

# NEW ZEALAND SOCIETY OF CONVEYANCERS

## **Annual report on the Regulatory Functions and Powers from 1 August 2008 to 30 June 2009**

Presented to the House of Representatives pursuant to Section 93 of the Lawyers and Conveyancers Act 2006

# INDEX

Preliminary and New Zealand Society of Conveyancers .....	3
Constitution and New Zealand Society of Conveyancers (NZSOC) .....	3
Regulations and Practice Rules.....	3-4
Rules for Registration of Conveyancers .....	4
Issue of Practising Certificates .....	4
Register of Holders of Registration Certificates and Practising Certificates .....	4
Registered Conveyancers .....	4-5
Practising Fees, Levies and Subscriptions .....	5
Complaints and Discipline .....	5-6
Legal Complaints Review Office (LCRO) .....	6
New Zealand Lawyers and Conveyancers Disciplinary Tribunal (the Tribunal) .....	6
New Zealand Council of Legal Education (the NZCLE) .....	6
Lawyers and Conveyancers Special Fund .....	6-7
Fidelity Fund .....	7
Financial Assurance Scheme and the Inspectorate .....	7
Additional Information .....	7
Financial Statements and Auditors Report to 30 June 2009 .....	8

## **Preliminary and New Zealand Society of Conveyancers (NZSOC)**

On the 1 August 2008 legislation for the Lawyers and Conveyancers Act 2006 was passed and came into force on 1 August 2008.

The New Zealand Society of Conveyancers was established under Section 77 of the Act.

Under Section 93 of the Act, the NZSOC is required to report on the exercise of its regulatory functions and powers during each year ending on 30 June.

This is a report for the period 1 August 2008 to 30 June 2009:

The regulatory functions of the NZSOC as set out in Section 79 of the Act are:

1. To control and regulate the practice in New Zealand by Conveyancers of the profession of Conveyancing;
2. To uphold the fundamental obligations imposed on Conveyancing Practitioners who provide regulated services;
3. To monitor and enforce the provisions of this Act, and of any regulations and rules made under it, that relate to the relation of Conveyancing Practitioners;
4. To perform and exercise, in relation to the profession of Conveyancing, functions and powers similar to those conferred on the New Zealand Council of Legal Education by Sections 274 and 275.

## **Constitution**

Under Section 87 of the Act the NNSOC must have a constitution that provides for:

- (a) a Council of the NZSOC and the powers of the Council; and
- (b) the ways in which persons become members of the NZSOC; and
- (c) the ways in which persons cease to be members of the NZSOC; and
- (d) the summoning and holding of general meetings of the NZSOC, and the method of voting at those meetings; and
- (e) a President and 1 or more Vice-Presidents of the Council; and
- (f) an Executive Board of the NNSOC; and
- (g) the amendment and replacement of the Constitution.

In addition to the provisions required by Subsection (1) of the Constitution may contain any other provisions that are not inconsistent with this Act or any other Act or any rule of law.

The Constitution of the NZSOC was signed on 1 August 2008 and registered with the Registrar of Companies at Wellington as a requirement by Section 88 of the Act.

## **Regulations and Practice Rules**

Regulations were made by Orders in Council dated relating to the following:

- Practice Rules
- Trust Accounts
- Disciplinary Tribunal
- Legal Complaints Review Officer
- Complaints Service and Standards Committees
- Conveyancers' Fidelity Fund

The NZSOCs' Rules of Conduct, with the approval of the Minister was signed on 1 August 2008 and registered with the Registrar of Companies at Wellington.

### **Rules for Registration of Conveyancers**

The NNSOC has, under Section 81(2) of the Act rules provided for the registration of Conveyancers.

### **Issue of Practising Certificates**

In accordance with the Practice Rules, an application made to the NZSOC by any person whose name is on the register of Conveyancers, the Society must issue to that person a practising certificate as a Conveyancing Practitioner.

Renewal of practising certificates will be brought into line with the Society's financial year ending June of each year.

### **Register of Holders of Registration Certificates and Practising Certificates**

An electronic register has been set-up by the NZSOC from 1 August 2008 implementing its regulatory function and in accordance with its powers.

The register includes date of registration, renewal date, type of registration and present status.

