



**New Zealand
Teachers Council**

Te Pouherenga Kaiako o Aotearoa

Annual Report

01 July 2004 to 30 June 2005

Ū ki te ako, tu tangata ai apōpō

Excel in teaching so our learners will excel in the future

New Zealand Teachers Council
93 The Terrace
PO Box 5326
Wellington
<http://www.teacherscouncil.govt.nz>

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New Zealand Teachers Council

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Statement of Purpose

- The New Zealand Teachers Council is to provide professional leadership in teaching, enhance the professional status of teachers in schools and early childhood education and contribute to a safe and high quality teaching and learning environment for children and other learners.

S 139AA Education Act 1989

Mission Statement

- To set, maintain and promote standards of excellence in teaching.

Functions

- To provide professional leadership to teachers and others involved in schools and early childhood education
- To encourage best teaching practice
- To carry out the functions relating to teacher registration
- To determine standards for teacher registration and the issue of practising certificates
- To establish and maintain standards for qualifications that lead to teacher registration
- To conduct, in conjunction with quality assurance agencies, approvals of teacher education programmes on the basis of the standards referred to above
- To develop a code of ethics for teachers
- To exercise the disciplinary functions relating to teacher misconduct and reports of teacher convictions
- To set the criteria for reporting serious misconduct and for reporting on competence issues
- To exercise the functions relating to teacher competence
- To coordinate a system providing for the vetting by police of all teachers and other people employed in schools and early childhood services
- To identify research priorities and where appropriate, to promote and sponsor research according to those priorities
- Exercise any other functions conferred on it by this Act, or by the Minister.

Section 139AE of the Education Act 1989

Values

The work of the Council and staff is underpinned by the values expressed as

- Awhinatanga
- Respect
- Manaakitanga
- Fairness
- Integrity
- Honesty
- Transparency

As an agency responsible for professional standards we are committed to carrying out our functions professionally.

Core Responsibilities

In carrying out its purpose the Council will

- Work with other agencies involved to promote a quality teaching profession
- Ensure that the Council meets its responsibilities under the Treaty of Waitangi
- Provide quality advice to the Minister
- Ensure compliance with all relevant legislation and Crown Entity reporting
- Establish a quality professional profile in all activities and communications and look for ways to improve services
- Work with teacher education providers and quality assurance agencies to improve and monitor teacher education programmes.

Chair's Report

The Council has come of age. Over the past year, a host of initiatives have been undertaken to provide professional leadership, enhance the professional status of teachers in schools and early childhood centres, and contribute to a safe, high quality teaching and learning environment for all children and young people.

Audit New Zealand has confirmed the robustness of the Council's governance, operational and financial management and reporting systems.

All statutory constituent bodies of the Council are now fully operational and contributing to the advice received by the Council. The Early Childhood Advisory Group and the Māori Medium Advisory Group provided advice on effective ways to assist teachers in kura kaupapa and in early childhood settings to meet registration requirements. The Complaints Assessment Committees had a particularly busy and productive year and managed to resolve the significant majority of complaints to the satisfaction of all parties.

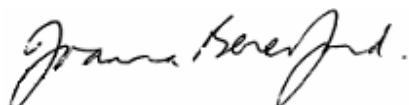
The Professional Leadership Committee guided the Council in its professional leadership role and contributed much to policy development and to the Council's focus on teacher education, qualifications and standards.

On 15 December 2004, the Council launched its Code of Ethics for teachers. The Code has been well received by the education sector and, in particular, teachers themselves. During the period, plans were developed for a comprehensive and sustained promotional programme.

While the Council now compares favourably with other teacher accreditation bodies, it is striving to become a model organisation of its type. Being informed by the experiences of others is proving valuable in this regard. Our attendance at the first International Teaching Councils Conference hosted by the General Teaching Council of Scotland provided the opportunity to network and address common issues with international colleagues, and reflect on what practices evident elsewhere could usefully inform the operation of the New Zealand Teachers Council.

Building an organisation that articulates the aspirations of the teaching profession and provides leadership for sound educational outcomes for all learners, requires much work and support.

I gratefully acknowledge the goodwill of teachers and other stakeholders, the dedication of Peter Lind, Council Director and the Council's staff, and the sterling work undertaken by members of the Council's committees, working parties and tribunal.



CHAIR

Director's Report

I am pleased to report that the Council has achieved strongly in line with its stated intentions over the year to 30 June 2005.

Detailed risk management plans were put into place to ensure the success of two key Council operations: the peak practising teacher certificate renewal and the election of teacher representatives in September, 2005.

The Council has continued to improve its external communications to teachers and the wider community. Web enhanced and regular electronic communications have been sent to all registered teachers. Planning for a quarterly publication of a Council newsletter has been completed.

The refurbishment of the Council's facilities has ensured appropriate accommodation for the Disciplinary Tribunal and Complaints Assessment Committee. The upgrade of the Council's ICT systems is well underway and the first phase of the development has been successfully achieved. The Council contributed substantially to the development of the interagency Education Portal and sector ICT initiatives.

The Council embarked on two key research projects with the Ministry of Education. The first research project focused on initial teacher education. A review of current research into initial teacher education in New Zealand was completed with the publication of *Research on Initial Teacher Education in New Zealand: 1993-2004: Literature review and annotated bibliography* (Cameron, M. & Baker R., 2004). The final phases of this research programme will include a detailed description of current initial teacher education provisions in New Zealand and the conceptual frameworks that underpin these programmes. The second research project is an analysis of the perceived status of teaching in New Zealand. It will address the reasons why individuals select teaching as a career, the reasons teachers stay in teaching, or decide to leave teaching.

A working party established to develop Graduating Teacher Education Standards has disseminated a first draft of standards for consultation to the education sector. To inform this work and the proposed review of the satisfactory teacher dimensions, the Council commissioned an international literature review of teaching standards and research focused on the professional learning of teachers.

The Council has continued to maintain rigorous monitoring of initial teacher education programmes. During the period under review, it considered 76 teacher education programmes for approval and re-approval. Of these programmes, 16 were given initial approval as new programmes, 57 were re-approved for periods of up to 5 years and 3 were declined.

The Complaints Assessment Committee, established in September 2004, has received 113 complaints and mandatory reports. The establishment of the Disciplinary Tribunal was completed. It will hear its first three cases in October, 2005.

