

Suspension of
levy of tax or
fee.

38. The Deputy Commissioner may, by notification in the Official Gazette, suspend the levy or imposition of any tax or fee under section 36 and may at any time, in like manner, rescind such suspension.

Lease of
collection of
fees.

39. It shall be lawful for a Village Council to lease, by public auction or private contract, the collection of any fee on markets and bazaars, if any such fee is imposed under section 36:

Provided that a lessee shall give security for the due fulfilment of the conditions of the lease or contract.

Recovery of
taxes and
other dues.

40. (1) When any tax or fee or other sum due to a Village Council has become payable, the Village Council shall, with the least practicable delay, cause to be sent to the person liable for the payment thereof, a demand notice in the prescribed form for the amount due from him and require him to pay the amount within thirty days from the date of such notice.

(2) Every notice of demand under sub-section (1) shall be served in such manner as may be prescribed.

(3) If the sum for which a notice of demand has been served is not paid within thirty days from the date of such notice, the Village Council may apply to the Assistant Commissioner for its recovery in such manner as may be prescribed.

Accounts.

41. Every Village Council shall maintain account of its receipts and expenditure in such form as may be prescribed.

Annual
estimate of
expenditure.

42. (1) Every Village Council shall, at such time and in such manner as may be prescribed, prepare in each year, a budget of its estimated receipts and disbursement for the following year and shall submit the budget to the Island Council having jurisdiction over the area of the Village Council.

(2) The Island Council may, within thirty days, either approve the budget or return it to the Village Council for such modification as it may direct.

(3) If any modifications are made under sub-section (2), the budget shall be resubmitted to the Island Council within fifteen days.

(4) No expenditure shall be incurred unless the budget is approved by the Island Council:

Provided that if the Island Council fails to convey its approval within thirty days of submission or re-submission, the budget shall be deemed to have been approved.

Audit.

43. (1) The accounts of every Village Council shall be audited annually by such authority and in such manner as may be prescribed.

(2) It shall be the responsibility of the Assistant Commissioner to ensure that the annual Audit is carried out in such manner as may be prescribed.

(3) The Assistant Commissioner may, after considering the report and after making such further enquiry as he may consider necessary, order for dropping any such item from the report which appears to him contrary to rules and regulations and surcharge the same on the person making or authorising the illegal payment, and shall —

(a) if such person is a member of the Village Council, proceed against him in the manner specified in sub-sections (2) and (3) of section 48; and

(b) if such person is not a member of the Village Council obtain the explanation of the person and direct such person to pay to the Village Council the amount surcharged within a specified period and if the amount is not paid within the specified period, the Assistant Commissioner shall cause it to be recovered in such manner as may be prescribed.

(4) The Assistant Commissioner shall within one month of the completion of the audit, forward copies of the audit report to the Deputy Commissioner and the Village Council.