CPD Webinar series

STRENGTHENING COMPLIANCE CULTURE IN THE ARCHITECTURE SECTOR

Webinar 1: Key Takeaways

Dariel De Sousa | Dart Legal & Consulting
Paul Viney | ACA National President
Jo Van Loon | Deputy State Building Surveyor
Bronwyn Weir | Weir Legal & Consulting

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Architects
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of Victoria

Acknowledgment of Traditional Owners

This presentation is being delivered on the lands of the Wurundjeri People and I wish to acknowledge them as Traditional Owners.

I would also like to pay my respects to their Elders, past and present, and Aboriginal Elders of other communities who may be here today.

CPD Questionnaire

- Attending this webinar live and submitting this form will qualify you for 1 hour formal CPD.

- Certificates will be sent to the email address used to complete this form, please ensure your name and contact details are correct.

- This form will close 24 hours after the webinar has commenced.

- Certificates will be issued within 1 week of the closure of the quiz.

https://forms.office.com/r/ry8eF3Rcyt

CPD: Strengthening Compliance Culture in the Architecture Sector – Key takeaways

ABOUT THE REPORT

Background

- Catalyst for report:
  - Reports by ARBV and NSW ARB on Systemic Risks in the Architecture Sector (2022 and 2024)
  - CSV Reports on Compliance in Building Design and Non-cladding Defects on Class 2 Buildings (2024)
  - Shergold-Weir Building Confidence Report (2018)

- Importance of regulatory oversight of sectoral culture:
  - Financial Services Royal Commission
  - Identifying and addressing root cause(s) of non-compliance
  - Avoiding harm to clients, users and the profession

Objectives

› To clarify what compliance culture is and why a strong compliance culture is important

› To identify overarching duties owed by architects that underpin a strong compliance culture

› To improve understanding of the current compliance culture within the Victorian architecture sector

› To provide practical guidance for architects to strengthen compliance culture

› To identify regulatory tools that can be used to enhance compliance culture

› To highlight the tangible actions that can be taken by architects, the ARBV and other relevant sectoral participants and regulatory bodies to strengthen compliance culture in the architecture sector and the broader construction sector

Approach

› Source of information:

  › Desktop analysis

  › Focus Group with key participants from the architecture sector and from the broader construction sector

  › Survey of architects registered by ARBV

› Working Group comprising a mix of representatives from the ARBV Board and ARBV staff

› Focus on sole practitioners, small firms and large firms

Outputs

REPORT ON STRENGTHENING COMPLIANCE CULTURE IN THE ARCHITECTURE SECTOR

1 – PAGE HIGH-LEVEL SUMMARY

BOOKLET CONTAINING PRACTICAL GUIDANCE FOR ARCHITECTS AND ARCHITECTURAL FIRMS
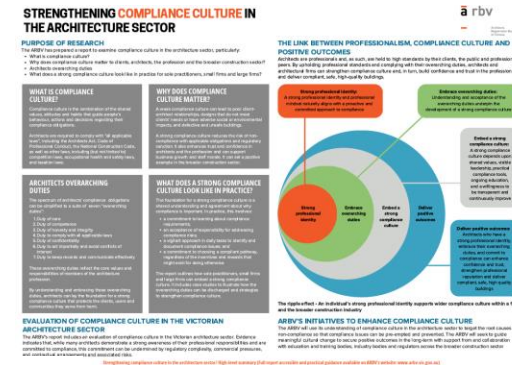
Overview

- Key concepts
- Compliance culture and compliance mindset
- Architects' status as professionals
- Architects' overarching duties
- Evaluation of compliance culture in Victoria
- Strategies for architects to strengthen compliance culture
- Regulatory tools to enhance compliance culture

KEY CONCEPTS

- Compliance culture is the combination of shared values, attitudes and habits that guide behaviour, actions and decisions

What is compliance culture?

- A strong compliance culture can reduce compliance risk, but also enhances trust and confidence in the profession. It can set a positive example for the broader construction sector

Why does compliance culture matter?

- By understanding and embracing their "overarching duties", architects can lay the foundation for a strong compliance culture

How can compliance culture be strengthened?

