

L.N. 324 of 2002

**LOCAL COUNCILS ACT
(CAP. 363)**

Local Councils (Financial) (Amendment) Regulations, 2002

BY virtue of the powers conferred by articles 67 and 72 of the Local Councils Act, the Minister for Justice and Local Government, with the concurrence of the Minister of Finance, has made the following regulations:-

1. The title of these regulations is the Local Councils (Financial) (Amendment) Regulations, 2002 and shall be read and construed as one with the Local Councils (Financial) Regulations, 1993, hereinafter referred to as "the principal regulations".

Citation.

L.N. 155 of 1993.

2. Regulation 4 of the principal regulations shall be amended as follows:-

Amends regulation 4 of the principal regulations.

(a) the regulation is to be renumbered as subregulation (1) thereof;

(b) subregulation (1) as renumbered shall be amended as follows:

(i) for paragraph (c) thereof there shall be substituted the following:

“(c) maintain a positive balance, as determined by the Financial Situation Indicator referred to in subregulation (2) hereof, between income and expenditure and accrued income and accrued expenditure, ensuring that such positive balance is, unless the Minister approves otherwise in terms of the Financial Procedures, not less than ten per cent of the allocation approved in terms of article 55 of this Act for that same Local Council financial year, while respecting all obligations for income and expenditure and the execution of Council functions as specified in the Act;”;

(ii) paragraph (d) shall be renumbered as paragraph (e) thereof; and

(iii) immediately after new paragraph (c) there shall be inserted the following new paragraph (d):

“(d) immediately inform the Director, as soon as the positive balance is below that expected in terms of paragraph (c) hereof, explaining the actions that are intended to be taken by the Council to remedy the situation;” and

(c) immediately after subregulation (1) as renumbered there shall be added the following new subregulation:

“(2) For the purpose of these regulations, the Financial Situation Indicator shall be the measure to be applied for the purpose of determining a positive balance and as resulting from the difference between the total of all current assets and the total of all current and long term liabilities for the current and subsequent financial years, excluding any long-term commitments approved by the Minister in terms of the Act.”.

Amends regulation
5 of the principal
regulations.

3. Regulation 5 of the principal regulations shall be amended as follows:

(a) in subregulation (2) (a), immediately after the words “in writing, immediately;” there shall be added the following proviso:—

“Provided that in the event of a suggested or potential irregularity, abuse or control, weakness, fraud or embezzlement in the Council’s financial affairs by the Mayor and the Executive Secretary, the Deputy Mayor or any member of the Council shall notify the Minister in writing immediately;” and

(b) in subregulation (2) (b), for the word “order” there shall be substituted the word “request”.

Amends regulation
24 of the principal
regulations.

4. Immediately after the proviso to subregulation (4) (b), of regulation 24 of the principal regulations, there shall be added the following:

“Provided further that items of the same nature are not purchased within a consecutive four-month period;”.