

MESSAGE FROM THE MINISTER

SECTION 41 COMMITTEES

Some Councils have indicated problems with bodies which were s199 authorities under the 1934 Local Government Act becoming s41 committees under the *Local Government Act, 1999*.

I understand the main difficulty is advice suggesting that a committee cannot have its own bank account, and cannot have members of the committee as the only signatories to a committee bank account.

It is clear that a Council can have a separate account for a committee.

Section 125 of the Local Government Act 1999 requires that Councils have in place appropriate internal control policies, and Regulation 14(2) of the Local Government (Financial Management) Regulations 1999 requires that the auditor consider the adequacy of such policies when forming an audit opinion.

Councils should consult with their auditors over the signatories to bank accounts maintained for committees. Many former s199 authorities operated bank accounts in this way under the 1934 Act, and the accounts of s199 authorities were included with Council's accounts under the 1934 Act without comment from auditors.

In addition, most Councils are already requiring such committees to report to Council monthly or quarterly for GST purposes, and most will consider this is a sufficient safeguard for many low budget self funding committees charged with maintenance of community assets.

HON DOROTHY KOTZ MP
MINISTER FOR LOCAL GOVERNMENT
MINISTER FOR ABORIGINAL AFFAIRS

17 August 2000