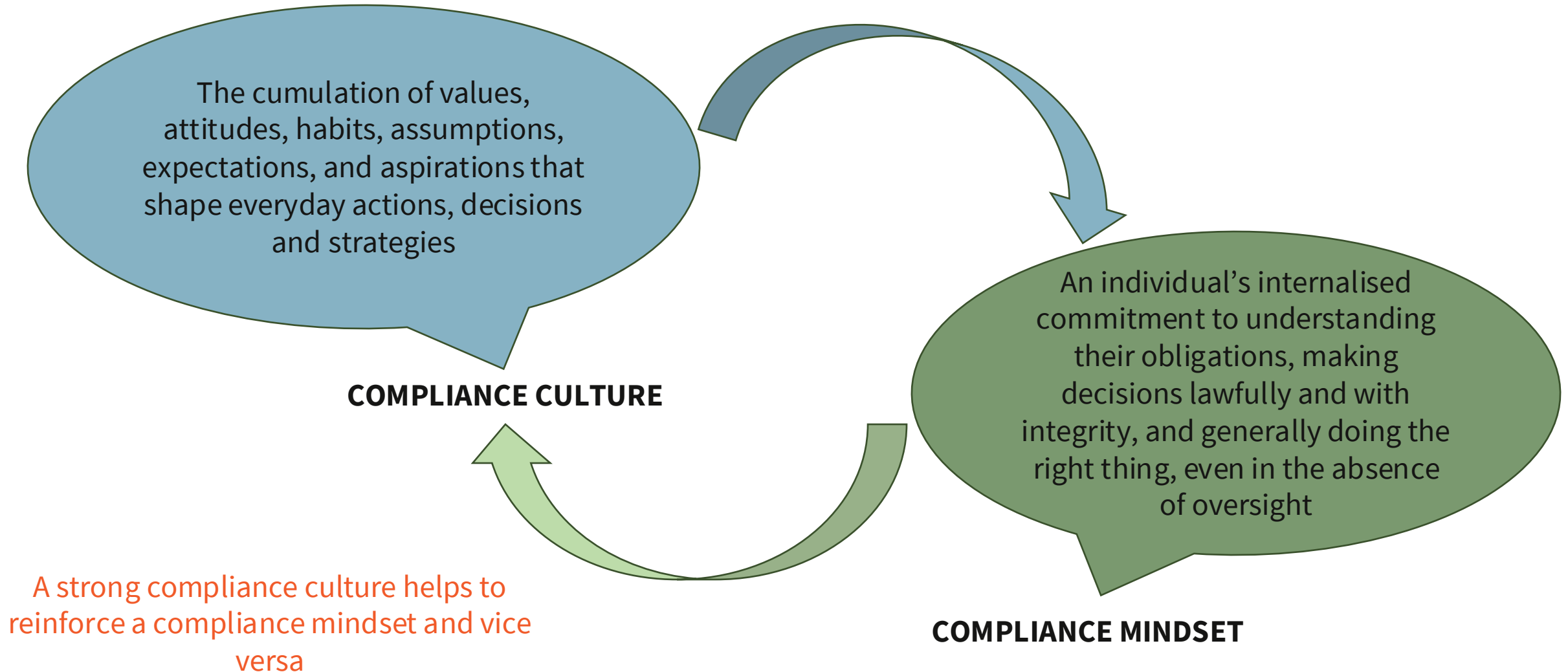**What does a strong compliance culture look like in practice?**

