

Accreditation Council Highlights F2022

Effective

945

Active
accreditations

860

NZQC
training
days

1,461

Telarc certified
organisations



Efficient

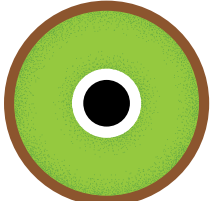
Accreditation fees increases are less than inflation

IANZ fees are amongst the lowest of all global accreditation bodies

Vital



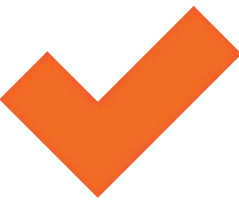
Reducing cost
to market for
overseas trade



Facilitating
domestic economic
development



Managing health,
safety and
environmental risks

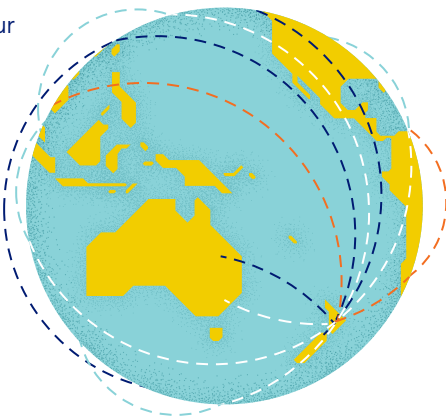


Assisting with trade
agreements

**Human
Capital**



Huge appreciation for our
fantastic full-time staff,
sub-contractors and our
thousands of volunteer
technical experts



**Internationally
recognised**

Accreditation authorities in
105 countries recognise IANZ
accreditation as equivalent
to their own

**Annual
Surplus/(Deficit)
after tax**

FY 22

(\$368k)

FY 21

1,075k



Our Vision

To be a world-class provider of accreditation, certification and related services, providing value-added assurance of competence and compliance, in a financially sustainable manner.



Contents

1. The Year in Review	6
2. Governance and Structure	11
3. Council Members' Profiles	14
4. Telarc Limited Directors' Profiles	17
5. Management Members' Profiles	18
6. Statement of Intent	20
7. Statement of Performance	34
8. Valued Employer	56
9. Statement of Responsibility	60
10. Audit Report	61
11. Statement of Accounting Policies	66
12. Annual Financial Statements	70
13. Notes to the Financial Statements	74
Appendix 1 Council Function, Goals, and Operational Standards	93
Appendix 2 Council Structure	94
Appendix 3 Accreditation and Certification Explained	96
Appendix 4 Glossary of Acronyms	101
Appendix 5 Directory	102

1. The Year in Review

The Hon Dr David Clark, Minister of Commerce and Consumer Affairs.

We are pleased to submit the 2021-2022 Annual Report of the Accreditation Council.

Providing protection in a changing world

The ongoing pandemic during financial year ended 30 June 2022 has proved more challenging for the Accreditation Council than the previous year. A lengthy Auckland lockdown during the first half of the financial year impeded accreditation and certification operations. Subsequently, after almost 18 months of being mostly Covid-19 free, New Zealand joined the rest of the world in dealing with significant case numbers and rising Covid-19 related deaths due to the spread of the Omicron Covid-19 variant. The clients of the Accreditation Council's trading arm, IANZ, and of its certification subsidiary, Telarc, reacted swiftly and decisively to the change in environment with many clients not allowing, or being unable to host, on-site assessments or audits. Inevitably, these conditions created a high level of disruption to fully-booked schedules of work.

As we are all very much aware, the Accreditation Council's experience is not unique. Despite the pandemic, we have been more fortunate than many other New Zealand enterprises with our ability to keep operating despite the Covid-19 related constraints, albeit at a reduced tempo. In order to operate under these conditions, we have evolved the way we work so as to continue meeting the requirements of our clients, and the regulatory obligations that underpin much of our work.

IANZ and Telarc both moved quickly from a reduced schedule of on-site assessments and audits, to conducting a significant proportion of them remotely. The speed at which our people were able to adapt to this new way of working, and innovate to improve the efficiency of the remote assessment/audit process, was a credit to the businesses and their people. Despite these efforts Covid-19 disruptions and delays had a material impact on trading performance.

The Accreditation Council has innovated constantly in order to function effectively under pandemic constraints, drive efficiency in order to reduce costs for clients, and solve problems, including health, environmental, and resource challenges. IANZ recently developed a new standard, Te Paerewa, which can be used to assure the competency of organisations delivering services or products in situations where accreditation would be excessive. This will initially be used to assure point-of-care testing, but can easily be modified to many other applications and is not limited to healthcare.

The Accreditation Council's training arm, the New Zealand Quality College (NZQC) has also been impacted by the pandemic with numerous courses being cancelled during the year. The Council has developed a strategy during the 2022 reporting year that will refocus the NZQC, provide more flexible modes of course delivery, and enable it to better leverage the IANZ and Telarc brands. The strategy will be executed during the 2023 reporting year and into 2024.

The hardships over the last two years underline New Zealand's need for strong and adaptable accreditation and certification, both of which support trust, provide protection, and create a measure of certainty in an uncertain world. They show New Zealanders which goods and services are safe and meet quality standards. They also ensure that risks are identified and managed, and support economic activity.

Enhancing Health and Safety

The health, safety, and wellbeing of our people continues to be our number one priority and is an issue of high importance for our stakeholders. The Accreditation Council remains committed to zero harm. We have very active health and safety committees in IANZ and Telarc, plus wellbeing sub-committees that continue to promote a safe and healthy workplace for all staff, contractors, and visitors and to provide input to health and safety and wellbeing policies and procedures. IANZ has been audited against the AS/NZS 4801 Health

and Safety Standard and achieved compliance and will work towards transitioning to ISO45001 by the end of 2024. Telarc transitioned from AS/NZS4801 to ISO45001, achieving compliance during 2019.

In addition to looking after the health and safety of our own people, the Accreditation Council contributes to the health and safety of all New Zealanders. IANZ has supported the Ministry of Health and stakeholders throughout the pandemic. In the year to 30 June 2022, IANZ worked closely with the Ministry of Health, with input from the Clinical Advisory Group for Covid-19 testing, to prioritise and expedite the accreditation of new and existing laboratories for Covid-19 testing, as it did in the previous reporting year. While the Auckland lockdown and emergence and spread of Omicron that followed has created significant complexity in its operating environment, IANZ has worked hard to keep the accreditation of medical laboratories on track.

Health and safety are core risk areas for New Zealand businesses. The introduction of the internationally-developed health and safety standard, ISO45001, combined with a rigorous regulatory framework has created numerous opportunities for Telarc to support the health and safety of New Zealand. In 2022 reporting year, Telarc has worked across multiple industry and regulatory groups to increase awareness, and in turn adoption, of ISO 45001 in New Zealand.

Construction is a sector where there has been notable growth in ISO45001 certification. A substantial contributor to this trend is the Tötika scheme, which provides construction subcontractors with the convenience of only having to pre-qualify once, and thus avoids duplicating the effort for subsequent contracts. Telarc is seeing a growing momentum of construction prime contractors and their subcontractors towards adoption of Tötika, and therefore ISO45001, which has accounted for much of Telarc's overall growth in the number of registered certificates for FY2022.

Supporting Regulators

Through IANZ, the Accreditation Council has worked with regulators during FY2022 to ensure it delivers accreditation services that meet Government needs and provide the rigor and assurance of international standards. This has become particularly important due to the significant structural reforms that have been occurring in some sectors.

Guidance and/or advice was provided by IANZ to a number of regulators during FY2022 in order to support their endeavours to create a safer New Zealand. Taumata Arowai appointed IANZ under the Water Services Act 2021 as the accreditation body for water testing laboratories, and IANZ made a submission to Taumata Arowai on the proposed Drinking Water Standards and Rules in March 2022. Advice was provided to Maritime New Zealand on the use of accredited testing for the emissions of nitrogen oxides from marine engines to meet international maritime commitments, and to Waka Kotahi in relation to the potential for accreditation of vehicle testing inspectors. Input into MBIE's drafting of the new Plant and Structures regulations, which will replace the existing Pressure Equipment, Cranes, and Passenger Ropeways regulations, is continuing, as is support for MPI Border Control in applying accreditation to cruise ship management. There was also engagement with WorkSafe regarding strengthening the role of accreditation in asbestos safety in buildings. Finally, IANZ is at an early stage of engagement with a view to providing accreditation for a social services provider assessment body. This would be IANZ's first accreditation in the social services sector.

Telarc has also actively worked with regulators. The impact of this effort has been to improve the outputs managed and delivered by New Zealand businesses, and to sponsor the adoption of standards that help people in the workplace and support the sustainability of New Zealand's natural environment.

Global Recognition

The Accreditation Council supports the Government's economic plan to build a more productive, sustainable and inclusive economy through facilitating trade. The impact of Covid-19 on international travel has changed the nature of international engagement and cooperation. IANZ has maintained its work with international bodies throughout the 2022 reporting year. These bodies include: International Laboratory Accreditation Cooperation (ILAC), Asia Pacific Accreditation Cooperation (APAC), the International Organisation for Standardisation (ISO), and the Organisation for Economic Co-operation and Development (OECD). While engagement with these organisations has been primarily through virtual meetings since Covid-19 first emerged, some meetings returned to a face-to-face format in the latter stages of the reporting

year. Likewise, through undertaking remote (virtual) evaluations IANZ has maintained its obligation to the assessment of international peers. These are also now increasingly being conducted on-site and in-person.

The Accreditation Council has continued to support Ministry of Business, Innovation and Employment and the Ministry of Foreign Affairs and Trade whenever appropriate.

Strategic Change

The Accreditation Council maintained its planned investment in service enhancement projects with good progress made during the course of the year and will continue to invest in these projects during FY2023. These investments will increase organisational capability, and increase effectiveness and efficiency of the Council’s operations.

The multi-year Information Management Transformation Programme delivered a variety of areas of new capability during FY2022, which are being progressively rolled out in the new reporting year. These include: improved integration of te reo Māori with the customer relationship management system (CRM); full digitalisation of credit card receipts from mobile phone to CRM; and the implementation of a new secure mobile payroll system. Eventually, the programme will provide efficiencies and improved customer service for IANZ and Telarc through improved key data capture, digitisation and centralisation of documents, and automated reporting, together with future-proofed information technology infrastructure.

IANZ has also invested heavily to build the capability of its people. All staff have received training in leadership or team membership to increase self-awareness and build high-performing teams. To assist in strengthening Māori-Crown relations, IANZ has embraced the guidance provided by Te Arawhiti through their Whāinga Amorangi: Transforming Leadership programme. During FY2022 most staff completed a course in introductory Tikanga and Te Reo Māori, plus a further one-day workshop focused on providing an understanding of the principles and obligations of Te Tiriti o Waitangi.

In FY2022 the bulk of the necessary planning and organisational activities were undertaken to underpin moving IANZ and Telarc to new premises in the second quarter of FY2023. These will provide an environmentally friendly, open, contemporary space that will enrich our organisational culture and workplace, and better meet current and future operational needs.

Financial results for the year ended 30 June 2022

IANZ finished the year with a pre-tax deficit of \$334,978 (budget surplus \$1,028,814, prior year surplus \$1,411,951) and an after tax deficit of \$368,109 inclusive of a surplus contribution of \$66,800 after tax from its subsidiary, Telarc Limited (\$99,930 before tax).

The net assets of the Council totalled \$10,096,897 (\$10,465,006 prior year) and investment will continue within the coming year in our IT architecture and our people, ensuring we continue to improve our service offerings to our clients and stakeholders.

IANZ finished the 2022 financial year with 760 active clients (744 FY2021) and 945 active accreditations (928 prior year), an increase of approximately 2%. This was a pleasing result, reversing some of the contraction seen in FY2021, and despite the Covid-19 lockdown and subsequent constraints imposed by the Omicron outbreak. The medical imaging sector saw the greatest growth (6%), with growth otherwise consistent across the other major sectors (inspection bodies and testing laboratories). Telarc had 1461 certificates registered with the Joint Accreditation System of Australia and New Zealand (JAS-ANZ), compared with 1411 in FY2021, an increase of 3.4%.

The Year Ahead

The emerging operating context for the year ending 30 June 2023 remains uncertain. There is an ongoing Covid-19 pandemic with no clear end in sight, the highest level of inflation in more than 30 years, rising interest rates and war in Europe that may escalate further. These are things that we cannot control that may all impact the Accreditation Council’s business. However, there are many things that we can control and that is where our efforts are focused for the 2023 financial year.

While the Covid-19 pandemic has impeded our ability to achieve some operational and strategic objectives during the 2022 financial year, positive consequences include new ways of working, and increased organisational and individual resilience. Remote assessments are now conducted routinely and have

become increasingly efficient and effective. They will not fully replace on-site assessments, but they are an important tool that allows IANZ and Telarc to maintain momentum at times when travel is not possible, or when a remote assessment is simply a better option. Supplementing this process innovation, IANZ is also developing a number of initiatives designed to improve personal resilience and engagement, such as a well-being strategy, a pay-scale review, talent management, and professional development, which will be progressed throughout FY2023.

Major New Zealand Government reforms of key stakeholders, notably the transition from district health boards to Health NZ, and the creation of four new publicly-owned Water Services Entities to deliver New Zealand’s drinking water, wastewater and storm water services, have progressed substantially in the 2022 reporting year. Our proactive engagement with Health NZ, and with the new water services regulator, Taumata Arowai, have yielded some successes and will continue in 2023 year.

The urgency of the Covid-19 pandemic has over-shadowed much of the attention that was previously given to climate change, however the 2021 United Nations Climate Change Conference (COP26) at which New Zealand increased its climate change commitment, has at least partially re-focused effort to this critical long-term issue. The Accreditation Council has a part play in contributing to New Zealand’s response to climate change through its accreditation work, but also through improving the environmental sustainability of our own organisation.

The Accreditation Council celebrates its 50th anniversary in October of 2022. This is a time for us to reflect on our history and success, but also provides an important opportunity to showcase our organisation through highlighting our contribution to the health and wealth of New Zealand.

Finally, we wish to acknowledge our people, who are pivotal to our success. Covid-19 and the ongoing uncertainty that it has created for the Council’s business has not interrupted their loyalty and commitment. We wish to acknowledge their incredible efforts in dealing with the range of challenges we have faced together in the 2022 reporting year and we will continue to work to improve the way we support them as they support our clients.



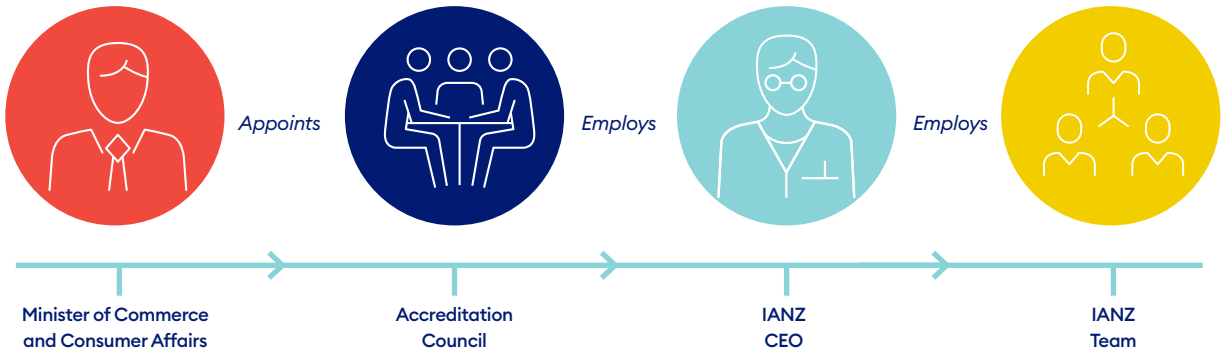
Paul Connell
Chairman





2. Governance and Structure

The Accreditation Council is an Autonomous Crown Entity under the Crown Entities Act 2004. The Members are appointed by the Minister of Commerce and Consumer Affairs (the responsible Minister) in accordance with the Standards and Accreditation Act 2015. The Council is monitored by MBIE.



Organisational responsibility is delegated to the Chief Executive using a formal delegation's framework. The Council comprises seven independent non-executive members. Their profiles and disclosures of interest are published on page 12.

2.1 Legislative Framework

The Accreditation Council is established under the Standards and Accreditation Act 2015, but is a continuation of the Testing Laboratory Registration Council, established under the Testing Laboratory Registration Act 1972. The Council is an Autonomous Crown Entity under the Crown Entities Act 2004. Telarc is a Crown subsidiary under the Act.

The Council's functions as set out in the Standards and Accreditation Act are:

- to promote the development and maintenance of good practice in conformity assessment; and
- to establish and maintain accreditation schemes for conformity assessment bodies engaged in testing and inspection activities; and
- to develop and maintain international recognition and acceptance of the Council's accreditation scheme; and
- to maintain appropriate international relationships consistent with the Council's functions under this section; and
- to act as New Zealand's good laboratory practice compliance monitoring authority; and
- if the Council chooses, to provide certification services; and
- to perform any other functions that the Minister directs the Council to perform in accordance with section 112 of the Crown Entities Act 2004.

The Council's organisational structure can be found in Appendix 2.

The Council has traded under the name IANZ (International Accreditation New Zealand) since 1 July 1997. On this date, the Council created Telarc Limited as a separate legal entity, wholly owned by the Council. On 1

April 2007, SAI Global merged their New Zealand certification business with Telarc Limited, forming Telarc SAI Limited. SAI Global held a 25% ownership interest in the merged company, until 30 August 2017 when the Council purchased SAI Global 25% interest, returning Telarc Limited to a 100% owned subsidiary. Telarc Holdings Limited, a subsidiary company of Telarc Limited was formed in October 2018. This company is a holding company classified as a non-trading entity formed to hold trademarks previously held by Telarc Limited. Telarc Limited has its own Board of Directors, and operates independently from IANZ.

The Council is required under the Crown Entities Act 2004 to have regard to Government policy as directed by the responsible Minister, the Minister of Commerce and Consumer Affairs. The collective duties of the Accreditation Council under the Crown Entities Act include ensuring IANZ acts consistently with its objectives, functions, Statement of Intent and Annual Statement of Performance Expectation; performs its functions efficiently, effectively and consistently; and operates in a financially responsible manner.

Council members also have individual duties to: comply with the Act (including with respect to disclosure of interests); act with honesty and integrity; act in good faith and not at the expense of the Council's interests; and act with reasonable care, diligence and skill.

The Council is entirely funded by client fees and receives no Crown funding.

2.2 Goals of the Council

The goals of both IANZ and Telarc are set as part of the process of developing the Statement of Intent (SOI), and are articulated in the Statement of Performance Expectations (SPE), after consultation with Ministry of Business, Innovation and Employment and as approved by the Council and Telarc Board. The process follows receipt of the Minister's letter of expectation, which includes general priorities of the Government, and specific priorities for the Council. Both the SOI and the SPE are publicly available on the IANZ website. ianz.govt.nz.

Of special importance are the Professional Advisory Committees (PACs) which provide technical guidance and support in each field of activity undertaken by IANZ. This includes reviewing and making recommendations on every new accreditation. The Chairs of the PACs form the Accreditation Advisory Committee (AAC) which formally advises Council on any technical issues. The Chair of the AAC also makes a formal recommendation to the CEO to grant accreditation.

The Council's business is linked directly to ensuring the health and safety of products and services provided in New Zealand, and providing assurance of competence and compliance with standards. These functions are increasingly a requirement for carrying out business, and play a major role in facilitating New Zealand's export activities.

2.3 Performance Reporting and Consultation

The financial and organisational performance of the Council is reported annually to Parliament.

An annual Letter of Expectations from the Minister of Commerce and Consumer Affairs to the Council, identifies relationship expectations and reporting requirements. It also acknowledges the required independence of the Council in carrying out its accreditation and certification functions. Through a comprehensive review process, the Council ensures the content of the SOI complies with the Crown Entities Act 2004 (CEA) section 141. Furthermore, the Council also reports all outcomes included in this SOI as part of its requirements under the CEA.

The Council is the primary monitor of organisational performance and meets bi-monthly in this regard.

MBIE receives a quarterly analysis and performance overview. Comment on other significant issues is included where necessary.

The Council also regularly communicates on all on-going operations with its monitor, MBIE.

Both the CEO and Chair continue to have regular meetings with MBIE officials as well as briefing discussions as needed. The Chair meets periodically with the Minister of Commerce and Consumer Affairs.

The Council would consult the Minister of Commerce and Consumer Affairs before making any significant change to its business units or structure.

The Council also undertakes an annual review of its own performance.

2.4 External Audit

The Auditor-General is the auditor of the Council's financial statements and has appointed RSM Hayes to undertake the external audit work.

Every four years IANZ receives a full evaluation from its Asia Pacific Accreditation Cooperation Mutual Recognition Agreement (APAC MRA) partners. This evaluation is a requirement of continuing membership of the International Laboratory Accreditation Cooperation Mutual Recognition Agreement (ILAC MRA). An evaluation was completed in March 2019, with the next evaluation falling due in March 2023.

2.5 Audit and Risk Committee

The Audit and Risk Committee helps the Council fulfil its financial reporting responsibilities and provides assurance regarding compliance with internal controls, policies and procedures. Its responsibilities are established in a charter which is reviewed annually. The Committee meets with the external auditors (both with and without management present). It has no delegated authority but makes recommendations to the Council.

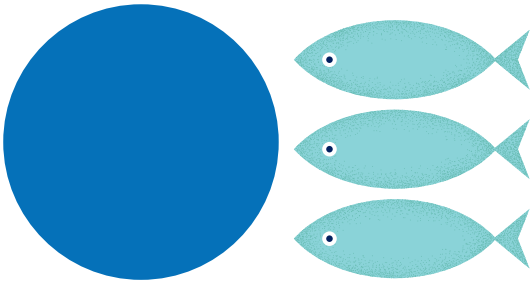
2.6 Health and Safety Committee

Ensuring the health and safety and wellbeing of all staff and contractors continues to be a fundamental responsibility of the Council. The Council has established a comprehensive health and safety management system, compliant with the Health and Safety at Work Act (2015) and all applicable regulations. A full AS/NZS 4801, compliance audit was undertaken in 2018 to ensure all policies meet international best practice. A Wellbeing strategy has also been developed by our people for our people, during the course of the year.

Representation from all levels of staff and management comprise the Health and Safety Committee, which meets on a bi-monthly basis.

Council members regularly participate in assessments to gain their own understanding of good practice when staff are at clients' premises.

Telarc Limited has its own health and safety management system and transitioned from AS/NZ4801 to ISO 45001 in 2018 and was assessed against ISO 45001 in 2019.



3. Council Member Profiles



Paul Connell (CA FinstD)

Chairman

Paul is an independent director with experience as a Chartered Accountant, consultant, director and CEO. He has been a director of public companies, public entities and a number of private companies for over 22 years. He is presently Chair of the Accreditation Council, director of WEL Networks, ETEL Ltd, and Telarc Limited. He is independent Chair of Bobux International and is a director and Chair of the Audit and Risk Committee for the Environmental Protection Agency. Paul is a member of the Waikato Regional Council Risk and Audit Committee.



Dr Graeme Benny – Ceased December 2021

BSBioMicr, MSBio (Hon), PhD ClinBio

Dr Benny trained in clinical biochemistry and clinical microbiology at Auckland University.

Graeme’s career as a senior executive and Chief Executive has spanned public and private sector organisations in the human and animal pharmaceuticals and therapeutics industries, human biotech industry, Counties Manukau and Auckland District Health Boards, the New Zealand Blood Service and the New Zealand Defence Force.

He was Director/CE of Health Workforce New Zealand and is currently Chair and Executive Director of Leecare Solutions Pty (an Australian-based health IT development company), Chair of Ako Aotearoa, Chair of Auramer Bio (a biotechnology development company) and works as clinical/management consultant to the health sector.



