informed by the 2009 election, and created a fairer system for those architects who declared themselves as candidates. The revised scheme was approved by the Privy Council in good time to circulate the formal notice of election to the profession.

One of our notable successes in 2011 was to gain approval for ARB-prescribed qualifications to be listed or updated for automatic recognition under the Qualifications Directive. This followed the introduction of a new system for notifying qualifications at European level, and it was important to secure approval for the first batch of qualifications not only for the schools and institutions of architecture and their students, but also for generating confidence in the UK system across other EU member states. Currently, our policy is for all ARB-prescribed

qualifications to be successfully listed at European level. Students holding prescribed qualifications entitling them to register with ARB will therefore have automatic recognition across the European Economic area, helping to facilitate the free movement of UK-qualified architects throughout Europe.

We devoted a considerable amount of time to developing our systems to make things easier for anyone using our services. In 2011, we began a project to raise the profile of the Register, which is continuing into 2012. Our online forms have been improved, and we have strongly encouraged architects to use the online facilities to update their details and pay the retention fee. The online systems are safe, convenient and easy to use, and allow architects to keep their entry in the Register up to date much more quickly than through the more traditional methods of email and letter.

Of course, none of this would be possible if it weren't for our team of hard working and dedicated staff. They continue to approach their task with enthusiasm, and demonstrate a level of commitment that would be hard to match. Both the Board and I thank them for once again delivering an excellent service to our stakeholders throughout 2011.



Alison Carr
Registrar and Chief Executive

Who we are and what we do:

Our people

Corporate

Alison Carr*

Registrar & Chief Executive

Karen Holmes*

Deputy Registrar & Head of Registration

Marc Stoner*

Financial Controller

Sue Young*

HR & Communications Coordinator

Vicky Kelly

Team Secretary

Management of ARB's IT system; development and maintenance of the website; general office management; maintaining building services; dealing with requests under the Freedom of Information Act; Data Protection; Health & Safety; governance matters; running the business of the Audit Committee; running the business of the Remuneration Committee; budget management and financial information; annual budgets and cash flows; monitoring investment portfolio; banking administration; managing the direct debit system; production of ARB's literature, including the Annual Report and eBulletins; stakeholder communications; human resources; Business Plan and strategic plan; risk management; support services: secretarial, front of house, administrative support

Qualifications

Emma Matthews*

Head of Qualifications

Ed Crowe

Qualifications Executive (Prescription)

Grant Dyble

Qualifications Executive (Prescription)

Elaine Stowell

Qualifications Executive (University Liaison)

Samira Gazzane

Qualifications Executive (Europe)

Developing and implementing policies relating to the Board's prescription of architectural qualifications; European legislative process and European/overseas affairs; liaison with government departments/RIBA/ other external bodies in relation to educational issues/ Architects Council of Europe; managing the process for prescription of qualifications; liaison with the UK Schools/Institutions of Architecture; presentations to architectural students

*Member of the Operational Management Group (OMG)

Registration

Teresa Graham

Registration Executive

Rob Wilson

Registration Executive

Joseph Shaw

Registration Team Leader

Jamie Bloxam

Registration Administrator

Michaela Hunt

Registration Administrator

Holly Lloyd

Registration Administrator

Mike Saunders

Registration Administrator

Production and maintenance of the Register; maintaining and updating ARB's database; dealing with applications for registration; issuing certificates of registration; overseeing and administering the prescribed examination process; implementing the Architects Act and European Directive; retention and other fee collection; readmissions and reinstatements to the Register; removals from the Register due to death, resignation and non-payment of the retention fee; managing the process of competency standards where a person has been off the Register for more than two years

Professional Standards

Simon Howard*

Professional Standards Manager

Tanya Davies

Professional Standards Officer

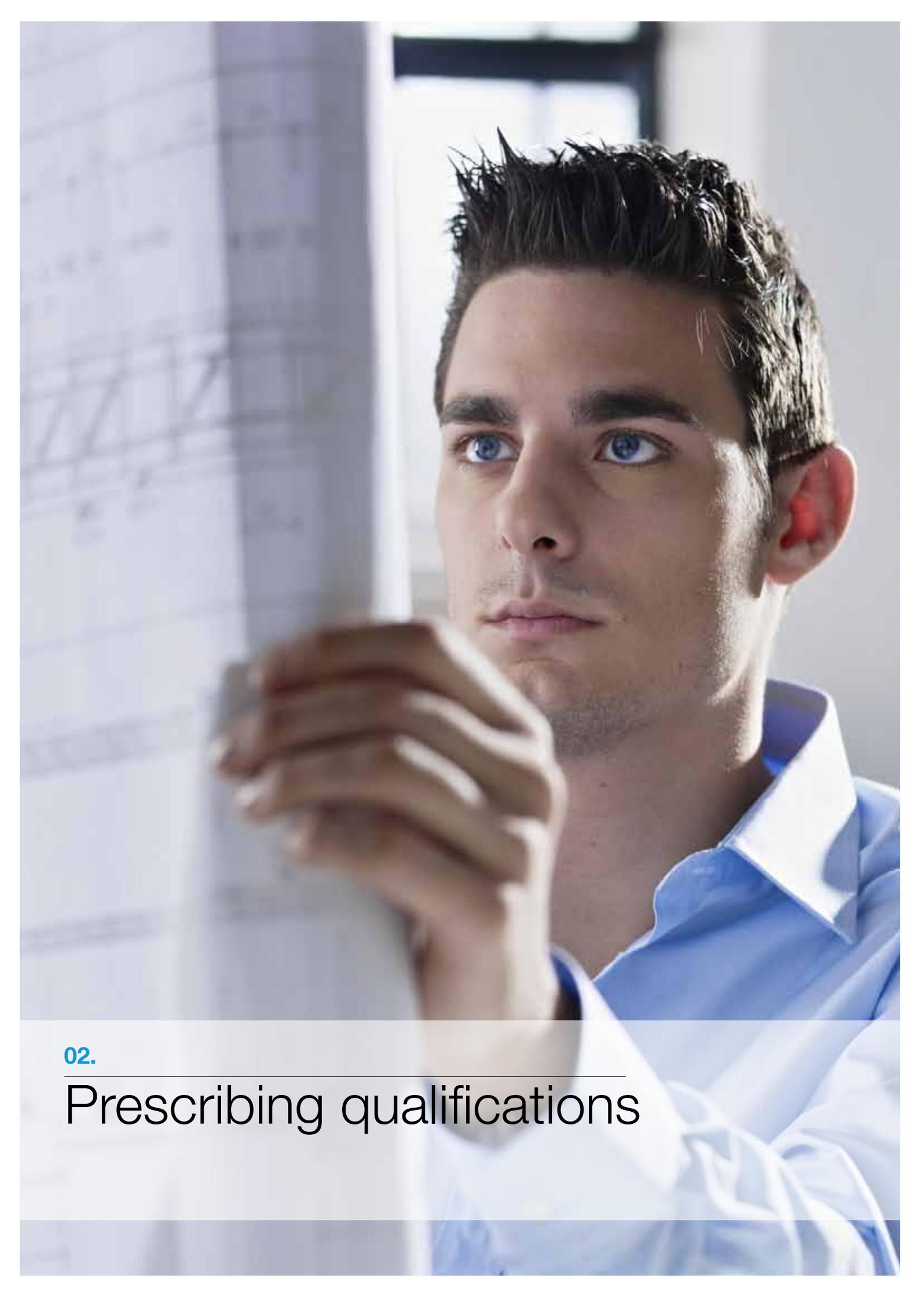
Kristen Hewett

Professional Standards Officer

Sarah Loukes

Professional Standards Officer

Managing complaints processes; running the business of the Investigations and Professional Conduct Committees; monitoring the development of regulation in society generally; liaison with stakeholders in the regulation process; keeping the Code of Conduct under review; monitoring and evaluating costs of investigation process and PCC hearings; prosecuting cases of misuse of title in the courts and securing undertakings over misuse of the title; monitoring progress of disciplinary cases sent to the Board's solicitors for reports; dealing with post-PCC hearing correspondence and queries; managing and maintaining the regulation database; dealing with issues relating to Professional Indemnity Insurance



02.

Prescribing qualifications

Introduction

An essential part of ARB's work is to ensure that anyone on ARB's Register is appropriately qualified. This is an important safeguard giving the users of architects' services the confidence that they are using a qualified professional.

ARB's work in prescribing qualifications is central to meeting that aim. "Prescribing" is the term used in the Act to describe the process we go through to assess whether we are confident that the qualifications we prescribe meet established criteria, and we look at whether students gaining those qualifications have the right knowledge, understanding and skills to become architects.

The process of prescribing qualifications is robust but cost effective. In the main, institutions use their existing systems for internal and external review to support their application. During the process, we may raise enquiries concerning the institution's ability to meet the criteria and seek assurances for future action. This exchange helps to give us confidence in the qualification, and helps the institution itself by highlighting areas which may need to be addressed.

We publish details about prescribed qualifications to help students and prospective students make informed choices about gaining qualifications in architecture. It is important that they too can have confidence that they are obtaining a valuable qualification which can support both UK and EU registration.

How a qualification is prescribed

The Architects Act gives ARB the responsibility for prescribing the architectural qualifications needed by students before they can register with ARB.

There are a number of schools and institutions throughout the UK offering a wide range of ARB - prescribed qualifications. They must go through a stringent process to ensure that the qualifications they award to students meet the relevant criteria and that they equip students with the knowledge they need to progress through their architectural education.

To ensure continued prescription, or to have a new qualification recognised by ARB, the institutions have to present us with documentary evidence that demonstrates key objectives have been or will be met. The Board needs to be confident that students gaining an ARB-prescribed qualification can show that they have met all of the relevant criteria. An institution that meets these key objectives gives the Board the required degree of confidence.

When an institution applies to have their qualifications prescribed, we strongly encourage them to use information that they already hold, and to submit it electronically. Not only is this less onerous and more convenient for the institutions, it also avoids duplication. This in turn leads to a much more streamlined and efficient system for ARB and for the institution, as both the time and resources needed for the prescription process are reduced.

Applications are subject to detailed consideration. Any questions subsequently arising can be addressed by the institution submitting additional information or explanation, giving the Prescription Committee and the institution the opportunity to collate all of the relevant information before it is put to the Board to decide whether to prescribe the qualification.

The Committee has appointed five Independent Advisers to assist with scrutinising applications. While the advisers played an important role during 2011 in helping the Prescription Committee to implement the new Criteria, their main focus is to provide technical expertise to the Committee where this is required. Feedback has confirmed that the

independent advisers' input into the prescription process provides a valuable external commentary, with institutions using the information to develop and improve the qualifications that they offer, resulting in increased opportunities for students.

Once the Committee has considered the information, the Board then looks at the Committee's recommendations before deciding whether to prescribe the qualification. Prescription is usually granted for four years if the Board is confident that the requirements for that qualification have been met. If the Board is less confident, it can limit prescription to under four years, or impose special conditions. Conditions of prescription usually involve an institution submitting specific additional information to the Board annually so that any potential issues are dealt with at an early stage. This helps to prevent a situation arising where students could be disadvantaged because the qualification was not fit for purpose.

For first-time prescription, the Board consults with stakeholders, for example, the RIBA and the Association of Consultant Architects, who have an interest in this area of the Board's work. The consultation process gives the Board the opportunity to seek views from a range of professional organisations, and this external input helps to inform the Board in deciding whether to prescribe the qualification.

It is important both for the institutions and students that the Board continues to have confidence that a prescribed qualification delivers the expected outcomes, and institutions submit information annually to retain that confidence. This information will take the form of, for example, external examiner reports, internal and external review reports, statistics and programme changes.

The process of prescribing a qualification, or renewing an existing qualification, is detailed and thorough. It has to be, not only to ensure that the Board has confidence in the qualification itself, but also to ensure that the students who gain ARB - prescribed qualifications meet the standards required to join the UK Register of Architects.

2011 prescription facts

- The Board renewed prescription of 12 qualifications from 6 institutions
 - The average time taken to process an application was 29 weeks
 - We received and processed 46 annual monitoring submissions, involving 123 prescribed qualifications
 - 9 annual monitoring submissions were late, and 12 submissions required further clarifications following consideration by the Prescription Committee
 - The average time to process the annual monitoring submissions was 3.72 weeks
 - We undertook 14 planning meetings with schools and institutions of architecture
-

University liaison

University liaison visits continue to form an important part of our work. Not only do they establish a helpful and constructive point of contact between ARB and the schools/institutions of architecture, but they also raise students' awareness of the responsibilities placed on architects, along with an understanding of professional regulation.

We provide workshops on request for students taking prescribed qualifications at all levels. The workshops introduce students to ARB and the professional responsibilities that come with registration, as well as the importance of ensuring good practice and maintaining standards for the good of the public and the profession. The workshops continue to be popular and well-received, which is reflected in the increased number of visits for 2011.

