

Regulations for the Auditing of Land Agents' Trust Accounts.

CHARLES FERGUSSON, Governor-General.

ORDER IN COUNCIL.

At the Government House at Wellington, this 11th day of July, 1927.

Present :

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL.

IN pursuance and exercise of the powers and authorities conferred on him by section thirty-four of the Land Agents Act, 1921-22, His Excellency the Governor-General of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council of the said Dominion, doth hereby make the following regulations providing for an annual audit of the trust accounts of every land agent, and for a report of the results of such audit; and doth declare that such regulations shall be published in and, with the exception of clause three of Regulation four, shall come into force upon the date of their publication in the *New Zealand Gazette*.

REGULATIONS.

I. PRELIMINARY.

(1) THESE regulations may be cited as "The Land Agents Audit Regulations, 1927."

(2) In these regulations, where not inconsistent with the context,—

"Controller and Auditor-General" means the Controller and Auditor-General under the Public Revenue Act, 1926 :

"Year" means a year ending on the 31st day of March :
"Land agent" means a land agent as defined by the Land Agents Act, 1921-22 :

"Trust account" includes every general or separate account of a land agent into which there have been paid or should be paid any moneys received by such land agent in respect of the sale, lease, or other disposal of land or of any interest in land, or in respect of the letting of houses, or in respect of any other transaction in his capacity as a land agent (other than the expenses, commission, and other proper charges of or incidental to such sale, lease, or other disposal or transaction as aforesaid), and includes all accounts kept in any books of account of a land agent and having reference to any such general or separate account as aforesaid :

"Trust account moneys" means all moneys that are or should be paid into a trust account :

"Audit officer" means any officer of the Audit Department appointed in writing by the Controller and Auditor-General to be an Audit officer under these regulations.

2. PERIOD OF AUDIT.

(1) Within three months after the end of each year, commencing with the year ending on the 31st day of March, 1928, every land agent who carried on business during the whole or any part of that year shall cause his trust account for that year to be audited by a qualified accountant, and a report of the result of such audit to be sent by such accountant to the Controller and Auditor-General, verified as hereinafter provided.

(2) Notwithstanding anything in the foregoing regulations, if any land agent desires that his trust account should be audited as at any date other than the 31st day of March, and gives notice to that effect to the Controller and Auditor-General, the Controller and Auditor-General may, if he thinks fit, authorize and require that land agent to substitute such other date for the 31st day of March.

(3) At all times thereafter, so long as such authority remains in force, clause (1) of this regulation shall, in its application to that land agent, be read as if such other date was substituted for the 31st day of March.

(4) When any authority is so given by the Controller and Auditor-General to substitute any date for the 31st day of March, he shall at the same time determine the period in respect of which the first audit shall be made in pursuance of that authority, and the time within which such audit and the report thereon shall be made and delivered under these regulations; and these regulations shall be construed and shall have effect, with all necessary modifications, as if such determination formed a part thereof.

(5) When any date has been so substituted for the 31st day of March, no change in the date so substituted shall thereafter be made without the authority of the Controller and Auditor-General in accordance with the foregoing regulations.

3. QUALIFICATIONS OF AUDITORS.

(1) No accountant shall be deemed to be qualified, within the meaning of these regulations, unless he is a member of the New Zealand Society of Accountants, and is approved by the Controller and Auditor-General, or if he is, or at any time within two years before the date of his report has been, a partner, clerk, or servant of the land agent whose trust account is so audited by him, or, if the trust account is that of a company carrying on business as a land agent, a member, clerk, or servant of the said company: Provided that the Controller and Auditor-General may, if he is satisfied that no accountant qualified within the meaning of these regulations is available, approve of any competent accountant nominated by a land agent to audit his trust account.

(2) Where a land agent has in any year engaged a qualified accountant to audit any trust account and does not satisfy the Controller and Auditor-General that such accountant is not available and willing to audit that trust account for that year or the next succeeding year, he shall not engage any other qualified accountant to audit that trust account for the same year or the next succeeding year without the consent in writing of the Controller and Auditor-General.

(3) Subject to the foregoing provisions and to the provisions of clause (4) of Regulation 6 hereof, the auditor by whom any audit and report is to be made shall be selected and employed for that purpose by the land agent whose trust account is so audited.

(4) It shall not be obligatory upon a land agent who carries on business in more places than one, and keeps a separate trust account in respect of any such business, to engage the same accountant to audit each such trust account.

4. DUTIES OF LAND AGENTS.

(1) For the purposes of the trust account audit and report every land agent shall, as and when required, produce to the auditor all books, papers, accounts, documents, and securities in any way relating to his trust account or any bank account, and give such information as may reasonably be required by the auditor.

(2) It shall be the duty of every land agent to keep his trust account in such a manner as to disclose to the auditor the position of the funds therein, and to enable the same to be conveniently and properly audited. In particular, every land agent shall procure and submit to the auditor such voucher or other evidence as the auditor may deem sufficient as evidence of the proper disbursement of every sum paid from his trust account.

(3) (a) Every land agent shall cause a receipt, complying with these regulations, to be given forthwith for every sum of money received by him comprising or including trust account moneys.

(b) No land agent shall give or cause or permit to be given for any such moneys as aforesaid any receipt not complying with these regulations.

(c) Every land agent shall prepare every receipt in duplicate so as to provide a carbon copy, and shall retain such copy and produce it to the auditor.

(d) Every land agent shall cancel any receipt drawn in error, retain the same and attach it to its butt or carbon copy, and produce it to the auditor.

(e) No land agent shall give or cause or permit to be given any such receipt except on a form taken from a book of detachable forms and non-detachable duplicates printed by the Government Printer, and bearing a distinguishing mark and number inserted by the Government Printer.

(f) The Government Printer shall, on application by any person representing himself to be an auditor of the trust account of any land agent, supply him with particulars of the number of books of receipt forms at any time issued by him to such land agent and of the distinguishing marks and numbers inserted therein.

(g) No land agent shall give or cause or permit to be given any duplicate receipt which is not prepared on such a form as is hereinbefore provided and which does not bear both on the original and carbon copy thereof a certificate signed by or on behalf of the land agent to the effect that it is a duplicate of a receipt issued on a date to be stated in the certificate.

(h) This clause shall come into force on the 1st day of October, 1927.

(4) Every land agent shall cause all trust-account moneys received by him in his capacity as a land agent to be paid into a general or separate trust bank account as soon as possible after the receipt thereof, but not later in any case than the third banking-day after the receipt thereof.

(5) In the case of the first audit of any land agent's trust account under these regulations, and in any other case in which no such certified statement as is referred to in clause (4) of Regulation 5 hereof is available for the purpose of an audit, the land agent shall, in lieu thereof, make out and