- The foundation for a strong compliance culture is a shared understanding and agreement about why compliance is important
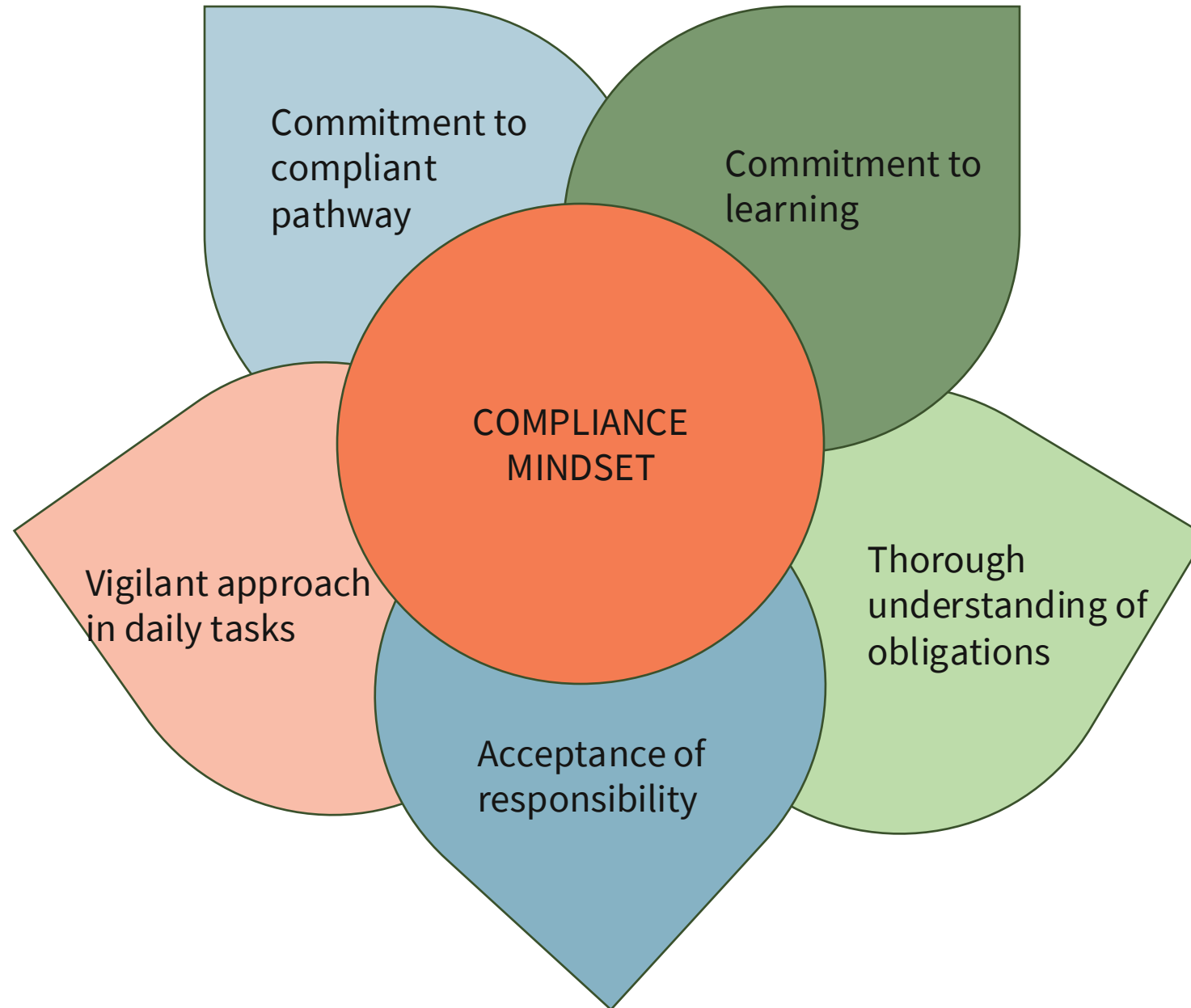
COMPLIANCE CULTURE

Compliance mindset vs compliance culture

The cumulation of values, attitudes, habits, assumptions, expectations, and aspirations that shape everyday actions, decisions and strategies

COMPLIANCE CULTURE

An individual's internalised commitment to understanding their obligations, making decisions lawfully and with integrity, and generally doing the right thing, even in the absence of oversight

COMPLIANCE MINDSET

A strong compliance culture helps to reinforce a compliance mindset and vice versa

