

# STRENGTHENING COMPLIANCE CULTURE IN THE ARCHITECTURE SECTOR

## PURPOSE OF RESEARCH

- The ARBV has prepared a report to examine compliance culture in the architecture sector, particularly:
- What is compliance culture?
  - Why does compliance culture matter to clients, architects, the profession and the broader construction sector?
  - Architects overarching duties
  - What does a strong compliance culture look like in practice for sole practitioners, small firms and large firms?

WHAT IS COMPLIANCE CULTURE?

Compliance culture is the combination of the shared values, attitudes and habits that guide people's behaviour, actions and decisions regarding their compliance obligations.

Architects are required to comply with “all applicable laws”, including the Architects Act, Code of Professional Conduct, the National Construction Code, as well as other laws, including (but not limited to) competition laws, occupational health and safety laws, and taxation laws.

WHY DOES COMPLIANCE CULTURE MATTER?

A weak compliance culture can lead to poor client-architect relationships, designs that do not meet clients' needs or have adverse social or environmental impacts, and defective and unsafe buildings.

A strong compliance culture reduces the risk of non-compliance with applicable obligations and regulatory sanction. It also enhances trust and confidence in architects and the profession and can support business growth and staff morale. It can set a positive example in the broader construction sector.

ARCHITECTS OVERARCHING DUTIES

The spectrum of architects' compliance obligations can be simplified to a suite of seven “overarching duties”:

1.Duty of care

2.Duty of competence

3.Duty of honesty and integrity

4.Duty to comply with all applicable laws

5.Duty of confidentiality

6.Duty to act impartially and avoid conflicts of interest

7.Duty to keep records and communicate effectively

These overarching duties reflect the core values and responsibilities of members of the architecture profession.

By understanding and embracing these overarching duties, architects can lay the foundation for a strong compliance culture that protects the clients, users and communities they serve from harm.

WHAT DOES A STRONG COMPLIANCE CULTURE LOOK LIKE IN PRACTICE?

The foundation for a strong compliance culture is a shared understanding and agreement about why compliance is important. In practice, this involves:

• a commitment to learning about compliance requirements;

• an acceptance of responsibility for addressing compliance risks;