Carolyn Harkess – Ceased December 2021

MBA, DipM, CMinstD

Carolyn Harkess has over 20 years’ senior executive experience having held chief executive and senior management roles in Manufacturing and Retail industries in New Zealand and Internationally. She brings to the Board experience in understanding and managing international markets, assisting organisations in their strategic development and driving performance in bottom line results. She brings governance experience across a range of sectors including government, sporting, and not for profit. She is a Chartered Member of the Institute of Directors in New Zealand.

Marion Eades – Ceased December 2021

MBA(Dist), BSc, BCom, FCA Rtd

Marion Eades is an independent director, former senior New Zealand public servant and international civil servant. She has held senior audit, finance and management roles. Former director roles include Cooperative Bank, Environmental Science and Research Institute, Energy, Efficiency and Conservation Authority and Works and Development Services (NZ) Ltd. Marion has chaired the audit committee of several of these organisations along with those of other public sector entities and is a past Chair of the Independent Expert Oversight Advisory Committee of the World Health Organisation.



Catherine Abel-Pattinson

MBA

Catherine is a highly experienced C-Suite Executive and Non-Executive Company Director. She is a member of The Institute of Directors New Zealand and Global Women. Catherine’s skills cover Strategic Governance, Information and Communication Technology, Cybersecurity, Major Capital Works, Healthcare, Biotechnology, Regulation Compliance, Audit, Risk and Financial Markets in both the private and public sectors.

Catherine holds an MBA and has studied Financial Markets at Yale and Leadership at INSEAD Universities. She holds a Certificate in Company Direction from the New Zealand Director’s Institute.

Catherine was a global Johnson & Johnson Scholarship recipient in 2009; which enabled her to attend INSEAD University in France. In 2008 Catherine was a runner-up for the Glenys Baldick Memorial Award for Emerging Leaders in Health.



3. Council Member Profiles



Nicole Anderson

CMInstD, PGDPH, DipAcc, DipBus, DipMgt

Nicole is a Professional Director with a background in accountancy, health and business development.

She has worked primarily with organisations advancing Māori and Iwi, and with various public sector and private organisations, focusing on policy, economic and commercial development.

A chartered member of the Institute of Directors (CMInstD), Nicole is currently Director of Northland Inc, Ngapuhi Asset Holding Company, Fluid Chemicals Ltd, Top Energy and a member of the NZ Conservation Authority.

Ko Ngāpuhi tōna iwi, nō Hokianga ia.
Ka noho ia ki Kerikeri ki tetaha o tōna whanau.



Jane von Dadelszen

MA, BA (Hons) MRSNZ, MinstD

Jane is an independent director and consultant providing leadership, advice and analysis to government and development agencies, industry groups and educational organisations in New Zealand and internationally. She is a Member of the Hong Kong Council for the Accreditation of Academic and Vocational Qualifications (HKCAAVQ) task force reviewing accreditation criteria and standards. She is also a member of the boards of Toi Whakaari, the National Dance and Drama Centre, and English Language Partners.

Until December 2015, Jane was Deputy Chief Executive, Quality Assurance, at the New Zealand Qualifications Authority (NZQA) and previously for ten years, she led tertiary education policy at the Ministry of Education. Jane’s experience also includes gender issues, crime and justice issues, family violence, child protection, health, alcohol and drug issues, climate change and natural resource management.

4. Telarc Limited Directors’ Profiles

David Bone (BEng Hons) – Ceased June 2022

Chairman

It is with great sadness that the Council acknowledges the passing of David Bone late this year. David had an Honours Degree in Engineering from Bristol University, and after pursuing a corporate career with BP and as an executive director with Winstone Ltd, he became an external director with a number of companies. He served as a director of New Zealand Rail Ltd, was foundation Chairman of the CRI Industrial Research Ltd, had represented the Prime Minister’s Department on the boards of a number of Crown Entities, and was Managing Director of software company Smartmove NZ Ltd. David was the Chairman of Telarc Limited and Pacific Aerials Limited at the date of his passing.



Vikki Brannagan – Acting Chair

MinstD B.A. (Japanese) B.Com (Bus)

Vikki is an experienced CEO and professional director, with governance and leadership experience across a wide variety of industries in the commercial, public and not-for-profit sectors. She holds independent board positions with Cafe Brands Ltd (franchisor of the Columbus Coffee & Mexico restaurant chains); the Apprenticeship Training Trust (a major employer in the PGDR & Electrical sectors) where she chairs the Audit & Risk and Remuneration Committees; and H J Asmuss Ltd where she chairs the H&S committee. Vikki is currently the acting chair for Telarc Limited.



Paul Connell

FCA CFinstD

Paul is an independent director with experience as a Chartered Accountant, consultant, director and CEO. He has been a director of public companies, public entities and a number of private companies for over 22 years. He is presently Chair of the Accreditation Council, director of WEL Networks, ETEL Ltd, and Telarc Limited. He is independent Chair of Bobux International and is a director and Chair of the Audit and Risk Committee for the Environmental Protection Agency. Paul is a member of the Waikato Regional Council Risk and Audit Committee.



5. Management Members’ Profiles



Dr Brian Young, BSc(Hon), PhD, CMIInstD

Chief Executive Officer (IANZ)

Brian is an experienced science leader, diplomat, and neuroscientist. He began his career in science with a BSc(Hon) degree in psychology at the University of Canterbury, followed by PhD study in behavioural neuroscience at Dartmouth College (USA). His neuroscience research work extended across UNC-Chapel Hill, and SUNY-Stony Brook in the United States, followed by the University of Otago and HortResearch in New Zealand.

Brian’s subsequent career in science diplomacy took him back to the United States where he was the inaugural Science & Technology Counsellor in the New Zealand Embassy (Washington DC). Following his diplomatic post, Brian was the Director, Research at the University of Otago, and for the nine years prior to his appointment at IANZ, he was the Director of the Defence Technology Agency.

In addition to his science leadership credentials, Brian has had nine years of governance experience representing New Zealand in several international Defence science & technology boards. More locally he is a board member of the Museum of Transport and Technology, and is a Chartered Member of the Institute of Directors.



Philip Cryer (BBS)

Chief Executive Officer (Telarc)

Philip Cryer has worked in a wide variety of roles across a diverse range of industry sectors. Prior to joining Telarc he held a number of management roles with Spark N.Z. Philip managed teams with accountabilities for customer service, technology design and delivery through to business operations support. Prior to his time at Spark, Philip worked in a variety of roles in Strategy development, Supply chain and logistics, Treasury, Accounting, International Business management, Marketing and Retailing. Philip has a degree from Massey University in Business Studies.



Fiona Paulin (CA)

Chief Financial Officer and Company Secretary

Originally, from Wellington, Fiona began her career with Union Shipping Group and has held a number of senior roles across a diverse range of public and private industry sectors including Financial Services, Building, Pharmaceuticals, Manufacturing, Electrical and the Education sector. Fiona held the Acting CE position for the Accreditation Council for 12 months between 2020 and 2021. She has extensive experience in both Finance and Operations areas. Fiona graduated from the Auckland University of Technology with a National Diploma in Accountancy, and became a member of the NZ Institute of Chartered Accountants in 1994.



6. Statement of Intent

As an autonomous Crown entity, the Accreditation Council must have regard to Government policy as directed by the Minister of Commerce and Consumer Affairs. The Council has considered the Minister’s Letter of Expectations, and policies including: Government’s General Objectives; Government’s Wellbeing Objectives, and Government’s Commerce and Consumer Affairs priorities.

The Statement of Intent provides the strategic framework that gives direction to our organisational purpose of protecting the health and wealth of New Zealand through recognition and assurance of global best practice.

Covid-19

New Zealand has managed to achieve a level of normalcy during the COVID pandemic, at first through measures that produced a relatively low incidence of COVID-19 infections, and then through high vaccination levels. However, the pandemic remains a global challenge across societies, economies, and health care systems. With borders being tightly managed, and global logistics challenges, shipping into New Zealand is taking longer resulting in supply constraints. Along with accelerating demand for most goods, inflation and the cost of doing business are increasing. The impact of the pandemic is expected to grow, widen, and last longer than many had initially predicted. It is impossible to determine an accurate picture of the impact of COVID-19 in forthcoming years; this will depend on variables such as the success of national and global vaccination campaigns, the appearance of new COVID-19 variants, and the efficacy of non-pharmaceutical interventions. What does seem certain is that the way we work, travel, and live will continue to differ from our pre-COVID-19 situation.

Implications: COVID-19 globally has created the need to review the accreditation and certification models, and introduce new modes of NZQC training delivery. While the primary driver for these changes is business continuity, the changes also provide increased operational flexibility in the long-term. The requirement for the Accreditation Council to have at-the-ready protocols for maintaining conformance will continue with the ongoing threat of restrictions, however a new imperative has emerged for developing more automated, remote, cost-effective, and efficient models for assessing, auditing, and training.

Progress of the Accreditation Council’s contribution in FY2022, towards achievement of Government’s priorities is outlined below.

A new Statement of Intent covering FY2023-2026 was submitted to the Minister in May this year and will drive growth and diversification against four strategic outcome areas that are closely aligned with the Government’s 2021 Wellbeing objectives.



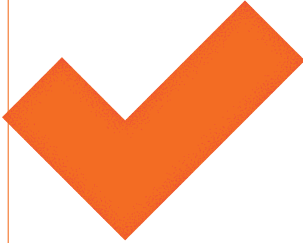
ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
<div>Measuring Performance</div> <div>Outcome 1: IANZ New Zealand Organisations assured of technical competence through accreditation against national and international standards.</div>			<div></div>
<div>Output Deliverables – Accreditation Services:</div> <div>1. Customer Focus – meet customer needs. a. IANZ will build on the relationship with existing clients and regulators in the development of new accreditation programmes to ensure they meet regulatory requirements while achieving ILAC requirements for independent recognition of competence.</div>	<div>• Develop one new accreditation programme within the health sector by 2023.</div>	<div>Progressing – IANZ is working on the POCT (point of care testing) programme via a series of scheduled meetings and consultation processes with the National POCT Advisory Group, POCT Project Working Group, National Laboratory Quality Managers Group and relevant accreditation clients. To date, the concept of a stand-alone POCT accreditation programme is supported by all stakeholder groups. IANZ will develop a draft criteria document, subject to feedback and input from stakeholder groups, with consultation and discussion scheduled for August 2021. There is further opportunity for growth in the addition of other non-accredited POCT facilities such as pharmacies, outpatient and emergency departments, midwives, and rest homes. This project is supported by the MoH (Ministry of Health).</div>	<div>Partly Achieved – The Te Paerewa Recognition Scheme is well underway with the development of Criteria and Standards almost complete. Once this is finished we will be engaging with stakeholders and regulators in a consultation process before anticipated rollout date of late September/ early October 2022. The programme has been developed to enable implementation across all IANZ sector groups with specific criteria relevant to the industry sector concerned. It is intended that this programme will provide an affordable, practical assessment pathway to assure quality and technical competence within the sectors concerned.</div>

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
	<ul style="list-style-type: none"> Develop a stakeholder plan including Ministry groups, regulators, National Screening Unit, the Environment Protection Agency and MBIE by 2023. 	Progressing – Stakeholders and Regulators were engaged via a series of interviews conducted late 2019 and early 2020. A stakeholder plan will be developed in the FY2022 year.	Achieved – Plan is developed. Regular (virtual) engagement has occurred with some stakeholders during FY 2022 and in-person engagement is scheduled for FY2023
	<ul style="list-style-type: none"> Provide accreditation where specified by regulators. 	Achieved – IANZ continues to provide accreditation programmes to meet regulatory requirements: <ul style="list-style-type: none"> MPI Recognised Laboratory programme Drinking Water Laboratory accreditation programme Inspection body programme (multiple sectors including for Worksafe and MPI) Gas Cylinder Testing programme GLP Compliance Monitoring programme Designated Conformity Assessment Body programme & Electrical Testing Building Consent Authority accreditation programme. 	Achieved – IANZ continues to provide accreditation programmes to meet regulatory requirements: <ul style="list-style-type: none"> MPI Recognised Laboratory programme Drinking Water Laboratory accreditation programme transferred to Taumata Arowai. Inspection body programme (multiple sectors including for Worksafe and MPI) Gas Cylinder Testing programme GLP Compliance Monitoring programme Designated Conformity Assessment Body programme & Electrical Testing Building Consent Authority accreditation programme
	<ul style="list-style-type: none"> Ensure accreditation is meeting customer service delivery expectations and adding value through continuous improvement based on quarterly internal and yearly external customer surveys. 	Suspended due to Covid-19 – The last quarterly survey (conducted by internal staff) was in March 2020 and the practice was ceased due to Covid-19. IANZ are currently finalising an alternative methodology for gathering customer feedback. Customer surveys (using an external provider) are intended to be undertaken two yearly rather than annually. The last survey was conducted by Kantar in 2019, and showed a high level of satisfaction by customers. The 2021 survey has been deferred due to uncertainties associated with the COVID pandemic.	Not Achieved – Customer satisfaction survey planning began in June 2022 and the survey will be run in August 2022. IANZ management made the call to delay the survey as IANZ clients have been under significant pressure due to Covid-19 impacting their businesses and their priorities being focussed on business recovery.

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
		In September 2020, Resonance Consulting reported on a survey of regulatory agencies (IANZ indirect customers) with positive results on IANZ performance	
	<ul style="list-style-type: none"> Ensure the BCA accreditation meets changing needs by working closely with MBIE. 	Achieved – IANZ has continued to work closely with MBIE through FY2021. IANZ meets monthly and provides weekly reports.	Achieved – IANZ has continued to work closely with MBIE through FY2022. IANZ meets monthly and provides weekly reports.
	2. Develop current programmes a. Provide new (extension) assessments on demand for existing clients to meet new overseas market access requirements.	Achieved – During the reporting period, there have been no additional overseas market access requirements that have necessitated accredited clients needing to extend their scope of accreditation.	Achieved – During the reporting period, there have been no additional overseas market access requirements that necessitated accredited clients needing to extend their scope of accreditation.
	3. Meet new business and public needs. a. Develop new programmes in the health sector in conjunction with Ministry of Health (MOH) and professional colleges).	Progressing – see 1 (a) above, POCT programme.	Partly Achieved – see 1 (a) above, Te Paerewa Recognition Scheme.
	b. Develop new accreditation programmes for food safety inspection, and extend laboratory accreditation services to meet any new overseas market access requirements in conjunction with Ministry for Primary Industries (MPI) and Local Government.	Achieved – IANZ continues to undertake second party assessments of food safety inspection bodies on behalf of MPI, as well as continue to accredit food safety programme inspection bodies in their own right. During the reporting period, there have been no additional overseas market access requirements that have necessitated accredited clients needing to extend their scope of accreditation.	Achieved – IANZ continues to undertake second party assessments of food safety inspection bodies on behalf of MPI, as well as continue to accredit food safety programme inspection bodies in their own right. During the reporting period, there have been no additional overseas market access requirements that necessitated accredited clients needing to extend their scope of accreditation
	c. Develop new accreditation programmes targeting Government priorities in reducing compliance costs for business, and facilitating infrastructure development, in conjunction with Ministry of Business, Innovation and Employment (MBIE).	Achieved – MPI Border Security is working through the development of a scope for accreditation of MPI for the inspection of cruise ships for the biosecurity risk of biofouling. MBIE sought registrations of interest for the accreditation of Modular	Achieved – MPI Border Security will progress to having a short trial run of their procedures in August and October 2022 followed by an initial assessment. Progress is governed by cruise ships coming into New Zealand, which has not happened for two years.



ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
		<p>Components Building Products and Methods. IANZ were not able to offer accreditation for the certification of a method or product.</p> <p>MBIE sought assistance from IANZ on how to accredit the process for issuing a pre-launch certificate for rockets into space. This is in the early stages of liaison.</p>	<p>MBIE decided the accreditation standard would be ISO/IEC 17065:2013 (Conformity assessment – requirements for bodies certifying products, processes and services), a certification accreditation, which is offered only by JASANZ</p> <p>MBIE resumed the discussion on accreditation mid-2022 and discussions are ongoing.</p> <p>Te Kahui Kahu (MSD) contacted IANZ with respect to accrediting their accreditation arm, which is responsible for a number of social services. Discussions have commenced and a fee estimate provided.</p>
<p>4. Ensure fees are appropriate.</p>	<ul style="list-style-type: none">Benchmark fees against other professional service providers and overseas accreditation bodies, aiming to be the most cost efficient, non-funded accreditation body globally.	<p>Achieved – Fees are reviewed annually and where appropriate either kept at current levels or increased. An example is in FY2021 fees were not increased due to the financial impact on New Zealand from the Covid-19 pandemic.</p> <p>Fees are currently benchmarked against NATA (Australia). IANZ fees remain competitive in the global market.</p>	<p>Achieved – Fees are reviewed annually and where appropriate either kept at current levels or increased. In FY2021 IANZ kept fees at current levels due to the financial impact of Covid-19 on New Zealand however it was unsustainable and fees were increased in FY2022 to keep pace with rising costs.</p> <p>Fees are currently benchmarked against NATA (Australia). IANZ fees remain competitive in the global market.</p>

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
Outcome 2: Telarc New Zealand organisations achieving certification against national and international standards. Output Deliverables – Certification Services:			
1. Increase the significance of certification. a. Grow the number of certified clients in food and non-food standards. b. Provide relevant, professional, timely and accurate audits as and when required.	<ul style="list-style-type: none"> Grow the number of food and non-food certificates as represented on the MPI and JAS-ANZ certified organisation lists contained on their websites. 	Achieved – The certificate numbers on the JAS-ANZ register have lifted from 1,279 to 1411 as at 30 June 2021. This is close to a 10% lift in certificate numbers for the year. This is a significant lift and continues the trend for Telarc to grow certificate numbers. The MPI register is independent from Telarc and managed via MPI.	Achieved – The certificate numbers on the JAS-ANZ register have lifted from 1,411 to 1461 as at 30 June 2022. This is a 3.4% lift in certificate numbers for the year. This is a solid lift and continues the trend for Telarc in growing certificate numbers. The MPI register is independent from Telarc and managed via MPI.
2. Improve customer experience. a. Enhance customer experience through better business processes and by using digital technology.		Achieved – Telarc has continued the IT Transformation programme of work during the FY2021 year with the Food and Wine digital Audit tools being further enhanced.	Achieved – Telarc has continued the IT Transformation programme of work during the FY2022 year with the CRM now being enhanced in anticipation of integrating an audit reporting tool.

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
3. Meet customer expectations. a. Improve audits and meet customer needs through a continuous improvement process including formal monthly feedback from customers.	<ul style="list-style-type: none"> Continue to grow the number of industry specific assessments outside the traditional MPI and JAS-ANZ framework – EWRB Employer Licence, Class A - Asbestos Removal Scheme, Dairy Water Accord, NZTA Rail Audit, etc. 	Achieved – Other schemes / standards advanced and managed outside of the traditional core schemes are: <ul style="list-style-type: none"> Class A Asbestos removal EWRB Employer Licence Medical Devices (ISO13485) We have provisional approval for Asset Management (ISO55001) Product Quality Risk assessments Telarc continue to look for opportunities to assist New Zealand businesses as they look to certification as a mechanism to provide their business with improvement opportunities or market access.	Not Achieved – FY2022 was a very difficult year to be able to get traction on any new schemes. The ISO55001 accreditation continues to make progress with a sign off anticipated for December 2022. The EWRB Training service provider audits continue to be undertaken. It is envisaged that in FY2023 Telarc will be able to work with other regulatory or industry bodies to develop certification opportunities in the NZ market.

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
<p>Outcome 3: International New Zealand business has easier access to international markets through reducing technical barriers to trade.</p> <p>Output Deliverables – International Recognition Services:</p> <p>1. Export trade facilitation</p> <p>a. To provide an accreditation service that enables all new overseas market access requirements to be met.</p> <p>– To ensure IANZ accreditation meets the needs of MPI, MBIE, and other regulators involved in export markets, IANZ will continue to apply trade specific criteria. This will include assessment of new test methods, as notified by regulators, and to confirm the ability of New Zealand exporters to meet overseas market access requirements.</p> <p>b. Provide an accreditation programme that facilitates technical innovation.</p> <p>– IANZ will work proactively with clients to enable new testing methodology required for innovative product development is accredited and accepted on global markets. New innovative products can then be placed directly into overseas markets.</p>		<p>Achieved – IANZ continues to be recognised by MPI as an accreditation body for laboratories, proficiency testing providers and inspection bodies under the Animal Products Act. During the reporting period, there have been no additional overseas market access requirements that have necessitated accredited clients needing to extend their scope of accreditation.</p> <p>IANZ continues to be recognised by MBIE as a New Zealand Designating Authority under the EU MRA, APEC TEL MRA, Singapore CEP, and China MRAs. The number of Designations has increased during 2021.</p>	 <p>Achieved – IANZ continues to be recognised by MPI as an accreditation body for laboratories, proficiency testing providers and inspection bodies under the Animal Products Act. During the reporting period, there have been no additional overseas market access requirements that have necessitated accredited clients needing to extend their scope of accreditation.</p> <p>IANZ continues to be recognised by MBIE as a New Zealand Designating Authority under the EU MRA, APEC TEL MRA, Singapore CEP, and China MRAs. The number have remained the same as 2021.</p>

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
<p>c. Implementing Council – specific priorities.</p> <p>– Ensure mutual recognition and conformity assessments are part of new trade agreements, and grow recognition in existing agreements (e.g. China and ASEAN Australia New Zealand Free Trade Agreements (AANZFTA). IANZ will work with New Zealand negotiators (MFAT and MBIE) and provide continual support for all trade agreements currently under negotiation.</p> <p>– IANZ will grow the international use of accreditation by regulators by working with ILAC.</p>	<ul style="list-style-type: none"> For at least four new regulators in New Zealand’s major trading partners’ jurisdiction to use the ILAC MRA as the basis of regulatory approvals by 2023, thus, benefitting New Zealand trade. For at least two New Government trade agreements, or extension (into new product categories) to an existing trade agreement, to be under negotiation by 2023, using accreditation of conformity assessment as the basis of acceptance. 	<p>Achieved – IANZ has provided support and advice to MBIE during the current round of negotiations for Free Trade Agreements with the EU and with the UK. While not finalised, it is hopeful that accreditation will continue to form part of the mutual acceptance of conformity assessments under these agreements.</p> <p>Progressing – Following on from the acceptance of the ILAC MRA by US regulators (USFCC & USDHS) for the authorisation of radio frequency equipment, the Canadian regulatory authority (ISED) has, in 2020, also accepted the ILAC MRA accordingly enabling access of NZ exporters into these North American markets.</p> <p>IANZ is working with MBIE regarding the EU FTA (European Union Free Trade Agreement). EU courts have ruled against non-EU accreditation bodies working in the EU. It is hopeful accreditation will continue to be accepted as the basis of conformity assessment results.</p> <p>Achieved – IANZ continues its on-going commitment to the APAC and ILAC MRAs, through participation in MRA evaluations, provision of leadership in the same, and contribution to ILAC initiatives in the promotion of accreditation to regulators.</p>	<p>Achieved – The Free Trade Agreements with the UK and EU have now both been signed. Accreditation and Conformity assessment is part of the FTA with the EU. Final text for the EU FTA is yet to be reviewed.</p> <p>Partly Achieved – Following on from the acceptance of the ILAC MRA by US regulators (USFCC & USDHS) for the authorisation of radio frequency equipment, the Canadian regulatory authority (ISED) has, in 2020, also accepted the ILAC MRA accordingly enabling access of NZ exporters into these North American markets.</p> <p>The Free Trade Agreements with the UK and EU have now both been signed. The UK FTA including the use of Conformity Assessment and Accreditation to assist with some market access.</p> <p>Achieved – IANZ continues its on-going commitment to the APAC and ILAC MRA’s through its participation in the MRA evaluations, provision of leadership in the same and contribution to the ILAC initiatives in the promotion of accreditation to the regulators.</p>