Of the visits to schools/institutions in 2011:

18 were at **Part 1** (a first degree in architecture)

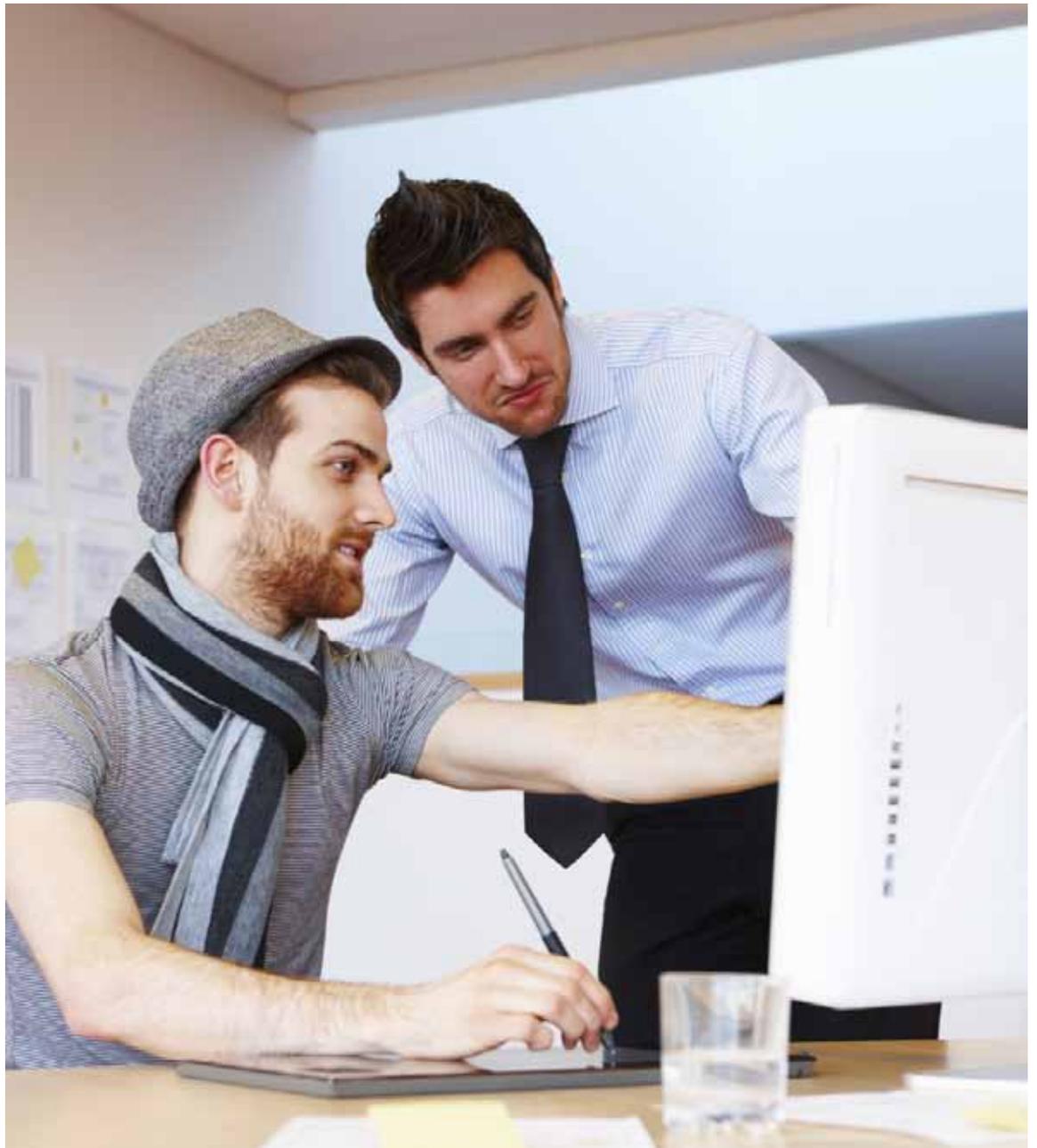
12 were at **Part 2** (a second degree in architecture)

19 were at **Part 3** and the Return to Practice session (a professional practice examination)



Liaison with our stakeholders

As in previous years, we met regularly with the Standing Conference of Heads of Schools of Architect (SCHOSA), Association of Professional Studies Advisers in Architecture (APSAA) and the RIBA during 2011. These meetings are helpful, because it means we are able to share information, and keep fully up to date with developments that might impact on our work in prescribing qualifications.

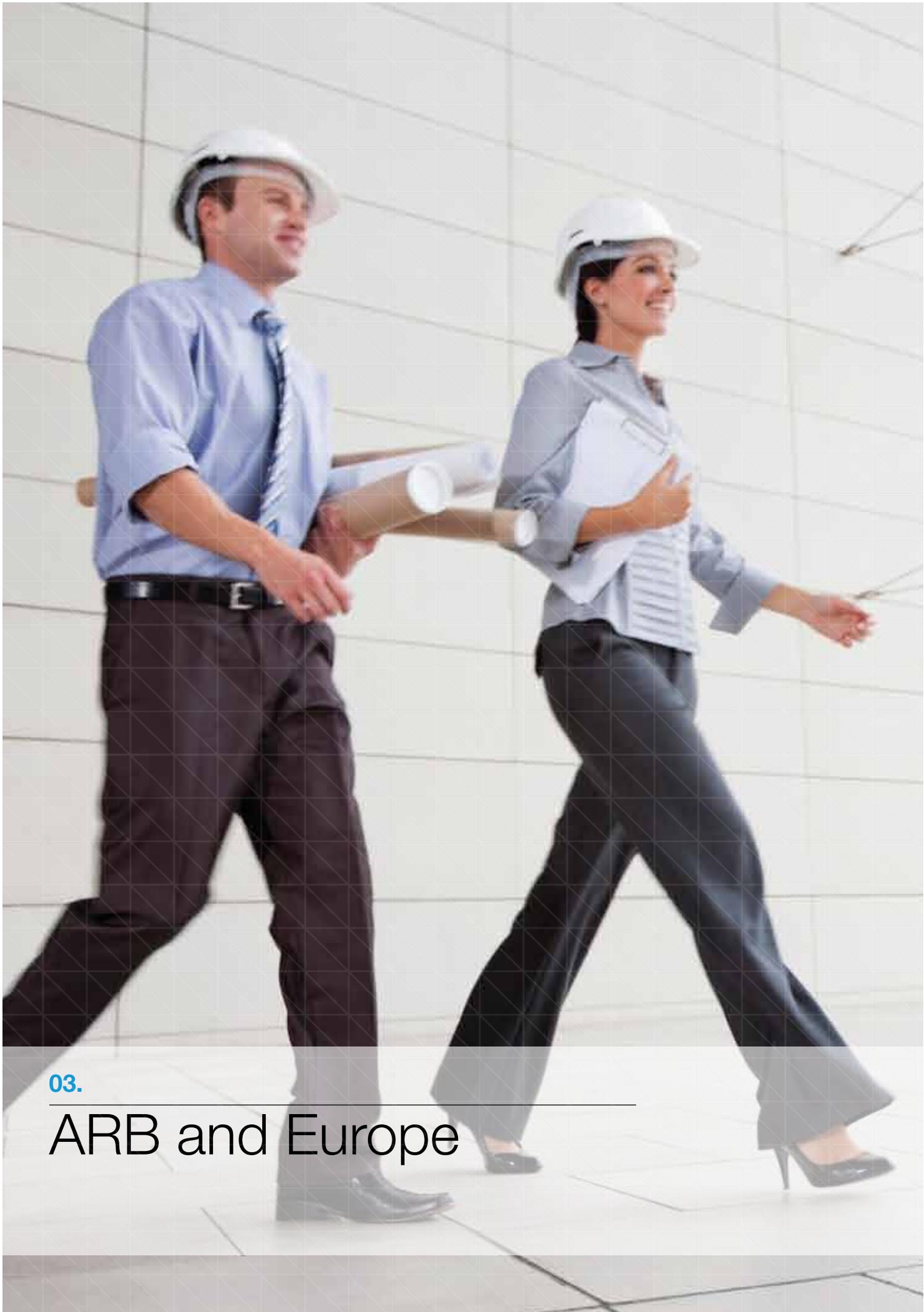


Practical Training Experience

After several months of discussion and negotiation, ARB and the RIBA jointly revised and agreed on the criteria for practical training experience that architecture students need before they take the Part 3 professional practice examination.

Both organisations worked closely together to develop common practical training experience requirements that meet ARB's requirements for registration and the RIBA's requirements for membership. They replace two separate sets of requirements, thereby reducing the burden on individuals who are ultimately seeking ARB registration and RIBA membership.

This common approach has also reduced the complexity of the differing sets of criteria operated by both bodies in the past. The changes were implemented during 2011, and reflect the global nature of the practice of architecture through increased flexibility in the types of placement that students can undertake during their professional experience in terms of location, timing and supervising professional. Anecdotal feedback to date suggests that the revised criteria have been warmly welcomed, although both ARB and the RIBA are monitoring their impact very closely to gauge the benefits brought about by this initiative.



03.

ARB and Europe

European Commission's Review of the Professional Qualifications Directive

The Directive on the Mutual Recognition of Professional Qualifications [2005/36/EC] (the Qualifications Directive) allows professionals who meet the criteria within the Directive to move within Europe by claiming access to the national title of professionals who do the same work. Mutual recognition is based on the principle that the qualifications gained in one country are recognised in another country. For the profession of architects, this process of recognition could be automatic if the qualifications leading to access to the title are listed under Annex V of the Directive.

ARB is the UK's competent authority for architects, and is responsible for implementing the Directive's provisions that are relevant to architects. As reported last year, EU Directives are usually reviewed by the European Commission after five years of operation to see whether they are effective or whether they need to be updated. Throughout late 2010 and 2011, we were actively engaged in the Commission's consultation on the Directive through our relationship with Government, and through our membership of two Europe-wide bodies, the European Network of Architectural Competent Authorities (ENACA) and the Architects Council of Europe (ACE).

Our participation in this consultation was crucial if we were to ensure that the UK Government and the European Commission was fully aware of the views of the UK's key stakeholders in this area. The feedback we've had to date confirms that stakeholders, including schools of architecture, the RIBA and relevant European organisations, have valued our level of expertise as it has given them a better understanding of the proposed changes to the Directive.

Following the consultation period, the Commission forwarded its legislative proposal to the European Parliament and the EU Council of Ministers in late 2011 for scrutiny. The proposed changes will be debated throughout 2012, with a view to revisions to the Directive being approved in early 2013. EU Member States will then have two years to adapt their national legislation to incorporate the new EU rules. During this period, we will continue to provide input to the UK Government, the European Commission, ENACA and ACE to ensure that the transposition of the Directive in all EU Member States is harmonised.

We have worked hard to prevent the introduction of a costly system of plastic professional cards in favour of a less costly and more secure electronic exchange of information (electronic certificate). We have also voiced the UK's concerns regarding the minimum length of training to ensure that the revised Directive allows for maximum flexibility in the future development of qualifications that provide students with a wide range of opportunities for study.

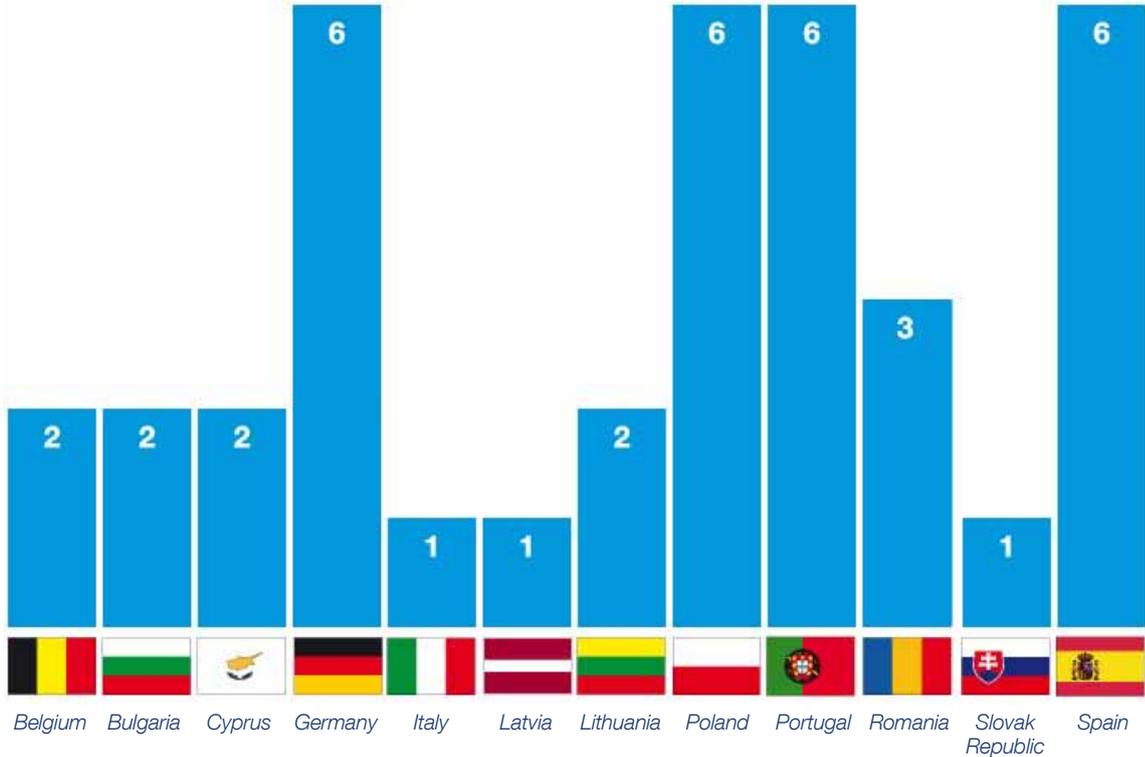
Review of UK and European qualifications for listing under the Qualifications Directive

All European qualifications leading to automatic recognition are listed in Annex V of the Qualifications Directive.