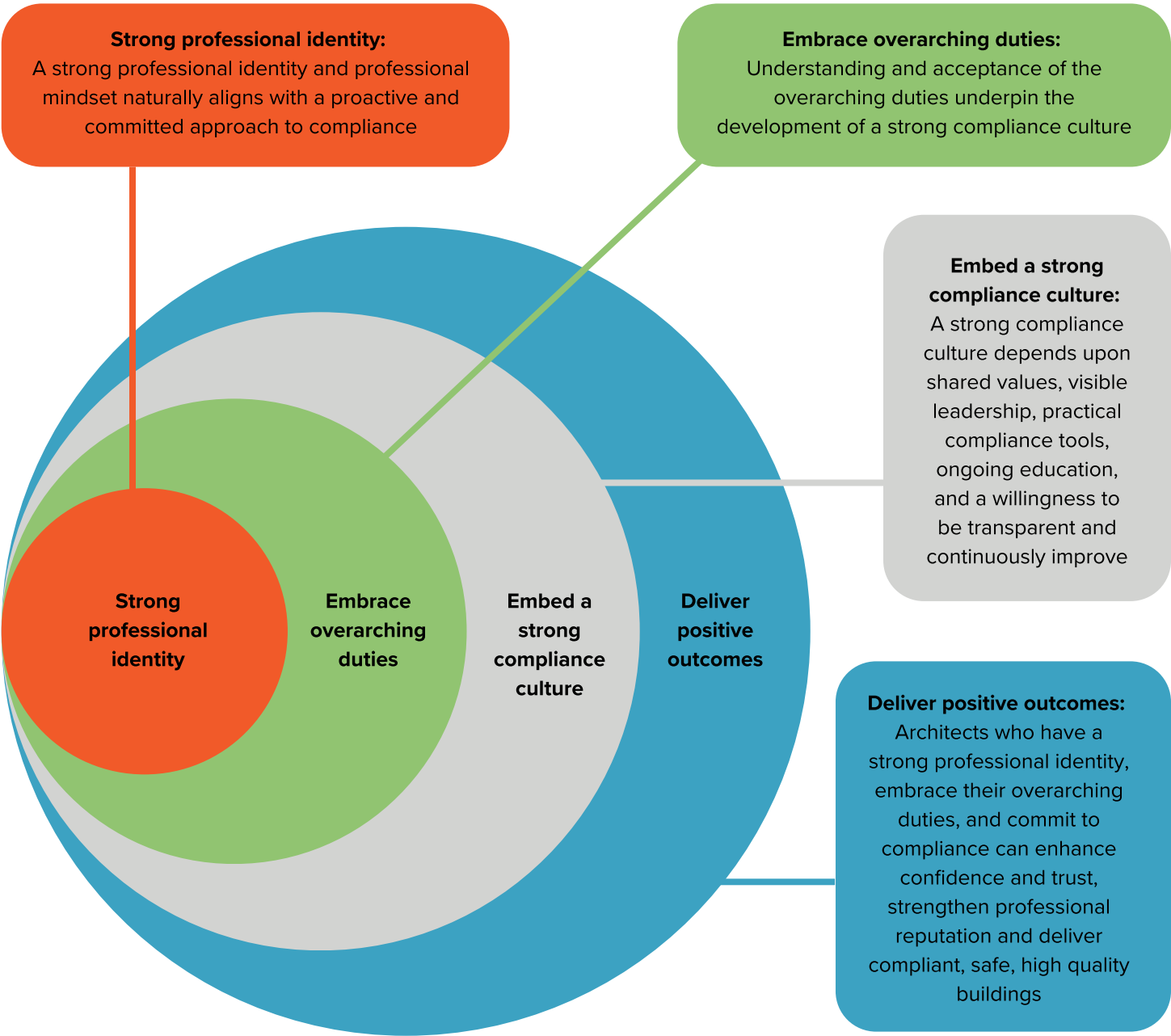
• a vigilant approach in daily tasks to identify and document compliance issues; and

• a commitment to choosing a compliant pathway, regardless of the incentives and rewards that might exist for doing otherwise.

The report outlines how sole practitioners, small firms and large firms can embed a strong compliance culture. It includes case studies to illustrate how the overarching duties can be discharged and strategies to strengthen compliance culture.

## THE LINK BETWEEN PROFESSIONALISM, COMPLIANCE CULTURE AND POSITIVE OUTCOMES

Architects are professionals and, as such, are held to high standards by their clients, the public and professional peers. By upholding professional standards and complying with their overarching duties, architects and architectural firms can strengthen compliance culture and, in turn, build confidence and trust in the profession and deliver compliant, safe, high-quality buildings.



The ripple effect - An individual's strong professional identity supports wider compliance culture within a firm and the broader construction industry

## ARBV'S INITIATIVES TO ENHANCE COMPLIANCE CULTURE

The ARBV will use its understanding of compliance culture in the architecture sector to target the root causes of non-compliance so that compliance issues can be pre-empted and prevented. The ARBV will seek to guide meaningful cultural change to secure positive outcomes in the long-term with support from and collaboration with education and training bodies, industry bodies and regulators across the broader construction sector

## EVALUATION OF COMPLIANCE CULTURE IN THE VICTORIAN ARCHITECTURE SECTOR

The ARBV's report includes an evaluation of compliance culture in the Victorian architecture sector. Evidence indicates that, while many architects demonstrate a strong awareness of their professional responsibilities and are committed to compliance, this commitment can be undermined by regulatory complexity, commercial pressures, and contractual arrangements and associated risks.