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
<p>– IANZ is also working with ILAC to increase the number of countries whose accreditation authorities are signatories to the ILAC MRA. With over 100 countries now receiving ILAC recognition, our target is to grow this number during the coming year.</p>		<p>Achieved – IANZ contributes to the work of ILAC through a number of working groups (i.e. inspection and scope development ILAC G18), however the extension of ILAC recognition to new accreditation bodies is outside the management of IANZ.</p> <p>Achieved – IANZ participates in the APAC Mutual Recognition Arrangement evaluation programme and now has 6 evaluators all of whom have participated in at least 1 evaluation in the last 12 months. APAC as a Regional Cooperation is recognised under the ILAC MRA and thus so is IANZ. This is up from 2 evaluators previously.</p> <p>In addition, an IANZ evaluator led the evaluation team for an associate member of APAC to become a full (new) signatory to the APAC (and therefore recognised under ILAC) MRA.</p> <p>IANZ has one evaluator who is an elected member of the APAC MRA Council which oversees the MRA process.</p>	<p>Achieved – IANZ contributes to the work of ILAC through a number of working groups (i.e. inspection and scope development ILAC G18), however the extension of ILAC recognition to new accreditation bodies is outside the management of IANZ.</p> <p>Achieved – IANZ participates in the APAC Mutual Recognition Arrangement evaluation programme and now has 6 evaluators all of whom have participated in at least 1 evaluation in the last 12 months. APAC as a Regional Cooperation is recognised under the ILAC MRA and thus so is IANZ.</p> <p>IANZ has one Lead Evaluator who is an elected member of the APAC MRA Management Council and the ILAC Arrangements Management Committee.</p>

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
	<ul style="list-style-type: none"> • Achieve new recognition by at least one regulator in one of our major trading partners. 	<p>Achieved – The Canadian RF equipment regulator (ISED) has accepted IANZ accreditation under the APEC TEL MRA.</p> <p>IANZ as a Designating Authority continues to accredit (designate) laboratories under government to government arrangements, which are currently:</p> <ul style="list-style-type: none"> • the European Union-NZ MRA for CE Marking in the electrical and electronics sector (i.e. the Low Voltage Directive and the like); • The China-NZ MRA for China Compulsory Certification (CCC) Marking also in the electrical and electronic sectors; • The Asia Pacific Economic Cooperation (APEC) MRA for Conformity Assessment of Telecommunications Equipment (APEC TEL MRA) - specifically the US Federal Communications Commission (FCC) Accreditation of Laboratories for RF Equipment Authorisation, and the Canadian Innovation, Science and Economic Development (ISED) Canada, Spectrum Management and Telecommunications (SMT). 	<p>Achieved – in 2021. IANZ as the Designating Authority continues to accredit (designate) laboratories under the government to government arrangements, which are currently unchanged from 2021.</p>
	<ul style="list-style-type: none"> • Maintain full membership and signatory status of the ILAC MRA. 	<p>Achieved – Full membership status for IANZ has been maintained.</p>	<p>Achieved – Full membership status for IANZ has been maintained.</p>

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
<p>Outcome 4: NZQC Optimise human resource capability in the conformance sector, ensuring future availability of the skills and services required to meet future needs.</p> <p>Output Deliverables - NZQC</p> <p>1. Ensure NZQC is known and relevant in its marketplace.</p> <p>a. Engage with the conformity assessment sector to identify training needs by 2020 and develop new courses.</p>		<p>Achieved – Increase in revenue growth by more than 5% from prior year due to transition of courses to virtual training and increased demand for in-house courses during Covid-19.</p>	<p>Not achieved – Revenue was greater than last year, (which was impacted Covid-19 lockdowns affecting registrations and our ability to run some courses face to face). Revenue growth in FY2022 was only 1% higher than FY2021 due to further impacts of Covid-19 lockdowns and clients preferring face to face training rather than virtual, therefore the College did not meet the 5% growth target for the year.</p>
		<p>Achieved – Clients engaged through personal visits, surveys (online courses survey / 15189 sector survey) and online marketing (newsletters). A new online TE course is under development and is due for completion in July 2021.</p>	<p>Achieved – The TE course was developed and launched online this year with more than 200 TEs registered on it to date.</p>

ACCREDITATION COUNCIL	MILESTONES	PRIOR YEAR 2021	PROGRESS AT JUNE 2022
<p>b. Refresh the brand and implement customer awareness campaigns.</p>		<p>Progressing – Have progressed with achieving internal brand alignment by sharing NZQC brand strategy with trainers and stakeholders gaining buy-in to align training with NZQC brand only. Work is underway with an external brand and marketing agency to review our brand positioning in the market with re-branding messages and marketing action plan for NZQC. Multiple customer awareness campaigns have also been launched on social media platforms like LinkedIn, Facebook and Twitter which has grown our followership on all three platforms.</p>	<p>Achieved – NZQC went through a significant brand refresh this year and will now be referred to as IANZ Training Services and Telarc Training Services. This makes it much simpler for the clients who earlier faced confusion due to multiple brands when training. It is also a move which allows cost savings to be achieved removing the need for NZQC to market its brand independently. Now clients will only see one brand (IANZ or Telarc) throughout their training and certification or accreditation experience.</p> <p>Whilst customer awareness campaigns were already in progress via Google ads and newsletters, these will now be geared to promote the brand refresh giving both IANZ and Telarc clients a more seamless training experience.</p>
<p>2. Develop new training programmes to meet business needs.</p> <p>a. Develop new and revised training courses by working with IANZ programme managers, regulators and other key stakeholders.</p>		<p>Achieved – New online courses to be developed in 2022 - Technical Expert course, Root Cause Analysis course and an Internal Audit refresher course, based on client and internal stakeholder feedback. A new (face to face) Risk Management Practitioner course is being developed to address a training gap that has been identified in the community of Risk Practitioners through the Accreditation Council subsidiary, Telarc Limited. Throughout 2021, 60% of existing public courses were reformatted to a virtual mode of delivery. Medical and auditing courses were customised to meet in-house training requests.</p>	<p>Achieved – Two new courses were developed this year namely TE online course and Risk Management Practitioner Face to Face course. Both met direct training needs for TEs and Risk management professionals. This was done in collaboration with IANZ and Telarc as key stakeholders respectively.</p> <p>We also continued to deliver more training courses virtually this year due to ongoing Covid-19 lockdowns in the first half of this year. This also met direct business needs for majority of our clients preferring virtual training.</p>

7. Statement of Performance

Service performance judgements and assumptions

In the preparation of the Statement of Service Performance, the Accreditation Council has made the following judgements in the selection of our service performance measures:

- We have reflected on the extent to which accreditation and certification services we provide to support positive social outcomes are best captured by performance measures;
- Consideration has been given to the Government’s objectives, including wellbeing, and policies;
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes that support our purpose and role in protecting the health and wealth of New Zealand.

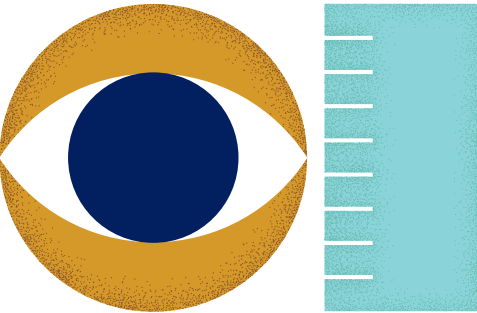
Further to the above judgements we have also considered the functions of the Accreditation Council as outlined within section 35 of the Standards and Accreditation Act 2015.

We have also applied judgements in the measurement, aggregation, and presentation of service performance information.

The Accreditation Council does not receive funding from central government and is self-funded. Despite funding pressures under Covid-19, management has determined it is possible to continue to provide services at current levels and the related performance measures have not been adjusted for the current year.


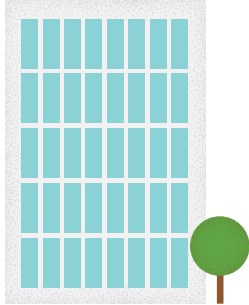
External implication for statements about performance

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of the group. Examples of this are, but not limited to changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions and international policy that may impact areas such as recruitment, ability to travel and other unforeseen considerations. Where there have been such conditions, we have clearly identified them below.



OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
<p>Enhancing safety – A safer New Zealand and a safer world</p> <p>Output class: Accreditation Services</p> <p>Intended Outcome: Enhanced health and safety of New Zealanders through accreditation and assurance of competence.</p>			
<p>Indicator The use of accreditation services</p>	<p>Number of specific industry sectors using IANZ accreditation.</p> <p>Target for 2021/22 The number of new accreditation schemes developed each year.</p>	<p>Achieved – One new accreditation scheme was accepted for accreditation by IANZ in FY2021. Following on from the 2017 acceptance of the IANZ accreditation under the ILAC MRA by US regulators (USFCC & USDHS) for the authorisation of radio frequency equipment, the Canadian regulatory authority (ISED) in FY2021, also accepted IANZ accreditation accordingly, enabling access of NZ exporters into these North American markets.</p> <p>In addition: The Point of Care (POCT) testing programme in the health care sector is currently under development.</p> <p>IANZ is working on the POCT programme via a series of scheduled meetings and consultation processes with the National POCT Advisory Group, POCT Project Working Group, National Laboratory Quality Managers Group and relevant accreditation clients. To date, the concept of a stand-alone POCT accreditation programme is supported by all stakeholder groups.</p>	<p>Not Achieved – no new accreditation schemes developed. One scheme transitioned – (Drinking Water Testing) from MoH to Taumata Arowai.</p> <p>A new scheme is under development – Te Paerewa (Point of Care testing) is well underway with the development of Criteria and Standards almost complete. Once this is finished we will be engaging with stakeholders and regulators in a consultation process before anticipated rollout date of late September/ early October 2022. The programme has been developed to enable implementation across all IANZ sector groups with specific criteria relevant to the industry sector concerned.</p> <p>It is intended that this programme will provide an affordable, practical assessment pathway to assure quality and technical competence within the sectors concerned.</p>

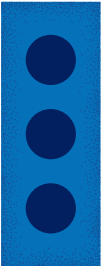
OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
Indicator Oversight of companies and organisations		<p>IANZ will develop a draft criteria document, subject to feedback and input from stakeholder groups, with consultation and discussion scheduled for August 2021. There is further opportunity for growth in the addition of other non-accredited POCT facilities such as pharmacies, outpatient and emergency departments, midwives, and rest homes.</p> <p>This project is supported by the MoH (Ministry of Health).</p> <p>There have been no requests from MPI or Local Government to develop new accreditation services, or to extend current ones in the last twelve months. IANZ are continuing to liaise with Taumata Arowai with regard to any developments in the water reform area, potentially to develop a new programme to meet the needs of the new regulator.</p>	
	<p>Increase the number of accreditation service areas (total).</p> <p>Target for 2021/22</p> <ul style="list-style-type: none"> Increase to 51 areas 	New target FY2022.	Not Achieved – 47 areas. Currently down one (drinking water treatment inspection) from prior year due to regulatory reform.
	<p>Number of companies and organisations active in IANZ accreditation programmes increased.</p> <p>Target for 2021/22</p> <ul style="list-style-type: none"> Increase to 770 active companies and organisations 	Achieved – 744 active client organisations (as at 30/6/21).	Not Achieved – IANZ has 760 (an increase of 16 from 30 June 2021) active organisations on their books. Growth forecast was inhibited by Covid-19 lockdowns in FY2021 and FY2022.
	<p>Number of active accreditations increased.</p> <p>Target for 2021/22</p> <ul style="list-style-type: none"> Increase to 970 active accreditations 	<p>Not achieved – 928 active accreditations (as at 30 June, 2021).</p> <p>There were 30 new accreditations awarded in the FY2021 year (34 in FY2020).</p>	<p>Not achieved – Currently at 945 (an increase of 17 from 30 June 2021).</p> <p>Growth forecast was inhibited by Covid-19 lockdowns in FY2021 and FY2022.</p>

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
<p>Enhancing safety – Raising the bar in more spheres of life</p> <p>Output class:</p> <p>Certification services</p> <p>Intended Outcome:</p> <p>To provide confidence that what organisations and /or regulators have agreed or specified through policies and procedures is actually happening.</p>			
<p>Indicator</p> <p>The use of certification services</p>	<p>Number of quality, health and safety, and environmental certificates on the JASANZ register.</p> <p>Target for 2021/22</p> <p>Increase to 1360 certificates</p>	<p>Achieved – Number currently at 1411 as at 30 June 2021 vs 1279 as at 30 June 2020.</p>	<p>Achieved – Total registrations as at 30 June 2022 = 1461. An increase of 3.4% for the year.</p>
<p>Enabling Trade – Helping New Zealand do business with the world</p> <p>Output class:</p> <p>International recognition services</p> <p>Intended Outcome:</p> <p>New Zealand business has easier access to international markets through reduced technical barriers to trade.</p>			
<p>Indicator</p> <p>Accreditation that is globally recognised</p>	<p>International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Agreement (MRA) signatory status.</p> <p>Target 2021/22</p> <p>To maintain signatory status annually</p>	<p>Achieved – Signatory status currently maintained.</p>	<p>Achieved – Signatory status is currently maintained.</p>

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
	<p>Active representation on key international committees: Asia Pacific Accreditation Cooperation (APAC), International Laboratory Accreditation Cooperation (ILAC), Organisation for Economic Cooperation and Development (OECD).</p> <p>Target 2021/22</p> <ul style="list-style-type: none"> All relevant and key committees and working groups have IANZ representation annually 		
	<p>Active representation on key international committees: Asia Pacific Accreditation Cooperation (APAC), International Laboratory Accreditation Cooperation (ILAC), Organisation for Economic Cooperation and Development (OECD).</p> <p>Target 2021/22</p> <ul style="list-style-type: none"> All relevant and key committees and working groups have IANZ representation annually 	<p>Achieved – Membership on international committees maintained as at 30 June 2021.</p> <p>Active participation in virtual meetings.</p>	<p>Achieved – Membership on all key committees and working groups has been maintained. Many annual meetings were postponed due to travel restrictions in place in FY2022.</p>
<p>Indicator</p> <p>Designating authority under Mutual Recognition Agreements for Conformity Assessment Bodies to enable international product access</p>	<p>Status as designating authority.</p> <p>Target 2021/22</p> <ul style="list-style-type: none"> To maintain status 	<p>Achieved – Currently maintaining best practice, signatory status and ISO/IEC 17011 compliance.</p>	<p>Achieved – Designating authority status has been maintained with one additional authority added during the year (UK FTA).</p>
	<p>Assistance provided in response to requests from Government ministries.</p> <p>Target 2021/22</p> <ul style="list-style-type: none"> Maintain 100% response rate to requests 	<p>New target in FY2022.</p>	<p>Achieved – Response rate to ministries has been maintained at 100%.</p>
<p>Indicator</p> <p>Assistance on request to Government in negotiating conformity assessment chapters in free trade agreements (FTA's) and in meeting technical overseas market access requirements</p>	<p>Assistance provided in response to requests from Government ministries.</p> <p>Target 2021/22</p> <ul style="list-style-type: none"> Maintain 100% response rate to requests 	<p>Not Achieved – Communication is progressing in regards to the UK FTA.</p>	<p>Achieved – IANZ has continued to work closely with Government. UK FTA was signed in February 2022.</p>
<p>Indicator</p> <p>Participate in international evaluations to support ongoing mutual recognition arrangements between accreditation bodies</p>	<p>Number of evaluations participated in.</p>		

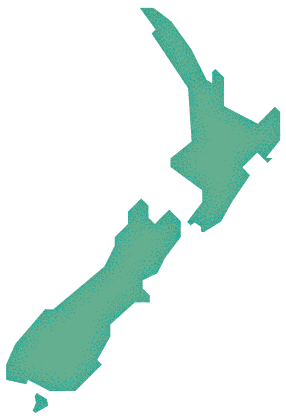
OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
	<p>Target 2021/22</p> <ul style="list-style-type: none"> 6 evaluations 	<p>New target in FY2022.</p>	<p>Achieved – 5 evaluations and 2 evaluation review panels participated in. Also served on 3 evaluation review panels.</p>
	<p>Number of evaluators.</p> <p>Target 2021/22</p> <ul style="list-style-type: none"> 6 evaluators. 	<p>Achieved – The number of qualified evaluators has increased by 4 to 6 in the FY2021 year (2 evaluators in FY2020), with the 4 newly trained evaluators participating in virtual evaluations.</p>	<p>Achieved – on target YTD – 6 evaluators.</p>
<p>Partnering with customers and regulators – Providing value to customers, and helping regulators as they protect New Zealand</p> <p>Output class:</p> <p>Accreditation services</p> <p>Intended Outcome:</p> <p>IANZ customers value accreditation services</p>			
<p>Indicator</p> <p>Accreditation services that meet with reasonable standards of client satisfaction</p>	<p>Score achieve in the bi- annual TR*M survey of customer satisfaction developed by Kantar (May 2021).</p> <p>Target 2021/22</p> <ul style="list-style-type: none"> Overall TR*M score of 73 or higher (average) 	<p>Not achieved – Surveys were suspended due to Covid-19 and haven't been reinstated.</p> <p>Alternative online survey options are currently being developed and are due to be rolled out in August 2021. Kantar surveys are conducted two yearly.</p>	<p>Not achieved – Customer satisfaction survey planning began in June 2022 and the survey will be run in August 2022. IANZ management made the call to delay the survey as IANZ clients have been under significant pressure due to Covid-19 impacting their businesses and their priorities being focussed on business recovery.</p>
<p>Indicator</p> <p>Accreditation services that meet appropriate standards of quality</p>	<p>Undergo ISO/IEC 17011 evaluation.</p>	<p>New target FY2022.</p>	<p>Not Achieved – The evaluation is scheduled for March 2023. The last evaluation was in 2019. Planning is underway as at 30 June 2022.</p>

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
Indicator Accreditation services that meet appropriate standard of timeliness	Target 2021/22 <ul style="list-style-type: none"> Pass evaluation and resolve findings within the timeframe set by APAC (currently one month) 	New target FY2022.	Not Achieved – Evaluation is scheduled for March 2023.
	Assessments carried out as scheduled. Target 2021/22 <ul style="list-style-type: none"> 98% of assessments of accredited clients are conducted within 3 months of the scheduled date 	New target FY2022.	Not Achieved – June 2022 score is 95.5%.
	Efficient clearance of assessment findings by accredited clients. Target 2021/22 <ul style="list-style-type: none"> 95% of assessments of accredited clients completed within one month of agreed deadlines 	New target FY2022.	Achieved – June 2022 score is 96.7%
Partnering with customers and regulators – Providing value to customers, and helping regulators as they protect New Zealand Output class: Certification services Intended Outcome: To grow the awareness and adoption of certification			
Indicator Certification services that meet appropriate quality standards	Undergo ISO/IEC 17020,17021,17065 assessments. Target 2021/22 <ul style="list-style-type: none"> Retain approvals from relevant accreditation partners annually 	New target FY2022.	Achieved – approvals have been retained at 30 June 2022.
Indicator Grow the number of standards Telarc is accredited for	Number of approved standards Telarc is accredited for.		

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
	Target 2021/22 <ul style="list-style-type: none"> 3 new accreditations annually 	New target FY2022.	Not Achieved – Telarc currently has applications in progress for ISO55001 and ISO13485.
Partnering with customers and regulators - Providing value to customers, and helping regulators as they protect New Zealand Output class: Training and other services Intended outcome: Customers are assisted to maintain and improve their technical competence, and regulators are supported to maximise their effectiveness and achieve their objectives			
Indicator Training services delivered by New Zealand Quality College (NZQC)	Number of people trained by NZQC. Target 2021/22 <ul style="list-style-type: none"> 370 people 	Not achieved – Number trained (1 Jul 2020 – 30 June 2021) = 455. Number of people trained increased by 46% from previous year, mostly due to increased demand for in-house training. Despite the 2020 pandemic lockdowns, public course numbers remained steady due to running nearly close to half of all courses, virtually. The increase in uptake for in-house training for FY2021 year was due to NZQC promoting in-house courses and also as a safety measure taken by our clients.	Achieved – number of people trained YTD = 373
	Number of new courses introduced by NZQC.		

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
	Target 2021/22 <ul style="list-style-type: none"> 2 courses 	New target FY2022.	Achieved – 2 new courses introduced: <ul style="list-style-type: none"> Technical Experts online course and Risk Management Practitioner face to face / virtual course
	Number of NZQC training days delivered. Target 2021/22 <ul style="list-style-type: none"> 900 days 	New target FY2022.	Partly Achieved – Number of training days delivered YTD = 860
	Indicator Telarc supporting industry and regulators to develop new standards. Target 2021/22 <ul style="list-style-type: none"> To develop 1 regulator engagement initiative annually 	New target FY2022.	Achieved – Agreement reached with the EWRB for Telarc to assess 12 training providers per annum against their internal guidelines.
	Indicator IANZ supporting regulators and Government agencies to ensure an effective conformance system through a whole of government approach Support provided in response to requests.	New target FY2022.	Achieved – Regular monthly meetings are held with Taumata Arowai. A series of meetings have been held with Waka Kotahi in the last 2 quarters of FY2022. Recent engagement with Te Kahui Kahu has progressed to a fee estimate and the MBIE Space Policy and Regulatory Systems team has resumed communication on potential accreditation.
	Target 2021/22 <ul style="list-style-type: none"> 100% response rate 		
	Support provided to Taumata Arowai in the development of a best-practice regulatory compliance scheme. Target 2021/22 <ul style="list-style-type: none"> Make submissions on the Water Services Bill and subsequent regulations 	New target FY2022.	Achieved – Submission made on the Water Services Bill in FY2022.

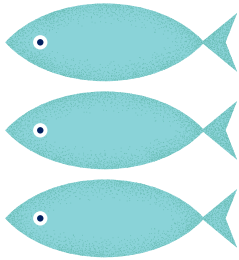
OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
Improving productivity and resilience – Better practices and technology improving performance and resilience to shocks Output classes: Accreditation services, Certification services, International recognition services, Training and other services Intended outcome: The value and efficiency of accreditation and certification services is increased through new technology, practices and information, and can be maintained through disruption			
Indicator Innovation in assessment techniques to ensure continuity of service	Proportion of IANZ assessments conducted remotely. Target 2021/22 <ul style="list-style-type: none"> 8% annually 	Achieved –Proposal to establish remote assessments as a routine assessment tool, with up to 20% of assessments conducted remotely in the future (less travel). To 30 June 2021, 122 of the 838 (15%) assessment activities were conducted remotely by IANZ staff.	Achieved – 28% conducted as at 30 June 2022.
	Proportion of Telarc assessments conducted remotely. Target 2021/22 <ul style="list-style-type: none"> 8% annually 	New target FY2022 Telarc has begun the journey of identifying mechanisms to measure the carbon emissions it is accountable for. A year on year comparison is due to be undertaken at the end of 2021.	Achieved – 23% conducted at 30 June 2022.
	Proportion of NZQC courses available virtually. Target 2021/22 <ul style="list-style-type: none"> 40% annually 	New target FY2022.	Achieved – currently 60% of courses are available virtually.


OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
Improving awareness of IANZ and Telarc – Recognised as the New Zealand mark of competence Output class: Accreditation services Intended outcome: Increased awareness of the existence and purpose of accreditation by regulators and stakeholders			
Indicator Help regulators know that IANZ can assist with advice and expertise where accreditation can help protect safety and facilitate trade	Engagement initiative to increase awareness developed. Target 2021/22 <ul style="list-style-type: none"> To develop engagement initiative <ul style="list-style-type: none"> To implement engagement initiative 	New target FY2022 New target FY2022	Achieved – An engagement initiative was in place as at 30 June 2022, listing organisational details and priorities for engagement, with further meetings planned in August 2022 with MBIE, MOH and Health NZ. A Jubilee event is planned at Parliament for November 2022. Achieved – Regular engagement has continued throughout the past year with MBIE, Waka Kotahi, Taumata Arowai and MOH plus a number of meetings with Te Whatu Ora and Te Aka Whai Ora as the two organisations have developed. Further in person meetings are set for early in the FY2023 year.