The European Commission circulates detailed information about notified qualifications to all EU Member States, giving them two months to indicate whether a qualification complies with the Directive (in terms of duration, location and content of the training) or whether they need further information before making a decision. If Member States still have concerns after the consultation period, the qualification is given additional scrutiny by the Commission’s Architecture Sub-Group, at which the UK is represented.

Only when it is thought to comply with the Directive can a qualification be listed in Annex V of the Directive and published in the Official Journal. Annex V also lists each Member State’s requirements for registration, which typically includes both the qualifications required as well as any practical training experience requirements. Architects holding listed qualifications and any additional listed requirements can benefit from automatic recognition in Member States.

In the UK, ARB checks each qualification notified to the European Commission to ensure it complies with the Directive. During 2011, ARB reviewed 38 European qualifications from 12 EU Member States. The Member States/number of qualifications were:



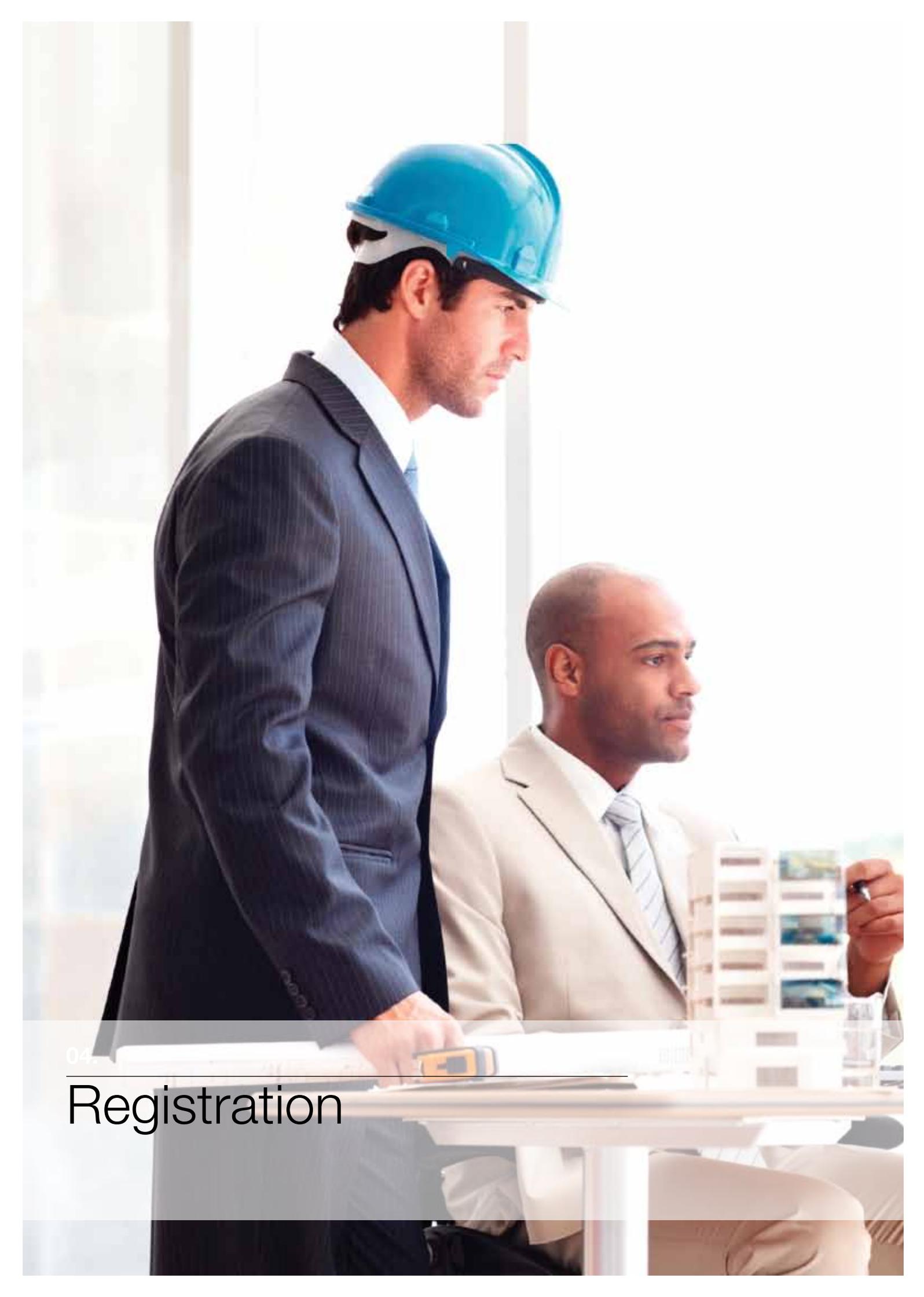
Updating the UK's entry under Annex V/ Notification of UK qualifications for listing under the Directive

In 2010, the UK began notifying its ARB-recognised qualifications to the European Commission, both to demonstrate the quality of its qualifications and to build trust and understanding with institutions in other European Member States.

Acting in our role as the UK's competent authority for architects, we have worked closely with the schools/institutions of architecture to support them in securing the Commission's listing while their qualifications were scrutinised and, ultimately, approved at European level. As well as securing approval for the listing of seven new qualifications in 2011, six revised titles from four UK universities were also successfully notified to the European Commission.

The feedback we've had has confirmed that the schools/institutions found ARB's expertise and support in this area to be invaluable, and a further benefit has been that EU Member States have also gained a greater understanding of the UK's system of architectural education and registration processes.

We have also played a key role in advising the UK Government on the revision of the UK's entry under Annex V of the Directive (changes of course titles and new qualifications). This was published in the European Union Official Journal in December 2011.



04.

Registration

The UK Register of Architects

As the UK's statutory regulator of architects, one of the key responsibilities given to us by the 1997 Architects Act is to maintain and publish a Register of Architects.

Under this statutory function, the UK Register of Architects is the only officially recognised listing of every UK registered architect. There are certainly other publications in the market, particularly so in an age where information is just a couple of clicks away on the internet. But the danger in relying on these other unofficial sources lies in members of the public potentially using someone for a building project who doesn't have the skills, knowledge or experience that a genuine architect has acquired on their journey to registering with ARB.

Throughout 2011 and into 2012 and beyond, we have been and will continue to devote resources to raising the profile of the Register, given that it is a valuable resource for anyone who might be looking for an architect. An online, searchable Register has been a feature of our website for many years now but to further enhance its value, we have been developing its accessibility to make it even easier for members of the public either to find an architect or to check whether someone is registered. Not only that, but we are giving every architect their own webpage where they can add their telephone number, email and website address so that their clients and potential clients can contact them direct. And when they use the Register to find an architect, consumers can be confident that every entry guarantees that that person is a qualified, competent professional with the requisite skills to manage a building project, from inception through to completion. This makes our Register a very public recognition of an architect's professionalism and the ultimate reference source for anyone looking for an architect.

We are keen to ensure that we continue to raise the profile of the Register, and our aim is to make it the first port of call for anyone who is either looking to find an architect or to check whether someone is registered. Architects themselves have a part to play in this. As well as including their contact details on their personal ARB webpage, they can also create a link to this from their own website. Not only will this underline an architect's registered status, it will also have the effect of pushing the Register further up the list of ranking's on internet search sites. The enhanced Register has a twofold benefit: the public can be confident that they will be using a genuine, ARB-registered architect for their project, rather than an unregistered and possibly unqualified individual masquerading as an architect, and the profession will benefit because of an increased awareness among consumers of the benefit to them of using a fully qualified and regulated professional.

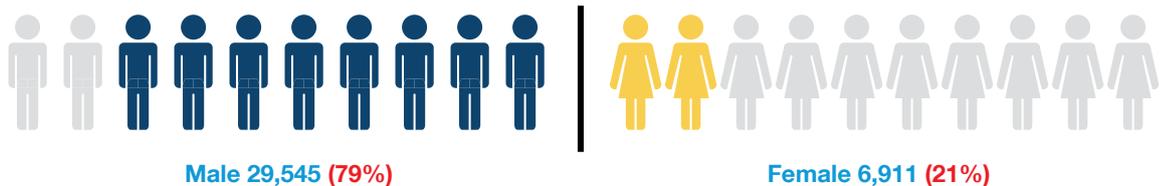
Registration facts and figures

Year	Deaths	Resignations	Removals for non-payment of retention fee	Reinstatements and Readmissions	New Admissions	Number on the Register at 31 December
2001	77	480	892	518	1,265	30,239 (+334)
2002	121	657	722	412	1,124	30,275 (+36)
2003	98	610	585	289	1,128	30,399 (+124)
2004	81	486	615	351	1,115	30,563 (+164)
2005	100	472	638	425	1,146	30,924 (+361)
2006	70	438	651	493	1,285	31,522 (+598)
2007	74	429	680	502	1,391	32,221 (+699)
2008	85	719	747	550	1,496	32,713 (+492)
2009	65	768	819	509	1,377	32,939 (+226)
2010	78	746	853	542	1,261	33,065 (+126)
2011	49	594	792	582	1,244	33,456 (+391)

In addition to the above, two people were suspended from the Register for conduct issues. Amendments to the Register occur on a daily basis, and this table provides a snapshot of the profession as at 31.12.11

The Register 2011

33,456
Architects



Location of Architects



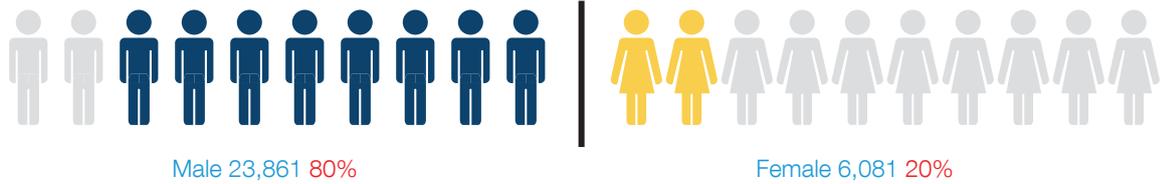
UK 29,942 (89%)



Overseas 3,514 (11%)

Registration facts and figures

29,942
UK Architects



England: 24,733



Wales: 811



N. Ireland: 940



Scotland: 3,458



New admissions to the Register 2011

UK Applicants



836
(925)



EU Applicants



389
(324)

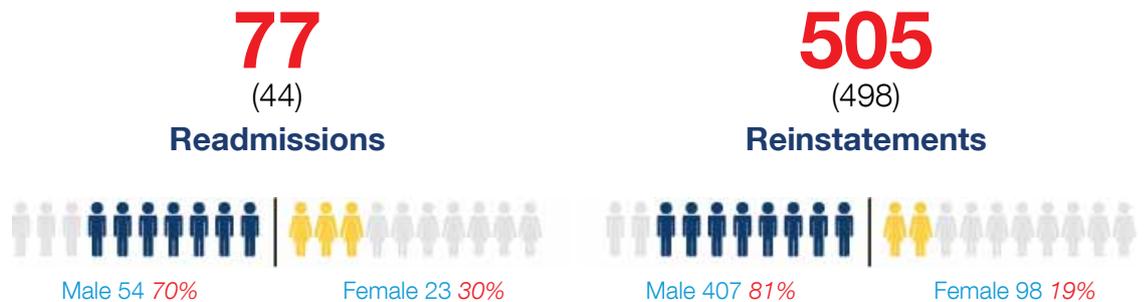


19 (12)

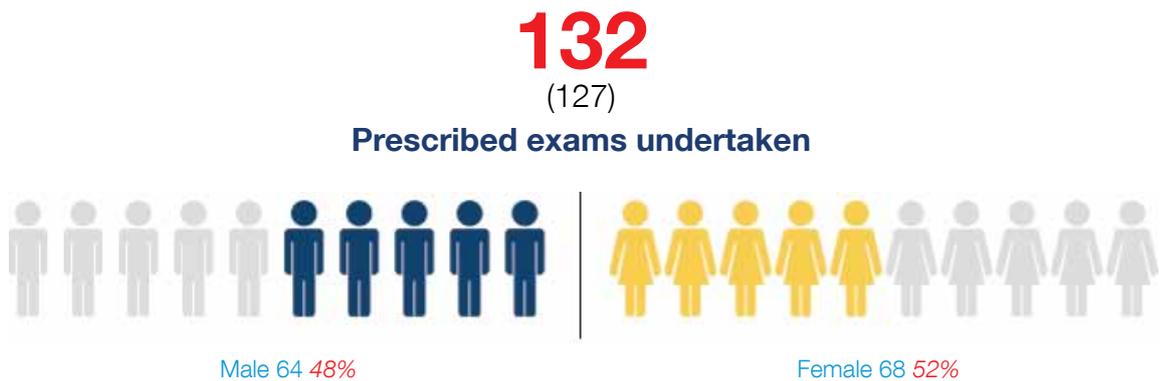
Entry through
prescribed
exam route



Rejoining the Register



Prescribed examination



Late in 2011, the Board considered responses to a public consultation on changes to the Procedures for Prescribed Examination. Revised guidelines and application documents were subsequently drawn up and published on our website.