Elements of a compliance mindset

PROFESSIONALISM

The defining attributes of a professional

Specialised knowledge and expertise

Provision of important services for the benefit of others

Services involve collaboration and complex exercise of discretion and judgement

Expected to maintain high standards

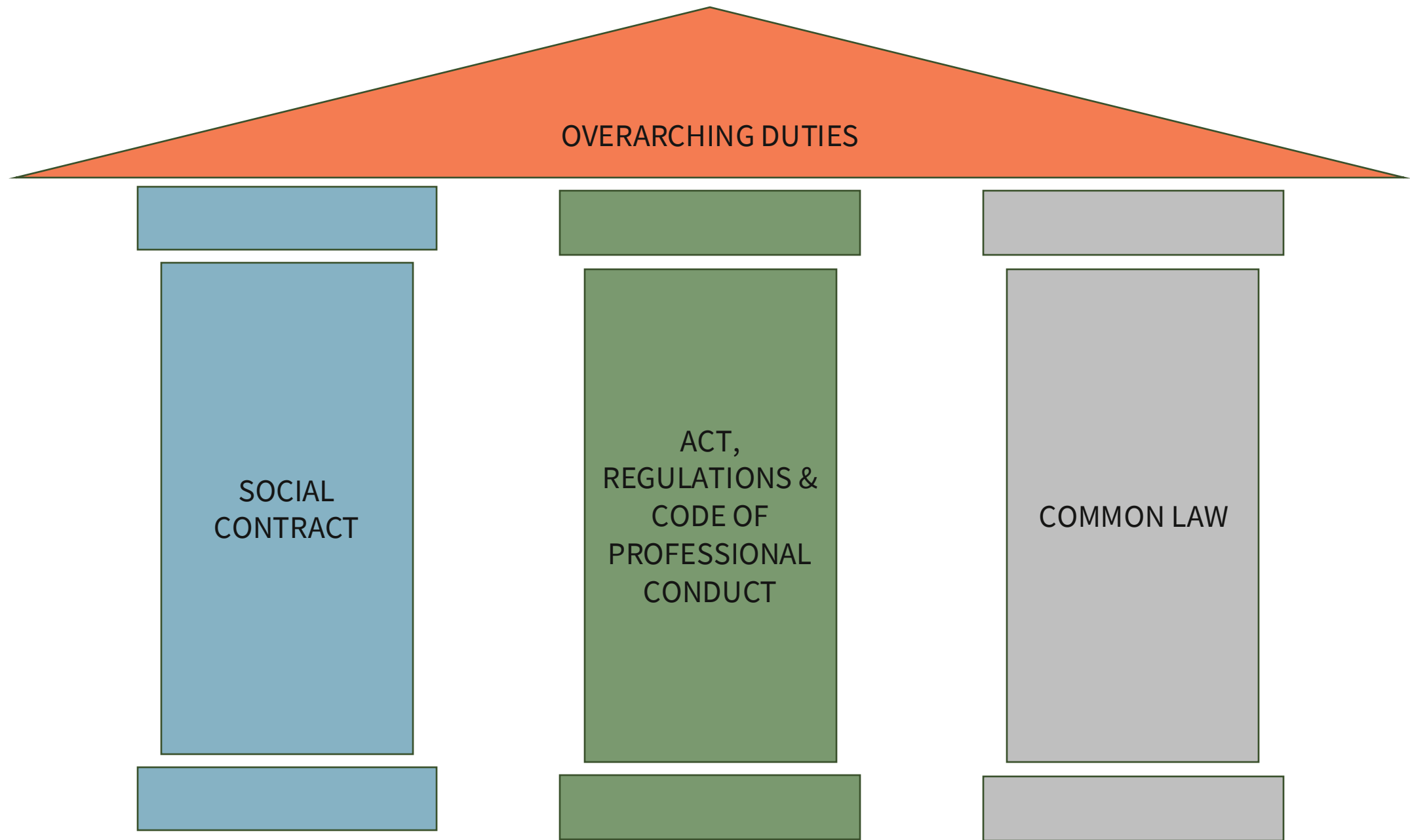Expected to comply with legal and ethical obligations

A professional mindset naturally aligns with a proactive and committed approach to compliance