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
Improving awareness of IANZ and Telarc – Recognised as the New Zealand mark of competence Output class: Certification services Intended outcome: To grow the awareness and the level of adoption of locally and internationally recognised standards			
Indicator Grow the number of Telarc clients	Number of Telarc clients. Target 2021/22 <ul style="list-style-type: none"> 1700 clients annually 	New target FY2022.	Achieved – 1,771 clients as at 30 June 2022.
Care for all our people – Growing our people’s knowledge, skills, and expertise Intended outcome: Staff at IANZ and Telarc and Council members gain increased cultural capability through knowledge and awareness of te o Maori and Te Tiriti o Waitangi			
Indicator Seminars and workshops with expert advisors to increase knowledge and understanding of te o Maori and Te Tiriti o Waitangi	Internal seminars or workshops held annually. Target 2021/22 <ul style="list-style-type: none"> Quarterly seminars or workshops held each year 	New target FY2022.	Achieved – Workshop courses held in October–December 2021. Te Reo courses held in April/May 2022. Te Tiriti workshops held in May/June 2022.

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
Care for all our people – Growing our people’s knowledge, skills, and expertise Intended outcome: Supporting individual’s ongoing development at Telarc in a way that is responsive to their needs and circumstances			
Indicator Individual’s ability to support New Zealand business certification requirements	Continuing to grow individual’s approvals (what they are qualified to audit against) and sign-offs (competence to sign off against industry codes). Target 2021/22 <ul style="list-style-type: none"> Delivery of audit volumes as scheduled annually by Telarc 	New target FY2022.	Not Achieved – Although Telarc is increasing the number of auditors able to support ISO27001, ISO55001 and ISO13485, FSSC and BRC as well as training one additional auditor to support PEFC and FSC – Forestry Chain of Command, scheduled audit volumes at the beginning of the financial year were heavily disrupted by Covid-19 with a number of audits having to be rescheduled throughout the year.
Care for all our people – Growing our people’s knowledge, skills, and expertise Intended outcome: IANZ services are sustained and improved through staff development and succession planning, and through formal development and recognition of external personnel like volunteers			
Indicator To recruit, retain, and engage and develop the capability of our talented employee team	Develop People and Culture strategy.		

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
	Target 2021/22 <ul style="list-style-type: none"> An implemented People and Culture strategy by 2022 	New target FY2022.	Achieved – Strategic Roadmap developed early 2021. Initiatives well underway. Of 19 initiatives, 14 are completed and 5 underway. Of the 5 underway all are ongoing to next FY.
	Professional development strategy. Target 2021/22 <ul style="list-style-type: none"> An implemented professional development strategy by 2022 	New target FY2022.	Partly Achieved – Professional development underway with Leadership Development Programme commenced in January 2022. The workshop component to be completed by 5 August. coaching commences for SLT in July 2022.
	Professional development plans for all permanent employees. Target 2021/22 <ul style="list-style-type: none"> Implemented professional development plans by 2022 	New target FY2022.	Achieved – Each staff member has a Training Plan which is updated annually. Further plan development will evolve post the Leadership Development Programme.
Indicator Ensuring IANZ can continue to serve the public well into the future	Succession plans Target 2021/22 <ul style="list-style-type: none"> Succession plans presented to the Council by management 2022 	New target FY2022.	Partly Achieved – The succession planning process started with the ‘Team Leader’ Leadership Development Programme opened up to all staff. 8 potential future leaders were then selected to attend the programme.
Indicator Ensuring IANZ retains institutional knowledge and expertise to serve stakeholders	Staff turnover. Target 2021/22 <ul style="list-style-type: none"> To maintain turnover below the national average 	Achieved – Current staff turnover at 10% for FY2021 is on par with the national average of 10.1% last recorded at 30 June 2020.	Achieved – Staff turnover recorded at 9.6% for IANZ and 18.2% for Telarc with an average of 13.5% combined for FY2022. National average at March 2022 equals 18.5%. https://www.lawsonwilliams.co.nz/blog/introducing-the-2022-nz-staff-turnover-survey-report

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
Indicator Ensuring IANZ develops and recognises external personnel such as Technical Experts and members of Professional Advisory Committees who help IANZ serve the public	Development and recognition programme. Target 2021/22 <ul style="list-style-type: none"> An implemented development and recognition programme in place by 2022 	New target FY2022.	Not Achieved – not yet started due to wellbeing priorities taking priority with Covid-19 impacting the staff.
Care for all our planet – Walking lightly on the earth Intended outcome: Caring for our planet by reducing our environmental footprint			
Indicator Reduced commuter travel through remote working	Proportion of days IANZ staff work at home. Target 2021/22 <ul style="list-style-type: none"> Maintain policy allowing up to 20% (average) per annum 	New target FY2022.	Achieved – Number of days able to work remote increased to 3 days per week. Flexible Working Policy maintained as at June 2022.
	Proportion of days Telarc staff work at home. Target 2021/22 <ul style="list-style-type: none"> Maintain policy allowing up to 20% (average) per annum 	New target FY2022.	Achieved – Maintained as at June 2022.
Indicator Reduce paper use	Reams of paper used annually by IANZ. Target 2021/22 <ul style="list-style-type: none"> 5% reduction compared to 2020/21 	New target FY2022.	Achieved – volume purchased has reduced 53% between years.
	Reams of paper used annually by Telarc. Target 2021/22 <ul style="list-style-type: none"> 5% reduction compared to 2020/21 	New target FY2022.	Achieved – volume purchased has reduced by 32% between years.

OUTCOME	TARGET 2022	PRIOR YEAR 2021	ACTUAL 2022
Indicator Recycling programme for IANZ and Telarc	Recycling strategy. Target 2021/22 <ul style="list-style-type: none"> An implemented strategy by 2023 	Not achieved – IANZ is working towards implementing a full recycling policy in FY2022.	Not Achieved – Strategy to be put in place once the relocation to Central Park occurs in December 2022 to align with facilities at Central Park.
Care for our community – Giving back to the community to help grown its potential Intended outcome: Supporting our community through volunteering			
Indicator IANZ support for volunteering	Become a member of Volunteering New Zealand. Target 2021/22 <ul style="list-style-type: none"> Membership taken out 	New target FY2022.	Achieved – Membership taken out in May 2021.
	Investigate opportunities for IANZ staff to volunteer to support community activities for one working day per annum. Target 2021/22 <ul style="list-style-type: none"> 1 working day per annum per staff member to volunteer to support community activities 	New target FY2022.	Not Achieved – Staff day out to be booked at a later date due to the delaying effects of Covid-19 on the entity's workload and staff/client illness. Last volunteer day was May 2021 – visit to Motuihe Island, planting over 100 trees.

7.1 Accreditation

IANZ accreditation provides independent recognition of competence for a range of technical service providers (laboratories, inspection bodies, radiology practices, building consent authorities). This enables businesses, consumers and regulators to have confidence in test and inspection reports, and make decisions based on reliable results. IANZ provides this value-adding service in an effective and cost-efficient manner.

Achieved = target met

Partially Achieved = actual is within 5% of the target

Not Achieved = target not met

The Council set a number of new targets in FY2022 and these have been denoted as such.

Financial Performance¹

	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
Revenue	7,909,877	8,934,845	8,804,918
Less cost	(8,195,259)	(8,854,495)	(8,445,023)
Net Surplus/(Deficit) before Tax	(285,382)	80,350	359,895

7.1.1 Performance Highlights

The Council has had accreditation assessments disrupted for the second year and are striving to get assessments back on schedule, including accommodating new assessments where possible across a number of programmes. IANZ also receives regular requests for accreditation scope extension assessments from existing clients. IANZ adds value for clients by sharing best practice and providing recognition of their services which is a necessary prerequisite to grow their business into new areas, either to meet regulatory requirements or market needs.

7.1.1.1 International Recognition

IANZ was last evaluated against the accreditation body standard ISO/IEC 17011 in 2019 and are due to be evaluated again in March 2023. The purpose of each evaluation is to evaluate conformance with the standard and thereby ratify IANZ's continuing acceptance as a member of the APAC Mutual Recognition Arrangement (APAC MRA). This ensures IANZ remains part of the global recognition provided by the international accreditation community. The global International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) is now a major factor in facilitating trade, enabling products to go straight to market, without duplicate re-testing. The networks established within the global accreditation community also allow trade issues of concern to be discussed on a bilateral basis.

7.1.1.2 Laboratory Programmes

The focus for the year has been on completing the assessments that have been delayed due to Covid-19, and on the training of three new accreditation assessors to assist with delivering assessments in a timely manner.

With the international travel restrictions easing, the assessment teams are now also able to visit clients based in Fiji and Samoa, to carry out their assessments. While remote assessments have been carried out, not being able to travel to the Pacific had resulted in some accreditations being placed into suspension as IANZ was unable to fulfil its requirements for these assessments.

Despite the situation with Covid-19 over the last 24 months and the impact it has had on the business community, we have continued to receive a steady stream of enquiries and applications for accreditation.

The Mechanical programme is working with accredited laboratories to transition from the signatory approval model to the key technical personnel model, which is planned to be completed by the end of the year.

IANZ is continuing to work with regulators to ensure the scope of assessments are meeting their needs, for

¹ Refer to note 2 Net Revenue and Cost analysis

example the ongoing work for the Emergency Control Scheme to manage Salmonella Enteritidis in commercial chicken flocks.

7.1.1.3 Healthcare Programmes

Medical imaging providers have experienced a turbulent year in FY2022 with challenges highlighted, primarily around resourcing, accommodation and equipment.

There has been continued work undertaken in FY2022 to ensure accreditation of all the laboratories performing SARS-CoV-2 testing, with staff working throughout the pandemic to facilitate this. All healthcare providers have been challenged by Covid-19 over the past two years, however the resilience and dedication of all clients assessed to date, has been commendable. Ongoing pressure on client organisations due to Covid-19 and Flu related illness is having some impact on our ability to meet assessment compliance with access to many providers limited for extended periods of time.

Ongoing positive relationships and liaison with stakeholder groups, such as the Office of Radiation Safety, Ministry of Health (MoH), ACC, Point of Care Advisory Group, Laboratory Quality Managers Group, National Radiology Advisory Group, Ministry of Justice and others, continue to be maintained.

Considerable work is being undertaken to establish the provision of additional programmes across the healthcare sector, with a body of work underway to ensure appropriate and fit for purpose accreditation models can be implemented, to provide assurance within the proposed Health NZ reforms.

Development of a new recognition programme for smaller clients is almost complete and will complement the existing accreditation framework enabling access to competence assurance programmes for wider industry sectors.

7.1.1.3 BCA and Inspection Programmes

There has continued to be regular liaison with regulator and stakeholder groups, such as WorkSafe NZ, Taumata Arowai and Ministry for Primary Industries. There has also been engagement with a number of new regulators and stakeholder groups, such as Te Kahui Kahu, Waka Kotahi and the MBIE Space Policy and Regulatory Systems Team.

7.2 Telarc Certification

Telarc certification provides organisations, regulators and industry bodies with an independent intervention to provide assurance that a required level of compliance has been achieved against a recognised standard. Most of the assessments carried out by Telarc provide confidence to management, owners, directors and interested parties that the organisation under assessment is carrying out work as prescribed in their agreed to management system. Telarc provides audit services against a wide range of local and international standards across the Ministry of Primary Industries (MPI) food safety, MPI wine safety, FSSC22000, BRC (British Retail Consortium), Quality (ISO9001), Health & Safety (ISO45001, Q-Safe) and Environmental (ISO14001) landscapes. Telarc additionally supports a number of industry bodies on an as required basis to assess industry specific standards e.g. Dairy Herd Testing (NZS8100:2015), Medical Devices (ISO13485), Asset Management (ISO55001), IT Management (ISO27001), Electrical and Gas Public Safety (NZS7901:2014), Employer Licence scheme and the CAAR (Class A Asbestos removal) scheme.

Financial Performance²

	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
Revenue	8,530,405	9,280,234	9,619,872
Less cost	(8,430,379)	(8,390,408)	(8,356,350)
Net Surplus/(Deficit) before Tax	100,025	889,826	1,263,522

¹ Refer to note 2 Net Revenue and Cost analysis

7.2.1 Performance Highlights

Telarc continued to work with JASANZ to become accredited against ISO13485 and ISO55001. The last 12 months have proved to be extremely challenging. The inability to access client sites and to be able to carry out audits that support the requirements of an approval audit has slowed progress towards accreditation with these programmes now expected to be approved by December 2022.

The Totika Health & Safety pre-qualification scheme continues to grow and increase its reach. While initially designed to support the construction industry to reduce the number and complexity of large buyer’s pre-qualification schemes, it is now reaching into other industry sectors. A number of Councils and larger organisations are now actively supporting the scheme by requiring their suppliers to be pre-qualified. Recent member buyers have been St Johns Ambulance, IAG and the NZ Police Association.

As New Zealand starts to open up its commercial activities more widely it is expected that the demand for compliance audits will only grow. The last 2 years have been heavily focussed on dealing with the pandemic. It is Telarc’s hope that opportunities to increase performance and or value become the increasing norm as we head towards FY2023. By focussing on value or increased performance we believe the opportunity for certification grows exponentially.

7.3 Training

The NZQC provided training in both laboratory quality systems and management systems certification activity. Training courses are aimed at auditor level and client improvement.

Financial Performance³

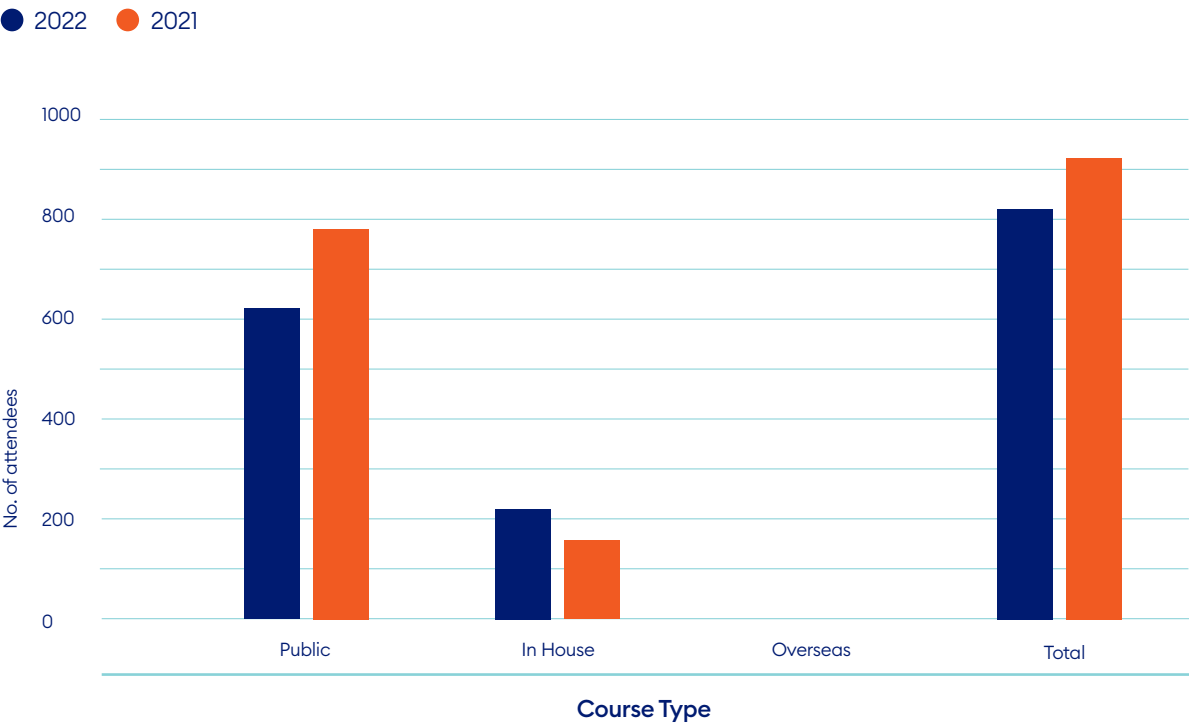
	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
Revenue			
IANZ	478,499	573,767	439,409
Telarc	37,608	262,711	188,104
Total Revenue	516,107	836,478	627,513
Cost			
IANZ	(674,047)	(654,611)	(639,956)
Telarc	(32,508)	(183,898)	(248,620)
Total Cost	(706,555)	(838,509)	(888,576)
Net Surplus/(Deficit) before Tax			
IANZ	(195,549)	(80,844)	(200,548)
Telarc	5,100	78,813	(60,516)
Net Surplus/(Deficit) before Tax	(190,449)	(2,031)	(261,063)

7.3.1 Performance Highlights

Brand shift: In a historic move unprecedented in the history of Accreditation Council, NZQC went through a significant brand shift this year firming up its identity as the training arm for both IANZ and Telarc. NZQC identity review was a key strategic focus last year which would determine its ability to grow as an independent brand. As a result, the name NZQC will now be replaced with the names of IANZ Training Services and Telarc Training Services to maintain brand separation between both entities. This move clarifies the way forward for training services and has come after more than 30 years of existence for the college under the brand name NZQC. There is now a greater focus on service that adds value to clients. This is a very positive move for training services and the most significant highlight of this year. We will be undertaking internal feedback from both IANZ and Telarc on how best to move forward with regard to training offerings that best adds value to them and their clients.

³Refer to note 2 Net Revenue and Cost analysis

NZQC attendee analysis by course type



Website shift: This year we also made the decision to retire the NZQC website and shift all training related information to the IANZ and Telarc websites. Both websites will host information on courses that are relevant to their clients. This will provide our clients with a seamless experience. We expect this shift to be completed by December 2022. We will also be reviewing our online presence on social media and other platforms as well as communication strategy with clients and subscribers to promote the brand change.

Virtual training during Covid-19: Despite Covid-19 lockdowns in the first half of this year, we were able to recover 90% of the revenue against budget. Similar to last year, we had a high number of in-house courses run versus no in-house training in FY2020. More courses were held virtually this year (68%) compared to FY2021 (55%).

Google Ads: Significant effort went into creating a metrics dashboard and Google Ads for NZQC this year. This investment started paying off in recent months generating \$25 for every dollar spent on Google Ads.

7.4 International Recognition

IANZ accreditation is recognised by authorities in 105 countries as equivalent to their own accreditation. This mutual recognition is a major factor in trade facilitation accreditation, affecting more than \$40 billion in New Zealand exports.

7.4.1 Performance Highlights

7.4.1.1 International Involvement

Exports are essential to the New Zealand economy, particularly agricultural (e.g. meat and dairy) products, as well as manufactured goods, including steel and aluminium. The growing global demand for testing in accredited laboratories has seen IANZ play a key role in facilitating international trade. Affiliation with mutual recognition agreement (MRA) partners assists in the acceptance of New Zealand products in overseas markets without additional testing or inspection. The recognition of the International Laboratory Accreditation Cooperation Mutual Recognition Agreement (ILAC MRA) by overseas regulators gives manufacturers and suppliers certainty of access into export markets. Currently, 104 accreditation bodies in 105 countries, including all our major trading partners, are signatories to such arrangements. In addition, all accreditation authorities in the European Union recognise IANZ designation under the auspices of the New Zealand – European Union Government to Government MRA.

³Refer to note 2 Net Revenue and Cost analysis. Consolidated training results include margins earned by Telarc.

IANZ continues its core role as a New Zealand member of the Asia Pacific Accreditation Cooperation (APAC) and the International Laboratory Accreditation Cooperation (ILAC). IANZ currently has a representative on the APAC MRA Management Committee who manages the implementation of the MRA process, and on the ILAC Arrangement Management Committee, who manage the day to day activities for the ILAC Arrangement.

Work continues to progress with IANZ's involvement, either by membership of ISO Working Groups or by correspondence, in a number of new standards. Involvement this year has included ISO technical committees and active involvement in the ILAC technical and policy committees.

The Chair, CEO and IANZ senior staff continue to meet with MBIE staff to discuss how MBIE and IANZ can work together to enhance the use of accreditation and conformity assessment in regulatory systems in New Zealand and International trade. Discussions have also included the role of accreditation in Free Trade Agreements.

7.4.1.2 Trade Negotiations

IANZ has provided support and advice to MBIE during the current round of negotiations for Free Trade Agreements with the EU and with the UK. The EU Free Trade Agreement has now been finalised and references conformity assessment and accreditation. The EU agreement was finalised at the end of June 2022.

7.4.1.3 Trans-Tasman MRA

IANZ continues to work co-operatively with its counterpart Australian organisation, NATA, to provide seamless recognition of laboratory results and inspection reports for regulators on both sides of the Tasman. Both organisations ensure accreditation practices provide similar outcomes, including the use of common technical experts where necessary.

7.5 Promoting Conformity Assessment

7.5.1 Publications

Updates to IANZ criteria in technical and information publications can be viewed at ianz.govt.nz. IANZ continues with its promotional campaign, with a number of mainstream media and specialist trade publications publishing articles on IANZ accreditation. IANZ also produces a monthly newsletter.

7.5.2 Websites

The Council maintains three websites: ianz.govt.nz; telarc.co.nz; nzqc.co.nz.

Each details Council activities, including full product and assessment process information, the register of accredited organisations and how to become IANZ accredited or Telarc certified. News articles of interest and contact details are also provided.

7.6 Organisational Health and Capabilities

7.6.1 Quality Improvement

Inherent in the operating standards adhered to by IANZ and Telarc is the implementation of sound quality management practices based on ISO 9001. To ensure full compliance is maintained, periodic internal audits are conducted. Any corrective actions are addressed and remedied prior to the next round of audits.

7.7 Covid-19 Impact

The Covid-19 outbreak has continued throughout FY2022 with further lockdowns in the first half of the year. Growing rates of infection has continued across the country. This has directly affected the Council's revenues, operations and the wider economy. The Covid-19 impact in FY2022 has been significant, with assessments delayed due to both staff and client illness resulting in workloads being rescheduled at short notice. The Council did not meet budget expectations in FY2022 as a result.

Strong cash reserves continued to support the business throughout the year, and the business has continued to evolve its systems to support changes in work process requirements of the future. Remote assessments have continued where practical.



⁴ Refer to note 2 Net Revenue and Cost analysis

8. Valued Employer

People are the Accreditation Council’s most important resource – both our employees and network of volunteer technical experts. Our People and Capability strategy is progressing well and is built around:

- Continuously improving our employee experience and culture to recruit, engage and retain employees;
- Building core HR frameworks and talent acquisition strategies;
- A focus on inclusive leadership development for all employees;
- Building capability, professional competency and succession planning by enhancing organisational effectiveness to achieve our vision and live our values;
- Organisational effectiveness across health and safety, wellness, cultural capability, change management and data/analytics;
- Engaging and getting feedback from our people helps us focus on what’s important.

8.1 Health and Safety

The Council continues to place paramount importance on the health and safety of employees and external technical expert assessors. Comprehensive policies are in place (including regular Council reporting) to ensure workplace safety and these are reviewed annually by the Council and audited externally to show compliance with IOD/MBIE guidelines for a safe workplace. Council members also attend an IANZ assessment to observe good safety practices in action.

Health and Safety is an agenda item at all communication forums within IANZ and staff are actively engaged in all aspects of health and safety during their everyday activities.

The Telarc Board and its employees also regard health and safety to be of vital importance and actively monitor performance. As part of the Board’s activity calendar, health and safety monthly performance is reviewed via operational reporting and the minutes of the Health and Safety Committee meeting are distributed for review at monthly meetings. Quarterly risks and performance against the IOD checklist are reviewed and the CEO and Board attend one separate audit each year.