The Council has continued to improve its routine processing of teacher registration applications of Non Teacher Police Vets.

The Council meets regularly with key stakeholders to discuss common issues and developments related to the functions of the Council. The Director and other senior

managers have addressed forum and conferences on issues of registration, professional standards and learning.

As the new Director, I have appreciated the support of the Chair and Council members in providing leadership and governance for the critical role the New Zealand Teachers Council plays in the education sector. In particular, I wish to thank the senior management and staff for the commitment they have demonstrated in serving the teaching profession and the effective way they have managed Council business.

A handwritten signature in black ink, appearing to read 'Peter Lind', with a stylized flourish at the end.

Peter Lind

Director

Other Information

Legal responsibilities

The New Zealand Teachers Council is responsible for administering Part 10 (and some aspects of Part 10A) of the Education Act 1989 (and Amendments), including the Seventh Schedule to the Act.

Structure of the Council

The Teachers Council comprises eleven members.

- Four members are appointed by the Minister of Education, one of whom the Minister appoints as a Chairperson.

Ministerial appointments are made for 18 months or three years.

- One person is appointed by the Minister on the nomination of the New Zealand Educational Institute Te Riu Roa (NZEI).
- One person is appointed by the Minister on the nomination of the Post Primary Teachers Association (PPTA).
- One person is appointed by the Minister on the nomination of the Schools Trustees Association (STA).
- Four elected members (each of whom must be a registered teacher holding a current practising certificate) being: one representing the early childhood sector, elected by teachers from that sector, one representing the primary sector, elected by teachers from that sector, one representing the secondary sector, elected by teachers from that sector and one principal elected by principals.

All members are elected for a period of three years.

Council Committees

The Council has two standing committees to provide a more detailed level of focus on particular issues. Each committee has been delegated responsibility for governance, that is policy making and monitoring of the organisation's progress toward meeting objectives stated in policies. The Council's standing committees are:

Committee	Meets
Audit and Risk Management	Quarterly
Professional Leadership	Quarterly

Advisory bodies to the Teachers Council include the Māori Medium Advisory Group and the Early Childhood Advisory Group.

The purpose of the Māori Medium Advisory Group is to provide advice in respect of any of the Council's responsibilities relating to teachers and others in the field of Māori-medium education. The eight members of the Māori Medium Advisory Group provide a range and balance of expertise, knowledge and experience.

Similarly, the Early Childhood Education Advisory Group is made up of members representing the diverse range of early childhood settings and early childhood teacher education providers. It provides advice to the Council on issues relating to teachers working in the early childhood sector, particularly with reference to teacher registration.

The Complaints Assessment Committee (CAC) deals with complaints and reports about teachers' conduct made after 1 September 2004. It also deals with complaints and reports made before 1 September 2004, if the teacher has given written consent to the matter being dealt with by the CAC. The CAC deals with all reports about teachers' criminal convictions, where the offence carries a maximum penalty of three months or more. Each report or complaint is considered by a minimum of three CAC members, of whom the majority are also New Zealand Teachers Council members. The CAC attempts to resolve most cases by agreement between the parties, unless serious misconduct is involved.

The Disciplinary Tribunal (DT) deals with cases referred to it and charges brought by the CAC. These include serious misconduct and serious convictions. The DT is a quasi-judicial body. When a charge is laid, four members of the DT are selected to sit on that particular tribunal hearing. Three of them are New Zealand Teachers Council members. The DT hears evidence from witnesses, as well as considering submissions made on behalf of the parties to the case before it.

Membership of the New Zealand Teachers Council

Chair	Joanna Beresford	July 03 – July 06
Elected Teacher Representatives		
Early Childhood Teachers	Barbara Backshall	October 02 – October 05
Primary School Teachers	Dave Robinson	October 02 – October 05
Secondary School Teachers	Patrick Walsh	October 02 – October 05
Principal	Nola Hambleton	October 02 – October 05
Representatives nominated by organisations		
NZEI	Irene Cooper	November 02 – November 05
PPTA	Irene Symes	August 04 – August 07
NZSTA	Barbara Arnott	February 05 – February 08
Ministerial Appointments		
	Lyn Brash	August 04 – August 07
	Margaret Franken	August 04 – August 07
	Debra Marshall-Lobb	February 04 – February 07

Disclosure of Remuneration Information

- a. The Director, from 17 May 2004 to 31 January 2005 earned less than \$100,000. The Director appointed 21 February 2005 is in the \$120,000 to \$130,000 band.
- b. Council members receive a daily meeting fee of \$340.¹
- c. The Council Chair receives a daily meeting fee of up to \$700.²
- d. Remuneration through fees to Council members is all inclusive and no other consultancy or ex gratia payments or benefits are provided.
- e. There were three fixed term contracts during the 2004-05 financial year. The contracts ranged from two months in length to ten months.

Good Employer Requirements

There were no serious workplace accidents.

Staff turnover of fulltime permanent appointments was ten for the 2004-05 financial year. 2003-04 saw eight staff leave the Council.

Accommodation

The Council is situated on Levels 6, 7 and Level 9 of the Genesis Building, 93 The Terrace, Wellington.

¹ Council members are entitled to claim two hours for preparation, which actually takes four hours.

² Any non meeting work carried out by the Chair is remunerated at an hourly rate of \$87.50 capped at \$700 day.

STATEMENT OF RESPONSIBILITY

The New Zealand Teachers Council was established as a Crown Entity on 1 February 2002. These financial statements are prepared on the basis that the assets and liabilities of the Teacher Registration Board were vested in the Teachers Council.

We accept responsibility for the preparation of the attached statements of account and the judgments used herein. The attached financial statements have been prepared on the basis of generally accepted accounting practice and in accordance with the Public Finance Act 1989 and the Seventh Schedule of the Education Act 1989.

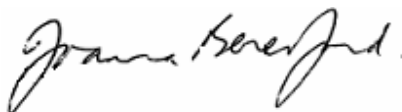
We acknowledge the establishment and maintenance of internal control procedures and that internal control procedures are considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In our opinion, the financial statements for the twelve months ended 30 June 2005 fairly reflect the financial position, the results of operations, the cash flows and service performance of the New Zealand Teachers Council.