The Board's aims in this area were to:

- Align the Examination with the revised prescription criteria for 2011, which were agreed in common with RIBA and the Quality Assurance Agency (QAA).
- Make the application process more straight forward to understand: suggestions and advice from candidates, examiners and other stakeholders has been used to drive these changes. A more structured approach for mapping evidence to the criteria has been developed, giving more consistency in line ARB's expectations.
- Apply the English Language requirement more universally: EU candidates were not previously covered by this, but in future, a valid International English Language Testing System (IELTS) certificate may be required where English is not the candidate's first language.
- Clarify the purpose of the Prescribed Examination through revised eligibility requirements: qualifications must be principally concerned with architecture to meet obligations under the Qualifications Directive, and the Examination is not an alternative to securing qualifications with the required curriculum in architectural design.
- Provide enhanced feedback for unsuccessful candidates: examiners may now give feedback verbally to candidates who have not met the required criteria, using the session normally set aside for interview.



Retention fee collection

(For the period 8 December 2011 to 4 April 2012)

Payments

Bank Transfer	1,707
Cash	11
Direct Debit	14,419
Website	9,786
Credit Card (by phone)	1,594
Cheques	5,662
Total no of fees collected	33,179

Please note this figure will differ from the Register due to the prepayment and credit balances.



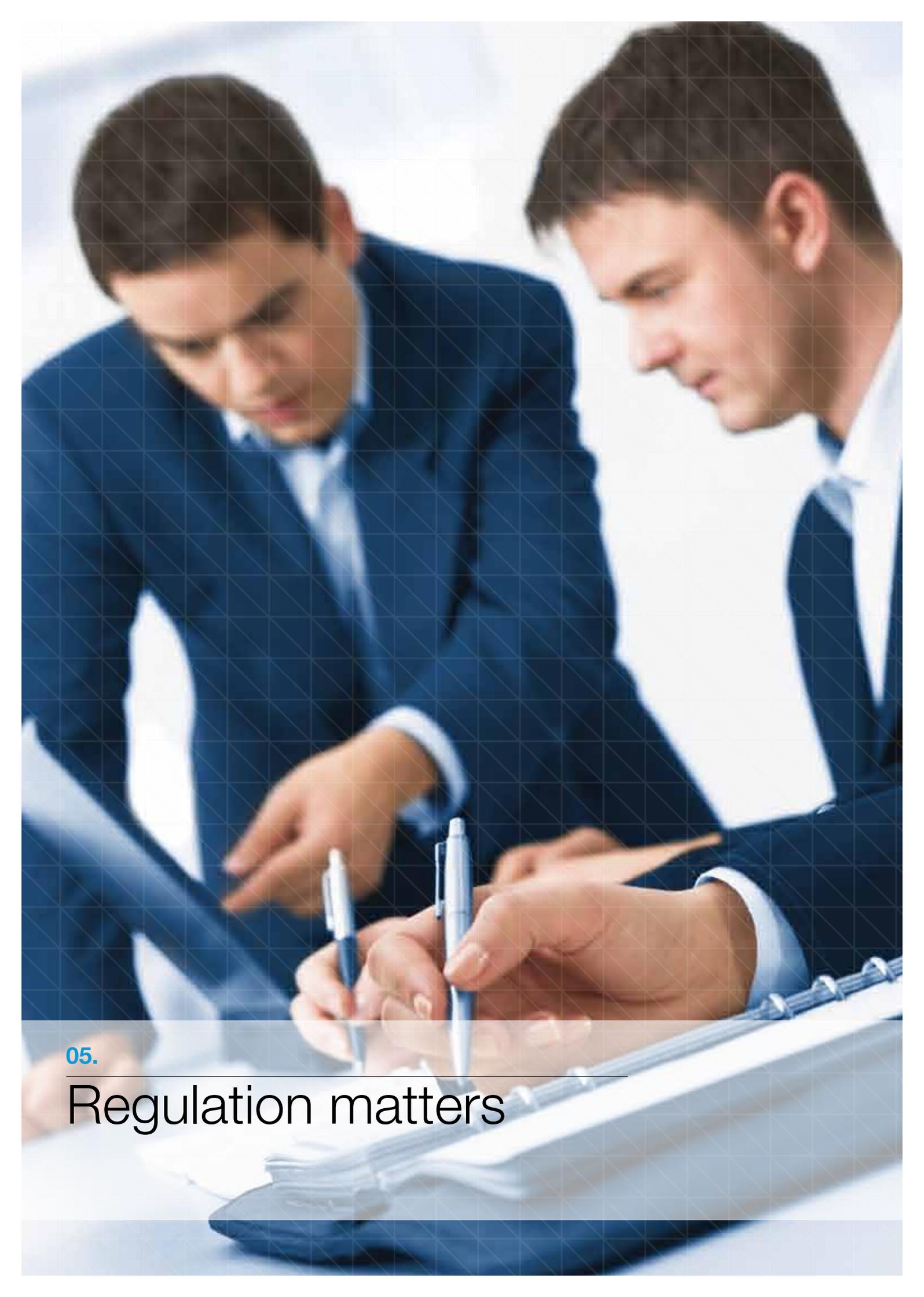
Telephone calls answered 1 January 2011 - 31 December 2011

22,379

Average waiting time for your call to be answered

10 seconds





05.

Regulation matters

Investigating complaints

In common with all regulators, one of our most public facing activities is the work we do in investigating complaints about architects. We work within a fairly narrow remit, as the Architects Act only allows us to look at complaints about an architect's conduct or competence.

Complaints are assessed against the standards in the Architects Code. The Code is not a set of rules, but is intended to guide architects in their professional lives, as well as acting as a blueprint for good practice. Architects who abide by the standards set out in the Code are unlikely ever to appear before the Professional Conduct Committee. The standards in the Code are also a useful reference point for consumers, as they describe what they can expect from an architect.

It is essential for us to ensure that we operate the complaints process both fairly and transparently so that we can generate and maintain consumer confidence. Architects must also feel assured that our handling of a complaint is impartial, and shows no bias either towards them or to the person making the complaint.

Our responsibility for producing a Code of Conduct and investigating complaints about architects are key elements of the consumer protection role envisaged for us when Parliament drafted the Act. This aspect of our work helps to ensure that architects maintain good standards of conduct and competence, which in turn maintains the integrity and reputation of architects, leading to increased consumer confidence in the profession.

How we investigate complaints

When we receive a written complaint with supporting documents, we look at it closely to see whether there is any evidence that the architect may have fallen short of the standards of conduct or competence in the Architects Code.

Many of the enquiries we receive turn out not to be complaints, or if they are, they fall outside our remit to investigate. In these instances, we will always try to offer helpful advice, or suggest alternative remedies that people might like to pursue, such as mediation. However, if there appear to be issues of conduct or competence, we will send the complaint to the architect and ask them to comment.

In the interests of fairness and openness, the entire complaints process is transparent, with copies of correspondence being exchanged between the two parties to the complaint. Both the architect and the complainant are given the opportunity to comment on the other's response before we pass the complaint to the Investigations Committee.

The Investigations Committee analyses the correspondence that has passed between the parties to see whether it amounts to the architect having a case to answer before the Professional Conduct Committee (PCC). The Investigations Committee sits in a panel of three people, comprising one architect and two lay (non-architect) members. To preserve the public interest, the Chair of the Committee is always a lay member.

If a case is particularly complex or technical, or if the Committee needs more detailed information, it can appoint an independent architect to investigate further and report back to the Committee. The independent architect is drawn from a panel of architects who have been appointed specifically because of their specialist knowledge and expertise.

The Committee will try to reach a decision within 12 weeks of receiving it. It can decide to dismiss the complaint, give the architect cautionary advice about their future conduct, or refer the matter to the PCC. The acid test for referring a complaint to the PCC is whether, in the Committee's view, the architect has a case to answer.

When a complaint is referred to the PCC there is a full public hearing. After listening to the representations of both parties, the PCC will weigh the evidence carefully before deciding whether the architect behaved in the way being claimed and whether this behaviour could be considered serious enough to amount to unacceptable professional conduct or serious professional incompetence, or both. The Committee can dismiss the case if it believes that the allegations have not been substantiated or, after considering any mitigation put forward by the architect, it can impose one of four penalties if it finds the architect guilty. These penalties are laid down in the Architects Act and are:

- a formal warning
- a fine
- a suspension
- erasure of the architect's name from the Register.

In line with Section 15(4) of the Architects Act and in keeping with the principles of transparency, we will usually issue a press release in a guilty finding and publish this, along with a transcript of the decision, on our website. In a finding of "not guilty", we would only issue a press release if the architect specifically asked us to. This is covered in Section 15(5) of the Act.

How did we do in 2011?

We recognise that making a complaint about a professional and being the subject of a complaint is very unsettling, for both sides.

In the interests of fairness, it is important that we are sensitive to any potential anxiety that may arise, and that we process complaints as swiftly as possible. We have set ourselves target times for achieving closure.

Our target time for dealing with a complaint before we refer it to the Investigations Committee is 16 weeks. This includes collating the evidence from both parties and preparing a report for the Investigations Committee to consider. We achieved this target in 70% of cases we dealt with.

The Investigations Committee's target for reaching a decision on whether an architect has a case to answer before the PCC is 12 weeks. During 2011, this target was achieved in just 12% of cases. As a result, we started to look at what changes could be made to the structure of the Committee to improve these time scales. We expect this to come to fruition during 2012/13.

The target for preparing cases and listing hearings at the PCC was met in **77% of cases.**

PCC hearings: Learning points for architects

The role of ARB's Professional Conduct Committee is not to punish architects for their wrongdoing, but to protect the public interest and the reputation of the profession.

After all, without any restriction of function over the practice of architecture in the UK, the only thing that separates architects from their unregistered and, in many cases, unqualified, competitors is the reputation that comes with the title.

To foster good practice among the profession, it is important to identify learning points from those cases where the PCC makes a "guilty" finding and to share this information with architects to help them avoid finding themselves in a similar position.

The most common complaint we receive about architects is the failure to provide proper terms and conditions to a client before any work commences. Proper written terms, setting out an architect's responsibilities, how much and on what basis the client is going to have to pay, professional indemnity insurance arrangements and dispute handling procedures, leave very little scope for subsequent disputes to arise. Too often, architects frequently rely on verbal instructions or a simple email. While this may be sufficient for some of the time, it may leave them badly exposed if a dispute does arise while a project is in progress.

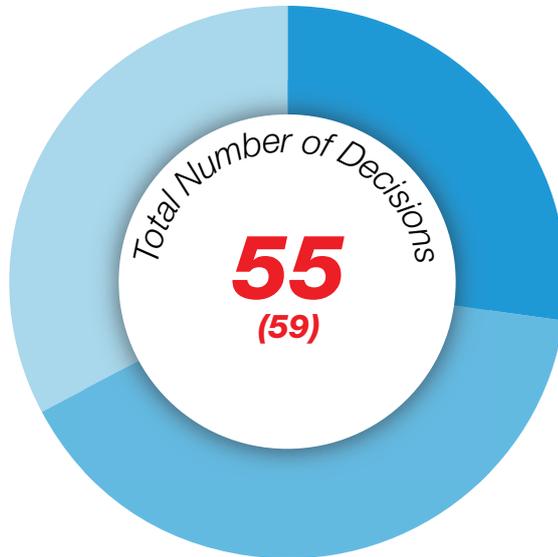
Many of the issues that emerge - for example, confusion over the architect's responsibilities, levels of fees, or unclear budgets - do so simply because of this lack of clarity. Architects often forget that members of the public are likely to be wholly unaware of facts that construction professionals take for granted - such as the 'supervision' of contractors, the difficulty of estimating costs and the requirements of VAT - and they should always bear this in mind when dealing with clients to avoid misunderstandings arising.