8.2 Employer of Choice

A low staff turnover percentage of 9.6% was achieved for the year. The Senior Leadership Team are working constantly to improve their leadership and improve our positive culture. A recent Leadership Development Programme has motivated and inspired the leadership group to be more self-aware and is successfully developing capability for the future.

Recent IANZ employee survey results were excellent with an 80% response rate and exceptional 82% engagement score (increase of 4% over 2021) reflecting an increasingly positive employee engagement in the organisation despite Covid-19 with all its ramifications and the resulting backlog of work scheduling. 83% of employees find a ‘sense of purpose’ is their primary driver and find meaning in their work with their values aligning with the organisation.

IANZ continues to recognise employee achievements aligned to its values of (A) Achieving Together, (C) Curious Experts and (T) Trusted Protectors by presenting employee ACT awards quarterly.

The Council continues to strive to be recognised as an Employer of Choice and an organisation that provides career and development opportunities well beyond its local and international competitors. The Council has been, and continues to be, challenged in its requirement to supplement an aging workforce. This requires the ability to attract and develop well qualified and competent people in specific fields of expertise.

8.3 Diversity and Inclusion

The Accreditation Council actively promote diversity and inclusiveness as an integral part of the People and Culture Strategy. Our targets reflect the communities we serve across the length and breadth of New Zealand.

The consolidated Council population gender balance is 44% male and 56% female, similar to last year, with the IANZ Senior Leadership Team identifying as male 40% and female 60%. This balance is benchmarked and compares favourably against other agencies.

Our Council’s consolidated age base is 67% over 50 compared to 61% last year. Telarc is at 73% with IANZ currently at 61%. A strategy of regeneration and succession planning has improved historical statistics however somewhat limited by turnover and the ability to recruit. The under 40 age group has remained stable at 19%. These millennials will turnover more regularly than the older age groups.

Our Council’s consolidated ethnic profile is 54% NZ European and 46% a mix of other ethnicities which is similar to last year. This is not unexpected given the low turnover. This recent data collection has highlighted our current state and proactive monitoring of recruitment practices will be required to balance further.

Our Te Ao Māori journey is part of our People and Culture strategy and who we are. A project is now well underway to strengthen internal cultural capability and our stakeholder engagement. Te Awawhiti resources will be used to ensure engagement with Māori is meaningful. Te Arawhiti has developed Whāinga Amorangi: Transforming Leadership Plan. Two Te Reo courses have been run in 2021/22 with a total of 29 employees completing a 10-week basic course, 56% of employees. Also, two Treaty of Waitangi courses have been completed with a total of 47 employees, 90% achieved.

The gender pay action plan is complete and has given effect to the Gender Pay Principles with all employees. An IANZ working group has adapted the flexible-by-default working policy to seek to normalise flexible working, so that it does not undermine career progression or pay and is equally available to all, regardless of gender, ethnicity, disability and other dimensions of diversity.

The Accreditation Council is committed to an Accessibility Charter; working progressively over the next five years towards ensuring that all information intended for the public is accessible to everyone and that everyone can interact with our services in a way that meets their individual needs and promotes their independence and dignity.

The Accreditation Council acknowledges the Panel Pledge promoting women and diversity on panels at conferences, seminars and other national and international events. These events offer us a platform to promote the benefits of diversity in leadership and are committed to a vision of a prosperous and equitable Aotearoa.

8.4 Equal Employment Opportunities

Sound employment policies are in place to ensure all staff and job applicants are treated equally, regardless of status. IANZ does not discriminate on the basis of race, gender, orientation or other grounds. The Council ensures no ethnic and gender bias in its appointment processes. Full job descriptions are provided for each position with key performance indicators set each year in conjunction with managers. Formal performance reviews are conducted annually.

8.5 Employer Best Practice

Employer best practice is promulgated through formal employment policies and procedures. Individual Employment Agreements and Contractor contracts are regularly updated and checked for legal compliance.

The Council’s proactive Health and Safety policy is designed to ensure the ongoing safety of all employees. No serious harm incidents occurred during the year ended 30 June 2022 (also nil in 2021). Both Health and Safety committees have continued to meet regularly throughout the Covid-19 pandemic to ensure the wellbeing of their staff. Staff are actively engaged in the reporting of all incidents including, near misses which are accompanied by a robust process of investigation, before being closed out. Staff have been regularly encouraged throughout the Covid-19 pandemic, to report flu like symptoms to inform contact tracing. Proactive hazard identification continues to be assessed to ensure both staff and visitors remain safe.

8.6 Sustainability

The Council recognizes that businesses can have a negative impact on the environment and is committed to finding ways to reduce the environmental impact of our work and that of our clients.

The Council has identified a number of themes that will underpin a sharper focus for the organisation on supporting a more sustainable New Zealand, including:

- 1. Take an industry leadership role in an area of sustainability that could make a difference;
- 2. Identify an existing environmental initiative and actively look to support it through sponsorship;
- 3. Moving procurement to a more sustainably based model – leveraging ISO14001;
- 4. Finding mechanisms to reduce reliance on all forms of transport in particular airlines and private motor vehicles;
- 5. Identifying mechanism/s which have the capability to lift the well-being of workers in NZ.

The Council has introduced subsidised public transport (up to 50% of cost) for all staff using public transport for travel to and from home. Remote working is available to all staff and is seen as one way of contributing to an improved carbon footprint.

8.7 Performance Reviews

All Council employees have received an annual performance review to evaluate individual achievement against their agreed organisation and team performance indicators and behavioural core competencies. Identifying opportunities for professional development and training has become a priority in the People and Culture strategy. Supplementing the annual review with monthly performance coaching has been successful with 70% of employees reporting they have a regular one-on-one; with still some work to do to support regular feedback and recognition for all employees.

8.8 Professional Development

IANZ continues to invest in training for all employees, to ensure they continue to meet the mandatory demands of new or changing regulatory requirements. An emphasis on induction for new employees has resulted in a new comprehensive programme, including on line content, which has been well received. A new Learning and Development strategy is required to plan for the future technical, leadership and other professional development required. All assessors are invited to two-day training sessions twice a year and case studies are regularly reviewed by all employees at monthly meetings.

Throughout the year, Telarc will continue to train its auditors across its food, wine and management portfolios. Increased investment over the last 12 months in technical resource supporting these portfolios, is allowing Telarc to provide good levels of support for all auditors.

Increasingly, regulators and standards bodies are requiring certification bodies to display proven levels of industry competence for auditors who are assigned to support audits against their standard. To do this, requires auditors to provide clear examples of operational experience or for Telarc to train staff to be deemed to be competent.

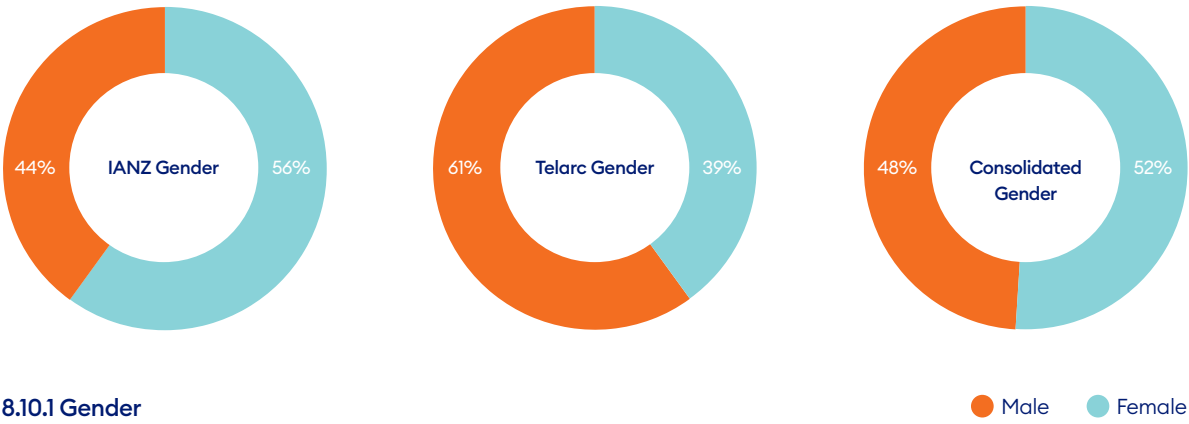
8.9 Technical experts

Around 2,000 technical experts support IANZ on a voluntary basis to support the accreditation assessments of clients. Their efforts are critical to IANZ’s operation. During assessments, these technical experts are considered part of the IANZ workforce and comply with Health and Safety policies, are covered by IANZ insurance, and work alongside IANZ staff as full team members.

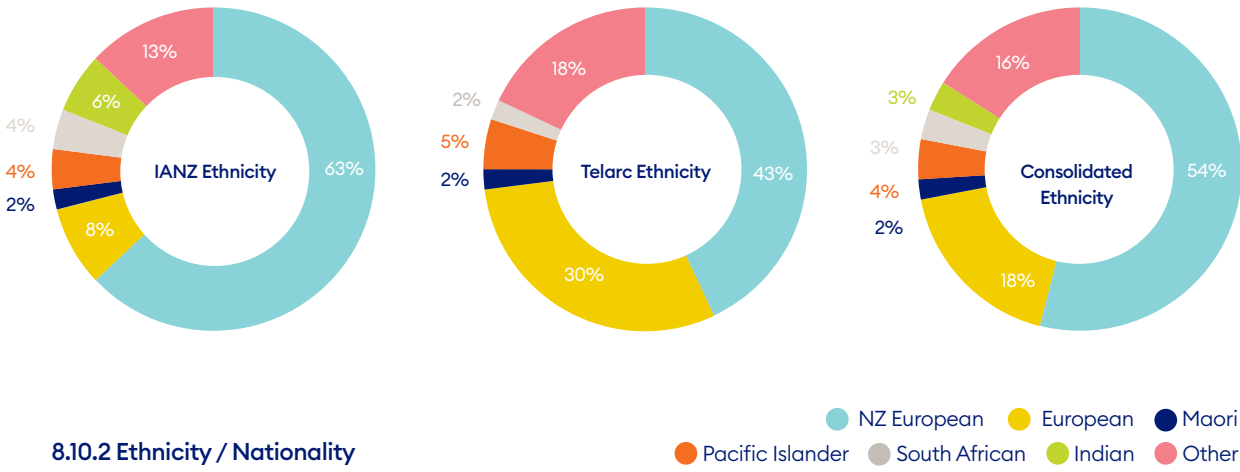
Telarc utilises technical experts across selected JASANZ accredited programmes.

8.10 Human Resource Statistics

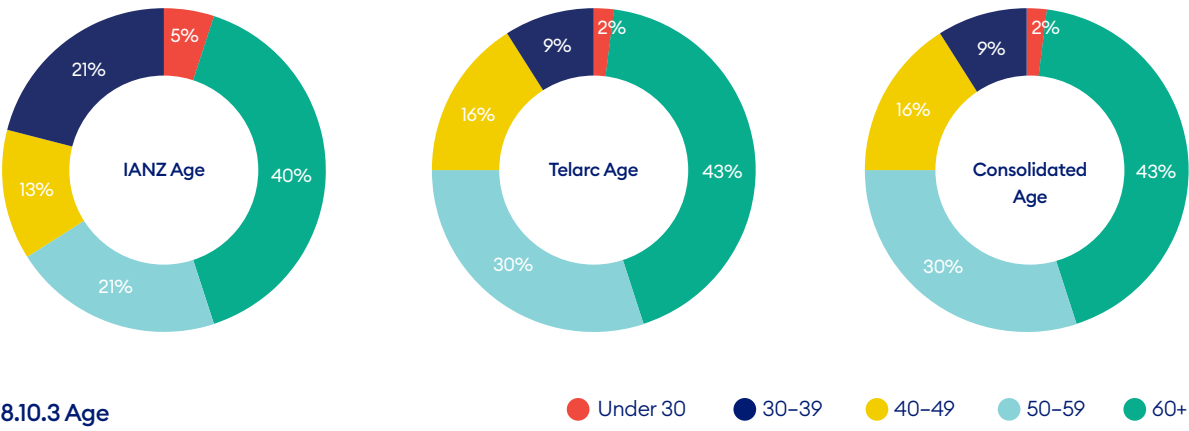
As at 30 June 2022



8.10.1 Gender



8.10.2 Ethnicity / Nationality



8.10.3 Age

9. Statement of Responsibility

The Council and management of IANZ accepts responsibility for:

- The preparation of the financial statements, statement of performance and the judgments made in them.
- End-of-year performance information provided by IANZ under section 19A of the Public Finance Act.
- Establishing and maintaining a system of internal controls, designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of IANZ, the financial statements and statement of performance fairly reflect the financial position and operations of the Council For the year ended 30 June 2022.

Paul Connell
Chair of Council
10 November 2022

Brian Young
Chief Executive
10 November 2022

Fiona Paulin
Chief Financial Officer
10 November 2022

Nicole Anderson
Chair of Audit & Risk Committee
10 November 2022



10. Audit Report



RSM Hayes Audit

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Newmarket, Auckland 1023

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www.rsmnz.co.nz

Independent Auditor’s Report

To the readers of Accreditation Council and group’s financial statements and performance information for the year ended 30 June 2022

The Auditor-General is the auditor of Accreditation Council (the Council) and its subsidiaries. The Auditor-General has appointed me, Elaine Yong, using the staff and resources of RSM Hayes Audit, to carry out the audit of the financial statements and the performance information of the Council and its subsidiaries (collectively referred to as “the group”), on his behalf.

Opinion

We have audited:

- the financial statements of the Council and group on pages 66 to 92, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Council and group on pages 20 to 54.

In our opinion:

- the financial statements of the Council and group on pages 66 to 92:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Council and group on pages 20 to 54:
 - presents fairly, in all material respects, the Council and group’s performance for the year ended 30 June 2022, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year;
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

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RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Basis for opinion

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

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

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

Responsibilities of the Council for the financial statements and the performance information

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

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

The Council's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 19, 55 to 60, 65, and 93 to 102, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

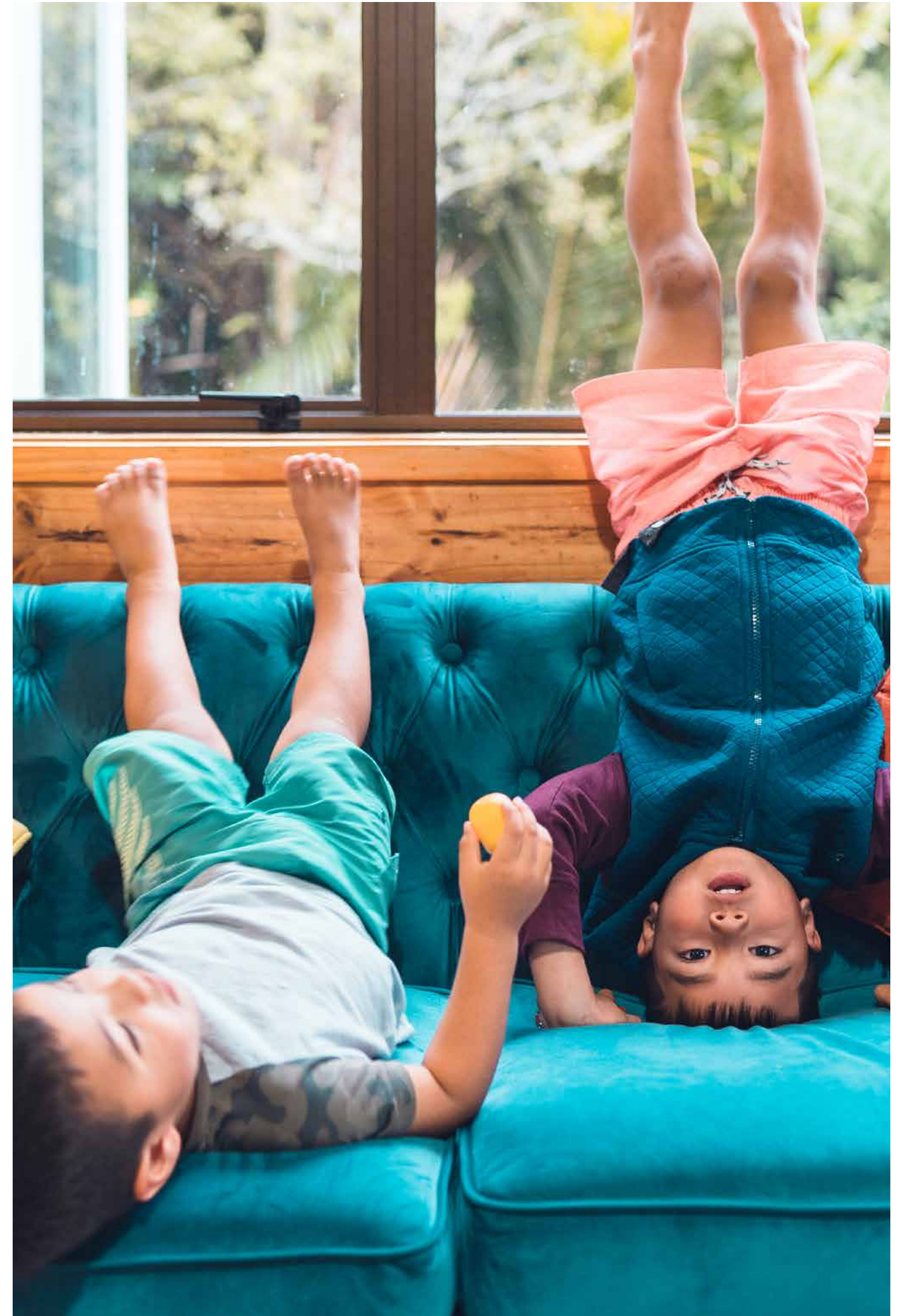
We are independent of the Council and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New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

Other than the audit, we have no relationship with or interests in the Council or group.

Elaine Yong

Elaine Yong
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand

17 November 2022



11. Statement of Accounting Policies

11.1 Reporting entity

The Accreditation Council (Council) has designated itself as a public benefit entity (PBE) for financial reporting purposes. The Council trades under the name International Accreditation New Zealand (IANZ), and 100% owns its Crown Entity subsidiaries, Telarc Limited (Telarc), which performs its certification function and Telarc Holdings Limited, a non-trading entity, that holds no assets and liabilities during and at the end of the period of review. IANZ is disclosed as the Parent in the financial statements with Telarc included in the consolidated figures.

The financial statements for the Accreditation Council are For the year ended 30 June 2022 and were approved by the Council on 10 November 2022.

11.2 Basis of preparation

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

11.3 Statement of compliance

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

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards because expenses are > \$2m and ≤ \$30m and the Council is not publicly accountable. The subsidiary Telarc Limited has been assessed as a PBE under accounting standard XRB A1.

These financial statements comply with PBE Accounting Standards.

11.4 Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are in dollars (\$'s).

11.5 Basis of consolidation

The consolidated financial statements include the parent Council and its subsidiary. The Group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the Group on a line by line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

The Group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the Group obtains control of the entity and ceases when the Group loses control of the entity.

11.6 Budget figures

Budget figures (those approved by the Council at the start of the financial year) have been prepared in accordance with generally accepted accounting practice, consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

11.7 Goods and services tax

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated with GST included. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

11.8 Telarc Holdings Limited

Telarc Holdings Limited, a 100% owned subsidiary company of Telarc Limited was formed during 2019. This company is a holding company, classified as a non-trading entity and was formed to hold trademarks previously held by Telarc Limited.

11.9 Financial instruments

The Council and Group are party to financial instruments as part of normal operations, including bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the statement of financial position, with all associated revenues and expenses included in the statement of comprehensive income.

Apart from items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

11.10 Changes in accounting policies

Cash and Cash Equivalents

Telarc has revised its accounting policy in line with PBE IPSAS 2 Cash Flow Statements. Term deposits of three months or less are to be recognised as cash and cash equivalents (note 15) and those greater than three month's duration as investments under note 5.

Software-as-a-Service (SaaS) arrangements

During the year, the Council revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The new accounting policy is presented below. Historical financial information will be restated to account for the impact of the change where applicable. Refer to disclosure notes.

SaaS arrangements are service contracts providing the Council with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

11.11 Critical accounting estimates and assumptions

In preparing these financial statements, the Council has made estimates and assumptions for the future, which may differ from subsequent actual results. Such estimates are continually evaluated, based on historical experience and reasonable expectations. Estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Intangibles, property, plant and equipment – useful lives and residual values:

At each balance date, the Council reviews the useful lives and residual values of its intangibles, property, plant and equipment. Such assessments require consideration of a number of factors, such as the physical condition and expected period of use of the asset by the Council, as well as expected proceeds from its future sale. An

incorrect estimate will impact on the depreciable/amortisation amount of an asset, impacting in turn on the depreciation/amortisation expense in the statement of comprehensive income and carrying amount of the asset in the statement of financial position.

The Council minimises such risk by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The Council has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in Note 6 and intangibles in Note 8.

Goodwill

Goodwill represents the difference between the consideration paid and the identifiable assets acquired. A policy is in place whereby goodwill is assessed annually for impairment. The Council assesses goodwill for impairment at the end of each reporting period and, if required, recognises an impairment loss at that date in accordance with PBE IPSAS 26 (Impairment of cash-generating assets). VNZ has been fully integrated into Telarc’s business and for the purposes of impairment testing, has been applied the lowest CGU (cash generating unit) within the Group. Further, the Council purchased the remaining 25% shareholding of Telarc Limited in 2019 and the goodwill generated on the purchase has been allocated to the lowest CGU within the Group for impairment testing purposes. The fair value of Telarc is greater than the value of its net assets including goodwill. The holding value of Telarc in IANZ’s balance sheet and the goodwill in the consolidated balance sheet is not impaired. Refer to Goodwill Note 7.

11.12 Investments in Subsidiaries, Associates and Joint Ventures

The Group has adopted the new group standards, PBE IPSAS 34 to 38. In adopting these new standards, the Group has updated its accounting policies for investments in subsidiaries, associates and joint ventures. Disclosures have also been updated for the new disclosure requirements of PBE IPSAS 38.

The Group consolidates entities it controls. Control exists where the Group is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed, has been predetermined by the Group.

11.13 Standards issued and not yet effective and not early adopted

PBE IPSAS 41 Financial instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Group has assessed that there will be little change as a result of adopting the new standard, as the requirements are similar to those contained in PBE IFRS 9. The Group does not intend to early adopt this standard.