Peter Lind
Director
New Zealand Teachers Council

28 October 2005



Joanna Beresford
Chair
New Zealand Teachers Council

28 October 2005

**Statement of Objectives and Service Performance
For the Year Ending 30 June 2005**

Output 1**Teacher Registration**

Verification of eligibility to apply for teacher registration and the issue and renewal of practising certificates.

Cost: \$1,753,098

2004/05

Objectives of Output

This output is the mechanism by which teachers' employers can be assured that teachers meet and maintain agreed standards for qualifications, professional practice and professional development. These include:

- That teachers hold an approved teacher education qualification;
- That teachers are attested to be of *good character* and *fit to teach*;
- That teachers have completed satisfactory teaching experience when applying for renewal of their practising certificate including a recent satisfactory teacher appraisal, and evidence of relevant professional development;
- That teachers have completed a satisfactory police vet;
- That overseas qualified teachers have a satisfactory English language test and appropriate teacher education to teach in New Zealand settings;
- That those teachers registered subject to confirmation have appropriate supervision and professional development to advance their learning for the teaching and learning context in which they are operating;
- That those teachers with provisional registration undertake a satisfactory advice and guidance programme within the school or centre in which they are employed.

Key parameters defining this output involve:

- Maintaining a register of teachers in New Zealand;
- Police vetting of teachers;
- Policy development in relation to registration.

Key Performance Measures

Quantity measures	Standard 2004/05	Actual 2004/05
Number of applications processed for registration and practising certificate renewals	15-20,000	30,573
Number of applications for which police checks require Council consideration	50	27
Timeliness Measures	Standard 2004/05	Actual 2004/05
All routine* applications will be processed within 4 weeks	80%	48%

Quality Measures	Actual 2004/05
The database is maintained with an updated web register	The database was updated on average every 7 days over this quarter
All teacher quality assurance activities will be consistent with the Education Standards Act and Teachers Council's policies and procedures	All applications processed in accordance with legislation and policy
All policies developed and implemented to a high degree of satisfaction with stakeholders and agencies	Amendments were made to the policies on <i>Limited Authority to Teach</i> and <i>English Language proficiency</i> . The <i>Good Character and Fitness to Teach Policy</i> is being reviewed

Cost	Budget 2004/05	Actual 2004/05
Output cost	\$1,753,098	\$1,449,863

*Routine refers to *all* applications processed. Applications that are incorrectly filled in, or require overseas police checks or lack complete documentation cause processing delays. Accordingly, this negatively skews the timeliness scores as the applications are in the hands of other parties. This is being addressed as part of the work in upgrading the database.

Comments

- The upgraded telephone system has continued to improve service. 51,138 calls were received during this year of which 76% were answered within 30 seconds. Those callers not answered within one minute, had the option to either leave a message and/or get information from the website.
- There has been a particular interest in registration from Early Childhood Education teachers, as a result of changes in legislation for this sector. As these teachers are often unfamiliar with the registration process, the Council developed brochures to address this need. With additional Government funding incentives from 1 April 2005, applications received increased substantially from this sector.
- Since December 2004, the registration team have been recording details on the database of all Early Childhood teachers who have been renewing with full registration. This has provided a pool of fully registered teachers, who can act as supervisors for those teachers wishing to receive advice and guidance programmes.
- Some new graduates mistakenly thought that they could not begin registration until they had employment. The Council is advising teacher education providers and New Zealand Immigration to ensure new applicants begin their registration process at the first opportunity rather than waiting until they have gained employment.

Output 2

Maintenance of Professional Standards

Determination of complaints regarding the competence or fitness to teach of registered teachers.

Cost: \$993,268

2004/05

Objectives of Output

The Council's objectives in relation to this output are to:

- Ensure the smooth administration of the new legislative functions, through the approval and publication of the Rules and;
- Establish and maintain appropriate staffing levels, budget, and physical accommodation necessary for hearings of the Council, the Complaints Assessment Committee (CAC) and the Disciplinary Tribunal (DT);
- Ensure the timely establishment of the CAC and support of its operations;
- Ensure the timely establishment of the DT and support of its operations;
- Ensure the timely establishment of the Competency Review Panel from which review teams will be drawn appropriately and as required;
- Provide information relating to the investigation and decision making processes so as to assist teachers and others to identify the dimensions of acceptable teacher competence or professional behaviour.

Key Performance Measures

Quantity and Timeliness Measures	Average* 2004/05	Annual 2004/05
Number of complaints and mandatory reports received by CAC	100	113
Number of complaints and mandatory reports considered by CAC	100	98
Number of competency complaints and mandatory reports received	100	34
Number of competency complaints and mandatory reports considered	100	14

Quality Measures		Actual 2004/05
Web register updated as required after each Council/Tribunal hearing	100%	The web register was updated as necessary following Council hearings and CAC meetings (with summary decisions)
Percentage of CAC and DT members surveyed that rated support services as "meets expectations" or better	80%	There were 12 CAC meetings. No DT hearings have been held. No formal surveys carried out with the CAC
Percentage of complaints that are completed within the target timeframe **	70%	All CAC matters have been dealt with in a timely manner

Cost	Budget 2004/05	Actual 2004/05
Output cost	\$993,268	\$493,445

*The measures for the disciplinary/competence area need to reflect averages rather than standards as the latter implies a level to attain.

**Timeframes:

1. Teachers Council dealing with competency and convictions on applications;
2. The Complaints Assessment Committee dealing with Mandatory reports and complaints;
3. The Disciplinary Tribunal dealing with serious misconduct.

Each body has a different timeframe subject to the needs and interests of the respondent teachers, other relevant authorities and witness availability.

Comments

- Since the establishment of the Complaints Assessment Committee on 1 September 2004, there has been a steady increase in the number of reports and complaints about teacher misconduct received by the Council, but there has been no significant increase in the number of reports or complaints that concern competence.
- Although each report or complaint may be considered several times by the Complaints Assessment Committee or by the Council, reports and complaints have been counted as being 'considered' only when they have been concluded.
- The above measures do not include ongoing consideration by the Teachers Council of reports and complaints that were received before the Rules came into force, or of disciplinary matters that are outside the jurisdiction of the Complaints Assessment Committee.