### **Registered Conveyancers**

As at 30 June 2009, we confirm:

#### **Registered Conveyancers with Practising Certificates**

1. 6 registered with Practising Certificates and practising on their own account
2. 2 registered with Practising Certificates employed by a firm/company
2. 1 resigned due to a career change
3. 1 deregistered due to death

4. 1 deregistered under Regulation 13(3)(b)

Registered Conveyancers only

1. 1 registered Conveyancer (previously a Landbroker) operating as a Solicitor

**Practising Fees, Levies and Subscriptions**

On 1 August 2008 the NZSOC and the Minister of Justice approved the following fees:

<u>Annual fees</u>	<u>\$ incl. GST</u>
Registered Conveyancers (without a Practising Certificate)	337.50
Registered Conveyancers with a Practising Certificate	675.50
Conveyancers' Fidelity Fund contribution <i>(payable by every Conveyancing Practitioner practising on their own account)</i>	337.50
Legal Complaints Review Officer levy <i>(payable by every Conveyancing Practitioner)</i>	58.13
NZ Council of Legal Education levy <i>(payable by every Conveyancing Practitioner)</i>	Nil
Inspectorate fee <i>(payable by every Conveyancing Practitioner practising on their own account)</i>	Nil

**Complaints and Discipline**

Under Section 8 of the Act provides an outline in relation to misconduct and the processes and resolution of complaints.

Complaints Service

Under the Lawyers and Conveyancers Act (Conveyancing Practitioners: Complaints Service and Standards Committees) Regulations 2008 (CS Regulations)

The NZSOC has prepared a brochure on the Complaints Service as required by Regulation 8 of the Lawyers and Conveyancers Act (Conveyancing Practitioners: Complaints Service and Standards Committee) Regulations 2008) and provided to every Conveyancing Practitioner and members of the public on request.

The performance and outcomes of the Complaint Service Committee as set out in the Complaints Service Regulations 24 and 25 are as follows:

Complaints received: against a Conveyancing Practitioner	1
Complaints outstanding at 30 June 2009:	1

### Complaints and Standards Committees

The NZSOC made appointments of Conveyancing members, one lawyer and lay members in accordance with the provision of the Complaints Standards Regulations.

### **Legal Complaints Review Office (LCRO)**

The Minister of Justice (MOJ) advised the NZSOC the appointment of a LCRO as required by Section 190 of the Act.

The MOJ advised the rate of the levy determined by the Minister of Courts in accordance with Section 217 of the Act and the total levies payable by NZSOC to the LCRO being \$465.00 (incl. GST).

The LCRO is required by Section 223 of the Act to report each year to the Minister of Justice and to NZSOC.

The NZSOC received a copy of the first Annual Report from the Legal Complaints Review Officer for the 11 months ended 30 June 2009.

### **New Zealand Lawyers and Conveyancers Disciplinary Tribunal (the Tribunal)**

On 26 August 2008, 4 Conveyancing Practitioners were sworn in by Honorable Justice J Potter as members of the Tribunal in accordance with Section 233(3) of the Act. Since that time, only two remain as members of the Tribunal due to one member dying and the other member not proceeding with registration as a Conveyancing Practitioner. This leaves these two vacancies yet to be filled.

### **New Zealand Council of Legal Education (the NZCLE)**

NZSOC's regulatory function is to perform and exercise, in relation to the profession of Conveyancing, functions and powers similar to those conferred on the New Zealand Council of Legal Education by Sections 274 and 275 of the Act.

### **Lawyers and Conveyancers Special Fund**

The Special Fund is vested in the New Zealand Law Society and New Zealand Society of Conveyancers jointly and it is held by them in trust for the purposes specified in the Act.

The Special Fund is managed by the Management Committee of the Lawyers and Conveyancers Special Fund in accordance with Sections 292 (2) and 293 of the Act comprising of 1 person appointed by the NZSOC and 2 people appointed by the NZLS, with one of the appointees from NZLS appointed as Chairperson. Appointments were made on 1 August 2008 by the NZLS and NZSOC.

The NZSOC have a received a copy of the audited annual accounts to 30 June 2009 from NZLS.

### **Fidelity Fund**

As required under Section 304 (b) of the Act, the NZSOC has established this fund by Regulation 5 of the Lawyers and Conveyancers Act (Conveyancing Practitioners: Fidelity Fund) Regulations 2008. Regulation 6 of the Act also provides for maintenance and management of this fund by the NZSOC.

### **Financial Assurance Scheme and the Inspectorate**

In accordance with Regulation 36(2) of the Lawyers and Conveyancers Act (Trust Account) Regulations 2008, the NZSOC may establish a financial assurance scheme for the protection of money entrusted to practices.