12. Annual Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2022

		CONSOLIDATED			PARENT		
	NOTES	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
REVENUE							
Funding from clients		16,926,281	19,051,556	18,929,955	8,388,376	9,508,611	9,244,327
Other revenue		70,935	60,669	49,598	82,090	400,611	475,894
Total revenue	2	16,997,215	19,112,225	18,979,553	8,470,466	9,909,222	9,720,221
EXPENDITURE							
Personnel costs	3	10,826,388	11,275,367	10,866,735	5,670,561	6,050,755	5,832,940
Depreciation and amortisation expense	6,8	324,452	322,373	339,705	123,193	173,016	160,360
Finance costs	18	-	-	-	-	-	-
Other expenses	1	6,181,353	6,485,671	6,361,162	3,075,552	3,285,336	3,091,680
Total expenditure	2	17,332,193	18,083,411	17,567,602	8,869,306	9,509,106	9,084,980
SURPLUS/ (DEFICIT) BEFORE TAX		(334,978)	1,028,814	1,411,951	(398,840)	400,116	635,241
INCOME TAX EXPENSE	19	33,130	275,055	336,879	-	-	-
SURPLUS/ (DEFICIT) AFTER TAX		(368,109)	753,759	1,075,072	(398,840)	400,116	635,241
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(368,109)	753,759	1,075,072	(398,840)	400,116	635,241
Attributable to:							
Owners of the parent		(368,109)	753,759	1,075,072	(398,840)	400,116	635,241
		(368,109)	753,759	1,075,072	(398,840)	400,116	635,241

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2022

		CONSOLIDATED			PARENT		
	NOTES	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
Balance at 1 July		10,465,006	9,794,823	9,389,934	6,448,441	5,912,526	5,813,200
Total comprehensive revenue and expense for the year		(368,109)	753,759	1,075,072	(398,840)	400,116	635,241
Balance at 30 June	17	10,096,897	10,548,581	10,465,006	6,049,601	6,312,642	6,448,441
Equity attributable to owners of the parent	17	10,096,897	10,548,581	10,465,006	6,049,601	6,312,642	6,448,441
TOTAL EQUITY	17	10,096,897	10,548,581	10,465,006	6,049,601	6,312,642	6,448,441

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 30 June 2022

		CONSOLIDATED			PARENT		
	NOTES	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL RESTATED \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL RESTATED \$
EQUITY							
Equity attributable to owners of the parent							
Opening Balance		10,465,006	9,794,823	9,389,934	6,448,441	5,912,526	5,813,200
Surplus/ (deficit) for the year		(368,109)	753,759	1,075,072	(398,840)	400,116	635,241
Accumulated surplus/ (deficit)	17	10,096,897	10,548,581	10,465,006	6,049,601	6,312,642	6,448,441
TOTAL EQUITY	17	10,096,897	10,548,581	10,465,006	6,049,601	6,312,642	6,448,441
Represented by:							
ASSETS							
Current assets							
Cash and cash equivalents	15	3,758,687	5,998,421	4,032,077	2,284,321	3,116,202	1,472,762
Investment	5	2,645,641	-	2,679,071	1,845,641	-	2,327,500
Trade and other receivables	4	3,290,269	3,376,141	3,597,059	1,688,557	2,191,982	2,185,391
Other assets: prepayments		304,530	277,723	277,331	194,025	171,673	171,697
Total current assets		9,999,126	9,652,284	10,585,536	6,012,544	5,479,857	6,157,350
NON CURRENT ASSETS							
Investments	5	-	-	-	2,320,000	2,320,000	2,320,000
Property, plant and equipment	6	220,074	602,313	259,531	115,722	522,411	159,098
Goodwill	7	3,322,606	3,322,606	3,322,606	-	-	-
Deferred Tax	19	108,271	85,794	98,999	-	-	-
Other intangible assets	8	420,254	398,325	388,490	111,067	277,162	160,228
Total non current assets		4,071,205	4,409,039	4,069,626	2,546,789	3,119,573	2,639,326
Total assets		14,070,331	14,061,323	14,655,162	8,559,333	8,599,430	8,796,676
LIABILITIES							
Current liabilities							
Trade and other payables	9	2,853,125	2,580,843	2,973,852	1,857,845	1,739,714	1,831,729
Provision for Taxation		580	(11,064)	268,901	-	-	-
Provision for employee entitlements	10	1,119,729	942,962	947,404	651,887	547,074	516,506
Total current liabilities		3,973,434	3,512,743	4,190,156	2,509,732	2,286,788	2,348,235
Non current liabilities							
Total non current liabilities		-	-	-	-	-	-
Total liabilities		3,973,434	3,512,743	4,190,156	2,509,732	2,286,788	2,348,235
NET ASSETS		10,096,897	10,548,581	10,465,006	6,049,601	6,312,642	6,448,441

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

As at 30 June 2022

		CONSOLIDATED			PARENT		
	NOTES	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL RESTATED \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL RESTATED \$
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash was provided from:							
Receipts from services provided		17,377,937	18,986,222	18,065,440	8,573,107	9,378,870	9,028,508
Interest received		44,512	60,169	87,770	33,295	46,969	56,341
Dividends received		-	-	-	436,742	305,561	78,020
		17,422,449	19,046,391	18,153,210	9,043,144	9,731,399	9,162,869
Cash was applied to:							
Payments to employees		10,758,442	11,259,834	10,724,031	5,532,624	6,042,093	5,851,489
Payments to suppliers		6,371,978	6,345,007	6,329,828	3,138,581	3,115,039	3,051,792
Payment of income tax		301,451	262,731	(34,770)	-	-	-
Interest paid		-	-	(2,015)	-	-	-
Net goods and services tax		2,020	30,872	(89,768)	23,755	11,499	(74,682)
		17,433,891	17,898,443	16,927,305	8,694,960	9,168,631	8,828,598
Net Cash Flows From Operating Activities		(11,442)	1,147,948	1,225,905	348,184	562,768	334,271
CASH FLOWS FROM INVESTING ACTIVITIES							
Cash was provided from:							
Proceeds from sale of property, plant & equipment		45,634	-	1,565	22,156	-	102,773
(Acquisition)/Proceeds of Investment		2,679,070	-	-	2,327,500	-	-
		2,724,704	-	1,565	2,349,656		102,773
Cash was applied to:							
Purchase of property, plant & equipment		108,936	541,736	77,659	33,864	477,736	45,777
Purchase of intangible assets (computer software)		232,076	364,585	157,812	6,775	229,585	67,875
Term Deposits		2,645,641	-	2,679,070	1,845,641	-	2,327,500
		2,986,652	906,321	2,914,541	1,886,280	707,321	2,441,152
Net Cash Flows From Investing Activities		(261,948)	(906,321)	(2,912,976)	463,376	(707,321)	(2,338,379)
CASH FLOWS FROM FINANCING ACTIVITIES							
Dividend		-	-	-	-	-	-
Repayment of loan		-	-	-	-	-	-
Net Cash Flows From Financing Activities		-	-	-	-	-	-
Net increase (decrease) in cash held		(273,390)	241,627	(1,687,071)	811,560	(144,553)	(2,004,109)
Cash and cash equivalents at beginning of the year		4,032,077	5,756,794	5,719,148	1,472,761	3,260,755	3,476,870
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	3,758,687	5,998,421	4,032,077	2,284,321	3,116,202	1,472,762

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.

Reconciliation of Net Surplus (Deficit) with Net Cash From Operating Activities

As at 30 June 2022

		CONSOLIDATED			PARENT		
	NOTES	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL RESTATED \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL RESTATED \$
Net surplus (deficit) for the year							
Add/(less) non-cash items							
Depreciation and amortisation expense	6,8	324,452	322,373	339,705	123,193	173,016	160,360
(Gains)/losses on movement of provisions		-	-	(33,442)	-	-	(33,442)
Total items classified as non-cash items		324,452	322,373	306,263	123,193	173,016	126,918
Add/(less) items classified as investing activities							
(Gains)/losses on disposal of intangibles,property, plant & equipment	2	(21,385)	-	(435)	(12,172)	-	(305)
Total items classified as investing activities		(21,384)	-	(435)	(12,170)	-	(305)
Add/(less) net movements in working capital items		53,598	71,817	(154,997)	636,002	(10,364)	(427,584)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(11,442)	1,147,948	1,225,905	348,184	562,768	334,271

Explanations of major variances against budget are provided in Note 13. The accompanying notes form an integral part of these financial statements.

13. Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 1: OTHER EXPENSES

	CONSOLIDATED			PARENT		
	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
The net surplus (deficit) is after charging for:						
Fee for the audit of Financial Statements	96,771	93,995	89,319	53,167	51,351	48,706
Marketing Costs	155,309	175,000	160,693	61,761	110,000	85,502
Staff Expenses	200,087	304,119	185,418	92,172	149,410	63,108
International Expenses	184,512	259,463	171,417	71,076	163,913	47,969
Communication	137,489	172,905	145,145	49,476	82,806	62,536
Accommodation	844,983	870,980	779,446	596,014	621,885	527,189
Information Technology	504,146	467,152	471,307	270,602	246,507	237,432
Office Expenses	123,749	187,157	110,493	60,753	113,064	60,007
Assessment Expenses	2,885,500	3,081,623	3,157,536	1,468,889	1,556,284	1,603,234
Other Expenses	1,048,808	873,278	1,090,390	351,642	190,115	355,997
TOTAL OTHER EXPENSES	6,181,353	6,485,671	6,361,162	3,075,552	3,285,336	3,091,680

Operating leases as lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

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

	CONSOLIDATED		PARENT	
	2022 ACTUAL \$	2021 ACTUAL \$	2022 ACTUAL \$	2021 ACTUAL \$
No later than one year	270,473	616,757	245,473	589,136
Later than one year but not later than five years	101,379	346,350	-	245,473
Later than five years	6,376	31,878	-	-
TOTAL NON-CANCELLABLE OPERATING LEASES	378,228	994,985	245,473	834,609

The Accreditation Council of New Zealand leases one Auckland office property. The lease was renewed in April 2015 for a further term of six years. A deed of variation was signed extending the lease to November 2022.

Telarc Limited leased three office properties. The Accreditation Council and Telarc signed a joint Deed of Variation extending the current Auckland lease to November 2022. New premises were leased for Tauranga. A lease agreement was entered into for a term of six years expiring September 2027, with two further rights of renewal of five years each. The Wellington lease expired in July 2021.

No restrictions are placed on the Accreditation Council or Telarc Limited by any of their existing agreements.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 1: OTHER EXPENSES (CONTINUED)

Agreement to Lease: Central Park

An Agreement to Lease was signed in October 2020, to lease new premises at Central Park, Ellerslie, Auckland. The intended term of the lease is for an initial term of 9 years from 1 December 2022, with a further right of renewal of 6 years.

	2022 ACTUAL \$	2021 ACTUAL \$
Agreement to Lease (ATL) : 9 year term		
No later than one year	334,245	-
Later than one year but not later than five years	2,291,968	-
Later than five years	2,530,714	-
TOTAL AGREEMENT TO LEASE	5,156,927	-

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 2: REVENUE

Accounting policy

The Council's revenue is regarded as exchange transactions and derived through the provision of outputs to the Crown, services to third parties and income from its investments. Such revenue is recognised when earned and reported in the relevant financial period.

	CONSOLIDATED			PARENT		
NET REVENUE/(COST) ANALYSIS	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
ACCREDITATION SERVICES						
Revenue	7,299,145	8,340,293	8,207,936	7,299,145	8,340,293	8,207,936
Less Cost	(7,941,240)	(8,499,570)	(8,235,410)	(7,941,240)	(8,499,570)	(8,235,411)
Net Surplus/(Deficit)	(642,095)	(159,278)	(27,474)	(642,095)	(159,278)	(27,475)
CERTIFICATION SERVICES						
Revenue	8,530,405	9,280,234	9,619,872	-	-	-
Less Cost	(8,430,379)	(8,390,408)	(8,356,350)	-	-	-
Net Surplus/(Deficit)	100,025	889,826	1,263,522	-	-	-
TRAINING AND OTHER SERVICES						
Revenue	485,999	836,478	505,165	478,499	573,767	439,409
Less Cost	(706,555)	(838,509)	(766,229)	(674,047)	(654,611)	(639,956)
Net Surplus /(Deficit)	(220,557)	(2,031)	(261,064)	(195,549)	(80,844)	(200,548)
INTERNATIONAL RECOGNITION SERVICES						
Revenue	610,733	594,552	596,982	610,733	594,552	596,982
Less Cost	(254,020)	(354,925)	(209,613)	(254,020)	(354,925)	(209,613)
Net Surplus/(Deficit)	356,713	239,627	387,369	356,713	239,627	387,369
OTHER REVENUE						
Interest	49,550	60,669	49,163	33,850	46,969	38,848
Net gain on sale of property, plant, and equipment ¹	21,385	-	435	12,172	-	305
Dividend	-	-	-	36,068	353,642	436,742
Total	70,935	60,669	49,598	82,089	400,610	475,894
TOTAL REVENUE						
Total Revenue	16,997,215	19,112,225	18,979,553	8,470,466	9,909,222	9,720,221
Less Total Cost	(17,332,193)	(18,083,411)	(17,567,602)	(8,869,306)	(9,509,106)	(9,084,980)
TOTAL SURPLUS/(DEFICIT) BEFORE TAX	(334,978)	1,028,814	1,411,951	(398,840)	400,116	635,241

Telarc Limited paid the Parent \$478,220 a management services charge (2021 \$483,292), which has been off-set against cost of service in the Parent accounts.

1. During the year, property, plant and equipment was disposed and subsequently replaced. Gains (losses) were realised upon the disposals.



Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 3: PERSONNEL COSTS EXCLUDING COUNCIL AND DIRECTORS FEES

Accounting Policy

Defined contribution schemes

Employer contributions to kiwisaver and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred. Consequently, no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss. The obligations are measured on an undiscounted basis, except where they are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

	CONSOLIDATED			PARENT		
	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
Salaries and wages	10,373,836	10,937,667	10,576,710	5,392,802	5,870,498	5,717,752
Defined contribution plan employer contribution	280,228	332,700	266,547	142,377	180,257	137,775
Increase/ (decrease) in employee entitlements	172,325	5,000	23,478	135,381	-	(22,587)
TOTAL PERSONNEL COSTS	10,826,388	11,275,367	10,866,735	5,670,561	6,050,755	5,832,940

Employee Remuneration

During the year the number of Group employees (other than Council members and Directors) receiving remuneration and other benefits in excess of \$100,000 were:

	NUMBER OF EMPLOYEES	
REMUNERATION	2022 ACTUAL	2021 ACTUAL
\$380,000 - \$390,000	-	-
\$370,000 - \$380,000	-	-
\$360,000 - \$370,000	-	-
\$350,000 - \$360,000	-	-
\$340,000 - \$350,000	-	-
\$330,000 - \$340,000	-	-
\$320,000 - \$330,000	-	-
\$310,000 - \$320,000	-	-
\$300,000 - \$310,000	-	-
\$290,000 - \$300,000	-	-
\$280,000 - \$290,000	-	-
\$270,000 - \$280,000	2	-
\$260,000 - \$270,000	-	-
\$250,000 - \$260,000	-	1
\$240,000 - \$250,000	-	1
\$230,000 - \$240,000	-	-
\$220,000 - \$230,000	-	-
\$210,000 - \$220,000	-	-
\$200,000 - \$210,000	1	-
\$190,000 - \$200,000	-	-
\$180,000 - \$190,000	-	-
\$170,000 - \$180,000	1	1
\$160,000 - \$170,000	1	1
\$150,000 - \$160,000	5	4
\$140,000 - \$150,000	3	4
\$130,000 - \$140,000	3	2
\$120,000 - \$130,000	5	10
\$110,000 - \$120,000	20	18
\$100,000 - \$110,000	14	11

During the year ended 30 June 2022, 1 employee received compensation and other benefits in relation to cessation (2021, 1).

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 3: PERSONNEL COSTS (CONTINUED)

Council and Board member remuneration

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

COUNCIL MEMBERS	2022	2021
Paul Connell, Chair - Accreditation Council	33,600	33,600
Carolyn Harkess (until 31 Dec 2021)	7,067	16,960
Dr Graeme Benny (until 31 Dec 2021)	8,480	16,960
Marion Ann Cowden, Chair - Audit and Risk Committee (until 30 Nov 2021)	7,067	16,960
Nicole Anderson	16,960	16,960
Jane von Dadelszen	16,960	16,960
Catherine Abel-Pattinson	16,960	16,960
Total Council Fees	107,093	135,360

TELARC LIMITED DIRECTORS	2022	2021
David Bone, Chairman	28,000	27,067
Paul Connell	14,000	13,533
Vikki Branagan	15,167	13,533
Total Directors Fees	57,167	54,133

TOTAL COUNCIL AND DIRECTORS FEES	164,260	189,493
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The Council has effected Professional Indemnity and Directors & Officers Liability insurance cover for directors and employees.

No Board members received compensation or other benefits in relation to cessation (2021 \$nil).

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 4: TRADE AND OTHER RECEIVABLES

Accounting Policy

Trade receivables, WIP and other receivables are stated at their expected realisable value after providing for impairment, doubtful and uncollectable debts. WIP represents work performed for which clients have not been invoiced and is stated at expected realisable value.

	CONSOLIDATED		PARENT	
	2022 ACTUAL \$	2021 ACTUAL \$	2022 ACTUAL \$	2021 ACTUAL \$
Trade receivables	2,618,003	3,004,697	1,170,733	1,429,773
Less: provision for impairment	(11,983)	(21,800)	(8,631)	(6,063)
Net trade receivables	2,606,020	2,982,896	1,162,102	1,423,710
Other receivables				
Work in progress	684,249	614,163	490,387	324,939
Dividends received	-	-	36,068	436,742
TOTAL TRADE AND OTHER RECEIVABLES	3,290,269	3,597,059	1,688,557	2,185,391

Total receivables comprises the sale of services (exchange transactions).

NOTE 5: INVESTMENTS

Accounting Policy

Term deposits are stated at the lower of cost and net realisable value, with any decreases recognised in the statement of comprehensive income. Such deposits are classified as maturing three months after the balance date. The Investment in subsidiary is carried at the lower of cost or fair value. The investment is impaired if there is a significant or prolonged decline in the fair value of the investment below its cost.

	CONSOLIDATED			PARENT		
	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
CURRENT PORTION						
Term deposits	2,645,641	-	2,679,071	1,845,641	-	2,327,500
Total current portion	2,645,641	-	2,679,071	1,845,641	-	2,327,500
NON-CURRENT PORTION						
Equity investments	-	-	-	2,320,000	2,320,000	2,320,000
Total non-current portion	-	-	-	2,320,000	2,320,000	2,320,000
TOTAL INVESTMENTS	2,645,641	-	2,679,071	4,165,641	2,320,000	4,647,500

There is no impairment provision for investments.

Equity Investments are measured at cost. The Council owns 100% (2021: 100%) of the share capital of Telarc Limited. The share capital investment of Telarc Limited is 600,000 Ordinary Shares.

Prior year reclassification

Cash and cash equivalents (note 15) has been amended for 2021 reporting to align with the requirements of PBE IPSAS 2 Cashflows. Investments of a duration greater than 3 months are now reported under note 5 - Investments. This only affects the Statement of Financial Position.

	2021 RESTATED \$	2021 PRIOR \$	2021 RESTATED \$	2021 PRIOR \$
Current Portion				
Term Deposits	2,679,071	-	2,327,500	-
TOTAL INVESTMENTS	2,679,071	-	2,327,500	-

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

All are recorded at historical cost less accumulated depreciation and impaired losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is measured at cost less impairment and is not depreciated.

Disposals

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

Subsequent Costs

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

Depreciation

Property, plant and equipment are depreciated at rates that will write off the cost on a straight-line basis of the assets to the estimated residual value over their useful life. The useful lives and associated depreciation rates of major classes of assets used in the preparation of these statements are reviewed annually as follows:

Computer hardware	3 years	33%	straight line
Leasehold improvements	2-14 years	7%-57%	straight line
Office furniture and equipment	2-10 years	10%-67%	straight line
Motor vehicles	3-5 years	20%-30%	straight line

Parent

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

Cost	Leasehold Improvements \$	Furniture and Office Equipment \$	Computer Hardware \$	Motor Vehicles \$	Total \$
Balance as at 1 July 2020	459,398	233,932	248,994	105,888	1,048,213
Additions	-	11,027	5,463	29,287	45,777
Disposals	-	(1,390)	(8,460)	-	(9,850)
Balance at 30 June 2021	459,398	243,569	245,996	135,175	1,084,140
Balance as at 1 July 2021	459,398	243,569	245,996	135,175	1,084,140
Additions	-	2,328	31,536	-	33,864
Disposals	-	(67,389)	(38,921)	(63,699)	(170,009)
Balance as at 30 June 2022	459,398	178,508	238,610	71,476	947,995
Accumulated Depreciation					
Balance as at 1 July 2020	448,866	205,593	158,823	52,048	865,330
Depreciation expense	1,167	6,156	46,058	15,049	68,431
Eliminate on disposal	-	(475)	(8,245)	-	(8,720)
Balance at 30 June 2021	450,033	211,274	196,637	67,097	925,041
Balance as at 1 July 2021	450,033	211,274	196,637	67,097	925,041
Depreciation expense	1,167	8,541	42,744	14,806	67,257
Eliminate on disposal	-	(66,590)	(38,921)	(54,514)	(160,025)
Balance at 30 June 2022	451,200	153,225	200,460	27,388	832,273
Carrying Amounts					
At 30 June 2021	9,365	32,295	49,359	68,078	159,098
At 30 June 2022	8,198	25,283	38,150	44,088	115,722

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Consolidated

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

Cost	Leasehold Improvements \$	Furniture and Office Equipment \$	Computer Hardware \$	Motor Vehicles \$	Total \$
Balance as at 1 July 2020	495,048	337,789	396,890	145,629	1,375,356
Additions	-	20,078	28,293	29,287	77,658
Disposals	-	(1,390)	(10,367)	-	(11,757)
Balance at 30 June 2021	495,048	356,477	414,816	174,916	1,441,257
Balance as at 1 July 2021	495,048	356,477	414,816	174,916	1,441,257
Additions	-	9,004	35,820	64,111	108,935
Disposals	-	(100,883)	(92,454)	(103,439)	(296,776)
Balance at 30 June 2022	495,048	264,598	358,182	135,588	1,253,416
Accumulated Depreciation					
Balance as at 1 July 2020	479,701	271,130	247,951	73,904	1,072,686
Depreciation expense	1,674	13,748	81,249	22,997	119,668
Eliminate on disposal	-	(475)	(10,152)	-	(10,627)
Balance at 30 June 2021	481,375	284,403	319,048	96,901	1,181,727
Balance as at 1 July 2021	481,375	284,403	319,048	96,901	1,181,727
Depreciation expense	1,674	22,865	75,576	24,025	124,140
Eliminate on disposal	-	(89,793)	(92,454)	(90,280)	(272,527)
Balance at 30 June 2022	483,049	217,475	302,170	30,646	1,033,340
Carrying Amounts					
At 30 June 2021	13,672	72,075	95,763	78,015	259,531
At 30 June 2022	11,998	47,124	56,008	104,941	220,074

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 7: GOODWILL

Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill of \$2,500,000 on the acquisition of Verification New Zealand (VNZ) is recognised as an asset and is separately identified within Telarc Limited (subsidiary company). Further Goodwill of \$822,606 was generated during 2018 when the Parent acquired the remaining 25% shareholding of Telarc Limited (subsidiary company) from SAI Global. This is separately identified within the Parent. Goodwill is not amortised, but tested for impairment annually and whenever there is an indication that goodwill may be impaired. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive revenue and expense and is not subsequently reversed. Goodwill is subsequently measured at cost less any accumulated impairment losses.

	CONSOLIDATED		PARENT	
	2022 ACTUAL \$	2021 ACTUAL \$	2022 ACTUAL \$	2021 ACTUAL \$
Gross Carrying Amount				
Opening balance	2,500,000	2,500,000	-	-
Acquired through business combination	822,606	822,606	-	-
Closing balance	3,322,606	3,322,606	-	-
Accumulated Impairment Losses				
Opening balance	-	-	-	-
Impairment loss for the year	-	-	-	-
Closing balance	-	-	-	-
GOODWILL CARRYING AMOUNT	3,322,606	3,322,606	-	-

Impairment Testing for the Group

For the purposes of impairment testing, goodwill is allocated to Telarc, the Group's lowest level CGU (cash generating unit), which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Recoverable Value

The recoverable value was based on a Value In Use (VIU) calculation using the Discounted Cash Flow (DCF) methodology. The recoverable value was in excess of the carrying value of the CGU and therefore no impairment has been recognised (2021:Nil). The following model shows movements in free cash flow which still produce an NPV equal to the enterprise value.

- cash flows were projected for five years reflecting earnings increasing per the F2023 Business Plan from F2023 to F2025 and then 2% growth thereafter.
- cash flows were projected for five years assuming the budgeted cash flow for F2023 and a 3% decline thereafter.
- cash flows were projected for five years assuming a 3% free cash flow growth from F2023.
- cash flows were projected for five years assuming a flat, free cash flow from F2023.