Output 3

Teacher Education

This output involves the establishment and maintenance of standards for initial teacher education programmes through approval and re-approval processes and external monitoring, the provision of advice to teacher education student teachers, liaison with teacher education providers and participation in research into teacher education policies and outcomes.

Cost: \$509,970

2004/05

The Teachers Council approves initial teacher education programmes for the purposes of teacher registration in conjunction with four quality assurance agencies:

NZQA	New Zealand Qualifications Authority
CUAP	Committee on University Academic Programmes
ITPQ	Institutes of Technology & Polytechnics Quality
CEAC	Colleges of Education Accreditation Committee ³

Objectives of Output

The Council's objectives in relation to this output are:

- To set and maintain standards of initial teacher education programmes that lead to registration as a teacher;
- To conduct approvals of new and existing initial teacher education programmes;
- To publicise the work of the Council to graduating student teachers and to provide advice to them on pathways to registration;
- To promote and participate in research on initial and continuing teacher education.

³ CEAC and ITPQ operate under delegation from NZQA.

Key Performance Measures

Quantity Measures	Standard 2004/05	Actual 2004/05
Number of teacher education programmes approved or reapproved	45-55	76
Timeliness Measures	Standard 2004/05	Actual 2004/05
Percentage of all programme approvals/reapprovals are negotiated within agreed timeframe between the quality assurance agency, institution and the Council	100%	100%
Quality Measures	Standard 2004/05	Actual 2004/05
All decisions are consistent with Teachers Council standards for approvals of teacher education programmes and relevant legislation		100%

Cost	Budget 2004/05	Actual 2004/05
Output cost	\$509,970	\$426,276

Comments

- The Council has no control over the number of requests received for new teacher education programmes.
- The costs associated with the approval of teacher education programmes are in part recovered from the institutions.

Output 4

Professional Leadership

This output involves addressing the issues and opportunities that contribute to the standing of the teaching profession and with the objective of enhancing that standing and thereby contributing to best practice in teaching.

Cost: \$1,056,289

2004/05

Objectives of Output

The Teachers Council objectives of this output are to:

- Enhance the standing of the teaching profession through the provision of timely and relevant information and advice on how to maintain and develop best practice in teaching;
- Provide a clear contextual framework within which the professional leadership activities are prioritised;
- Contribute to the education sector goal to *Build an education system that equips New Zealanders with 21st century skills*. Through the continual improvement in teaching and learning;
- Contribute to the education sector goal to *Reduce systematic underachievement in education* by promoting a quality teaching profession;
- Implement and coordinate the maintenance of a Code of Ethics for the profession;
- Develop and maintain a research programme that encourages and inspires new and innovative approaches to the profession of teaching.

Key Performance Measures

Quantity and Timeliness Measures	Standard 2004/05	Actual 2004/05
Promulgating the Code of Ethics from 1 January 2005	100%	100%
Research is conducted in accordance with the accepted professional protocols	100%	100%
Advice provided to the Council meets the requirements of the schedule of quality standards for policy advice	Score of 4 on a scale of 1 to 5	4
Advice to the Council is delivered within the specified reporting deadlines	100%	100%

Quality Measures	Standard 2004/05	Actual 2004/05
The Code of Ethics is recognised as an aspirational guide for the teaching profession	80% support	94%
Discussion papers are subject to a formal peer review process	100%	100%
A tangible positive link is identified between recommendations contained in advice to the Council the goals of the Council and the sector	100%	100%
Percentage of policy papers rated "meets expectations" or better by Council members	80%	80%

Cost	Budget 2004/05	Actual 2004/05
Output cost	\$1,056,289	\$269,590

Comments

- The most significant professional initiative accomplished by the Council in the year was the completion of consultation on the Council's Code of Ethics for Registered Teachers in New Zealand, and the promulgation of the Code in January 2005.
- In late January 2005, the Code of Ethics poster was delivered to all schools and centres. In June, a process was developed and actioned to make the poster more widely available to individual teachers and students of teacher education programmes.
- Over the year, assistance was given to individuals or groups seeking support for educating teachers in the application of the Code of Ethics, and initial planning has begun for training workshops in 2006.
- In April 2005 an appropriate translation of the Code of Ethics into Te Reo Māori was commissioned by the Council and is being circulated for consultation through the networks of the Council's Maori Medium Advisory Group.
- During the year, the Council engaged in two research projects in partnership with the Ministry of Education. These were *The Status of Teachers Project* (Phases 2 and 3), and Phases 2, 3 and 4 of the *Research into Initial Teacher Education*. The Council has met with the Ministry and with the research teams in the context of steering group meetings and of reference group meetings. Adherence to quality research protocols has been one of the foci of those meetings.

- An international literature review, to examine the links between teaching standards and the professional learning of teachers, was commissioned to provide an evidence base for the Council's development of graduating standards for initial teacher education, and for a planned review of the *Satisfactory Teacher Dimensions* and the Council's registration standards. An interim report was received in June 2005.
- The Council has also participated in several reference groups for research within the Best Evidence Synthesis work programme of the Ministry, which relates to teaching quality, teachers' professional learning and professional leadership.
- The Council has participated in an inter-agency strategy for preparing beginning teachers to teach diverse students more effectively. A framework for monitoring and reporting on this strategy has been agreed by the agencies involved.
- A number of policies and or guidelines affecting the provision of quality registration systems and maintenance of professional standards have been developed and or reviewed. These include the development of a *Good Character and Fit to Teach* policy to take account of external developments, such as the Criminal Records (Clean Slate) Act (2004), and internal developments, such as the finalisation of the Code of Ethics (2005).
- Other policy developments begun include a review of the policies for Limited Authority to Teach, Language Proficiency Requirements, and Approval of Settings for Gaining or Maintaining Registration.
- The Director and senior managers have actively supported this work by addressing workshops and conferences on issues of professional learning, and making links in strategic thinking for the profession across all sectors.
- Applications for approval as a setting for gaining and / or maintaining registration have been received and considered by Council during the year. The new policy guidelines developed by the beginning of 2004 clarified the process for considering these applications. All policy advice has been delivered to Council within the specified reporting deadlines.

Output 5

Non Teacher Police Vetting

The Teachers Council acts as a conduit for obtaining a police check for all those non teachers and contractors⁴ employed regularly in schools, kura kaupapa Māori, kindergartens, kohanga reo and other early childhood settings.