A financial assurance scheme including an Inspectorate has yet been established by the NZSOC.

### **Additional Information**

#### **Professional Indemnity Insurance**

Under Regulation 25 (1-4) of the Lawyers and Conveyancers Act (Conveyancers: Registration and Practice) Regulations 2008 it is a requirement for every practice, whether operated by a sole Conveyancing Practitioner, a partnership of Conveyancing Practitioners, or an incorporated Conveyancing firm must hold professional indemnity insurance and the provider of the professional indemnity insurance must be an insurer approved by the NZSOC.

The criteria for eligibility for a Practising Certificate, as required by Section 94(a) of the Act are set out in the Practice Rules that the practice (if any) of which the person is a member holds professional indemnity insurance that complies with the requirements of Regulation 25 of the Act and that evidence of that professional indemnity insurance is made available to NZSOC.

Under Regulation 26 (1-2) of the Lawyers and Conveyancers Act (Conveyancers: Registration and Practice) Regulations 2008, the NZSOC may take out and maintain professional indemnity insurance in respect of any practice or class of practice as it considers appropriate.

#### **Real Estate Services**

The NZSOC have not been notified by any Conveyancers intending to provide real estate services on a regular basis under Part 8 of the Lawyers and Conveyancers Act (Conveyancers: Conduct and Client Care) Rules 2008.

**Financial Statements and Auditors Report to 30 June 2009**

As a requirement under Section 93 of the Act, NZSOC Financial Statements and Auditors Report to 30 June 2009 follow under a separate attachment to this report.

Signed:

  
\_\_\_\_\_  
President on behalf of New Zealand Society of Conveyancing

Date:

12 MAY 2010

# New Zealand Society of Conveyancers

FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 30 JUNE 2009



**Ibbotson Cooney**

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

69 Tarbert Street, PO Box 267, Alexandra 9340

Tel: (03) 440 0100, Fax: (03) 448 6329

[enquiries@ibbotsoncooney.co.nz](mailto:enquiries@ibbotsoncooney.co.nz)

[www.ibbotsoncooney.co.nz](http://www.ibbotsoncooney.co.nz)

***New Zealand Society of  
Conveyancers***

***FINANCIAL STATEMENTS***  
*FOR THE YEAR ENDED 30 JUNE, 2009*

# ***New Zealand Society of Conveyancers***

## **INDEX TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE, 2009**

Index	1
Directory	2
Statement of Financial Performance	3
Statement of Financial Position	5
Accumulated Funds	6
Notes to Accounts	7
Audit Report	9

# ***New Zealand Society of Conveyancers***

## ***DIRECTORY***

<b>Nature of Business</b>	Regulatory & Representative Body for the Conveyancing Profession
<b>Address</b>	P O Box 448 Alexandra 9340
<b>Auditors</b>	Ibbotson Cooney & Co Chartered Accountants P O Box 267 Alexandra
<b>IRD Numbers</b>	NZ Society of Conveyancers IRD No: 11-569-043
<b>President</b>	Janice Churchman

## **New Zealand Society of Conveyancers**

### **STATEMENT OF FINANCIAL PERFORMANCE - Representative Functions** FOR THE YEAR ENDED 30 JUNE, 2009

	<b>This Year</b>	<b>Last Year</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Membership Fees	1,833	-
<b>Less Expenses</b>		
<b>Other Expenses</b>		
Bank Fees & Charges	43	-
Postage & Stationery	255	-
Print & Reproduction Costs	207	-
<b>Total Other Expenses</b>	<u>505</u>	<u>-</u>
<b>Total Expenses</b>	<u>505</u>	<u>-</u>
<b>Net Profit / (Loss) for the Year</b>	<u><u>1,328</u></u>	<u><u>-</u></u>

