

L.N. 22 of 2006

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

**Local Councils (Financial) (Amendment) Regulations, 2006**

IN exercise of the powers conferred by articles 67 and 72 of the Local Councils Act, the Deputy Prime Minister and Minister for Justice and Home Affairs in concurrence with the Prime Minister and Minister of Finance, has made the following regulations:-

**1.** The title of these regulations is the Local Councils (Financial) (Amendment) Regulations, 2006 and shall be read and construed as one with the Local Councils (Financial) Regulations hereinafter referred to as “the principal regulations”. Title.  
L.N. 155 of 1993.

**2.** In regulation 2 of the principal regulations immediately after the definition “Council property” there shall be inserted the following new definition: Amends regulation  
2 of the principal  
regulations.

“ “the Director” means the Director responsible for Local Government;”.

**3.** Regulation 5 of the principal regulations shall be amended as follows:- Amends regulation  
5 of the principal  
regulations.

(a) in sub-regulation (4) thereof, immediately after the words “board appointed under the Inquiries Act” there shall be added the words “or the entity appointed by the Minister by virtue of sub-regulation (2)(c ) above,”; and

(b) immediately after sub-regulation (5) thereof, there shall be added the following new sub-regulations:-

“(6) Without prejudice to the foregoing provisions of this regulation, where it results from the written report mentioned in sub-regulation (4) hereof, or when it appears to the Auditor General from any audit or inspection made by Local Government auditors, or where it appears to the Director from any investigations or inspections made, that –

(a) any payment has been made by any officer of a Local Council, which payment is refused by the Council; or

(b) there has been any fraud or misappropriation of funds, or of property both movable or immovable, belonging to Local Councils; or

(c) any Executive Secretary or other person has wilfully or negligently omitted to collect or receive any monies, or that any monies collected or received have not been duly credited to the revenue account, or such monies have not been duly accounted for, then if within a period to be specified by the Director, in cases where any of the occurrences mentioned in paragraphs (a) to (c) above result from:

(i) the written report mentioned in sub-regulation (4) hereof; or

(ii) any audit or inspection made by Local Government auditors; or

(iii) any investigation made or other investigations made which have come to the Director's knowledge,

and where a proper explanation is not furnished to the satisfaction of the said Director requesting the said information, with regard to any such deficiency, or loss, or improper payment, or payment not duly vouched for, or certified correct, or fraud or misappropriation, then the Director shall take the necessary action against the person responsible for the said deficiency, or loss, or improper payment, or payment not duly vouched for, or certified correct, for the recovery from such person of the amount of any such deficiency, or loss, or improper payment, or payment not duly vouched for, or certified correct, misappropriated funds or fraud:

Provided that in the case of fraud or misappropriation action shall only be taken against such person found guilty by the competent court.

(7) Where such action mentioned in sub-regulation (6) above is deemed necessary, the said amount shall be a civil debt due to Central Government from any person responsible as aforesaid and such amount may be recovered by the Director by action in the competent court.”.