This is a requirement of the Education Standards Act and the Council is charged with establishing a cost recovery process that ensures that every person employed in a non teaching capacity undergoes a check every three years.

Cost: \$218,586

2004/05

Objectives of Output

The Council's objectives in relation to this output are to:

- Ensure the safety of all learners;
- Ensure all those working in regular contact with infants, toddlers, children and young people are of good character and do not pose a threat to the child or young person's well being or safety.

Key Performance Indicators

Quantity Measures	Standard 2004/05	Actual 2004/05
Number of non teacher police checks completed	20,000	16,387
Number of sensitive/red stamps ⁵ vet results from NZ Police	6	2
Timeliness		
Turnaround of vet result, from NZ Police, processed within five working days	100%	65%
Quality		
All non teacher and contractor vet requirements will be consistent with the Education Standards Act and Teachers Council's policies and procedures	100%	100%

⁴ Non teachers and contractors: non teaching support staff in schools and early childhood services who do not hold a Limited Authority to Teach; teachers in early childhood who are not registered; contractors who work on school or early childhood grounds regularly, employees of contractors.

⁵ The Police vet checks for other information about behaviour of a sexual or violent nature that may pose a risk to children and young people. If they do hold such information and it is substantiated, Police will stamp the application 'Police recommend that this person does not have unsupervised access to children, young people, or more vulnerable members of society'.

Cost	Budget 2004/05	Actual 2004/05
Output cost	\$218,586.00	\$172,904

Comments

“Sensitive” is defined as intelligence noting. This is when NZ Police check for information about behaviour of a violent or sexual nature that may pose a risk to children and young people. The vet secures information on traffic and criminal convictions; the noting information provides information on potential danger. If substantiated information is held the police will stamp the vet result informing the employing authority that the person vetted should *not have unsupervised access to children, young people or the more vulnerable members of society*. “Sensitive” and “red stamp” need to be seen as differentiated results. Of the two results recorded in this quarter one was a red stamp and the other a sensitive noting.

“Turnaround” is defined as the time taken for the Non Teacher Police Vetting Unit to process an application received from NZ Police and post a copy to the employing authority and the original to the vettee.

- When the non teacher police vetting process was designed (early 2002) it was agreed with stakeholders that regional openings would be the methodology used for processing vets. All regions and sectors were opened for processing by December 2004.
- The Non Teacher Police Vetting Unit was again affected by intermittent returns from NZ Police across the year. All vets have been cleared efficiently but when bulk vet results are received back from NZ Police (e.g. 560 on one day) added stress is placed on the Unit to clear completed vets and so the average turnaround time by the Unit fluctuates.
- During 2004/05 the Unit has activated its communications to schools and centres, by regions, concerning their three yearly vet renewal requirements. The Unit has revised its yearly quota of application processing for the 2005/06 year after three years of the process being underway.

NEW ZEALAND TEACHERS COUNCIL
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30TH JUNE 2005

REPORTING ENTITY

The New Zealand Teachers Council is a Crown Entity established under the Education Standards Act 2001. It is involved in ensuring that New Zealand schools and early childhood centres are staffed by teachers meeting approved standards of suitability, fitness and training.

These financial statements are prepared in accordance with the Public Finance Act 1989 and the Seventh Schedule of the Education Act 1989.

MEASUREMENT SYSTEM

These Financial Statements comply with generally accepted accounting practice. The measurement base adopted is that of historical cost.

ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Budget Figures:

The budget figures are those approved by the New Zealand Teachers Council at the beginning of the financial year. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Revenue

The New Zealand Teachers Council derives revenue through the charging of fees for practising certificates, limited authority to teach applications, provisional to full applications, non teacher police vet applications, teacher education programme approval income and income from investments. Practising certificate fees are charged on a three-yearly basis.

The income received in advance, as at 30 June 2004, is amortised to income in equal monthly instalments over three years and from 1 July 2004, a portion of the revenue received from practising certificate fees is recognised in the month of receipt. The remainder of the fees are treated as being received in advance and are amortised to income on the first and second anniversary of the receipt of the application.

All other revenue is recognised when earned and is reported in the financial period to which it relates.

Goods & Services Tax:

The Financial Statements are prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are inclusive of GST.

Taxation

The New Zealand Teachers Council is a public authority in terms of the Income Tax Act 1994 and consequently is exempt from income tax.

Accounts Receivable

Accounts Receivable are valued at expected realisable value.

Term Deposits

Term Deposits are recorded at the lower of cost and net realisable value.

Property, Plant and Equipment

Property, Plant and Equipment are recorded at their carrying values transferred from the Teachers Registration Board on 1 February 2002. Subsequent additions are recorded at cost.

Depreciation:

Depreciation is provided on a straight line basis to reflect the estimated economic life of each asset.

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

Office Equipment	5 Years	20%
Computer Equipment	3 Years	33.3%
Furniture & Fittings	15 Years	6.7%
Office Fitout	5 Years	20%

Employee Entitlements:

Provision is made in respect of the New Zealand Teachers Council liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Operating Leases:

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the Statement of Financial Performance. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Financial Instruments:

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors, term deposits, and creditors. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance.

All financial instruments are shown at their estimated fair value.

Statement of Cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the New Zealand Teachers Council invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the New Zealand Teachers Council and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities are those activities relating to changes in equity and debt capital structure of the New Zealand Teachers Council.

Cost Allocation

The New Zealand Teachers Council has five outputs outlined in the Statement of Intent. These are Teacher Registration, Maintenance of Professional Standards, Teacher Education Professional Leadership and Non Teacher Police Vetting. The Council has derived the cost of each output using the system outlined below:

Direct costs are charged directly to the outputs. Indirect costs are charges to outputs based on appropriate cost drivers such as actual usage, staff numbers and floor area.

"Direct costs" are those costs directly attributable to an output.

"Indirect costs" are those costs which cannot be identified in an economically feasible manner with a specific output.