## New Zealand Society of Conveyancers

### STATEMENT OF FINANCIAL PERFORMANCE - Regulatory Functions

FOR THE YEAR ENDED 30 JUNE, 2009


	This Year \$	Last Year \$
<b>Income</b>		
Equivalency Income	1,400	-
Fidelity Contribution Income	1,800	-
Legal Complaints Service Levies	413	-
Practicing Certificate Income	2,529	-
Registration Income	1,800	-
	<u>7,942</u>	<u>-</u>
<b>Sundry Income</b>		
Interest Received	43	-
	<u>43</u>	<u>-</u>
<b>Total Income</b>	<u>7,985</u>	<u>-</u>
<b>Less Expenses</b>		
<b>Other Expenses</b>		
Administration Costs	1,199	-
Advertising	934	-
Bank Fees & Charges	70	-
Office Expenses	48	-
Print & Reproduction Costs	1,072	-
<b>Total Other Expenses</b>	<u>3,323</u>	<u>-</u>
<b>Total Expenses</b>	<u>3,323</u>	<u>-</u>
<b>Net Profit / (Loss) for the Year</b>	<u>4,662</u>	<u>-</u>
<b>Summary of Net Profit / Loss for the year</b>		
Net Profit / (Loss) from - Representative Functions	1,328	-
Net Profit / (Loss) from - Regulatory Functions	4,662	-
<b>Total Net Profit / Loss for the year</b>	<u>5,990</u>	<u>-</u>

# New Zealand Society of Conveyancers

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE, 2009

	This Year \$	Last Year \$
<b>ASSETS</b>		
<b>Current Assets</b>		
BNZ Fidelity Fund Account	1,189	-
BNZ Regulatory Account	3,820	-
BNZ Representative Account	375	-
Sundry Debtors - Regulatory	176	-
Sundry Debtors - Representative	1,013	-
Taxation Refund Due	16	-
<b>Total Current Assets</b>	<u>6,589</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>6,589</u></u>	<u><u>-</u></u>
<b>LIABILITIES AND ACCUMULATED FUNDS</b>		
<b>Current Liabilities</b>		
Sundry Creditors - Regulatory	440	-
GST Payable	159	-
<b>Total Current Liabilities</b>	<u>599</u>	<u>-</u>
<b>Accumulated Funds</b>		
As per Schedule	5,990	-
<b>Total Accumulated Funds</b>	<u>5,990</u>	<u>-</u>
<b>TOTAL LIABILITIES AND ACCUMULATED FUNDS</b>	<u><u>6,589</u></u>	<u><u>-</u></u>

  
Janice Churchman  
**PRESIDENT**

# **New Zealand Society of Conveyancers**

## **ACCUMULATED FUNDS**

AS AT 30 JUNE 2009

	<b>This Year</b> \$	<b>Last Year</b> \$
<b>Representative Functions</b>		
Opening Balance	-	-
Net Surplus (Deficit) for the year	1,328	-
Total Accumulated Fund - Representative Functions	<u>1,328</u>	<u>-</u>
<b>Regulatory Functions</b>		
Opening Balance	-	-
Net Surplus (Deficit) for the year	4,662	-
Total Accumulated Fund - Regulatory Functions	<u>4,662</u>	<u>-</u>
<b>Total Accumulated Fund (Deficit)</b>	<u><u>5,990</u></u>	<u><u>-</u></u>

# **New Zealand Society of Conveyancers**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE, 2009

### **1. Statement of Accounting Policies**

#### **(a) Reporting Entity**

The financial statements presented here are for the reporting entity New Zealand Society of Conveyancers.

The New Zealand Society of Conveyancers is a Special Body formed under the Lawyers and Conveyancers Act 2006 ('LAC') that came into force on 01 August 2008.

The legislation established the Society to control and regulate the conveyancing profession in New Zealand and to enforce the provisions of the LAC Act (and any regulations and rules made under it).

Under this Act the Society is required to prepare a financial report for presentation to the Minister of Justice. This report has been prepared using accounting principles considered appropriate for the Society.

#### **(b) Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the entity.

#### **(c) Specific Accounting Policies**

The following specific accounting policies which materially effect the measurement of financial performance and financial position have been applied.

#### **(d) Debtors**

Accounts receivable have been recorded at their net realisable value.

#### **(e) Goods and Services Tax (GST)**

The entity is a registered person in terms of the Goods and Services Tax Act 1985. These financial statements have been prepared on a GST exclusive basis.

#### **(f) Changes in Accounting Policies**

There has been no significant change in accounting policies adopted.

### **2. Interest Received**

Details of interest received during the year are as follows:

	<b>This Year</b>	<b>Last Year</b>
	\$	\$
Fidelity Fund	43	0
Total	<u>43</u>	<u>0</u>

# ***New Zealand Society of Conveyancers***

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*FOR THE YEAR ENDED 30 JUNE, 2009 (continued)*

### **3. Income Tax**

The Society is subject to Income Tax as an unincorporated body, which entitles them to remove items of income and expenditure that are directly related to the members from the calculation of profit. The Society is also entitled to an unspecified deduction of \$1,000.

The Society has taken advantage of both of these provisions and as a result there is no income tax liability in relation to these accounts.