

## ADMINISTRATION ACCOUNTS.

45. The keeping of proper accounts is an essential duty of an executor, administrator, or trustee. Not only must he keep proper accounts, but he must be ready to render them when required. In addition to the keeping and furnishing of accounts, a trustee, when asked to do so, must give the beneficiaries sufficient information as to the trust property and the investments. A frequent complaint against private trustees is their failure or inability to keep proper accounts and to furnish the beneficiaries with a reasonable amount of information concerning their stewardship. The Courts view seriously this failure to keep accounts. For example, in one case it was said :—

Executors and devisees in trust to sell and pay legacies to testator's nephews and nieces in classes, and to distribute the residue also among testator's nephews and nieces, were empowered to postpone sale and conversion for five years, and ordered to pay the income to the persons entitled in the meantime. For five years before the bill was filed they held the estate in their hands without suggesting any difficulties as to the ascertainment of the classes of legatees, kept no accounts, paid only a small part of the legacies, and to the residuary legatees neither principal nor interest, gave no information, and when applied to for accounts sent no reply. Although illiterate men and the estate large, they were ordered to pay the costs of the suit for administration, with the exception of costs of proving the pedigree.

It is said on behalf of these executors that they are illiterate men and that they cannot keep accounts. If a testator appoints a person to discharge the duties of an executor, inasmuch as he is sworn to discharge his duties as executor, his first duty plainly is, if he cannot keep accounts, to provide some one who can, because in this Court the first and primary duty of every executor or trustee having money in his hands to be received and to be paid is that an account should be kept to be produced to those interested in the accounts when it is properly demanded.

A special feature of the Office administration is the attention given to the accounts. I am pleased to report that the position with regard to the accounts of the estates and funds is most satisfactory. Statements of account are prepared as early as possible in the administration of an estate or trust, and thereafter at regular intervals arranged with the beneficiaries. In compiling these accounts care is taken to supply appropriate details to make them sufficiently informative. Whenever necessary, explanatory memoranda accompany accounts calling for any special explanation or comment. The Office includes in its staff numbers of expert accountants, and in addition to the ordinary accountancy its officers have gained a wide experience in all classes of executorship, administration and trustee accounts. Immediately on the acceptance of an estate prompt steps are taken to obtain the full particulars required by the Stamp Duties Department with regard to all assets and liabilities, and every effort is made to file stamp accounts sufficiently early to permit of the assessment and payment of death duties before interest begins to accrue. Steps are also immediately taken to conform to the requirements of the Land and Income Tax Department. Any accounts kept by the person whose estate has devolved upon the Public Trustee for administration are investigated, the returns previously filed with the Department and assessments of tax are carefully scrutinized, and any necessary returns are filed with the Commissioner at the earliest possible date in order to avoid any penalties that might be incurred by delay. As indications of the careful scrutiny devoted to returns previously filed and of the value of the services rendered by the Department, I would mention that very frequently substantial savings and refunds are secured for estates in regard to duties and taxes. In two cases on recent dates refunds of £1,200 and £500 respectively were obtained in regard to tax overpaid prior to the Public Trustee's assuming control of the estate. The departmental accounting arrangements have called forth numerous favourable comments.

So important is the question of accounts in fiduciary work that both in New Zealand and England provisions have been made for the investigation and audit of trustee accounts by the Public Trustee or some person appointed by him at the instance of any trustee or beneficiary without any application to the Court. This provision is useful not only for the results which such investigations may bring about, but also for its salutary effect on trustees who know that their accounts are liable to be subjected to a competent independent scrutiny at the instigation of a dissatisfied beneficiary.