

NATIONAL ASSEMBLY

FIRST SESSION

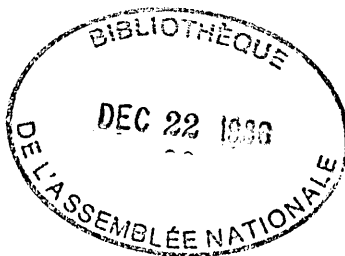
THIRTY-THIRD LEGISLATURE

Bill 264
(Private)

An Act to amend the Act respecting the Confédération des caisses populaires et d'économie Desjardins du Québec

Introduction

**Introduced by
Mr Jean Garon
Member for Lévis**



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Bill 264

(Private)

An Act to amend the Act respecting the Confédération des caisses populaires et d'économie Desjardins du Québec

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Act respecting the Confédération des caisses populaires et d'économie Desjardins du Québec (1971, chapter 80) is amended by inserting, after section 27.5, the following section:

“27.6 The power conferred on Caisse centrale by paragraph *c* of section 15 of the Savings and Credit Unions Act to hypothecate its immoveables and engage its moveables as security and the power conferred by paragraph *e* of section 27 may only be exercised by Caisse centrale to secure a loan made for short-term requirements of liquid assets, for the acquisition of an immoveable for its own use or for any other transactions with the authorization of the Inspector General.

This restriction does not apply with respect to an advance obtained from the Régie de l'assurance-dépôts du Québec or from the Bank of Canada and does not apply to a security given pursuant to paragraph *h* of section 27.”

2. Section 34 of the said Act, enacted by section 2 of chapter 46 of the statutes of 1979, and amended by section 1 of chapter 70 of the statutes of 1982, is amended by replacing the first paragraph by the following paragraph:

“34. Caisse centrale may, if authorized in writing by the Inspector General, redeem the shares held by a member applying therefor; such

redemption shall be made at par value, but must not leave Caisse centrale with insufficient share capital to meet its requirements.”

3. Section 41 of the said Act, enacted by section 2 of chapter 46 of the statutes of 1979 and amended by section 1 of chapter 70 of the statutes of 1982, is amended by replacing the second paragraph by the following paragraphs:

“The liabilities of Caisse centrale payable in foreign currencies which are not matched or covered by a foreign exchange contract shall not exceed 3% of the aggregate of its liabilities, except if authorized by the Minister.

Caisse centrale shall, upon request of the Inspector General, transmit to the Inspector General a statement of its liabilities payable in foreign currencies and a statement of the assets that Caisse centrale considers sufficient and appropriate.”

4. The said Act is amended by inserting, after section 42, the following section:

“**42.1** For the purposes of section 42, the Inspector General may deduct from the sum of the Caisse’s unimpaired capital stock and accumulated reserves the amounts of the loans and investments which are not in conformity with the provisions of this Act or the provisions of the Savings and Credit Unions Act which apply to Caisse centrale.”

5. Section 43.1 of the said Act, enacted by section 29 of chapter 60 of the statutes of 1980 and amended by section 1 of chapter 70 of the statutes of 1982, is replaced by the following sections:

“**43.1** Caisse centrale shall appoint an audit committee from among the members of the board of directors; the audit committee shall be composed of not less than three directors, the majority of whom are not officers, and shall review the annual and quarterly financial statements of Caisse centrale before such statements are approved by the directors.

The auditor of Caisse centrale or a member of the audit committee may call a meeting of the committee. The auditor shall be advised of every meeting of the committee and shall attend every meeting of the committee to which he has been called and is entitled to be heard at such meeting.

If the committee becomes aware of an error or mis-statement in a financial statement it shall revise the said statement and inform the board of directors accordingly.

Upon receipt of an auditor's report pursuant to section 43.9, the committee shall inform the board of directors; the directors so informed shall

- (1) prepare and issue revised financial statements, or
- (2) notify the members and the Inspector General.

