

(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.

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

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. Annual estimate of expenditure.

(2) The Island Council may, within 30 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 15 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 30 days of submission or re-submission, the budget shall be deemed to have been approved.

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

(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 authorizing 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.

(5) Any person aggrieved by an order of the Assistant Commissioner under sub-section (4) may within thirty days of the date of the order prefer an appeal to the Deputy Commissioner whose decision on such appeal shall be final.

44. (1) Every Village Council shall submit to the Assistant Commissioner a report on the administration of the Village Council during the previous financial year, within three months of the close of the previous financial year. Administration report.