OVERARCHING DUTIES

OVERARCHING DUTIES

SOCIAL CONTRACT

ACT, REGULATIONS & CODE OF PROFESSIONAL CONDUCT

COMMON LAW

7 Duty to keep records and communicate effectively

6 Duty to act impartially and avoid conflicts of interest

5 Duty of confidentiality

4 Duty to comply with all applicable laws
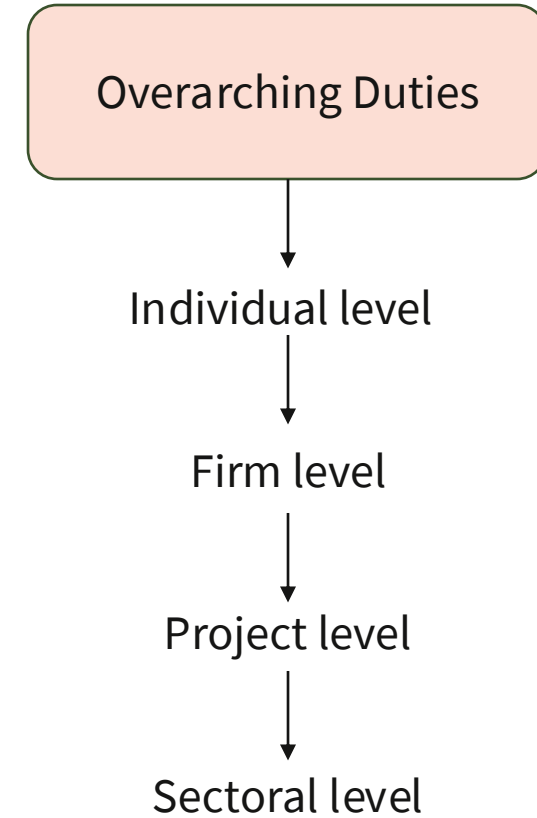
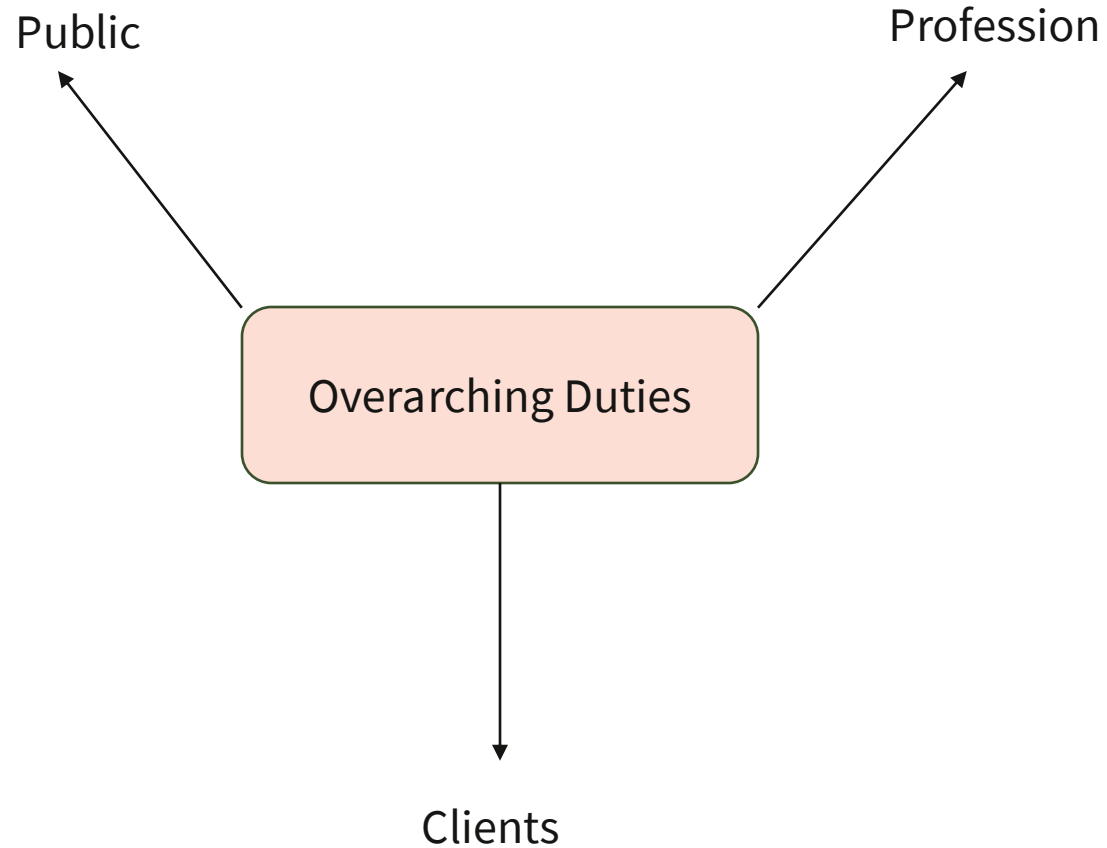3 Duty of honesty and integrity
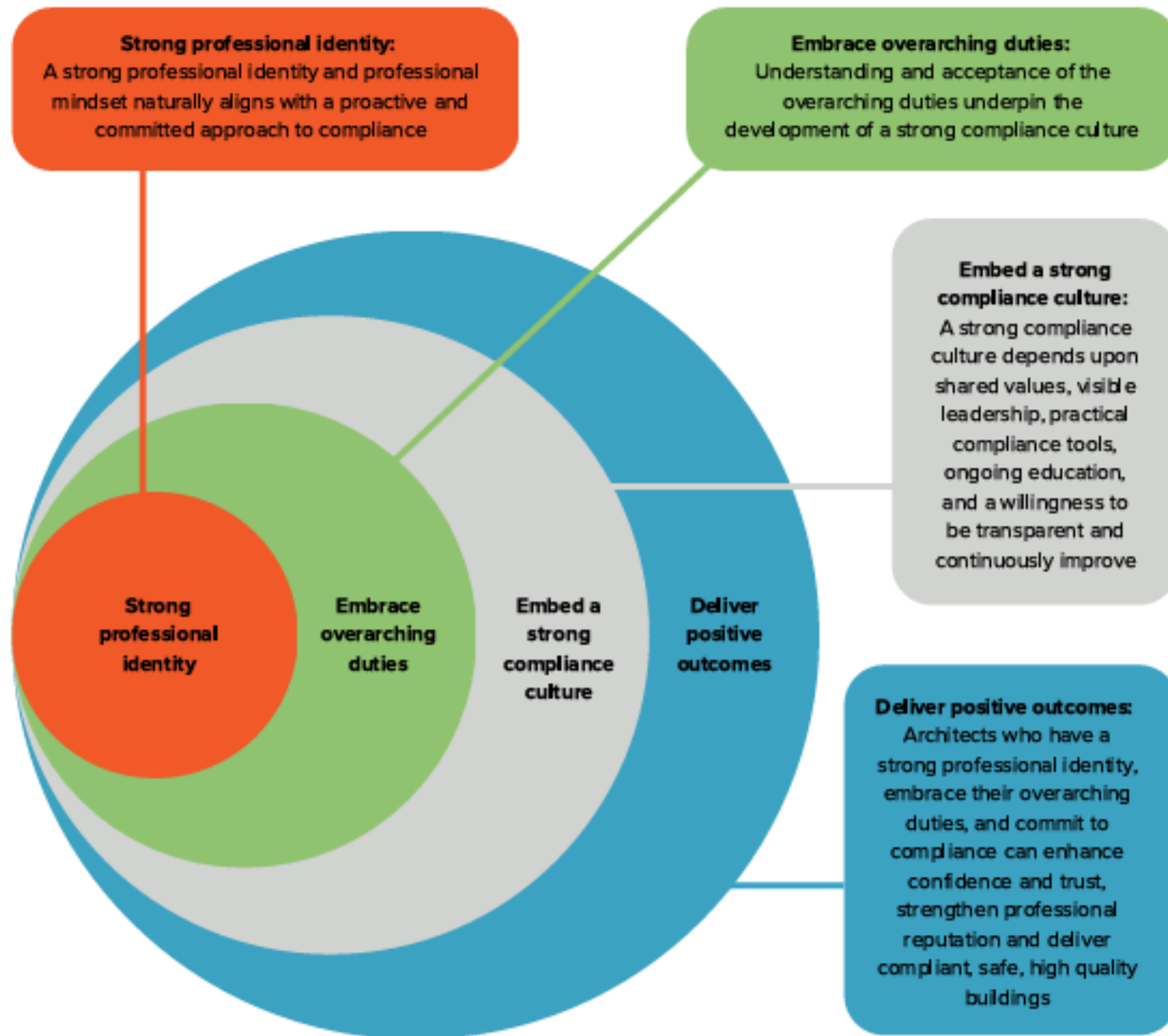
2 Duty of competence