Changes in Accounting Policies

The New Zealand Teachers Council has changed its accounting policy for the amortisation of practising certificate fees in order to comply with Statement Of Concepts for General Purpose Financial Reporting. In previous years, the Council has treated all practising certificate fees as being received in advance and amortised the fees to income in equal monthly instalments over three years. Based on the Statement Of Concepts, the Council is recognising that proportion of the fees that relate to the administration process of registering and issuing of the practising certificate which occurs at the outset. This enables the Council to make a direct association between costs incurred and the specific portion of fees that relate to that cost.

The net result of the change is an increase in revenue-fees received recognised in this financial year of \$924,641

The Income received in advance as at 30 June 2004 will continue to be amortised under the previous policy and all fees received from 1 July 2004 will be covered by the new revenue recognition policy.

NEW ZEALAND TEACHERS COUNCIL
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 30TH JUNE 2005

	Note	2005 Actual	2005 Budget	2004 Actual
<u>REVENUE</u>				
Fees		3,855,661	3,905,297	2,273,921
Revenue Crown	1	177,778	177,778	177,778
Non Teacher Police Vetting		148,275	177,800	169,608
Provisional to Full Registration		344,176	227,552	277,004
Interest		368,370	209,003	267,279
Sundry Income		56,623	142,500	25,545
<u>TOTAL REVENUE</u>		4,950,883	4,839,930	3,191,135
<u>LESS : EXPENDITURE</u>				
Salaries & Wages	2	1,413,267	1,711,167	1,137,440
Council Members' Fees	3	175,227	115,200	165,567
Administrative Expenses		541,268	858,779	534,176
Election Expenses		25,813	50,000	-
Professional/Consultancy Fees		140,144	174,500	211,305
Audit fees to external auditors				
- External Audit		16,100	25,000	15,550
- Other Services		5,298	-	9,350
Depreciation	4	111,713	217,264	87,214
Rent		168,788	213,750	104,670
Non Teacher Police Vetting		105,174	154,188	93,675
Advisory Committees		12,926	163,740	4,538
Complaints/Discipline		53,195	483,123	28,159
Special Projects		43,165	364,500	87,585
<u>TOTAL EXPENDITURE</u>		2,812,078	4,531,211	2,479,229
<u>NET SURPLUS/(DEFICIT)</u>		\$ 2,138,805	\$ 308,719	711,906

Accompanying accounting policies and notes form an integral part of these financial statements.

NEW ZEALAND TEACHERS COUNCIL
STATEMENT OF MOVEMENTS IN EQUITY
 FOR THE YEAR ENDED 30TH JUNE 2005

	2005 Actual	2005 Budget	2004 Actual
Public Equity as at 1 July	1,449,945	1,147,438	738,039
Net Surplus for the Period	<u>2,138,805</u>	<u>308,719</u>	<u>711,906</u>
Total Recognised Revenues and Expenses for the Period	<u>2,138,805</u>	<u>308,719</u>	<u>711,906</u>
Public Equity as at 30 June	<u>\$ 3,588,750</u>	<u>\$ 1,456,157</u>	<u>\$ 1,449,945</u>

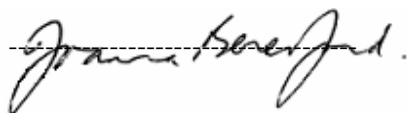
Accompanying accounting policies and notes form an integral part of these financial statements.

NEW ZEALAND TEACHERS COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2005

	Note	2005 Actual	2005 Budget	2004 Actual
<u>PUBLIC EQUITY</u>				
Accumulated Funds		3,588,750	1,456,157	1,449,945
<u>TOTAL PUBLIC EQUITY</u>		<u>\$ 3,588,750</u>	<u>\$ 1,456,157</u>	<u>\$ 1,449,945</u>
Represented By :				
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash	5	558,493	180,000	294,017
Term Deposits	6	5,624,246	3,333,227	5,276,279
Accrued Interest		40,609	60,000	29,058
Prepayment		7,604	15,000	22,456
Accounts Receivable	7	77,387	-	6,141
<u>TOTAL CURRENT ASSETS</u>		<u>6,308,339</u>	<u>3,588,227</u>	<u>5,627,951</u>
<u>NON-CURRENT ASSETS</u>				
Property, Plant and Equipment	8	573,349	1,084,297	288,150
<u>TOTAL NON-CURRENT ASSETS</u>		<u>573,349</u>	<u>1,084,297</u>	<u>288,150</u>
<u>TOTAL ASSETS</u>		<u>6,881,688</u>	<u>4,672,524</u>	<u>5,916,101</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable		240,749	90,000	278,902
GST Payable		23,588	-	24,684
Fees Received in Advance		2,872,408	3,043,867	4,110,710
Provision For Employee Entitlements	9	65,106	82,500	36,584
Deferred Lease Liability	10	91,087	-	15,276
<u>TOTAL CURRENT LIABILITIES</u>		<u>3,292,938</u>	<u>3,216,367</u>	<u>4,466,156</u>
<u>TOTAL LIABILITIES</u>		<u>3,292,938</u>	<u>3,216,367</u>	<u>4,466,156</u>
<u>NET ASSETS</u>		<u>\$ 3,588,750</u>	<u>\$ 1,456,157</u>	<u>\$ 1,449,945</u>



Director



Chairperson

Accompanying accounting policies and notes form an integral part of these financial statements.

NEW ZEALAND TEACHERS COUNCIL
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30TH JUNE 2005

	Note	2005 Actual	2005 Budget	2004 Actual
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Was Provided From:				
Fees		3,109,810	3,216,470	2,842,320
Revenue Crown		177,778	177,778	177,778
Interest Received		356,819	209,004	265,560
Sundry Income		56,623	142,500	25,545
Net G.S.T			-	
		<u>3,701,030</u>	<u>3,745,752</u>	<u>3,311,203</u>
Cash Was Applied To:				
Payments to Suppliers & Employees		2,691,258	4,327,850	2,399,820
Net G.S.T		1,095	-	44,717
		<u>2,692,353</u>	<u>4,327,850</u>	<u>2,444,537</u>
Net Cash Flow From Operating Activities	11	1,008,677	(582,098)	866,666
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Cash Was Provided From:				
Net Transfers From Investments		-	1,572,299	-
Sale of Property, Plant and Equipment		2,612	-	1,085
		<u>2,612</u>	<u>1,572,299</u>	<u>1,085</u>
Cash Was Applied To:				
Net Transfers To Investments		347,967	-	1,009,955
Purchase of Property, Plant and Equipment		398,847	946,700	110,049
		<u>746,814</u>	<u>946,700</u>	<u>1,120,004</u>
Net Cash Flow From Investing Activities		(744,202)	625,599	(1,118,919)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Cash Was Provided From:				
		-	-	-
Cash Was Applied To:				
		-	-	-
Net Cash Flow From Financing Activities		-	-	-
Net Increase /(Decrease) In Cash Held		264,476	43,501	(252,252)
Plus Opening Cash		294,017	136,499	546,270
Closing Cash at 30 June	5	<u>\$ 558,493</u>	<u>\$ 180,000</u>	<u>294,017</u>

Accompanying accounting policies and notes form an integral part of these financial statements.