“43.2 The board of directors shall appoint, as auditor of Caisse centrale, at least one firm of accountants to be the auditor of Caisse centrale until the closing of the next annual meeting and shall fix its remuneration.

The members of Caisse centrale may, by a resolution adopted by the vote of at least two-thirds of the members present at a special meeting called for that purpose, revoke the appointment of an auditor.

“43.3 A firm of accountants is qualified to be the auditor if at least two of the members thereof are accountants who

(1) are members in good standing of an institute or association of accountants incorporated by or under an Act of the Legislature of a province;

(2) are independent of Caisse centrale and of associates of Caisse centrale.

For the purposes of this section, independence is a question of fact.

“43.4 Caisse centrale shall, within fifteen days of appointing a firm of accountants as auditor, designate a member of the firm who meets the qualifications described in section 43.3 to conduct the audit of Caisse centrale, and forthwith notify the Inspector General in writing of the designation.

“43.5 Caisse centrale shall forthwith notify the Inspector General of the resignation of the auditor, of the non-renewal of the appointment of the auditor or of a decision to propose the revocation of the appointment of the auditor.

“43.6 If Caisse centrale fails to appoint at least one auditor to conduct the audit of its books and accounts, the Inspector General may

appoint an auditor to conduct such audit and fix the remuneration that Caisse centrale shall pay to the auditor.

“43.7 To perform his duties as auditor of Caisse centrale, the auditor of Caisse centrale has access to all the books, records and accounts of Caisse centrale and any person having custody thereof shall facilitate their examination by the auditor.

At the request of the auditor of Caisse centrale, the directors, officers, employees and other representatives of Caisse centrale shall furnish all the information and explanations necessary to enable him to perform his duties as auditor.

“43.8 The auditor’s report shall state, based on the books, records and accounts of Caisse centrale and on the information and explanations furnished, whether the statements referred to in the report present accurately the financial position of Caisse centrale as at the end of the financial year to which they relate and the results of its operations for that year.

In addition, the auditor shall include such remarks as he considers necessary in any case where

(1) his examination has not been made in accordance with generally accepted auditing standards;

(2) the statements have been prepared on a basis other than that of the preceding year;

(3) the statements do not present accurately the financial position of Caisse centrale as at the end of the financial year to which they relate and the results of its operations for that year.

“43.9 The auditor shall, without delay, report in writing to the audit committee any transactions or conditions affecting the interests of Caisse centrale that, in his opinion, are not satisfactory and require rectification, and without restricting the generality of the foregoing, he shall report on any transactions of Caisse centrale that have come under his notice that are in violation of the provisions of this Act, of the provisions of the Savings and Credit Unions Act applicable to Caisse centrale and of the regulations adopted under these Acts.

If the auditor is notified or becomes aware of an error or mis-statement in the financial statements on which he reported, and if in his opinion the error or mis-statement is material, he shall inform in writing the audit committee.

“43.10 The auditor of Caisse centrale is entitled to receive notice of any general meeting, to attend and be heard thereat on any matter relating to his duties as auditor.

“43.11 No civil liability shall be incurred with respect to any oral or written statement or report made in good faith under this Act by the auditor or former auditor of Caisse centrale.

“43.12 The financial statements contained in the annual report of Caisse centrale shall be presented on a comparative basis with the corresponding statements for the preceding financial year and shall contain the auditor’s report thereon.

“43.13 The annual report shall be approved, after examination by the audit committee, by the board of directors, and such approval shall be certified by two directors authorized thereto.

“43.14 Caisse centrale shall, within three months of the approval of the annual report, transmit a copy thereof to the Inspector General.

The Inspector General may require from Caisse centrale, on the dates and in the form determined by the Inspector General, supplementary financial statements and information, as well as all other statements and information that the Inspector General considers necessary to enable him to determine whether Caisse centrale complies with the legislative and regulatory provisions that are applicable to it.”

6. This Act comes into force on *(insert here the date of assent to this Act)*.