Assumption

- A weighted average cost of capital of 4.32% (assuming a risk free rate of 3.72%; market risk premium rate of 7% after tax; a beta rate of 1.0 and cost of debt rate of 6%) per annum, based on Telarc's tax status as at F2022, has been applied to the cash flows. This is a post-tax discount rate. Currently Telarc has no debt.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 8: INTANGIBLE ASSETS

Parent Accounting Policy

Computer software is recorded at historical cost.
Client lists purchased are recorded at historical cost.

Programme and Course Development Costs:

Costs directly associated with the development of accreditation programmes and training courses are recognised as an intangible asset, to the extent that such costs are expected to be recovered. Development costs primarily consist of employee costs and, if directly attributable to the design of programmes and courses, are classified as an intangible asset if the following can all be demonstrated:

It is technically feasible to complete the course or programme for future use;

- Management intends to complete the course or programme;
- The course or programme is able to be used;
- Adequate technical, financial and other resources are available to complete development and to use the course or programme; and
- Expenditure attributable during development can be reliably measured.

Any cost failing to meet the above criteria is classified as an expense incurred in the surplus or deficit. Once recognised as an expense, development costs cannot be subsequently classified as an asset

Amortisation

Computer software and capitalised course and programme development costs are amortised at rates that will write off the cost on a straight-line basis to the estimated residual value over their useful life. The useful lives and associated amortisation rates used in preparation of these statements are reviewed annually as follows:

Computer software:	3 years	33%	straight line
Capitalised course and programme development costs:	3 years	33%	straight line

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

Client lists purchased are amortised over their expected useful lives.

While work is still in progress with regard to certain capitalised course and programme development costs, the useful life of completed projects will be established at project completion.

Movements for each class of intangible asset are as follows:

	CONSOLIDATED				PARENT			
Cost	Product Development \$	Acquired Computer Software \$	Acquired Client Lists \$	Total \$	Product Development \$	Acquired Computer Software \$	Acquired Client Lists \$	Total \$
Balance as at 1 July 2020	37,829	811,712	369,435	1,218,976	37,829	348,592	-	386,421
Additions	-	259,151	-	259,151	-	67,875	-	67,875
Disposals	-	(101,339)	-	(101,339)	-	(101,339)	-	(101,339)
Reclassificaion	-	-	-	-	-	-	-	-
Balance at 30 June 2021	37,829	969,524	369,435	1,376,788	37,829	315,128	-	352,957
Balance as at 1 July 2021	37,829	969,524	369,435	1,376,788	37,829	315,128	-	352,957
Additions	-	a 232,076	-	232,076	-	6,775	-	6,775
Disposals	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Balance at 30 June 2022	37,829	1,201,600	369,435	1,608,864	37,829	321,903	-	359,732
Amortisation								
Balance as at 1 July 2020	37,830	394,437	369,435	801,702	37,830	96,414	-	134,242
Amortisation expense	-	220,037	-	220,037	-	91,929	-	91,929
Eliminate on disposal	-	(33,442)	-	(33,442)	-	(33,442)	-	(33,442)
Balance at 30 June 2021	37,830	581,033	369,435	988,298	37,830	154,901	-	192,729
Balance as at 1 July 2021	37,830	581,033	369,435	988,298	37,830	154,901	-	192,729
Amortisation expense	-	200,312	-	200,312	-	55,936	-	55,936
Eliminate on disposal	-	-	-	-	-	-	-	-
Balance at 30 June 2022	37,830	781,345	369,435	1,188,610	37,830	210,837	-	248,665
Carrying Amounts								
At 30 June 2021	(1)	388,491	-	388,490	(1)	160,227	-	160,228
At 30 June 2022	(1)	420,255	-	420,254	(1)	111,066	-	111,067

a - includes WIP on CAR Risk Matrix Recording \$16,500 and \$203,491 for the I.T. Transformation Project.

There are no Capital commitments for the acquisition of intangible assets (2021 Nil).

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 9: PAYABLES

	CONSOLIDATED			PARENT		
	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
PAYABLES UNDER EXCHANGE TRANSACTIONS						
Trade payables	540,484	357,014	553,109	282,010	222,261	238,697
Other payables	-	-	-	-	-	-
Accrued expenses	262,492	275,543	465,978	150,860	214,272	239,560
Revenue in advance	1,539,795	1,454,596	1,441,489	1,148,956	1,044,599	1,057,324
Total payables under exchange transactions	2,342,770	2,087,153	2,460,575	1,581,826	1,481,132	1,535,580
PAYABLES UNDER NON-EXCHANGE TRANSACTIONS						
Taxes Payable (GST, PAYE, FBT)	510,355	493,690	513,276	276,019	258,582	296,149
Total payables under non-exchange transactions	510,355	493,690	513,276	276,019	258,582	296,149
TOTAL PAYABLES	2,853,125	2,580,843	2,973,852	1,857,845	1,739,714	1,831,729

Trade creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of trade creditors and other payables approximates their fair value.

NOTE 10: EMPLOYEE ENTITLEMENTS

Accounting Policy

Provision is made for the Group’s liability for annual leave and retirement leave, calculated on an actual entitlement basis at current rates of pay.

By virtue of PBE IPSAS 39, the Group’s Annual Leave liability is defined as Short-Term Employee Benefits. This is defined as employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service measured based on accrued entitlements at current rates of pay. The Group ensures that its Annual Leave Liability is effectively managed. Staff are encouraged to take leave within twelve months after the end of the reporting period in which the employees render the related services.

Employees who have completed 20 years of continuous service may be granted once-only, long-service leave of four weeks. Provision has been made for any future liability, calculated on an actuarial basis.

	CONSOLIDATED			PARENT		
	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
Annual leave	1,012,520	787,803	822,483	603,698	457,924	461,559
Long service leave	33,836	121,339	47,799	33,836	73,417	41,575
Retirement leave	42,905	-	40,838	-	-	-
Sick Leave	30,468	33,820	36,284	14,353	15,733	13,372
TOTAL EMPLOYEE ENTITLEMENTS	1,119,729	942,962	947,404	651,887	547,074	516,506

PBE IPSAS 39, long term employee entitlement is defined as, employee entitlements that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, such as retirement and long service leave. The present value of long service leave obligations depend on factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from The Treasury. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and obtaining actuarial rates as advised by The Treasury. Discount rates for year 1: 3.34% ; year 2: 3.70% and year 3 : 4.29% (2021 year 1: 0.38% ; year 2: 0.81% ; year 3: 3.08%) and an inflation factor of 3.01% (2021 3.08%) were used.

If the discount rate were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service leave liability would be an estimated 538 higher/lower (2021: 1,424).

If the salary inflation factor were to differ by 1% from that used, with all other factors held constant, the carrying amount of the long service

Notes to the Financial Statements

For the year ended 30 June 2022

leave liability would be an estimated 1,210 higher/lower (2021: 1,747).

The non-current portion of long service leave is not considered significant to be disclosed separately.

Sick Leave liability is defined as Short-Term Employee Benefit under PBE IPSAS 39. The Group recognises the expected costs of short-term employee benefits when employees render services that increases their entitlement to future paid absences. Sick Leave is an accumulating paid absence which is carried forward and can be used in future periods if the current period’s entitlement is not used in full. Sick leave entitlement is non-vesting and employees are not entitled to a cash payment for unused entitlement on leaving. The Group has recognised as a liability, sick leave expected to be taken by employees over and beyond their annual entitlement. This obligation was valued at the Groups weighted average daily pay rate.

When an employee has rendered service to the Group during the accounting period, the Group recognises the undiscounted amount of the short-term employee benefits expected to be paid in exchange for that service as a liability after deducting any amount already paid.

Retirement benefits are classified as post-employment benefits under PBE IPSAS 39. There is only one employee in the Group who is entitled to this benefit. The Group has provisioned this based upon the applicable retiring leave days valued at the daily pay-rate for the employee.

NOTE 11: BORROWINGS

Accounting Policy

Borrowing costs are recognised as an expense in the financial year to which the charge relates.

Secured loan

The Accreditation Council and its subsidiary, Telarc Limited did not have any Secured Loans as at 30 June, 2022.

NOTE 12: RELATED PARTY INFORMATION

The Accreditation Council is an Autonomous Crown Entity.

All related party transactions have been entered into on an arm’s-length basis.

Telarc Limited

The Council owns 100% of the share capital of Telarc Limited.

The share capital investment of Telarc Limited is 600,000 Ordinary Shares.

The principal activity of Telarc Limited is the business of providing management system assessments and recognition services.

Telarc Limited balance date: 30 June.

Telarc Limited owns 100% of the share capital of Telarc Holdings Limited, a non trading holding company.

Accreditation Council and Telarc Limited

During the year, the total transactions charged by the Accreditation Council of New Zealand to Telarc Limited were \$508,328, \$478,220 being management services charge with the balance for goods and services. There were no transactions charged to the Council (2021 transactions charged by the Council were \$605,640, \$483,292 being overhead contribution fees with the balance for goods and services, and transactions charged to the Council for goods and services were \$30,108). All transactions were undertaken on total arms-length basis. There are no other material related party transactions.

At year end Telarc Limited owed the Council:

Current account advances	Nil	(2021 Nil)
Payables	Nil	(2021 \$781)
Dividends	\$30,068	(2021 \$436,742)

At year end Council owed Telarc Limited:

Current Account Advances	Nil	(2021 Nil)
Payables	Nil	(2021 Nil)

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 12: RELATED PARTY INFORMATION (CONTINUED)

Key Management Personnel Compensation

	CONSOLIDATED		PARENT	
	2022 ACTUAL \$	2021 ACTUAL \$	2022 ACTUAL \$	2021 ACTUAL \$
Council and Board Members				
Remuneration	164,260	189,493	107,093	135,360
Full time equivalent members	0.8	1.0	0.6	0.8
Leadership Team				
Salaries and other short-term employee benefits	4,232,744	4,056,347	2,948,615	2,906,168
Other long-term benefits	14,300	19,795	14,300	13,571
Termination benefits	-	-	-	-
Total remuneration	4,247,044	4,076,142	2,962,915	2,919,739
Full time equivalent members	26.7	25.9	18.3	18.36
Total Key Management Personnel Remuneration	4,411,304	4,265,636	3,070,008	3,055,098
Total Full Time Equivalent Personnel	27.5	27.0	18.9	19.0

The full time equivalent for Council and Board members has been based on the frequency and length of Council and Board meetings and the estimated time for the Council and Board members to prepare for meetings.

Council and Board Members

Related party transactions were as follows:

All transactions were undertaken on a total arms length basis. There are no material related party transactions. All transactions related to the supply of audit services with the exception of the management services fee charged between the Parent (International Accreditation New Zealand) and the subsidiary (Telarc Limited).

		TRANSACTION		YEAR END	
Related Party	Relationship With Company	2022	2021	2022	2021
Waikato Regional Council	Paul Connell (Independent Member)	16,314	-	-	-
ETEL Limited	Paul Connell (Director)	21,414	39,520	-	-
Telarc Limited (Subsidiary)	Paul Connell (Director)	508,328	605,640	-	781
International Accreditation New Zealand	Paul Connell (Chairman)	(508,328)	(605,640)	-	(781)
Asmuss Group	Vikki Brannigan (Director)	8,875	18,305	-	-
Counties Manukau DHB	Catherine Abel-Pattinson (Board Member, Chair Hospital Committee, Member Audit & Risk Committee)	38,598	62,546	-	-
Northland District Health Board	Nicole Anderson (Member & Chair Equity with Resource Committee)	-	4,787	-	-

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 13: MAJOR BUDGET VARIATIONS

Commentary is provided for variances to budget greater than \$500k or 5%, or where relevant.

Statement of Comprehensive Revenue and Expense

IANZ's (Parent) deficit of \$435,000 (before dividend) for year end was below budget by \$835,000 and below prior year by \$633,000. Revenue was below budget by \$1,439,000 and below prior year by \$1,250,000. The total direct costs were lower than budget by \$279,000 due to a decrease in assessment costs in proportion to decreased revenue. Overall, gross margin was below budget by 18% primarily due to decreased revenue as a direct result of delays in assessments due to Covid-19 illness amongst staff and clients and further lockdowns occurring during the course of the year.

The 2022 budget was set with a slightly conservative approach lower than prior year actuals, due to the uncertainty of the continuing impact of Covid-19.

	2022 Actual \$	2022 Budget \$	Variance \$	Variance %	Commentary
Indirect Personnel Costs	2,844,049	2,869,096	(25,047)	(1%)	Staff recruitment expenses were offset against the lower number of FTE's in FY2022 which resulted in expenses lower than budget.
Corporate Costs	618,310	742,385	(124,075)	(20%)	Marketing, staff expenses, staff travel, board expenses, health and safety, advisory committee and regulatory development expenses were lower than budget, partly offsetting the increase in professional services and legal fees. Professional services and legal fees were higher than budget due to the continuation of the IT transformation project and consultation, advisory and lease expenses in relation to the relocation of the business in December 2022.
International Cost	71,076	203,913	(132,836)	(187%)	Technical liaison expenses were below budget as a result of Covid-19 restricting overseas travel and conferences were conducted virtually.
Insurance Cost	107,187	118,668	(11,480)	(11%)	Premium cover was lower due to the 2022 budget being increased to compensate for expected increases in premiums.
Communication Cost	49,476	82,806	(33,330)	(67%)	Communication costs were below budget due to utilising microsoft teams as a substitute for both landline and mobile consumption and reduction in courier and postage costs due to the Covid-19 lockdown in December 2021.
Information Technology Costs	270,602	246,507	24,095	9%	Information technology costs were higher than budget as a result of outsourcing some IT services, offsetting reduced IT personel costs.
Office Costs	59,453	98,064	(38,611)	(65%)	Printing costs were below budget as a result of the organisation moving to a paperless methodology accelerated partly due to a move to remote working. Reprography costs were below budget due to a reduction in print volumes required in FY2022.

The Training division did not meet its budgeted deficit by \$219,000 due to a number of scheduled courses being cancelled and transferred to the next financial year as a result of Covid-19 – refer to Note 2.

Telarc's surplus of \$100,000 before tax and dividend was behind budget by \$883,000 due to a decrease in revenue of \$975,000 as a direct result of assessments being delayed due to the impacts of further Covid-19 lockdowns and illness amongst staff and clients during the year. The 2022 budget was set with a conservative approach due to the uncertainty of the impact of Covid19. Total costs were lower than budget by \$79,000 due to the decrease in assessment costs in proportion to the decrease in revenue thereby resulting in a reduction in gross margin of \$873,000. Variances between portfolio's below attributed to this –decrease in gross margin:

- Environmental portfolio's margin performed below budget by 40%
- Quality portfolio's margin performed below budget by 40%
- Health & Safety portfolio's margin performed below budget by 32%
- Food portfolio's margin performed below budget by 52%
- Other portfolio's margin performed below budget by 37%
- Integrated portfolio's margin performed above budget by 54%

Telarc total assets were below budget by \$282,000 mostly due to a decrease in cash and cash equivalents of \$608,000, a direct result of the decrease in revenue. Total liabilities increased by \$98,000 against budget due to an increase in dividend provisions, as a result of the decrease in net surplus before tax.

The net consolidated deficit for the group was below budget for the 2022 year due to decreased revenue as a direct result of Covid-19 flowing to the bottom line.

Statement of financial position variances:

Cash reserves including investments were above budget by \$405,000 due primarily to reduced capital expenditure and below prior year actuals due to reduced revenue for the year.

Non-current assets were below budget by \$338,000 due to the delays in the IT transformation project and capital costs relating to the office relocation not eventuating in FY2022.

Total current liabilities were above budget by \$461,000, as a result of an increase in provision for employee entitlements of \$177,000 as employees have taken less leave due to lockdowns and the subsequent catch up in workload. Trade payables were on par with prior year and above budget by \$272,000 due to budget timings.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 14: POST BALANCE DATE EVENTS

There were no significant events after the balance date.

Covid-19 has continued to disrupt business post balance date, due to staff and client related illness over winter months. Whilst revenue and gross margin has been reduced in FY2022, it is expected the backlog of assessments will continue to clear over future months.

NOTE 15: CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held on call and investments with original maturities within three months of the balance date.

	CONSOLIDATED		PARENT	
	2022 ACTUAL \$	2021 ACTUAL \$	2022 ACTUAL \$	2021 ACTUAL \$
Cash on hand and at bank	3,258,687	4,032,076	1,784,321	1,472,762
Cash equivalents – short-term investments	500,000	-	500,000	-
TOTAL CASH AND CASH EQUIVALENTS	3,758,687	4,032,077	2,284,321	1,472,762

Prior Year Reclassification

Cash and cash equivalents has been amended for 2021 reporting to align with the requirements of PBE IPSAS 2 Cashflows. Investments of a duration greater than 3 months are now reported under note 5 - Investments. This only affects the Statement of Financial Position.

	2021 RESTATED \$	2021 PRIOR \$	2021 RESTATED \$	2021 PRIOR \$
Cash on hand and at bank	4,032,076	4,032,076	1,472,762	1,472,762
Cash equivalents - short-term investments	-	2,679,071	-	2,327,500
TOTAL CASH AND CASH EQUIVALENTS	4,032,076	6,711,146	1,472,762	3,800,261

NOTE 16 : CONTINGENT LIABILITIES AS AT 30 JUNE 2022

As at balance date there are no known contingent liabilities. (2021 Nil).

NOTE 17: EQUITY

Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity comprises general funds only.

	CONSOLIDATED			PARENT		
	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$	2022 ACTUAL \$	2022 BUDGET \$	2021 ACTUAL \$
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						
Accumulated surplus / (deficit)						
Balance at 1 July	10,465,006	9,794,823	9,389,934	6,448,441	5,912,526	5,813,200
Surplus / (deficit) for the year	(368,109)	753,758	1,075,072	(398,840)	400,116	635,241
Balance at 30 June	10,096,897	10,548,581	10,465,006	6,049,601	6,312,642	6,448,441
TOTAL EQUITY	10,096,897	10,548,581	10,465,006	6,049,601	6,312,642	6,448,441

NOTE 18: FINANCE COSTS

Accounting policy

There were no borrowing costs incurred during the year.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 19: TAXATION

	2022 ACTUAL \$	2021 ACTUAL \$
Current Taxation Expense		
Current Year	41,920	350,024
Adjustments in respect of prior years	4,414	(1,362)
Deferred Tax Expense	(13,203)	(11,783)
INCOME TAX EXPENSE	33,130	336,879
Reconciliation of Effective Tax Rate		
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Profit from operations	99,930	1,213,452
Prima facie income tax @28%	27,980	339,767
Non-deductible or non-assessable items	14,331	13,092
Imputation credit	(42)	(42)
Resident Withholding Tax	(346)	(1,075)
Foreign Withholding Tax	-	(1,714)
Non taxable income	(4)	(4)
(Over)/under provision in prior years	4,414	(1,362)
Deferred tax adjustment	(13,203)	(11,783)
TOTAL INCOME TAX EXPENSE	33,130	336,879

Up to 30 June 2018, Telarc Limited was exempt from tax through its association with its parent, the Accreditation Council. The Accreditation Council is exempt from income tax in accordance with section 39, of the Standards and Accreditations Act 2015. The Accreditation Council was informed during 2018, that the IRD was changing its interpretation regarding the tax status of some Crown Entity subsidiaries, particularly subsidiaries of Autonomous and Independent Crown Entities. Subsequently, Telarc Limited was liable for tax effective from 1st July 2018.

	Property, Plant and Equipment	Employee Entitlements	Other	Total
Deferred Tax Assets and Liabilities				
Balance at 1 July 2020	(10,819)	107,753	(11,140)	85,794
Recognised in the profit in respect of prior years	-	-	1,422	1,422
Recognised in profit	(3,645)	40,899	(25,471)	11,783
Balance at 30 June 2021	(14,464)	148,652	(35,189)	98,999
Recognised in the profit in respect of prior years	-	-	(3,931)	(3,931)
Recognised in profit	7,601	(17,656)	23,258	13,203
Balance at 30 June 2022	(6,863)	130,996	(15,862)	108,271

Accounting Policy

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Notes to the Financial Statements

For the year ended 30 June 2022

NOTE 20: IMPACT OF COVID-19

In March 2020 Covid 19 was declared a pandemic following growing rates of infection and has continued into the FY2022 year. This has had a direct effect on the Council’s revenues, operations and the wider economy.

The impact in FY2021 was less significant than anticipated, with assessments delayed in FY2020, going ahead in FY2021. The Council exceeded budget expectations. However as the pandemic showed no signs of abating the Council prepared conservative FY2022 budget estimates. Strong cash reserves have supported the business and will continue to do so through future outbreaks if required. The business has continued to evolve its systems to support changes in work process requirements of the future. Remote assessments have continued where practical.

Use of estimates and judgements

The effects of Covid 19 have required a number of judgements and estimates to be made in the preparation of these financial statements. Judgement was used in determining which information obtained subsequent to the period end provided evidence of conditions that existed as at the end of the reporting period.

In particular, asset carrying values have been assessed at balance date. Specific commentary on these is covered in the relevant note. These assumptions are based on the organisations best estimate of the most likely expectations at balance date.

There have been no revisions to the nature and amount of estimates reported in prior periods.

At the time of issuing these financial statements, the organisation has not identified any material risk to its ability to continue as a going concern.

Current forecasts

At this time it is difficult to determine the continuing impact of the Covid 19 pandemic. The Council will continue to monitor the event and respond in line with Government.

Impact of Covid-19 on the provision for doubtful debts

The Council has reviewed its trade receivables and has taken a conservative approach in its provisioning of doubtful trade receivables at 30 June 2022.

Impact of Covid-19 on the property plant and equipment

The Council has assessed the likely impact on property plant and equipment assets to be immaterial in nature.

Impact of Covid-19 on Goodwill

The Group has reviewed the forecast out to 2027 based on conditions that existed as at 30 June 2022 and forward booked work. The Council does not consider there to be any impairment on Goodwill carried on its statement of financial position.

NOTE 21: SOFTWARE-AS-A-SERVICE (SAAS) ARRANGEMENTS

Section 11.10 describes the Council’s accounting policy in respect of customisation and configuration costs incurred in implementing SaaS arrangements. In applying the entity’s accounting policy, the directors made the following key judgements that may have the most significant effect on the amounts recognised in financial statements.

Capitalisation of configuration and customisation costs in SaaS arrangements

Part of the customisation and configuration activities undertaken in implementing SaaS arrangements may entail the development of software code that enhances or modifies, or creates additional capability to the existing on premise software to enable it to connect with the cloud-based software applications (referred to as bridging modules or APIs). Judgement was applied in determining whether the additional code meets the definition of and recognition criteria for an intangible asset in NZ IAS 38 or PBE IPSAS 31 Intangible Assets. During the year, the Council recognised \$Nil (2021: \$Nil) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

Determination whether configuration and customisation services are distinct from the SaaS access

Costs incurred to configure or customise the cloud provider’s application software are recognised as operating expenses when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, the directors applied judgement to determine whether these services are distinct from each other or not, and therefore, whether the configuration and customisation costs incurred are expensed as the software is configured or customised (i.e. upfront), or over the SaaS contract term.

Specifically, where the configuration and customisation activities significantly modify or customise the cloud software, these activities will not be distinct from the access to the cloud software over the contract term. Judgement has been applied in determining whether the degree of customisation and modification of the cloud-based software that would be deemed significant. During the year, the Council recognised \$nil (2021: \$nil) as prepayments in respect of customisation and configuration activities undertaken in implementing SaaS arrangements which are considered not to be distinct from the access to the SaaS over the contract term.

Appendix 1 Council Function, Goals, and Operational Standards

1 Function

The Council is required to act independently of Government in carrying out its functions and exercising its statutory powers. The specific functions of the Council, as provided in the Standards and Accreditation Act 2015, are:

- a) To promote the development and maintenance of good practice in conformity assessment; and to establish and maintain an accreditation scheme for conformity assessment bodies engaged in testing and inspection activities and
- b) To develop and maintain international recognition and acceptance of the Council’s accreditation scheme; and to maintain appropriate international relationships consistent with the Council’s functions under this section; and
- c) To act as New Zealand’s good laboratory practice compliance monitoring authority; and
- d) If the Council chooses, to provide certification services; and
- e) To perform any other functions as directed by the Minister in accordance with section 112 of the Crown Entities Act 2004.