NEW ZEALAND TEACHERS COUNCIL
STATEMENT OF COMMITMENTS
 AS AT 30TH JUNE 2005

Operating Lease Commitments

Are in respect of the leased accommodation. Minimum rental commitments as at 30 June for the non-cancelable lease are:

	Actual 2005	Actual 2004
<u>Non-cancelable Lease</u>		
(i) Not later than 1 year	207,120	114,714
(ii) Later than 1 year & not later than 2 years	207,120	114,714
(iii) Later than 2 years & not later than 5 years	621,360	152,952
(iv) Later than 5 years	69,040	-
	\$ 1,104,640	\$ 382,380

Capital Commitments

There is a commitment to pay Intergeren \$158,839 for the completion of a Registration Database and an integrated Accounting system as at 30 June 2005. (2004: Nil)

NEW ZEALAND TEACHERS COUNCIL
STATEMENT OF CONTINGENT LIABILITIES
 AS AT 30TH JUNE 2005

There are legal cases and costs outstanding against the Council which have a possible exposure up to \$50,000 as at 30 June 2005.

Quantifiable contingent liabilities are as follows:

	Actual 2005	Actual 2004
Legal proceedings	50,000	45,000
	\$ 50,000	\$ 45,000

NEW ZEALAND TEACHERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH JUNE 2005

NOTE 1 - REVENUE CROWN

Operating Grant to assist the New Zealand Teachers Council establish its Leadership function.

NOTE 2 - EMPLOYEE'S REMUNERATION

Total remuneration and benefits \$000	Actual Number of Employees	
	2005	2004
100-110	1	1
110-120	0	0
120-130	0	0
130-140	0	0

There were two Directors and one Director (Acting) during the year.

One Director appointed 17 May 2004 received remuneration less than \$100,000 but was appointed in the \$140,000 - \$150,000 band (2004: Nil).

The Director's (Acting) remuneration was less than \$100,000 (2004: Nil).

The Director, appointed 21 February 2005 received remuneration less than \$100,000 but is appointed in the \$120,000 - \$130,000 band (2004 Nil).

NOTE 3 - COUNCIL MEMBER'S REMUNERATION

- a. Council members received a daily meeting fee of \$340.
- b. The Council Chair received a daily meeting fee of up to \$700.

	Actual 2005	Actual 2004
Chair		
Joanna Beresford	85,663	91,809
Council		
Graeme Macann	-	5,270
Barbara Arnott	10,190	8,500
Irene Cooper	11,340	10,567
Janet Kelly	1,360	8,330
Nola Hambleton	8,217	5,780
Lili Tuioti	-	4,760
Dave Robinson	11,031	9,180
Patrick Walsh	7,539	10,596
Barbara Backshall	7,587	6,800
Debra Marshall-Lobb	7,858	3,975
Lyn Brash	10,200	-
Margaret Franken	7,083	-
Irene Symes	7,159	-
	89,564	73,757
Total	\$ 175,227	\$ 165,567

NOTE 4 - DEPRECIATION

	Actual 2005	Actual 2004
Computer Equipment	65,057	47,151
Office Equipment	18,820	16,885
Furniture & Fittings	6,211	5,874
Office Fitout	21,625	17,304
	<u>\$ 111,713</u>	<u>\$ 87,214</u>

NOTE 5 - CASH

	Actual 2005	Actual 2004
Bank of New Zealand - Cheque Account	121,006	190,155
Bank of New Zealand - Autocall Account	241,971	33,614
Bank of New Zealand - 02 Account	23,899	8,689
Bank of New Zealand - Non Teacher Police Vetting	171,617	61,559
	<u>\$ 558,493</u>	<u>\$ 294,017</u>

NOTE 6 - TERM DEPOSITS

	Actual 2005	Actual 2004
Term Deposits	<u>\$ 5,624,246</u>	<u>\$ 5,276,279</u>
Average Effective Interest Rate	6.99%	5.81%

NOTE 7 - ACCOUNTS RECEIVABLE

	Actual 2005	Actual 2004
Teacher Education Approvals	6,579	6,141
Council Expense Reimbursement	260	-
Contribution from Lessor	70,548	-
	<u>\$ 77,387</u>	<u>\$ 6,141</u>

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT**2005**

	<u>Cost</u>	<u>Accum. Deprn.</u>	<u>Net Value</u>
Computer Equipment	252,062	153,229	98,833
Work in Progress-Computer Equipment	153,162	-	153,162
Office Equipment	112,057	49,936	62,121
Furniture & Fittings	121,839	19,917	101,922
Office Fitout	220,431	63,120	157,311
	<u>\$ 859,551</u>	<u>\$ 286,202</u>	<u>\$ 573,349</u>

2004

	<u>Cost</u>	<u>Accum. Deprn.</u>	<u>Net Value</u>
Computer Equipment	200,929	91,157	109,772
Office Equipment	89,084	31,564	57,520
Furniture & Fittings	89,603	13,774	75,829
Office Fitout	86,524	41,495	45,029
	<u>\$ 466,140</u>	<u>\$ 177,990</u>	<u>\$ 288,150</u>

NOTE 9 - PROVISION FOR EMPLOYEE ENTITLEMENTS

	Actual 2005	Actual 2004
Annual Leave	65,106	36,584
	<u>\$ 65,106</u>	<u>\$ 36,584</u>

NOTE 10 - DEFERRED LEASE LIABILITY

The need for additional office space in the 2002 and in the 2005 year meant that the Council, as lessee, received from its office accommodation lessor in 2002 and have invoiced in 2005, contributions towards the fitout of its premises.