Apart from being a legal requirement under the EU Services Directive, these minimum requirements are as much, if not more, to the benefit of the architect as to their client. It is much easier to deal with reluctant fee-payers when there is a clear contract to rely on, and dealing with complaints arising from misunderstandings is not the best use of an architect's valuable time or money.

This latter point leads to another recurring theme at PCC hearings, which is a failure to deal with complaints or disputes appropriately. It is unfortunately and unavoidably the case that complaints are an inevitable part of any professional's life. Even the most successful and careful architectural practices will have to deal with unhappy clients at some point. Whether an architect is a sole practitioner or a director of a large practice, it makes sound business sense to ensure that there is a procedure in place that sets out how to deal with complaints, including a timescale for providing a substantive response to a client's concerns. Settling complaints at an early stage can prevent a situation where both parties become entrenched, and the matter is referred to us for a formal investigation. It also means that architects are more likely to retain a client's goodwill if they respond promptly, courteously and sympathetically to a client complaint.

While it is important that a client's concerns are acknowledged and dealt with, it is equally important for an architect to seek advice from their professional indemnity insurers at the earliest opportunity to avoid invalidating their insurance cover. Those architects who are able to deal with their client's concerns properly - regardless of their merits - are often those who are able to avoid disputes escalating into regulatory complaints and litigation.

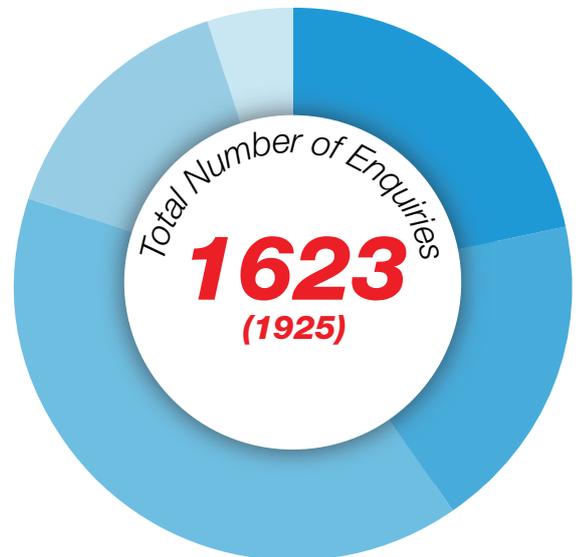
Complaints 2011: facts and figures



Investigations Committee*

Total number of decisions: **55 (59)**

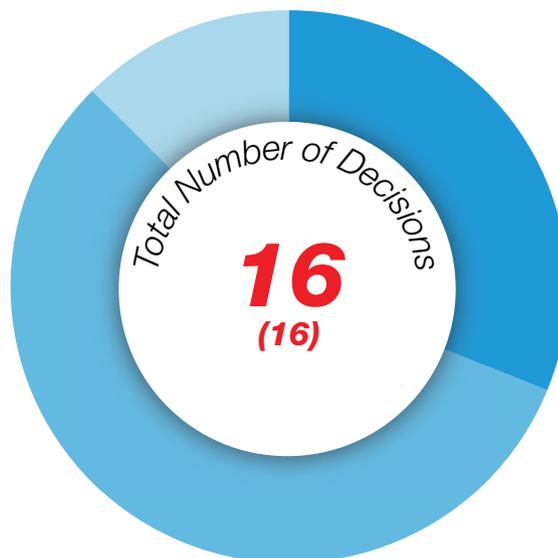
- No Further Action: **15 (16)**
- Cautionary Advice: **22 (23)**
- Professional Conduct Committee: **18 (20)**



Professional Conduct Committee*

Total number of decisions: **16 (16)**

- Reprimand: **5 (8)**
- Penalty Order: **9 (4)**
- Suspension: **2 (0)**
- Erasure: **0 (2)**
- Not guilty: **0 (1)**
- No sanction: **0 (1)**



Enquiries*

Total number of decisions: **1623 (1925)**

- Title: **352 (320)**
- Company formations: **303 (391)**
- Potential complaints: **647 (478)**
- PII: **240 (481)**
- Other: **81 (255)**

*Figures for 2010 in brackets

Regulating title

Our work on regulating use of the title “architect” goes hand in hand with our work on investigating complaints. Both are a fundamental part of our consumer protection role.

The burgeoning number of websites offering the services of “architects” has made our work in regulating use of the title much more difficult, partly because of the transient nature of such sites but also because we simply do not have the human or financial resources to check whether they are genuine or whether they have been set up by some unscrupulous individual to deliberately mislead members of the public. We would need to increase the retention fee quite dramatically if we were to do this.

However, we will always follow up those instances where it is suspected that the title is being used unlawfully when they are referred to us. We are very reliant on architects themselves to pass this information on to us, as we are conscious that not only is it the title that sets architects apart from the other non-registered practitioners operating in the market, but it is also just as important for us to ensure that consumers are protected from impostors who are using the title unlawfully. Architects should continue to tell us of instances where they suspect that someone is using the title unlawfully. We will follow up every referral we receive.

We are constantly exploring alternative, more cost-effective ways for us to regulate use of the title. Chief amongst these is the enhanced online Register, mentioned elsewhere in this report. We are also continuing our drive to inform members of the public of the benefits of using an architect for their building project, and the difference between a genuine architect and those individuals who call themselves, for example, an “architectural consultant”, through

our attendance at consumer shows such as Grand Designs and the Home building & Renovating Show. One of our key messages is that

“if they’re not on our Register, they’re not an architect”

and we encourage consumers to use our Register if they are looking for an architect.

Hand in hand with our work on regulating title is that of raising awareness of ARB’s website. We have been making a concerted effort to secure links from other organisations’ websites to our own, so that consumers can link through to ARB’s website if they need to check our Register or find an architect. By the end of 2011, we had achieved this link from 468 other organisations’ websites, substantially increasing the opportunities for members of the public to contact ARB. We will be focusing our attention on increasing these external links during 2012 and beyond, improving accessibility to ARB’s website for people to find a genuine architect.

Prosecuting in the courts

Prosecutions in the magistrates' courts for persistently misusing the title "architect" are rare. This is primarily because we have a high success rate in curtailing wrongful use of the title through correspondence. During 2011, we resolved 196 cases of wrongful use of title by this method, an increase of 36% on the previous year.

While we invariably secure a successful outcome to a prosecution, the range of fines imposed by different magistrates' courts has varied considerably. The maximum fine for each offence is set down in the Architects Act, and currently stands at £2500. However, it is the magistrates who determine the level of fine (and any costs award) after considering the nature of the offence and any mitigation that the defendant puts forward. The money raised from these fines is paid to the Treasury, not to ARB.

Before considering a prosecution, we apply two tests:

The 'evidence' test

Magistrates need clear evidence – for example, business cards, websites, planning applications or headed notepaper - that clearly shows that the individual or practice was claiming to be an architect when they weren't on our Register.

The 'public interest' test

Prosecutors have to ask themselves whether a prosecution would be in the public interest. If, for example, the offender posed as an architect to make money and is likely to offend again, a prosecution would probably be in the public interest. If the offender gave a reasonable explanation why they called themselves an architect and it was unlikely to happen again, it may not be in the public interest to prosecute. If we don't have enough evidence to prosecute, we ask the individual or firm to give us a written guarantee that they won't repeat the offence. Very often, they may be unaware that the title "architect" is a protected one. Once we let them know that they are using the title unlawfully, they are usually happy to cooperate with us. If that doesn't work, we tell

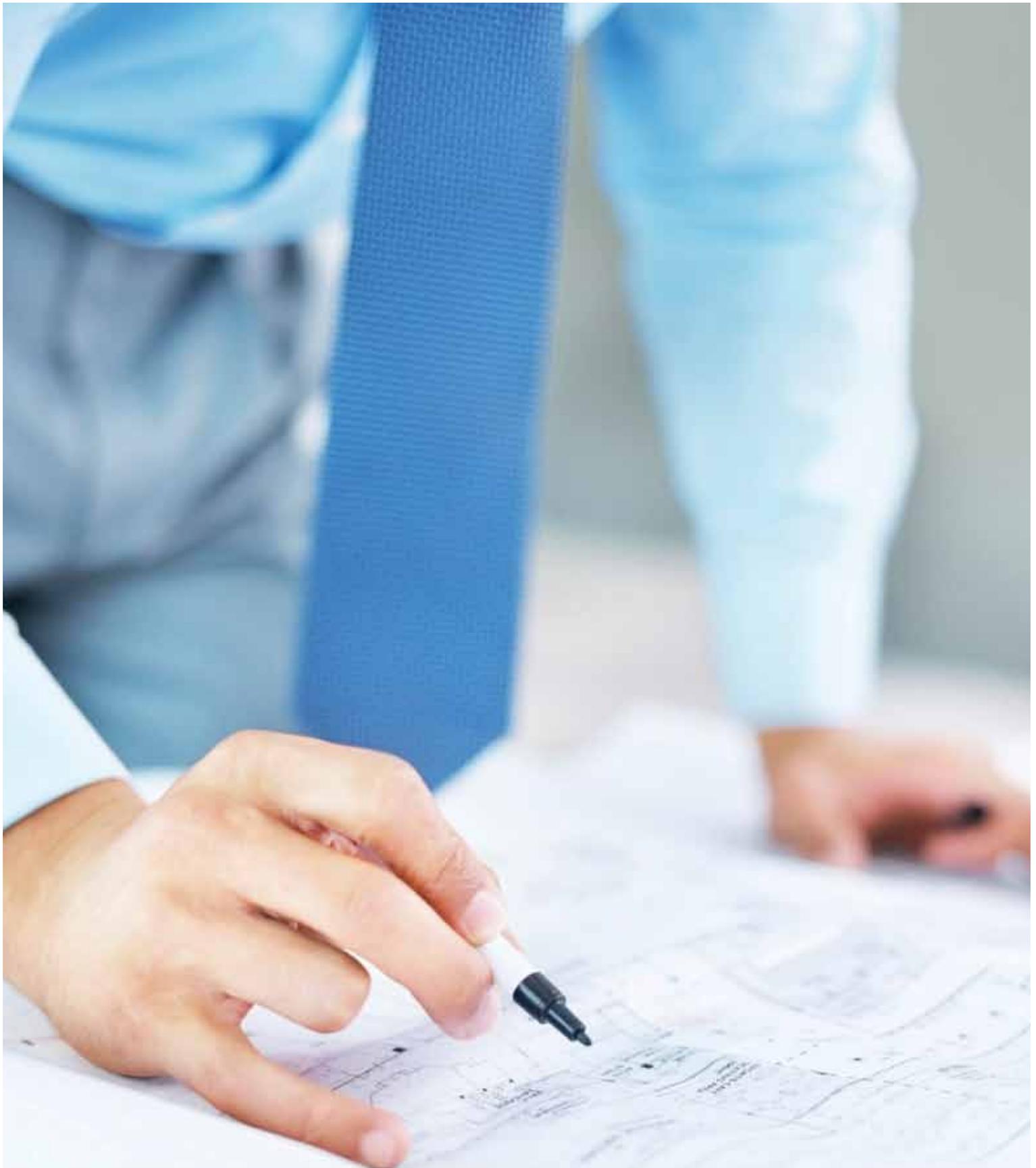
them that if they continue to use the title, they will be prosecuted in the courts, which tends to have the desired effect. It is a simple, straightforward and cost effective method for regulating use of the title that not only delivers results, but also avoids the costly and often time-consuming process of running a prosecution. It also helps us to meet our responsibilities for safeguarding the public interest.

We successfully prosecuted one case in 2011. Leeds Magistrates handed down a guilty finding on a company whose director represented himself as an "architect" to ARB's agent. He indicated that he would be able to carry out architectural work on the company's behalf.

The magistrates made clear that the public had a right to know that they were dealing with genuine architects, and the Architects Act was in place precisely to prevent this type of mischief. They found that Section 20 of the Architects Act had been breached, and ordered the respondent to pay a fine of £600, with a further £1400 in costs.

Fraud and Bribery Prevention

The long-awaited Bribery Act came into being during 2011, and mindful of its responsibilities as a public body, the Board introduced a Fraud and Bribery Prevention Policy. We took the opportunity to remind architects themselves to consider the implications of the new Bribery Act through an article in our regular eBulletin. It would be easy to assume from press reports that the new Act only impacts on overseas business, but this is not the case. It was therefore important for us to remind architects to consider whether their own policies and procedures needed updating to avoid falling foul of the legislation.

