

- (b) Whether the solicitor has during the first fourteen days of each and every month forwarded to the auditor a certified list of the balances of his trust account for the previous month :
- (c) Whether the trust account of such solicitor has been ready for examination at the appointed periods :
- (d) Whether the solicitor has complied with the auditor's requirements :
- (e) Whether such solicitor's trust account is in order or otherwise :
- (f) Any matter or thing in relation to such trust account which should in the opinion of the auditor be communicated to the Council of the District Law Society.

22. (1) In addition to making the aforesaid report, the auditor of a solicitor's trust account shall at the same time certify under his hand a statement which shall be prepared by the solicitor, setting forth in detail as on the last day of the period to which the audit relates, the following particulars :—

- (a) All moneys held by the solicitor for or in trust for any other person :
- (b) All securities and documents of title held in the name of the solicitor for or in trust for any other person :
- (c) All negotiable securities, bearer debentures, or deposit receipts which represent moneys drawn from the solicitor's trust account and which are still held by the solicitor.

(2) The statement so delivered shall be retained by the solicitor and produced on demand to the auditor making the next succeeding audit of the solicitor's trust account, together with the aforesaid signed copy of the report of the last preceding audit of that account.

23. In the case of the first audit of any solicitor's trust account under these regulations, and in any other case in which no such certified statement as above is available for the purpose of audit, the solicitor shall in lieu thereof make out and deliver to the auditor, before the making of his report, a statement containing the like particulars as to moneys and securities or documents of title held on the first day of the year to which the audit relates. Such statement shall be verified by the statutory declaration of the solicitor, or, in the case of a firm of solicitors, by the statutory declaration of one of the partners.

24. If any auditor in the course of auditing a solicitor'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 solicitor, or discovers any loss or deficiency of trust moneys, or any failure to pay or account for any such moneys, or to comply with the provisions of these regulations, he shall fully set out the facts so discovered by him in the aforesaid report delivered to the Secretary of the District Law Society, and shall also send a report on that matter to the Solicitor-General.

25. If any report pursuant to the last preceding regulation is forwarded to the Secretary of the District Law Society it shall be the duty of such Secretary to lay that report before a meeting of the Council of such Society within one month after the receipt thereof, and the Council may investigate the matter, and if necessary institute proceedings against the solicitor concerned.

26. For the purpose of such investigation the Council of the District Law Society shall have power to call before it and examine the auditor who made the report and the solicitor or any member or members of the firm of solicitors whose account is being investigated, or any members of the staff of such solicitor or firm of solicitors, either together or separately, and to examine all books, papers, accounts, documents, and securities held by the solicitor concerned relating to the matter reported on, and it shall be the duty of such solicitor or person if required to produce to such Council all such books, papers, accounts, documents, and securities and to give such information as may be reasonably required.

27. No member of any District Law Society shall, save for the purpose of any legal proceedings which may arise out of such investigation, disclose to any person other than the Solicitor-General or a member for the time being of the Council of such Society any information which he has obtained from any such report or in the course of any such investigation.

28. Save in the report to be delivered to the Secretary of the District Law Society or in any report forwarded to the Solicitor-General pursuant to clause 24 of these regulations, or on any examination as aforesaid by the Council of such District Law Society, 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 solicitor concerned, no auditor shall, save with the previous consent in writing of the Solicitor-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 client of that solicitor damnified by the disclosure of such information as the solicitor would be if the solicitor had disclosed such information.

29. With the consent of the Council of the District Law Society, the Secretary of such Society may furnish to any person any information contained in reports of auditors in the hands of such society in so far as it relates to moneys or securities in which such person is interested.

30. The report of an auditor in respect of any year shall be available in the hands of the Secretary of the District Law Society for inspection by the auditor appointed to audit the account of the same solicitor for the next succeeding year.

31. The fees payable by a solicitor to an auditor in respect of his audit and report shall be such as are agreed upon between the solicitor and the auditor.

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

33. Notwithstanding anything in the foregoing regulations, if any trust moneys are held by a solicitor jointly with any co-trustee who is not a solicitor, and if the accounts of such trust are regularly and properly kept by any person appointed in that behalf by the trustees, and not being a solicitor or a person employed in the office of a solicitor, and if such accounts are regularly and properly audited by an auditor appointed by the trustees, such trust moneys shall not be deemed to be included within the trust account of that solicitor, or be subject to audit under these regulations, except so far as any such moneys may come in the course of any year to the hands of that solicitor or pass through his accounts in the course of his business.

34. Every solicitor who makes default for a period of one month in causing his trust account for any year to be audited in pursuance of Regulation 2 hereof shall be liable to a fine of not less than £50, and not more than £100; and if two or more solicitors in partnership make any such default each of them shall be severally liable to the like fine.

35. Every solicitor, auditor, banker, or other person who commits any breach of these regulations for which no penalty is otherwise provided shall be liable to a fine not exceeding £100.

36. If two or more solicitors or other persons in partnership commit any breach of these regulations for which no penalty is otherwise provided each of those persons shall be severally liable to a fine not exceeding £100.

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.

2. That, in accordance with section 14 of the Law Practitioners Amendment Act, 1913, and the regulations made thereunder, I have, with the assistance of my employees, audited the trust account of \_\_\_\_\_ solicitor (or solicitors) of the Supreme Court of New Zealand, practising at \_\_\_\_\_ for the year ending the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and in the course of such audit I did examine the said account on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and 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.

4. That I am not, and have not at any time within two years before the date of the aforesaid report been a partner, clerk, or servant of the said solicitor (or solicitors), and that I was not at the time of such audit and am not now a practising solicitor, or the clerk or servant of a practising solicitor.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Justices of the Peace Act, 1927.

Declared at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me—

.....  
Solicitor, or  
Justice of the Peace.

F. D. THOMSON,  
Clerk of the Executive Council,