

deliver to the auditor before the making of his report a statement containing the like particulars as to moneys held and the disposal and state of investment thereof on the first day of the year to which the audit relates. Such statement shall be verified by the statutory declaration of the land agent, or where two or more land agents carry on business in partnership as land agents by the statutory declaration of one of the partners, or where a company carries on business as a land agent by the person appointed in writing to hold the land agent's license.

5. DUTIES OF AUDITORS.

(1) Forthwith upon the completion of any audit, the auditor shall send a report of the result of such audit to the Controller and Auditor-General, verified by the statutory declaration of the auditor in the form set out in the Schedule hereto.

(2) If any auditor in the course of auditing a land agent's trust account discovers that the said account is not kept in such a manner as to enable it to be properly audited, or discovers any matter which appears to him to involve dishonesty or any breach of the law on the part of that land agent, or discovers any loss or deficiency of trust-account moneys, or any failure to pay or account for any such moneys, he shall fully set out the facts so discovered by him in a report or reports delivered to the Controller and Auditor-General.

(3) If any such irregularities as aforesaid appear to relate to different moneys in which more than one person is interested, then the auditor shall set out the facts relating to such respective moneys in separate reports, so as to facilitate the inspection thereof under clause (1) of Regulation 7 hereof.

(4) In all other cases the auditor's report shall consist merely of a general certificate that in his opinion the land agent's trust account has been duly kept and is in order in all respects.

(5) In addition to making the aforesaid report, the auditor of a land agent's trust account shall at the same time audit, certify, and sign a statement to be prepared by the land agent setting forth in detail the particulars of all trust-account moneys held by that land agent on the last day of the year to which the audit relates, together with particulars of the disposal and state of investment thereof at that date, and shall deliver such statement, after being audited, certified, and signed as aforesaid, to the land agent, together with a signed copy of the report or reports made by the auditor to the Controller and Auditor-General. The statement and report or reports so delivered shall be retained by the land agent and produced by the land agent on demand to the auditor making the next succeeding audit of the land agent's trust account.

(6) Save in any report so to be delivered to the Controller and Auditor-General, or in or for the purpose of any legal proceedings which may arise out of such report or otherwise in relation to the trust account of the land agent concerned, no auditor shall, save with the previous consent in writing of the Controller and Auditor-General, disclose to any person any information which he has obtained in the course of any audit; and every auditor who commits a breach of this regulation shall be liable to a fine not exceeding £100, and shall, in addition, be subject to the like liability in damages to any customer or client of that land agent damaged by the disclosure of such information as the land agent would be if the land agent had disclosed such information.

6. POWERS OF CONTROLLER AND AUDITOR-GENERAL.

(1) On receipt of any report delivered to him under clause (2) of Regulation 5 hereof the Controller and Auditor-General may investigate the matter and, if necessary, institute proceedings against the land agent concerned.

(2) For the purpose of such investigation the Controller and Auditor-General and any Audit officer shall have power to examine the auditor who made the report, and to examine all books, papers, accounts, documents, and securities held by the land agent concerned relating to the matter reported on; and it shall be the duty of such land agent, if required, to produce to the Controller and Auditor-General or Audit officer all such books, papers, accounts, documents, and securities, and to give such information as may be reasonably required.

(3) Neither the Controller and Auditor-General nor any Audit officer shall, save for the purpose of any legal proceedings which may arise out of such investigation, disclose to any person any information which he has obtained from any report delivered to the Controller and Auditor-General under Regulation 5 hereof, or in the course of any such investigation.

(4) Notwithstanding anything contained in these regulations, the Controller and Auditor-General may elect to make the audit required by these regulations, in respect of any land

agent, in which case he or any Audit officer shall be the auditor accordingly; and these regulations shall be construed and shall have effect, with all necessary modifications, as if the Controller and Auditor-General or Audit officer were the auditor provided for therein.

(5) Notwithstanding that the trust account of a land agent for any period has been audited and a report delivered or a certificate given in accordance with these regulations, the Controller and Auditor-General may at any time make, or cause to be made, a further audit of the trust account of that land agent for such period or any part thereof.

The provisions of these Regulations shall apply, *mutatis mutandis*, to such further audit in all respects as if it were an audit required under clause (1) of Regulation 2 hereof or clause (4) of this regulation.

7. GENERAL.

(1) The reports of auditors under these regulations shall, so far only as they relate to moneys or securities in which any person is interested, be available, in the hands of the Controller and Auditor-General, for inspection by that person, or by any solicitor authorized by him in that behalf.

(2) The report of an auditor in respect of any year shall be available, in the hands of the Controller and Auditor-General, for inspection by the auditor appointed to audit any trust account of the same land agent for the next succeeding year.

(3) It shall be the duty of the banker of every land agent, on the request of any auditor engaged in the audit of that land agent's trust account under these regulations, to supply that auditor with all such information as to the bank account or accounts of that land agent during the year to which the audit relates as may be reasonably required for the purposes of such audit.

(4) The fees payable by a land agent to any such auditor in respect of his audit and report shall be such as are agreed upon between the land agent and the auditor.

(5) Subject to any written agreement to the contrary between a land agent and any person for or in trust for whom any moneys are received or held by the land agent, the cost of auditing his trust account shall be borne by the land agent.

(6) A certificate in writing signed by the Controller and Auditor-General to the effect that the report of the result of the audit of the trust account of any land agent verified as required by these regulations has not been received by the Controller and Auditor-General within the time hereby prescribed shall be *prima facie* evidence that such land agent has not caused his trust account to be audited for the then preceding year as required by these regulations.

(7) Where a land agent carries on business in more places than one, and keeps a separate trust account in respect of any such business, then in all reports and other documents relating to the audit of any trust account of such land agent the auditor or other person furnishing the document shall make clear to what trust account or accounts such audit and document refer.

8. PENALTIES.

(1) Every land agent, auditor, banker, or other person who commits any breach of these regulations shall be liable to a fine not exceeding £100.

(2) If two or more land agents or other persons in partnership commit any breach of these regulations, each of those persons shall be severally liable to a fine not exceeding £100.

(3) Every land agent who after the coming into operation of these regulations makes default for a period of one month in causing his trust account for any year to be audited in pursuance of these regulations shall be liable to a fine of £100; and if after the coming into operation of these regulations two or more land agents in partnership make any such default, each of them shall be severally liable to the like fine.

(4) Any breach of these regulations constituted by default in compliance with any requirement imposed hereunder shall constitute a new offence in every week during which such default continues.

SCHEDULE.

I, \_\_\_\_\_, of \_\_\_\_\_, Accountant, do solemnly and sincerely declare—

1. That I am a member of the New Zealand Society of Accountants incorporated under the New Zealand Society of Accountants Act, 1908 [or as the case may be].

2. That, in accordance with section 34 of the Land Agents Act, 1921-22, and the regulations made thereunder, I have audited the trust account of \_\_\_\_\_, a land agent [or land agents] licensed under the said Act, carrying on business at \_\_\_\_\_, for the year ending the day of \_\_\_\_\_, 19 \_\_\_\_\_.

3. That the paper writing hereto annexed marked "A," which is dated the day of \_\_\_\_\_, 19 \_\_\_\_\_, and signed by me, is a true and correct report of the result of such audit.