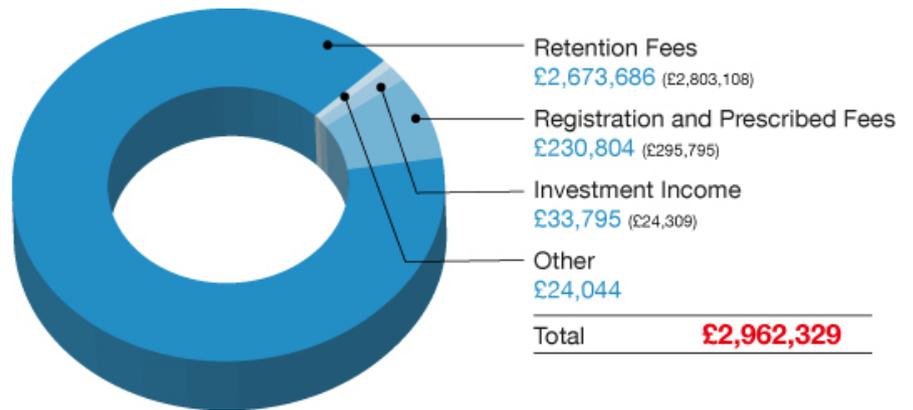


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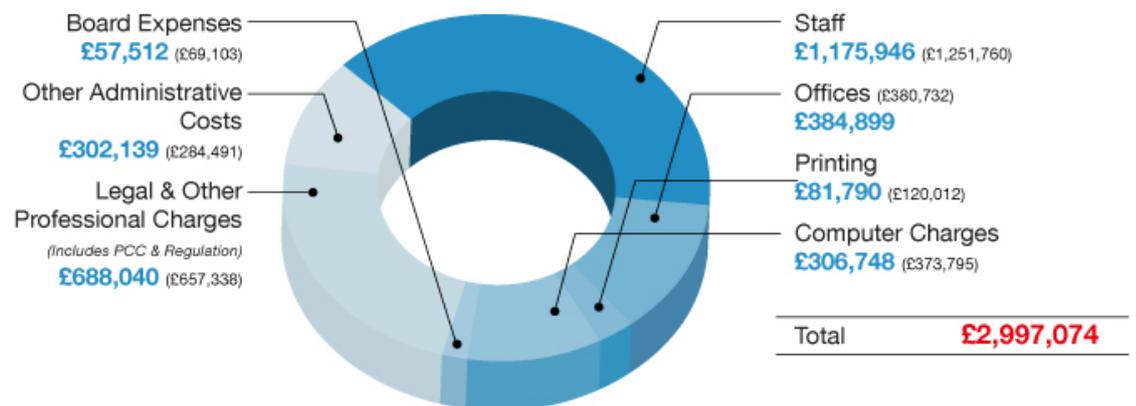
Accountability

Income and expenditure 2011

Income 2011



Expenditure 2011



Board members 2011

Board members during 2011 were:

Beatrice Fraenkel (Chair); Gordon Gibb (Vice Chair); Ruth Brennan; Peter Coe (Board delegate, Europe); Colin Brock; Alex Galloway (Chair, Investigations Committee); Agnes Grunwald-Spier; Alan Jago; David Jones (Chair, Prescription Committee); Myra Kinghorn (Chair, Audit Committee); Sarah Lupton (Board delegate, Europe); Andrew Mortimer; George Oldham; Neil Watts; Bernard Wyld

Meetings attended

Corporate

Board Member	Board	Board Development	Prescription	Remuneration	Audit	Investigations	Distinguished Achievements	Other	Total
Ruth Brennan	(5) 5	1	(8) 7					1	14
Colin Brock	(5) 5	1			(4) 4				10
Peter Coe (Board delegate on European issues)	(5) 5	1					1	4	11
Beatrice Fraenkel (Chair)	(5) 5	1		(2) 2				27	37
Alex Galloway (Chair of IC)	(5) 5	1				(6) 6		3	15
Gordon Gibb (Vice Chair)	(5) 5	1	(8) 6					5	17
Agnes Grunwald-Spier	(5) 5	1				(6) 5		1	12
Alan Jago	(5) 5	1	(8) 8						14
David Jones (Chair of Prescription Committee)	(5) 5	1	(8) 7	(2) 2					15
Myra Kinghorn (Chair of Audit Committee)	(5) 4				(4) 4				8
Sarah Lupton (Board delegate on European issues)	(5) 4	1				(6) 6		8	19
Andrew Mortimer	(5) 4	1		(2) 2			1	2	10
George Oldham	(5) 5	1			(4) 4			1	11
Neil Watts	(5) 5	1	(8) 8		(4) 4				18
Bernard Wyld	(5) 4	1	(8) 7						12

Board members 2011

Summary of expenses and allowances claimed - 2011

Board members receive an allowance of £250 per day or part thereof spent on Board business

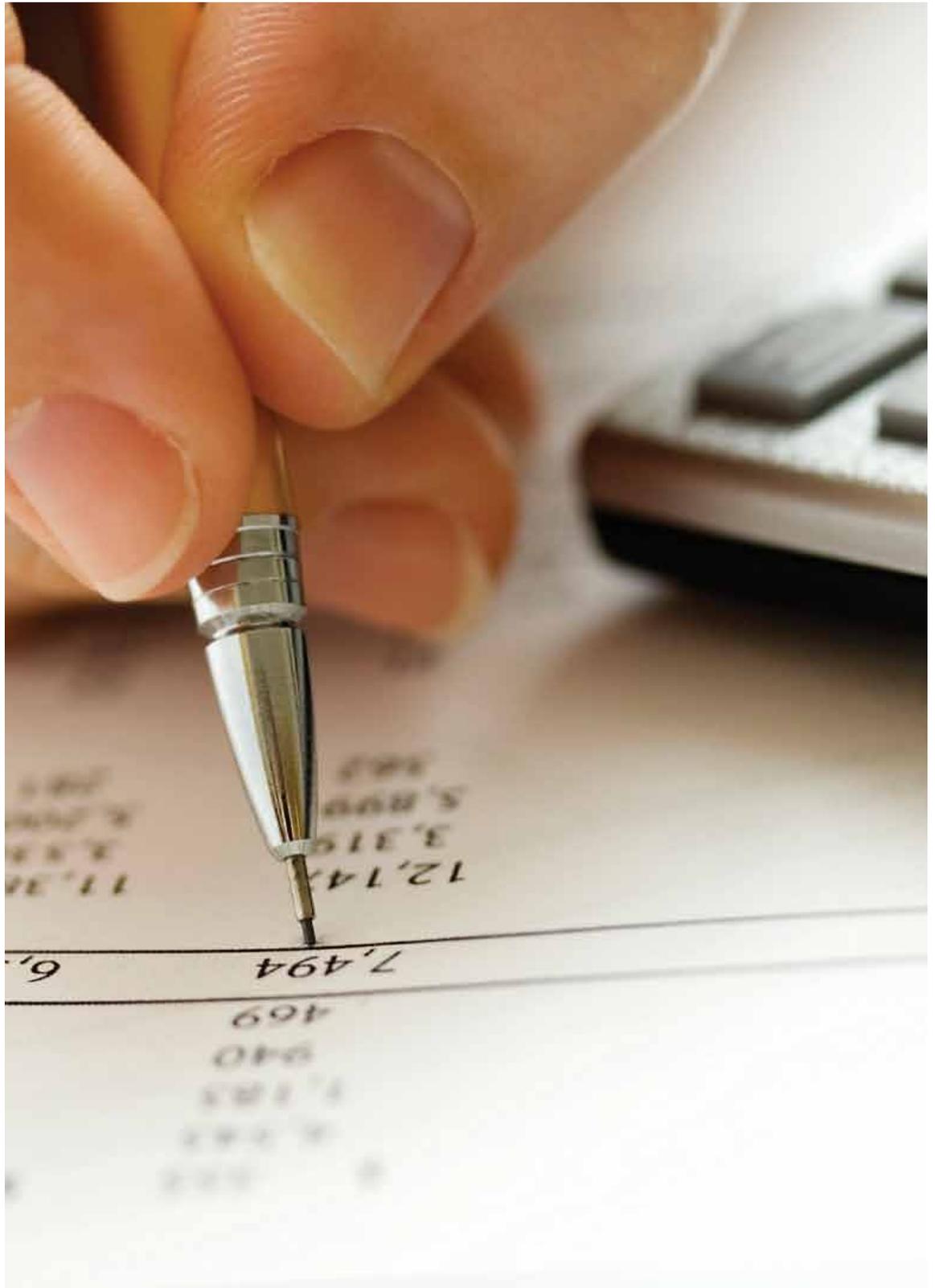
Board Member	Attendance Allowance	Reading	Train/Tube	Air	Car	Taxi	Other *	Hotel	Subsistence	Total
Ruth Brennan	3,500.00	400.00	1,106.20	-	102.00	-	-	164.40	79.54	5,352.14
Colin Brock	2,750.00	-	-	-	-	-	-	-	-	2,750.00
Peter Coe (Board delegate on European issues)	3,250.00	-	27.10	110.40	-	27.64	-	-	250.68	3,665.82
Beatrice Fraenkel (Chair)	8,250.00	-	1,977.45	64.48	366.55	235.60	-	1,476.00	306.77	12,676.85
Alex Galloway (Chair of IC)	2,625.00	6,462.50	-	-	-	-	120.00	-	-	9,207.50
Gordon Gibb (Vice Chair)	4,250.00	1,900.00	3,620.80	-	-	171.60	2,051.90	291.66	25.38	12,311.34
Agnes Grunwald-Spier	3,000.00	4,591.66	-	-	416.00	-	-	-	-	8,007.66
Alan Jago	3,625.00	300.00	242.60	-	-	3.60	-	-	-	4,171.20
David Jones (Chair of Prescription Committee)	4,000.00	1,900.00	-	-	-	-	-	-	-	5,900.00
Myra Kinghorn (Chair of Audit Committee)	1,625.00	-	63.30	-	-	-	-	-	5.30	1,693.60
Sarah Lupton (Board delegate on European issues)	4,000.00	7,450.00	168.36	-	-	56.91	2,369.49	172.17	-	14,216.93
Andrew Mortimer	1,775.00	-	80.70	-	-	-	-	-	-	1,855.70
George Oldham	2,750.00	-	653.18	41.98	-	-	-	1,235.40	246.06	4,926.62
Neil Watts	4,375.00	3,700.00	1,355.85	-	145.95	-	-	225.00	53.35	9,855.15
Bernard Wyld	3,000.00	900.00	304.35	-	-	-	10.35	-	-	4,214.70
Total	52,775.00	27,604.16	9,599.89	216.86	1,030.50	495.35	4,551.74	3,564.63	967.08	100,805.21

* Shredding & VAT

Registrar's expenses

Taxi	Rail	Air	Bus	Car	Hotel	Meals	Total
333.18	329.80	287.71	0.00	0.00	619.21	238.00	1807.90

Architects Registration Board
Annual report and financial statements
for the year ended 31 December 2011



The Board is pleased to present the Annual Report and Accounts of the Architects Registration Board for 2011.

The Board's principal activities during the year are shown below, and reflect the requirements of the Architects Act 1997:

- To maintain and publish the Register of Architects.
- To prescribe ("recognise") the qualifications needed to become an architect.
- To register those who meet ARB's requirements for qualifications, experience and competence.
- To set standards for professional competence.
- To issue a code laying down standards of conduct and practice expected of architects.
- To regulate use of the title "architect".
- To deal with complaints and enquiries from members of the public regarding the conduct and competence of architects.

ARB is the Competent Authority for architects in the UK. In this capacity, ARB liaises with its counterparts in other European countries to fulfil its obligations.

Board Membership 2011

Ruth Brennan	Elected
Colin Brock	Elected
Peter Coe	Appointed
Beatrice Fraenkel	Appointed
Alex Galloway	Appointed
Gordon Gibb	Elected
Agnes Grunwald-Spier	Appointed
Alan Jago	Appointed
David Jones	Appointed
Myra Kinghorn	Appointed
Sarah Lupton	Elected
Andrew Mortimer	Elected
George Oldham	Elected
Neil Watts	Appointed
Bernard Wyld	Elected

Leadership

The Registrar and Chief Executive throughout 2011 was Alison Carr FCIS.

Administration Office

8 Weymouth Street, London, W1W 5BU

Bankers

National Westminster Bank Plc, 125 Great Portland Street
London, W1A 1GA

Auditors

Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH

Declaration of Interests

All Board members submit an annual declaration for inclusion within the Board's Register of Interests. Details of the most recent declarations are published with individual Board members' details on ARB's website, www.arb.org.uk.

The Register of Interests is brought to each Board meeting, and members are required to declare any interest they may have in any of the Board's business on the agenda, prior to the discussion of that item taking place.

Auditors

During 2011, ARB's auditors, Crowe Clark Whitehill, undertook one piece of non-audit work which related to corporation tax compliance advice, at a cost of £3,885.

Staff Absence Information

The statistical information on staff sickness records for 2011 is shown below.

