

No. 5

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3rd Session, 15th Legislature, Alberta  
14 Elizabeth II

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## **BILL 5**

A Bill to amend The Co-operative Associations Act

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HON. MR. PATRICK

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## **Explanatory Note**

**1.** This Bill amends chapter 59 of the Revised Statutes.

**2.** Section 21a is a new provision and defines the duties and powers of the auditor appointed pursuant to subsections (8) and (9) of the present section 21. It also confers on him a right to notice of meetings, to attend and be heard about certain matters at meetings, and imposes upon him the obligation to attend such meetings if required.

# BILL

No. 5 of 1966

An Act to amend The Co-operative Associations Act

(Assented to \_\_\_\_\_, 1966)

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

**1.** *The Co-operative Associations Act* is hereby amended.

**2.** The following section is added after section 21:

**21a.** (1) The auditor shall make such examinations and enquiries as will enable him to report to the members as required under subsection (2).

(2) The auditor shall make a report to the members on the financial statement to be laid before the association at any annual meeting during his term of office and the report shall include his opinion as to whether the financial statement referred to therein presents fairly the financial position of the association and the results of its operations for the period under review in accordance with generally accepted principles applied on a basis consistent with that of the preceding period.

(3) The auditor, in his report, shall also make such statements as he considers necessary in any case where

- (a) the financial statement of the association is not in agreement with the accounting records, or
- (b) the financial statement of the association is not in accordance with the requirements of this Act, or
- (c) he has not received all the information or explanation that he has required, or
- (d) his examination indicates that proper accounting records have not been kept.

(4) The auditor of an association is empowered to have, at all times, access to all records, documents, books, accounts and vouchers of the association, and is entitled to require from the directors and officers of the association such information and explanations as in his opinion are necessary to enable him to report as required by subsection (2).

**3.** Section 55 is replaced by a new section which gives the Minister the additional discretion of calling a general meeting of an association himself or of appointing the Supervisor to be official director and thus act as an interim administrator of an association. Section 56 indicates the functions of the Supervisor acting as official director, and section 57 re-enacts subsections (2) and (3) of the present section 55.

(5) The auditor of an association is entitled to attend any meetings of the association, and to be heard at any such meeting in respect of any part of the business of the meeting that concerns him as auditor.

(6) The person responsible for giving notice of the meetings referred to in subsection (5) shall notify the auditor of any such meetings, unless the auditor expressly waives such notice.

(7) An association, upon receipt, not less than seven days before a meeting of members, of a written application of not less than ten per cent of the members of the association that the auditor of the association be requested to attend the meeting, shall forthwith in writing request the auditor to attend that meeting, and the auditor shall so attend.

**3.** Section 55 is struck out and the following sections are substituted:

**55.** Where it appears to the Minister from the report of the Supervisor made after investigation, that the affairs of an association

- (a) are being mismanaged, or
  - (b) are not being conducted in accordance with co-operative principles, or
  - (c) are being conducted on an unsound basis,
- the Minister may, in his discretion,
- (d) cancel the incorporation of the association, or
  - (e) call a general meeting of the association, or
  - (f) appoint the Supervisor as the official director of the association, or
  - (g) direct the Supervisor to call a general meeting of the association.

**56.** (1) Where the Supervisor is appointed official director pursuant to clause (f) of section 55 he is thereupon empowered to take over the functions of the board of directors, and the board of directors shall be considered to be removed from office, but nothing in this subsection excuses the board of directors from ensuring that all books, records, funds and other effects and information required by the official director are turned over to him without delay.

(2) The Supervisor's appointment as official director shall endure either for a period of time fixed in the order making the appointment or for any period of time which the Minister in his discretion considers necessary.

(3) Immediately prior to the termination of his appointment the official director shall call a general meeting of the association and at the meeting shall

- (a) render an accounting for the period of his administration, and

#### **4. Commencement of Act.**

- (b) conduct an election to reconstitute the board of directors.

**57.** (1) Where the Minister directs the Supervisor to call a general meeting of the association pursuant to clause (g) of section 55, the Supervisor shall thereupon

- (a) call a general meeting of the members by advertising a notice of the meeting in a newspaper circulating in the district where the association has its registered office or main place of business, in an issue published at least five days before the date of the meeting,
- (b) attend the meeting and submit to the meeting his report, and any other information he has with reference to the affairs of the association, and
- (c) after the meeting submit a report thereon to the Minister.

(2) After receiving the report the Minister may, if in his opinion it is advisable to do so, direct that the affairs of the association be wound-up and appoint the Supervisor the liquidator for that purpose.

**4.** This Act comes into force on the day upon which it is assented to.

No. 5

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THIRD SESSION  
FIFTEENTH LEGISLATURE  
14 ELIZABETH II  
1966

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**BILL**

An Act to amend  
The Co-operative Associations Act

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Received and read the

First time .....

Second time .....

Third time .....

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HON. MR. PATRICK

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