The Council performs functions (a), (b) (c) and (e) operating as IANZ, with its subsidiary Telarc undertaking function (d).

2 Council goals

- a)To cost-effectively provide authoritative, independent recognition of the competence of laboratories; inspection bodies and radiology practices across all sectors of industry where accreditation adds value;
- b)To provide a cost-effective trade facilitation mechanism and enable access to international markets through acceptance of test reports from IANZ accredited organisations by overseas regulators, and to provide assurance of compliance for imported products;
- c)To be New Zealand’s leading provider of assurance services, focusing on certification and compliance with standards; and
- d)Maintain financial sustainability without Crown funding.

3 Operational standards

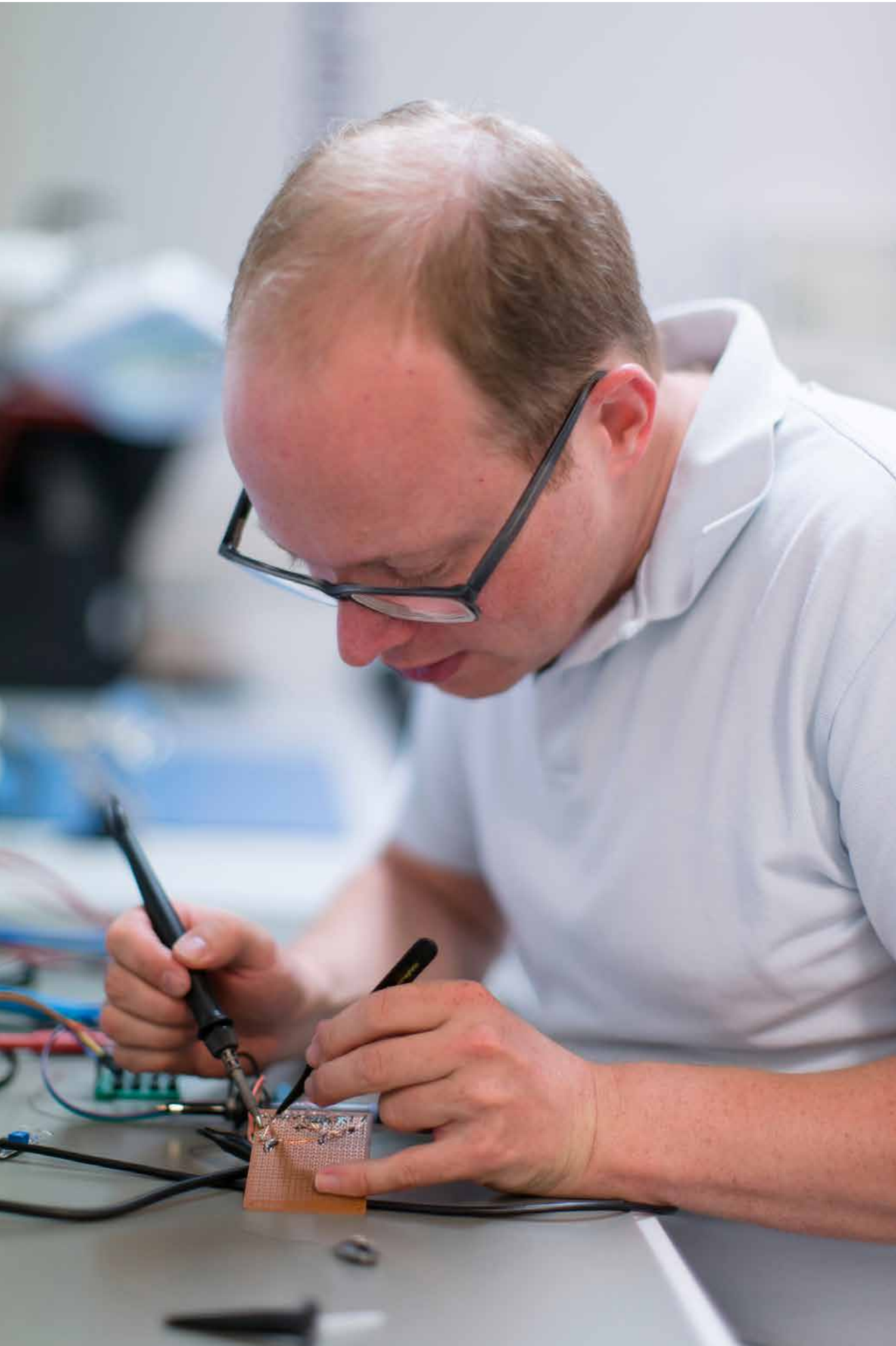
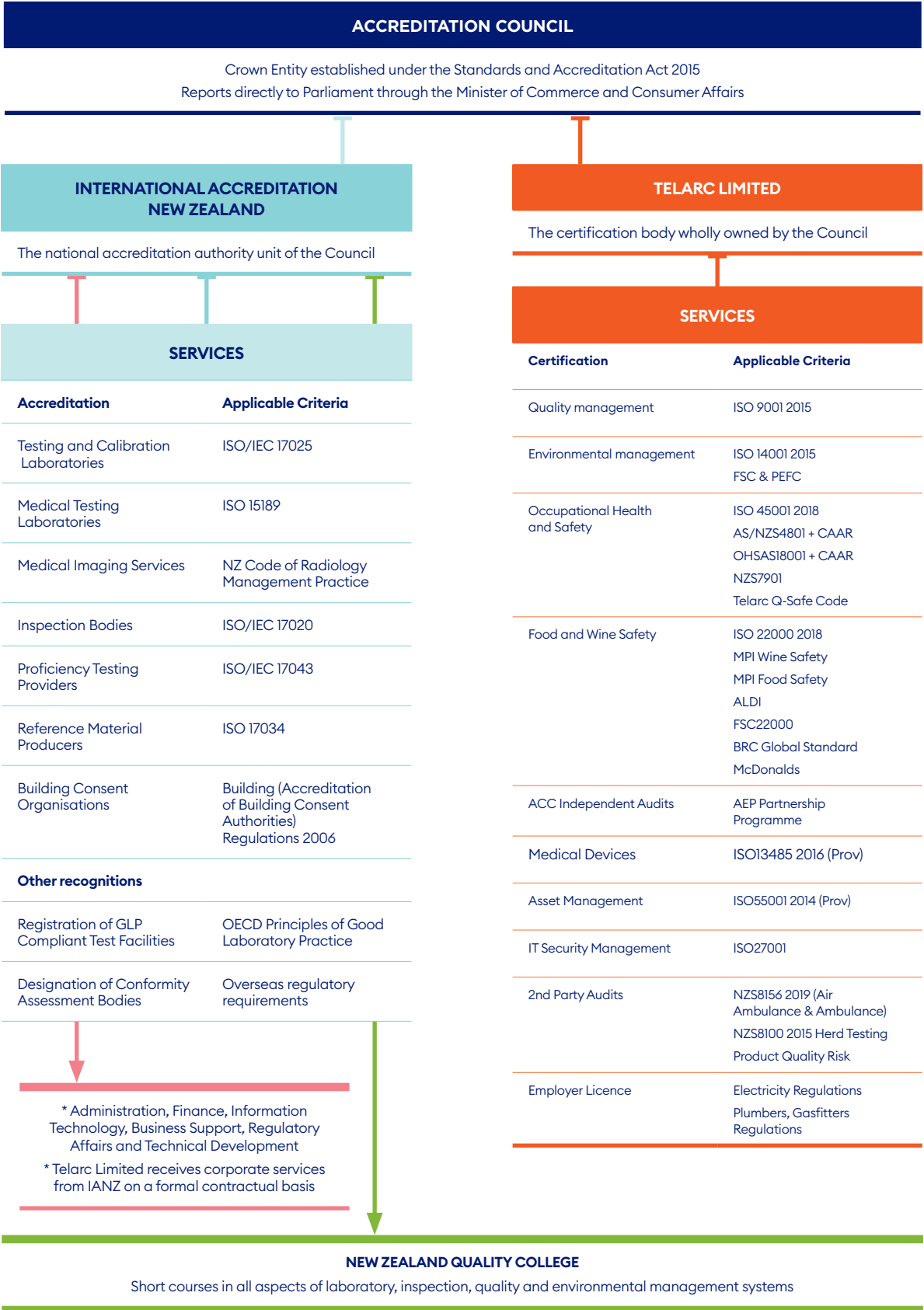
International standards are the cornerstone of the credibility of accreditations and certifications provided by IANZ and Telarc. Each organisation is regularly evaluated against specific standards for their type of operation. To operate as an accreditation authority, IANZ complies with the ISO/IEC 17011 (Conformity Assessment – General Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies standard).

To operate as a certification body, Telarc complies with ISO/IEC 17021 (Conformity Assessment – Requirements for Bodies Providing Audit and Certification of Management Systems). Annual assessments of Telarc against this standard are undertaken by the Trans-Tasman accreditation authority, JASANZ.

These external evaluations are combined with twice-yearly management reviews and internal audits to provide Government, regulators and industry with confidence to adopt the outputs provided by the Council for their purposes.

Appendix 2

Council Structure



Appendix 3

Accreditation and Certification Explained

Accreditation

Accreditation requires organisations to meet exacting conditions of technical competence against recognised standards.

Personnel

The agency must be managed and staffed by personnel with appropriate technical qualifications, significant experience in the accredited activities and including a thorough understanding of the relevant underlying scientific principles and sound operational and managerial skills. Assessment of client technical staff is a major component of the IANZ accreditation process.

Accommodation and environment

Many measurement and test procedures must be carried out under tightly controlled environmental conditions or in sterile or electromagnetically screened accommodation. Accreditation of an organisation is dependent upon the appropriate accommodation and environmental controls within the workplace.

Test and measurement procedures

An accredited laboratory must use only validated test methods known to produce reliable results. An IANZ-accredited organisation must not only implement rigorous quality control procedures to demonstrate the ongoing validity of its test methods, but also properly estimate its uncertainties of measurement and limits of detection.

Inspection procedures

The reliability of inspection results is highly dependent on the observations and professional judgements of inspectors and on the management procedures that govern the deployment of inspectors. Accredited inspection bodies must have competent and professional inspectors that operate within their documented competence limits and are regularly monitored for consistency.

Test equipment

An accredited organisation must use test and measuring equipment as specified in its validated methods, which must be well-maintained and regularly calibrated. Such calibrations must, where appropriate, be traceable to the New Zealand national standards of measurement maintained by the Measurement Standards Laboratory under the authority of the Measurement Standards Act 1992.

Reference standards and materials

An accredited organisation must be equipped with an appropriate range of reference measurement standards and materials sufficient to demonstrate the accuracy of its tests and measurements. Such quality control materials must have demonstrated traceability to appropriate international standards.

Records and reports

An accredited laboratory, medical imaging service, building consent authority or inspection body must maintain complete records of its examinations, inspections and tests, and issue reports in formats in line with international standards.

Quality management

Accredited organisations must implement a quality management system that is consistent with the requirements of ISO 9001.

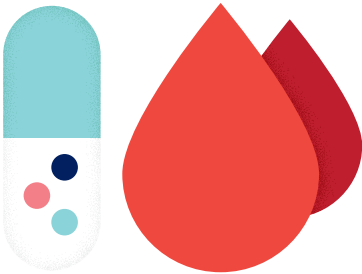
An Accredited Organisation

Any organisation providing conformity assessment activities within the scope of IANZ’s accreditation activities, may apply for accreditation under the Standards and Accreditation Act 2015. That organisation is then subjected to a searching assessment of its expertise, facilities, resources, operations, procedures and quality systems by a team of independent technical experts accompanied by an IANZ accreditation assessor. Selected for their prowess in specific fields, such experts are drawn from industry, academic institutions, research associations, government and private-sector bodies in both Australia and New Zealand.

Full compliance with the criteria results in formal accreditation by IANZ and the subsequent referencing, as appropriate, of Accredited Testing Laboratory, Accredited Medical Imaging Service, Accredited Inspection Body, Accredited Calibration Laboratory, Accredited Reference Material Producer or Accredited Proficiency Testing Provider.

Accredited organisations are subject to annual assessments to ensure continued compliance. More frequent reassessments are carried out if necessary.

It should be noted accreditation does not constitute a blanket endorsement of all activities. Accreditation is granted only for specific types of work in which the organisation has demonstrated its expertise. Such work is defined in the organisation’s Scope of Accreditation as published on the IANZ website: ianz.govt.nz/directory.



Summary of Operations

Laboratory Accreditation

IANZ accredits testing and calibration laboratories against the requirements of the international standard ISO/IEC 17025 (General requirements for the competence of testing and calibration laboratories) and in the case of diagnostic medical laboratories ISO 15189 (Medical laboratories – Requirements for quality and competence). The laboratory accreditation programme is available to all such laboratories, and given their diversity, the programme is broken down into the following fields to recognise the different technologies and/or industry sectors.

Chemical Testing and Biological Testing Laboratory Accreditation

Accreditation may be granted for any testing of a chemical and/or biological nature on any sample type. There is a significant diversity of laboratory types accredited under these programmes, but the major areas include food, water and environmental chemistry and microbiology, metal alloys and ores, paint, coal and petroleum products, cement, soils and plants, air and gases, drugs of abuse, and veterinary and plant pathology.

A number of separately administered programmes have been established for chemical and biological testing laboratories in particular industry sectors to meet the needs of key stakeholders.

MPI Recognised Laboratory Programme (incorporating the former Dairy Testing Laboratory Accreditation Programme and the MPI Laboratory Approval Scheme) - These programmes support the regulatory recognition of laboratories by MPI for testing in the dairy industry and meat, seafood, and honey industries respectively. Where testing is in support of MPI's official assurances to overseas markets for these exports, the laboratories require regulatory approval, and IANZ accreditation is a prerequisite for that approval. Assessments of laboratories in these programmes include both ISO/IEC 17025 and specific MPI requirements for regulatory approval.

Drinking Water Testing Laboratory Accreditation Programme

Similar to MPI above, the MoH operates an approval programme of laboratories to test drinking water supplies in New Zealand, and a prerequisite to that approval is accreditation by IANZ. IANZ maintains the MoH register of approved laboratories. Assessments of laboratories in this programme include both ISO/IEC 17025 and specific MoH requirements. For particularly small laboratories in remote locations, IANZ assesses them against a lower level standard than ISO/IEC 17025, and grants recognition (leading to MoH approval) but does not accredit these laboratories.

Medical Testing Laboratory Accreditation

Laboratories providing diagnostic testing and pathology services to community and hospital patients and clinicians are accredited against ISO 15189 (Medical laboratories – Requirements for quality and competence). Accreditation is required for all privately operated laboratories in order to receive payment for services from the local District Health Board. Essentially all general diagnostic testing and pathology services carried out in New Zealand are covered by IANZ accreditation.

Mechanical Testing Laboratory Accreditation

Engineering laboratories conducting tests of a mechanical nature seek accreditation under the IANZ Mechanical Testing Laboratory Accreditation programme and include a diverse scope of testing types. Major sectors covered by the programme include civil and roading materials, building products and materials, pressure valves, and non-destructive testing. Testing in an IANZ-accredited mechanical testing laboratory is often a contractual requirement for contractors in the construction sector.

Gas Cylinder Testing Laboratory Accreditation

This special programme is essentially a subset of the Mechanical Testing Laboratory Accreditation Programme and accredits gas cylinder test stations (including fuel, industrial and SCUBA cylinders) to meet the regulatory approval requirements of the Hazardous Substances (Compressed Gases) Regulations 2004.

Wool Testing Laboratory Accreditation

New Zealand has two independent laboratories testing wool for grading purposes prior to auction against strict international standards. In accordance with international requirements, both laboratories are accredited by IANZ to ensure accurate grading, which ultimately determines the price paid for New Zealand wool at auction.

Applied Physics Testing Laboratory Accreditation

This specialised programme of testing involves the application of physics principles for performance testing of appliances such as: refrigerators and wood-fired stoves, controlled environments testing, fire and fire systems, and optical properties.

Electrical Testing Laboratory Accreditation

This programme is also of a specialised nature and includes testing for electrical safety, electromagnetic compatibility and telecommunications testing.

Designated Conformity Assessment Body Programme

In support of the New Zealand Government's trade liberalisation agreements with many of its major trading partners, determination of conformity of traded goods in some sectors is established through Mutual Recognition Agreements with our trading partners. New Zealand uses accreditation to underpin these Agreements, which at this time is predominantly in the electrical and electronic goods sectors.

Metrology and Calibration Testing Laboratory Accreditation

Calibration laboratories test and measure instruments used in industry and other accredited laboratories. Such calibration services underpin all critical measurements made, ensuring they are traceable to international standards of measurements and thereby comparable to all other similar measurement made throughout the world.

Inspection Body Accreditation

IANZ accredits inspection bodies against the requirements of the international standard ISO/IEC 17020 (Conformity assessment – Requirements of the operation of various types of bodies performing inspection). The IANZ programme has a diverse range of inspection body types accredited, with the majority accredited to meet regulatory or other specifier requirements to conduct particular inspection types. Examples include engineering safety inspection to meet the requirements of the Health and Safety in Employment (Pressure Equipment, Cranes and Passenger Ropeways) Regulations 1999, fire safety systems to meet New Zealand Standards requirements, drinking water supplies risk management programmes to meet MoH requirements, imported used vehicle biosecurity inspection to meet New Zealand's biosecurity and quarantine requirements, food safety management systems inspections to meet MPI requirements, imported vehicle safety inspections, and non-destructive testing and inspection.

Building Consent Authority Accreditation.

The Building Act 2004 requires all local body Councils are accredited by IANZ to process building consents, inspect building construction and issue compliance certificates associated with the consent. Building consent authorities are accredited in accordance with the Building (Accreditation of Building Consent Authorities) Regulations 2006.

Medical Imaging Service Accreditation

Diagnostic medical imaging services in both the private and public (hospital) sectors may seek accreditation against the New Zealand Code of Radiology Management Practice to demonstrate their competence to provide particular medical imaging services such as X-ray, ultrasound, CT, MRI and the like.

Purchasers of these services, such as the Accident Compensation Corporation (ACC), and health insurers are increasingly requiring them to be accredited.

Good Laboratory Practice (GLP) Compliance Monitoring Programme

IANZ is the National GLP Compliance Monitoring Authority under the Organisation for Economic Cooperation and Development’s (OECD) programme for the Mutual Acceptance of Data. Test facilities conducting health and environmental safety studies intended for regulatory submission in support of the safety of regulated chemicals (such as pharmaceuticals, agricultural chemicals, veterinary medicines, industrial chemicals and the like) for the purposes of registration are inspected against the requirements of the OECD Principles of Good Laboratory Practice.

Reference Material Producer Accreditation

Like the calibration of measuring instruments performed by IANZ accredited calibration laboratories, producers of reference materials used to calibrate and control testing systems in testing laboratories may seek accreditation against the international standard ISO 17034 (General requirements for the competence of reference material producers).

Proficiency Testing Provider Accreditation

One of the fundamental requirements for the demonstration of competence of testing and calibration laboratories is for them to participate in inter-laboratory comparisons to show they can achieve comparable results. Providers of proficiency testing services may seek accreditation from IANZ for this against the international Standard ISO/IEC 17043 (General requirements for proficiency testing).

Certification

Certification/registration occurs when an independent and competent third party certifies a product, service, system, process or material to establish conformity to specific requirements.

The certification of quality and environmental management systems as conforming, respectively, to ISO 9000 and ISO 14001 standards, are the most well-known examples.

The terms certification and registration are used interchangeably in the ISO 9001 and ISO 14001 contexts, depending on the country concerned. Likewise, bodies issuing ISO certificates can be referred to as certification bodies, registration bodies or registrars.

As the publisher of standards, the International Organisation for Standardisation (ISO) does not issue certificates of conformity to any standard. Such certificates are issued by more than 740 certification/ registration bodies worldwide, all independent of ISO and of the businesses they certify.

The world association of conformity assessment accreditation bodies, the International Accreditation Forum (IAF), requires members to comply with the international standard ISO/IEC 17021, designed to ensure the competence and independent status of each certification/registration body.

Quality and environmental management system certification assures users and customers of compliance with ISO 9001 or ISO 14001 standards, irrespective of the business and its work. To maintain compliance, standards are monitored by regular surveillance.

Restricted to a particular item produced by a particular business, product certification assures users and regulators of compliance with specified standard(s). Such certification may be limited to compliance with one or more standards, even though the product may be subject to many others.

In March 2018, ISO introduced a globally recognised and accepted Health & Safety standard. ISO45001 draws upon the Annex SL structure of ISO9001 and 14001 resulting in a reasonably effortless move for organisations already certified against 9001 and 14001 to move to a fully integrated ISO approved suite of standards.

Appendix 4
Glossary of Acronyms

ACC	Accident Compensation Corporation
APAC	Asia Pacific Accreditation Cooperation
AS	Australian Standard
BCA	Building Consent Authority
CARs	Corrective Action Requests
CBD	Chem/Bio/Dairy Programme
CCC	China Compulsory Certification
CE	European Conformity
CEA	Crown Entities Act 2004
EA	European Cooperation for Accreditation
EEO	Equal Employment Opportunities
GLP	Good Laboratory Practice
GST	Goods and Services Tax
HACCP	Hazard Analysis and Critical Control Point
HSNO	Hazardous Substances and New Organisms
IAF	International Accreditation Forum
IANZ	International Accreditation New Zealand
IEC	International Electro-Technical Commission
IFRS	International Financial Reporting Standards
ILAC	International Laboratory Accreditation Cooperation
ISO	International Organisation for Standardisation
JAS-ANZ	Joint Accreditation System of Australia and New Zealand
MBIE	Ministry of Business, Innovation and Employment
MFAT	Ministry of Foreign Affairs and Trade
MoH	Ministry of Health
MoU	Memorandum of Understanding
MPI	Ministry for Primary Industries
MRA	Mutual Recognition Arrangement
NATA	National Association of Testing Authorities
NSU	National Screening Unit
NZBN	New Zealand Business Number
NZQC	New Zealand Quality College
NZS	New Zealand Standard
OECD	Organisation for Economic Cooperation and Development
PBE	Public Benefit Entity
QC	Queen’s Counsel
SSC	State Services Commission
TBT	Technical Barriers to Trade
TPP	Trans-Pacific Partnership
TQS	Transit New Zealand Quality Standard
WSMP	Workplace Safety Management Practices
WTO	World Trade Organisation

Appendix 5

Directory

Head Offices

International Accreditation New Zealand

Level 1, 626 Great South Rd, Ellerslie, Auckland 1051
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Fax: 09 525 1900
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Email: info@telarc.co.nz
telarc.co.nz

New Zealand Quality College

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New Zealand
Tel: 09 525 6633
Fax: 09 525 2266
Freephone: 0800 900 099
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nzqc.co.nz

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Tel: 07 571 2508

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Wellington 6011, New Zealand

Christchurch

4 Ash Street, Christchurch Central,
Christchurch, 8011 New Zealand

Auditor

RSM Hayes

(On behalf of the Controller and Auditor-General)
1 Broadway, Newmarket, Auckland 1023,
New Zealand

Bankers

ANZ

Great South Road, Greenlane, Auckland 1051,
New Zealand

Westpac New Zealand Limited

Takutai Square, Auckland Central 1010,
New Zealand

ASB Bank Limited

Great South Rd, Penrose, Auckland 1061,
New Zealand

Solicitors

Meredith Connell

55 Shortland St, Auckland 1010,
New Zealand

Insurance Brokers and Consultants

Aon Hopkins Paton

55A Remuera Road, Newmarket, Auckland 1050,
New Zealand

Accreditation Council

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