There were 17.7 days lost per employee in 2011. This is a significant increase on the figure for 2010 which was 8.5 days. However, one member of staff has been on long-term sick leave, which has had a major impact on the sickness absence figures. From 5,292 working days, ARB lost 372 through sickness absence, 7% overall. Staff turnover for 2011 was 38%.

Staff Pension Arrangements

The Architects Registration Board provides its employees with access to a contributory Group Personal Pension Scheme (otherwise known as a Defined Contribution – DC – arrangement). ARB's liability for this arrangement ceases when employment comes to an end.

This arrangement meets all statutory requirements for employment law relating to employer sponsored pension arrangements.

Additionally, ARB has a closed (also known as Paid Up) Occupational Money Purchase scheme (also referred to as a DC arrangement), but there are no contributions being made to this arrangement and nor have there been for several years. There are no liabilities for future contributions to this scheme.

Board Remuneration Report

The Board met five times during 2011. The average attendance at each meeting was 14.2. On average, Board members spent 14.7 days on Board and Committee business. For further details, please visit the Board's website at www.arb.org.uk

A summary of Board and Committee attendance allowance and expenses paid in 2011:

Amount	Board members
£1 - 6k	9
£7 – 10k	3
£11-15k	3

Health and Safety

There have been no health and safety incidents reported during the year. All the requisite checks and tests have been undertaken.

Equality and Diversity

The Board approved a revised and updated Equality Scheme during 2011. The new scheme focuses on ARB's responsibilities as a public body to adhere to the Public Sector Equality Duty, introduced as a key measure of the Equality Act in April 2011.

The Scheme was revised following ARB being informed that it was not scheduled to be listed under Schedule 19 of the Equality Act. Bodies listed under Schedule 19 are subject to both the general and specific duties of the Act. As ARB is not listed, this means that it is only subject to the general duties, including the public sector equality duty. The Scheme has been redrafted to reflect that position, and while it is proportionate to the requirements of the public sector equality duty, it also demonstrates ARB's continuing commitment to ensure equality of opportunity and fairness to all.

The public sector equality duty requires public bodies, including ARB, to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who don't; and
- foster good relations between people who share a protected characteristic and those who don't.

What this means in practice is that ARB must always consider and take these three strands into account in any decision-making process.

Environmental/Recycling

In 2010, ARB successfully introduced a facility for recycling paper and other materials, with the recycling receptacles placed strategically throughout the premises. During its second year of operation, we had saved the equivalent of 47 (34 in 2010) trees by recycling 2,760 (2,010 in 2010) kilos of paper.

Information Security and Data Handling

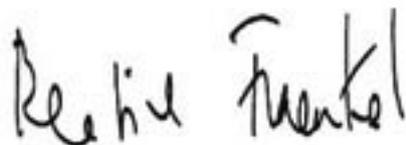
Due to our statutory functions, we hold a large amount of data, some of which constitutes personal data. We have in place relevant procedures to ensure data is handled appropriately at all times. In May 2011, we reported our Annual Security Report to the Department of Communities and Local Government. No areas of concern were identified.

Employee Involvement

As one of our most valuable resources, securing staff involvement and harnessing their ideas is an important factor in the smooth running of ARB. Regular team and all-staff meetings take place, and staff are always consulted before new staff policies are introduced. Cross-team working groups are another element in ensuring employee involvement. These small groups are established to look at specific issues that may impact upon ARB. For example, a cross-team working group was set up during 2011 to explore ways of improving our levels of service to our stakeholders.

Because the success of the organisation is dependent on engaged and committed staff, we have introduced a rolling programme of staff engagement surveys. It is envisaged that we will conduct an in-depth survey every three years, with the next full survey being undertaken in 2012. In 2011 we undertook a smaller-scale interim survey.

Approved and signed on behalf of the Board



Beatrice Fraenkel

Chair, ARB

Date: 11.05.12

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a robust system of internal control that supports the achievement of the Architects Registration Board's strategic aims, whilst safeguarding the funds and assets for which I am responsible, in line with Chapter 3 of Managing Public Money, published by the Treasury.

In fulfilling my responsibilities as both Accounting Officer and Registrar of the Architects Registration Board (ARB), I work closely with the Board, as under the Architects Act 1997 (as amended) responsibilities for the delivery of the Act are designated to me or the Board. The Board determines the strategic risk strategy of the organisation, which is reviewed and updated annually and the Board receives regular reports on risk and potential impact on ARB.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is an on-going process designed to identify and prioritise the risks to the achievement of ARB's strategic aims, policies and objectives. It is a tool to evaluate the likelihood of those risks being realised and the impact on the organisation should they be realised and it assists with the ability to manage risks efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 December 2011 and up to the date of approval of the annual report and accounts. The system was enhanced during 2011 to include recommendations of the internal auditors on a proportionate basis. The system of internal control accords with Treasury guidance where appropriate and adds value to ARB.

Capacity to handle risk

The Board has overall responsibility for risk management. A fundamental aspect of risk management is assurance that appropriate systems of controls and actions are in place, along with a robust and transparent reporting mechanism of those risks. The Board achieves this by having effective oversight procedures in place.

The Registrar and the management team are responsible for the day-to-day management of risk including the delivery and promotion of sound risk management practices. Staff are aware of ARB's Risk Strategy and are briefed on the Risk Register (described under the risk and control framework below) at least twice a year, as well as being invited to comment on the Register at monthly staff meetings.

The risk and control framework

The Board has in place a risk management strategy which is reviewed and updated once a year. The strategy specifies how ARB identifies, assesses and manages risk which may impact on ARB's delivery of its strategic aims. The strategy has six Principles underpinning ARB's approach and it acknowledges that as a statutory body, ARB is naturally risk-averse, as risk is often seen in financial terms as having an adverse impact on ARB's ability to deliver. ARB generally works to minimise and control risk.

ARB has a Risk Register, which logs and tracks risks faced by ARB. The Risk Register is a key tool within the Risk Management Plan. The Risk Register is reviewed at least monthly at management meetings. New risks are added and consideration is given to the residual level of risk, identified after controls have been applied. The level of risk is adjusted where appropriate and some risks are removed. Actions and controls are also reviewed and amended as necessary according to the level of risk.

ARB's Risk Register has been divided into different risk categories: Governance Risk; Reputational Risk/ Resource Risk; and Risk to Effective Delivery of Statutory Functions. Each risk level is then quantified using the likelihood and impact method. Controls are identified and actions put in place for each risk. A Risk Manager is assigned to the risk and a Risk Owner specified.

The Audit Committee has considered the key risks and developed, along with the Registrar and management team, a rolling programme of reviews. During the year, the Audit Committee's appointed internal auditors, Mazars LLP, undertook a risk assurance exercise, a review of financial procedures and performed internal audit work on the organisation's Registration and Professional Standards processes and procedures.

The Audit Committee agreed the internal audit recommendations and implementation plan, including improvement to the internal control systems, which is being delivered by the Registrar and management team. The Audit Committee are provided with updates on the progress of the implementation plan at each meeting.

The Audit Committee also considered the independent review and update to the Financial Procedures manual, which is continually being reviewed by Management to ensure mitigation of risk and added value to the organisation. The Committee also received management reports on staff expenses and staff policies. The Committee reviewed and made recommendations to the Board on the Reserves policy.

Information and Data Security

ARB is committed to ensuring personal data held by the organisation is held securely and used appropriately. The organisation operates a range of measures to help safeguard personal and other data; including

- A commitment to data quality and accuracy
- The provision of a confidential session at each Board meeting
- A fire warden
- A "security shredding" contract with a trusted market leader
- Industry-standard encryption of data for transfer and external storage
- Information security training for staff
- IT services policies and guidelines for staff
- Statements on privacy, data protection, copyright and publishing
- Compliance and monitoring tools for email, internet and telecommunication services
- Physical security measures (including safe, access control systems and intruder alarm) both internally and at the perimeter
- Off-site vaults and storage facilities with military-grade security
- Web sites operated by the Board for the collection and processing of personal data incorporate Extended Validation security certificates for enhanced privacy and fraud prevention
- ISO-certified destruction of information assets
- Industry-standard firewall appliances to protect the Board's private network from attack and intrusion
- Network penetration-testing for the protection of the Board's private network

Risk Management Tools

The tools used in risk management within ARB include the following:

- Regular management information, including performance indicators and trends, which are considered by both management and also by the Board twice yearly
- Appropriate insurance arrangements
- The publication of ARB's open session Board papers, Board expenses and attendance allowances and the Registrar's expenses
- Regular review of ARB's Staff Handbook

-
- External advisers used to ensure health and safety compliance
 - Terms of reference for all Committees
 - Board and Committee papers for new or revised policies include an assessment of risk and resource implications
 - Staff and Board horizon scanning of the organisation risk landscape
 - Regular reviews of investment and reserves policy
 - Whistleblowing policy
 - Fraud and Bribery prevention policy
 - Staff training, including fire safety and security training
 - Regular reviews of operating procedures and an ethos of continuous improvement
 - Staff working groups to identify improvements and efficiencies in targeted areas
 - Effective corporate governance, including a defined reporting cycle to the Board and an appropriate Committee structure, including Audit and Remuneration Committees
 - Stringent budgeting process, linked with the Business Plan and three year forecasts
 - Regular management accounts provided to the Board
 - A scheme of delegated authority, which is reviewed at least annually by the Audit Committee and agreed by the Board
 - A financial procedures manual
 - A programme of formal internal audit using external advisers

As Accounting Officer, I attend all Board meetings, Internal Management Team meetings and Audit Committee meetings. I also attend other Board Committee meetings and the Remuneration Committee where it is appropriate to do so.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the management team within ARB, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The tools used in ARB's risk management are outlined in the risk and control framework above. The key risk considered during 2011 was judicial review or legal action in respect of decisions taken by the Board, the Registrar or the Professional Conduct Committee.

I have identified no significant on-going weaknesses, in the systems of internal controls and welcome the continuing programme of external reviews and ARB's commitment to continuously assess its procedures for both quality and efficiency.

Signed by



Alison Carr

Registrar and Chief Executive

Date: 16.05.12

Statement of responsibilities of the Board and the Accounting Officer in respect of the accounts

Under the Framework agreement drawn up jointly between the Architects Registration Board and the Department for Communities and Local Government, the Architects Registration Board will prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction issued by the CLG and where appropriate, in compliance with the Treasury Financial Reporting Manual. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Architects Registration Board and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer must take into account the requirements of the Treasury Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department for Communities and Local Government, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Treasury Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Department for Communities and Local Government has designated the Registrar as Accounting Officer of the Architects Registration Board. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Architects Registration Board's assets, are set out in Chapter 3 of Managing Public Money published by the Treasury.

Signed by



Alison Carr

Registrar and Accounting Officer

Date: 16.05.12

Independent Auditor's Report to the members of the Architects Registration Board

We have audited the financial statements of the Architects Registration Board for the year ended 31 December 2011 set out on pages 10 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and the 2011/12 Government Financial Reporting Manual (FRoM) which applies International Financial Reporting Standards as adopted by the European Union (IFRSs).

This report is made solely to the members of the Architects Registration Board, as a body, under the Architects Act 1997. Our audit work has been undertaken so that we might state to the Board Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Architects Registration Board and the Board Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Board's and Accounting Officer's responsibilities, the Board and Accounting officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Architects Registration Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Architects Registration Board; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Board's Report and any other surrounding information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Architects Registration Board's affairs as at 31 December 2011 and of its surplus for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union.



Crowe Clark Whitehill LLP

Statutory Auditor
London

Date: 17.05.12

Architects Registration Board

Income and Expenditure Statement for the year ended 31 December 2011

	Notes	£	2011 £	2010 £
OPERATING INCOME				
Registration and retention fees	3	2,733,178		2,878,072
Prescribed examinations		171,312		175,582
Penalties and sundry receipts	4	22,564		42,844
Sales of the register of architects		1,480		2,405
Investment income	5	33,795		24,309
Total operating income		2,962,329		3,123,212
EXPENDITURE				
Employee salaries and benefits	6	1,175,946		1,251,760
Office costs	7	384,899		380,732
		1,560,845		1,632,492
Printing and records	8	81,790		120,012
IT charges	9	306,748		373,795
Board allowances and expenses		57,512		69,103
Legal and other professional charges	10	688,040		657,338
Other administrative expenses	11	302,139		284,491
Total operating expenditure		1,436,229		1,504,739
			2,997,074	(3,137,231)
OPERATIONAL DEFICIT FOR THE YEAR			(34,745)	(14,019)
Net gains on investments			283,879	121,886
SURPLUS FOR THE YEAR BEFORE TAXATION			249,134	107,867
Taxation	18		(62,513)	(28,354)
RETAINED SURPLUS FOR THE YEAR			186,621	79,513
RESERVES AT THE START OF THE YEAR			1,571,280	1,491,767
RESERVES AT THE END OF THE YEAR			1,757,901	1,571,280

There are no recognised gains and losses other than those included above.
All activities are continuing.