1 Duty of care

Practical application of overarching duties

OUTCOMES

Strong professional identity:
A strong professional identity and professional mindset naturally aligns with a proactive and committed approach to compliance

Embrace overarching duties:
Understanding and acceptance of the overarching duties underpin the development of a strong compliance culture

Embed a strong compliance culture:
A strong compliance culture depends upon shared values, visible leadership, practical compliance tools, ongoing education, and a willingness to be transparent and continuously improve

Deliver positive outcomes:
Architects who have a strong professional identity, embrace their overarching duties, and commit to compliance can enhance confidence and trust, strengthen professional reputation and deliver compliant, safe, high quality buildings

Strong professional identity

Embrace overarching duties

Embed a strong compliance culture

Deliver positive outcomes

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

EVALUATION

Key insights

Commitment to compliance › Architects generally demonstrate a strong commitment to compliance, but this could be undermined by practical realities

Awareness of compliance obligations › Some architects may believe that the primary responsibility for compliance rests elsewhere or that compliance obligations are more confined than is actually the case

Understanding of compliance obligations › CPD is broadly valued by the profession but compliance with CPD requirements is inconsistent, which signals a gap between intent and practice

Capacity to comply › Tight timelines, unclear roles and responsibilities and builder control of project decisions may undermine architects' capacity to comply

Key insights

Maintaining compliance ▷ Regulatory complexity and change may make it difficult for architects to maintain compliance and competence

Professional reputation ▷ Notwithstanding the challenges to comply, architects are widely seen as ethical and trustworthy, reflecting a strong professional identity

Project-level compliance ▷ Fear of conflict and lack of contractual power may prevent architects from reporting or resisting non-compliance in certain project contexts

Sector-level compliance ▷ Ongoing systemic issues within the broader construction sector may expose architects to disproportionate blame for non-compliance and could erode public confidence

STRATEGIES

SOLE PRACTITIONERS AND SMALL FIRMS

1	**Understand your unique culture**	• Reflect on how your personal values, knowledge, and circumstances shape your approach to compliance
2	**Lead by example**	• Demonstrate a strong personal commitment to compliance through everyday actions and decisions
3	**Practise self-discipline**	• Apply self-discipline and good judgment to maintain compliance in all contexts, even when under commercial or time pressures
4	**Stay informed**	• Regularly participate in CPD and industry events, and access regulatory updates to stay informed about compliance obligations and risks
5	**Use simple compliance tools**	• Adopt practical tools like checklists and templates to manage key compliance obligations efficiently and effectively
6	**Embed compliance in practice**	• Integrate compliance risks, actions and decisions into routine workflows, project planning, and client discussions
7	**Proactively address compliance issues**	• Identify and resolve compliance risks early
8	**Seek external support**	• When necessary, seek external support for guidance and assistance to ensure compliance obligations are met
9	**Learn from mistakes**	• Analyse compliance incidents to understand root causes and prevent recurrence
10	**Document work**	• Maintain clear records of compliance decisions and actions to demonstrate accountability

LARGE FIRMS

1	Set the tone at the top	• Practice owners and senior managers should champion the importance of compliance and ethical behaviour through visible actions and communications
2	Actively foster a compliant culture	• Promote pride in the profession and reinforce the message that compliance protects clients, reputation and ensures safety and quality
3	Implement tailored Compliance Management System	• Develop tailored policies, procedures, and systems to manage compliance risks consistently across the firm and projects
4	Engage with staff	• Regularly engage with staff to ensure that they understand that compliance is a shared, collective responsibility
5	Clarify responsibilities	• Ensure that individual staff are aware of their particular responsibilities to ensure compliance, including in different project contexts
6	Provide ongoing training and education	• Ensure that staff receive ongoing training so that they understand compliance expectations and how to manage compliance and ethical risks in practice
7	Promote openness and transparency	• Create a supportive environment where staff feel comfortable and safe to raise compliance concerns
8	Establish reporting mechanism	• Establish formal mechanisms and, where appropriate, confidential channels, to report compliance issues
9	Incentivise compliance	• Link staff performance reviews and recognition programs to compliant behaviour
10	Continuously improve	• Regularly review policies, conduct risk assessments, and adapt systems based on compliance incidents and lessons learned

REGULATORY TOOLKIT

A mix of regulatory tools may be needed to drive meaningful regulatory change

Education and guidance

Regulatory incentives

Targeted enforcement

Public censure

Collaboration and coordination with co-regulators

CONCLUDING REMARKS

CPD: Strengthening Compliance Culture in the Architecture Sector – Key takeaways

Overview

> A strong compliance culture is not optional in architectural practice.

> A strong compliance culture can take significant effort and can deteriorate quickly if neglected.

> A strong compliance culture must be continuously cultivated.

> All participants in the construction sector need to collectively commit to compliance, but architects can lead by example.

DISCUSSION

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**Architects
Registration Board
of Victoria**

**ARCHITECTS REGISTRATION BOARD
OF VICTORIA**

Address

Level 10, 533 Little Lonsdale Street
Melbourne VIC 3000

Phone number

03 9417 4444

Email

registrar@arbv.vic.gov.au