The total amount is being amortised to income in the Statement of Financial Performance over the remaining life of the lease.

The unamortised portion of the remaining balance has been recorded as a deferred lease liability.

NOTE 11 - RECONCILIATION OF NET SURPLUS WITH
NET CASH FLOW FROM OPERATING ACTIVITIES

	2005	2004
	Actual	Actual
Net Surplus	2,138,805	711,906
<u>Plus Non-Cash Items :</u>		
Depreciation	111,713	87,214
	<hr/>	<hr/>
	2,250,518	799,120
<u>Plus/(Less) Movements In</u>		
<u>Working Capital Items:</u>		
(Increase)/Decrease in Accrued Interest	(11,551)	(1,719)
(Increase)/Decrease in Prepayments	14,852	(22,456)
(Increase)/Decrease in Accounts Receivable	(71,246)	(1,032)
Increase/(Decrease) in Accounts Payable	(38,153)	25,402
Increase/(Decrease) in GST Payable	(1,096)	(44,717)
Increase/(Decrease) in Fees Received in Advance	(1,238,302)	121,787
Increase/(Decrease) in Provision for Employee Entitlements	28,522	(16,231)
Increase/(Decrease) in Deferred Lease Liability	75,811	(4,585)
	<hr/>	<hr/>
	(1,241,163)	56,449
Net Loss on Sale of Property, Plant and Equipment	(678)	11,097
Net Cash Flows from Operating Activities	<hr/> <hr/>	<hr/> <hr/>
	1,008,677	866,666

NOTE 12 - FINANCIAL INSTRUMENTS

As the New Zealand Teachers Council is a Crown Entity it is required to comply with the Public Finance Act 1989; as a consequence investments are to be held with registered New Zealand banks only.

The New Zealand Teachers Council reduces credit risk by spreading its investments with New Zealand registered banks only. There are no significant concentrations of credit risk as at 30 June 2005.

The New Zealand Teachers Council has no foreign currency risk or interest rate risk on debt.

The fair value of the financial instruments approximates the carrying amount disclosed in the Statement of Financial Position.

NOTE 13 - RELATED PARTY TRANSACTIONS

The New Zealand Teachers Council is a wholly owned entity of the Crown. The Council has entered into a number of transactions with government departments, crown agencies and these are carried out on a commercial and arms-length basis. It is considered that these do not fall within the scope of related party disclosure.

NOTE 14 - MAJOR BUDGET VARIANCES

The following notes explain the significant variances between Budget and Actuals. Variances (Under)/Over

a) Statement of Financial Performance (page 29)**Revenue**

Fees (\$49,636)

Projected applications in Practising Certificate and Limited Authority to Teach categories were lower than expected.

Non Teacher Police Vetting (\$29,525)

Applications received from some regions were lower than projected.

Provisional to Full Registration \$116,624

Applications received in this category were higher than projected.

Expenditure

Salaries & Wages (\$297,900)

Lower than expected due to a number of position vacancies during the year.

Council Members' Fees \$60,027

Higher than budgeted owing to additional governance input requirement of the Council.

Administrative Expenses (\$317,511)

Lower costs were incurred to process a lower than expected application intake in some categories and efficiencies were gained across several business units due to process improvement.

Elections (\$24,187)

Lower than expected expenditure as a bi-election was not called.

Professional/Consultancy Fees \$34,356

Due to position vacancies, specialist projects have required external expertise.

Depreciation (\$105,551)

Lower than expected capital expenditure resulted in lower depreciation expenditure.

Rent (\$44,962)

Rent reviews were negotiated at a lower than expected rate.

Non Teacher Police Vetting (\$49,014)

Lower than projected applications received and increased efficiencies in processing.

Advisory Committees (\$150,814)

Start up dates for Advisory Committees were later than first planned.

Complaints/Discipline (\$429,928)

Complaints Assessment Committee and Discipline Tribunal became functional later in the year than expected.

Special Projects (\$321,335)

Some special projects did not proceed as planned due to the Council focusing on core business.

b) Statement of Financial Position (page 31)

Current Assets

Cash \$378,493

Cash threshold was held higher by Council to meet Accounts Payable obligations.

Term Deposits \$2,291,019

Lower than expected expenditure resulted in higher funds available for investment.

Non-Current Assets

Property, Plant and Equipment (\$510,948)

Planned capital expenditure was delayed due to ongoing planning considerations concerning project and legislative function definition.

Current Liabilities

Accounts Payable \$150,749

Higher than projected due to timing of payments.

Fees Received in Advance (\$171,459)

Projected applications in Practising Certificate and Limited Authority to Teach categories were lower than expected.

c) Statement of Cash Flows (page 32)

Cash Flows From Investing Activities

Net transfer to Investments \$347,967

Higher than expected due to lower than projected operational expenditure.



Audit New Zealand
 AUDIT AND ASSURANCE SERVICES

AUDIT REPORT

TO THE READERS OF NEW ZEALAND TEACHERS COUNCIL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of New Zealand Teachers Council. The Auditor-General has appointed me, L H Desborough, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the New Zealand Teachers Council, on his behalf, for the year ended 30 June 2005.

Unqualified opinion

In our opinion the financial statements of the New Zealand Teachers Council on pages 14 to 39.

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
 - the New Zealand Teachers Council's financial position as at 30 June 2005;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 28 October 2005, and is the date at which our opinion is expressed.

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

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- ▲ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- ▲ verifying samples of transactions and account balances;
- ▲ performing analyses to identify anomalies in the reported data;
- ▲ reviewing significant estimates and judgements made by the Council;
- ▲ confirming year-end balances;
- ▲ determining whether accounting policies are appropriate and consistently applied; and
- ▲ determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the New Zealand Teachers Council as at 30 June 2005. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. The Council's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have provided tender review and tax assurance services. These assignments are compatible with those independence requirements. Other than the audit, we have no relationship with or interests in the New Zealand Teachers Council.



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

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the New Zealand Teachers Council for the year ended 30 June 2005 included on New Zealand Teachers Council's website. The Council is responsible for the maintenance and integrity of the New Zealand Teachers Council's website. We have not been engaged to report on the integrity of the New Zealand Teachers Council's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 October 2005 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