Architects Registration Board

Statement of Financial Position

at 31 December 2011

	Notes	2011 £	2010 £
NON-CURRENT ASSETS			
Property, plant and equipment	12	455,674	500,330
Investments	13	1,776,996	1,469,950
Total non-current assets		2,232,670	1,970,280
CURRENT ASSETS			
Trade and other receivables	14	105,830	89,904
Cash and cash equivalents		149,262	77,966
Total current assets		255,092	167,870
TOTAL ASSETS		2,487,762	2,138,150
Current liabilities			
Trade and other payables	15	418,155	339,030
Deferred income		311,706	227,840
Total current liabilities		729,861	566,870
ASSETS LESS LIABILITIES		1,757,901	1,571,280
TOTAL RESERVES		1,757,901	1,571,280

These financial statements were approved by the Board and authorised for issue on 11th May 2012

Board members

Ben T. H.

M. A. Hughes.

Architects Registration Board

Statement of Cash Flows for the year ended 31 December 2011

	£	2011 £	2010 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Operational deficit for the year		(34,745)	(14,019)
Adjustments for non-cash income and expenses			
Depreciation of property, plant and equipment	113,725		96,168
Changes in operating assets and liabilities			
Increase in trade and other receivables	(15,926)		(13,912)
Increase / (decrease) in trade, other payables and deferred income	162,991		(2,451)
Net cash inflow from operating activities	226,045		65,786
Cash flows from investing activities			
Proceeds from the sale of investments	1,335,530		737,990
Purchase of investments	(1,358,697)		(832,454)
Purchases of equipment	(69,069)		(35,927)
Net cash used in investing activities	(92,236)		(130,391)
Taxation	(62,513)		(13,381)
Net increase/(decrease) in cash and cash equivalents		71,296	(77,986)
Cash and cash equivalents at the start of the year		77,966	155,952
Cash and cash equivalents at the end of the year		149,262	77,966

All cash is represented by cash on hand

Architects Registration Board

Statement of Changes in Reserves

at 31 December 2011

	Designated Reserve £	Operational Reserve £	Revaluation reserve £	Total reserves £
Balance at 1 January 2011	63,000	1,386,321	121,959	1,571,280
Surplus for the year	-	87,989	98,632	186,621
Transfer between reserves	(30,000)	30,000	-	-
Balance at 31 December 2011	33,000	1,504,310	220,591	1,757,901

At 31 December 2011, designated reserves represented the IT sinking fund (£7,000 – to cover the cost of ensuring that the organisation's computer systems remain up to date and efficient), the Election Fund (£20,000 – set up to cover the cost of the triennial election of the ARB Board) and the Maintenance Reserve (£6,000 – set up to cover the regular cost of redecoration of the offices in accordance with the terms of the lease).

At the 31 December 2011, the revaluation reserve represented the closing market value less historic cost value of ARBs investments (accumulated unrealised gains). The establishment of the revaluation reserve follows the adoption of IFRS in 2010 which required that investments be shown as fair value rather than cost under UK GAAP.

Architects Registration Board

Notes to the Financial Statements

for the year ended 31 December 2011

1. General Information

The Architects Registration Board is incorporated under the Architects Act 1997. The ARB's principal address is shown on page 1. Its principal activity is acting as the statutory regulator for architects in the UK.

2. Accounting Policies

a) Basis of accounting

The financial statements have been prepared in accordance with the 2011/12 Government Financial Reporting Manual (FReM) issued by the Department for Communities and Local Government. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the ARB for the purpose of giving a true and fair view has been selected. The particular policies adopted by ARB are described below. They have been applied consistently in dealing with items that are considered material to the accounts. They are presented in the units of currency of the United Kingdom.

Going concern

After making enquiries, the ARB has a reasonable expectation that the organisation will be able to continue its activities for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

b) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the ARB and the revenue can be reliably measured. Income is measured at the fair value of the consideration received. Income arising from the provision of services is recognised when and to the extent that the ARB obtains the right to consideration in exchange for the performance of its contractual obligations.

Retention fees are recognised in the period over which they entitle an individual to be listed on the Register of Architects. Registration and prescribed examination fees are recognised in the year in which the prescribed examination takes place. Income from investments and cash is recognised in the period in which the income is earned. Income from sales of the register to third parties is recognised in the year in which the sale takes place.

c) Trade and other receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services but also incorporate other types of contractual monetary assets. They are initially recognised at fair value and are subsequently carried at invoiced value. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

d) Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. They are categorised as financial liabilities at amortised cost.

Architects Registration Board

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

e) Pension costs

The ARB operates a defined contribution pension scheme on behalf of its employees. Contributions are charged to the income and expenditure account as they fall due.

f) Operating leases

Rentals payable are accounted for on a straight line basis over the term of the lease.

g) Plant and equipment

Plant and equipment is stated at historic cost less accumulated depreciation and impairment losses. Individual assets costing £500 or more are capitalised and subsequently depreciated. Items costing less than £500 are written off to the income and expenditure account in the year of acquisition.

Depreciation is charged so as to allocate the cost assets over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold improvements	- over 10 years
Office furniture and equipment	- over 5 years
IT and electronic equipment	- over 3 years

h) Taxation

The tax currently payable is based on investment income earned and gains on investments during the year as the ARB is a mutual trading organisation.

i) Cash and cash equivalents

These financial assets include cash in hand and deposits held on call with banks.

j) Impairment of non-financial assets

The ARB assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the ARB estimates the asset's recoverable amount.

k) Investments

Investments comprise holdings of a number of UK gilts. The fair value of the investments is based on the closing market value at the accounting date. Gains and losses arising from changes in market value are included within the Income and Expenditure Statement. Investments are categorised as 'Financial Assets' at fair value through the profit and loss.

Architects Registration Board

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

3. Revenue - Registration and Retention Fees

	2011 £	2010 £
Registration fees	59,492	74,964
Retention fees	2,673,686	2,803,108
	2,733,178	2,878,072

4. Revenue - Penalties and Sundry Receipts

	2011 £	2010 £
Penalties paid on reinstatement to the Register	19,180	37,044
Sundry receipts	3,384	5,800
	22,564	42,844

5. Other Income - Investment Income

Government stocks	29,128	19,223
Interest on bank deposits	4,667	5,086
	33,795	24,309

6. Staff Costs

Salaries and national insurance	948,961	1,053,640
Staff pension scheme	98,108	117,149
Medical and permanent health insurance	33,618	32,336
Recruitment costs	44,383	-
Staff training	17,283	22,392
Temporary staff	33,593	26,243
	1,175,946	1,251,760

Staff numbers (average full time equivalent)	No. 20	No. 21
--	-------------------	-----------

Emoluments in respect of higher paid employees fell within the following ranges:

£60,000 - £70,000	No. 1	No. 1
£100,000 - £110,000	1	1

Payments were made into defined contribution pension schemes totalling £23,686 (2010: £23,686) in respect of these employees.

Architects Registration Board

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

7. Office Costs

	2011 £	2010 £
Rent	127,625	85,000
Rates	80,045	65,801
Building related costs	19,020	48,397
Insurance	6,085	4,725
Electricity	14,763	15,893
Office cleaning		21,627
Postage and telephone		64,954
Maintenance of office equipment	1,695	1,737
Depreciation: leasehold improvements	51,733	51,733
Depreciation: furniture and equipment	19,193	20,865
	384,899	380,732

8. Printing and Records

Printing	73,949	99,987
Stationery	6,280	17,682
Journals and newspapers	1,561	2,343
	81,790	120,012

9. IT Charges

Depreciation: IT equipment	42,799	23,571
IT costs	263,949	350,224
	306,748	373,795

10. Legal and Other Professional Charges

Remuneration to external auditors:		
External audit services	16,800	15,716
Other services - advice on implementation of IFRS	-	3,936
- corporation tax compliance advice	2,544	1,763
Legal expenses and professional charges	668,696	635,923
	688,040	657,338

Architects Registration Board

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

11. Other Administration Expenses

	2011	2010
	£	£
Bank charges	32,383	23,224
Sundry expenses	13,130	13,592
Staff travel expenses	17,605	17,599
Prescribed examination	95,527	102,587
Prescription	36,646	44,690
Registration services	39,904	39,277
Public and professional awareness	34,188	26,874
Qualifications expenses	29,187	12,289
Document storage	3,569	4,359
	302,139	284,491

12. Property, Plant and Equipment

	Leasehold improvements	Office equipment	IT equipment	Total
Cost		£	£	£
At 1 January 2011	517,325	99,904	188,944	806,173
Additions	-	-	69,069	69,069
Disposals	-	-	(65,972)	(65,972)
At 31 December 2011	517,325	99,904	192,041	809,270
Accumulated depreciation				
At 1 January 2011	103,465	44,227	158,151	305,843
Charge for the year	51,733	19,193	42,799	113,725
Disposals	-	-	(65,972)	(65,972)
At 31 December 2011	155,198	63,420	134,978	353,596
Carrying amount				
At 31 December 2011	362,127	36,484	57,063	455,674
At 31 December 2010	413,860	55,677	30,793	500,330

Architects Registration Board

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

13. Investments

	2011 £	2010 £
At cost		
At start of year	1,469,950	1,253,600
Additions	1,358,697	832,454
Disposal proceeds	(1,335,530)	(737,990)
Net gains on investments	283,879	121,886
At end of year	1,776,996	1,469,950
Cost at end of year	1,556,404	1,347,990
All investments are held in UK gilts.		

14. Trading and Other Receivables

	2011 £	2010 £
Other debtors	14,903	18,265
Prepayments	90,927	71,639
	105,830	89,904

Other debtors relate to employee season-ticket loans. There are no impaired financial assets

15. Trade and Other Payables

	2011 £	2010 £
Trade creditors	172,956	142,876
Corporation tax	56,697	24,507
Social security and other taxes	45,194	51,434
Accruals	143,308	120,213
	418,155	339,030

It is the ARB's policy to pay purchase invoices within 30 days of receipt.

16. Pensions

The Staff Pension Scheme is a defined contribution scheme. The cost of contributions during the period was £98,108 (2010: £117,149). There are no outstanding or prepaid contributions at the balance sheet date. The assets of the scheme are held separately from those of the Architects Registration Board in an independently administered fund.

Architects Registration Board

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

17. Leasing Commitments

The Architects Registration Board is committed to making the following minimum annual payments under operating leases which expire:

	Land and buildings	
	2011	2010
	£	£
In more than five years	817,475	801,000

The Architects Registration Board is committed to the lease on its Weymouth Street premises until April 2019. During 2009, the floor space was increased by approximately 121 square metres. No rent will be payable on this extra floor space until 24 December 2015 after which rent will be payable at opening market value.

18. Taxation

The ARB is a mutual trading organisation and is therefore taxed only on outside sources of income. Historically this has been investment income. Income tax was calculated at between 20% and 21% (2010: 21%) of investment income and gains on investments during the period.

19. Related Party Transactions - Architects Registration Board Staff Benevolent Fund

The Architects Registration Board is able to appoint the trustees of the Architects Registration Board Staff Benevolent Fund. At 31 December 2011, all trustees of the Fund were members of the Board of the Architects Registration Board. The cost of the Fund's audit together with other administration expenses is met by the Architects Registration Board.

20. Board Remuneration and Expenses

Board members received an attendance allowance of £250 per day for attending Board meetings and participating in other Board business and committees.

The total attendance allowances paid during 2011 were £80,379 (2010: £96,286) which includes allowances paid to Board members for their roles as members of other committees.

Board members are also able to claim travel and subsistence expenses. Expenses totalling £20,246 (2010: £18,399) were claimed during the year.

21. Currency Risk

The ARB does not hold balances in foreign currencies. All fees payable are required to be settled in UK sterling and so the ARB is not exposed to current risk.

Architects Registration Board

Notes to the Financial Statements (continued)

for the year ended 31 December 2011

22. Liquidity and Credit Risk

The ARB aims to maintain a minimum of 4 months' operating costs as a reserve and reserves during the year to 31 December 2011 were in excess of this level. As stated above, the majority of the ARB's income is received at the start or before the start of the financial year. The ARB has no borrowings (or legal right to do so) and monies required for short term working capital requirements are held in accounts with no significant restrictions on access. The ARB does not consider that there is a significant exposure to liquidity or credit risk.

23. Interest Rate Risk

Registrants pay annual fees at the start or prior to the start of each financial year. In addition, the ARB has reserves equating to around six months' annual expenditure. Surplus funds are held as follows to maximise returns:

UK gilts The element of the ARB's reserves not required for short term working capital are held in UK gilts. During the year to 31 December 2011, these gilts generated a return of around 1% (2010: 1%)

Business reserve There is a sweeping system in operation from the ARB's current account to the business reserve in order to maximise interest earned on monies needed for short term working capital requirements.

Treasury reserve Monies not required for short term working capital is invested in higher interest accounts with the ARB bankers.

Interest rate risk is not considered significant in terms of the ARB requiring returns to finance its operations.



Architects Registration Board

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