

**LOCAL GOVERNMENT (ADMINISTRATIVE) BRANCH.**

**(The Local Authorities (Suspension) Rules, 1946.)**

**No. 201**

**Rangoon, the 25th July 1946.**

No. 201. - Under section 12 of the Local Authorities (Suspension) Act, 1946 (Act III of 1946), the Governor is pleased to make the following rules for the carrying out of functions entrusted to the persons appointed under section 4 of the same Act:-

**Title**

1. These rules may be called **the Local Authorities (Suspension) Rules, 1946.**

**Definitions.**

2. Unless there is something repugnant in the subject or context-

- (a) "Act" means the Local Authorities (Suspension) Act, 1946.
- (b) "Fund" or "Funds" includes all monies available for a particular purpose or purposes in whatever form kept or invested.
- (c) "Commissioner" means the Commissioner of the Civil Division and includes the Director, Frontier Areas.
- (d) "Deputy Commissioner" means the Deputy Commissioner of the District concerned and includes the Residents at Taunggyi and Lashio.
- (e) "Appointed Persons" mean persons who have been invested with all or any of the rights, privileges, duties, powers and functions which were previously invested in or exercisable by a local authority.

**Powers and Functions.**

3. (i) Subject to the general control and direction of the Governor over matters that may be brought to his notice by Commissioners and unless otherwise provided for in these rules, the Appointed Persons shall be charged with all the duties, powers and functions in respect of subjects and services entrusted to them under section 4 of the Act. In discharging such duties, powers and functions, the provisions relevant thereto in the Municipal Act, rules and bye-laws, or the Rural Self-Government Act, rules and bye-laws, as the case may be, shall apply, unless a separate provision is made for any such matters in these rules.

- (ii) If the existing provisions are in the present circumstances inconvenient or impracticable, the Appointed Persons shall, subject to the approval of the Commissioner in administrative matters and to the approval of the Examiner of Local Fund Accounts in accounts matters, be competent to make such modifications in procedure as they may deem necessary. If the Commissioner or the Examiner considers that the modifications are of sufficient importance to be brought to the notice of the Governor, he shall furnish a report to the Social Services Department of Government without any delay.

Property.

4. All property, endowments and funds relating to the subjects and services for which the Appointed Persons are responsible, shall, with such exceptions and conditions, if any, as the Governor may think fit to make or impose, vest in such Appointed Persons who shall hold and apply the same in trust for the purpose to which such property, endowments or funds are lawfully applicable. If there is any doubt or dispute as to the authority in which particular properties, endowments or funds should vest as aforesaid, the decision of the Commissioner thereon shall be final.

Funds.

5. The amounts realized from local taxation and other sources shall be credited to the funds of the local authorities concerned and the cash balances of such funds shall be kept in the nearest Treasury, Sub-treasury or Bank with which Government transacts business. Payments relating to such local authorities shall be debited to the respective funds. If owing to heavy local losses in lives and property caused by the war or to other satisfactory reasons the local revenue is not sufficient to meet either the normal or necessary expenditure or the capital expenditure on works necessary for the restoration of essential civic services or both, the deficit may, on the recommendations of the Commissioner, be advanced from Government funds for such periods as may be prescribed from time to time and on such terms, which may include the payment of interest, that may be determined by the Governor.

Budget.

6. The Appointed Persons shall submit through the Deputy Commissioner to the Commissioner a budget estimate of its income and expenditure for the financial year 1st October to 30th September in triplicate by the 14th June immediately preceding the financial year to which the estimates relate. Expenditure shall ordinarily be restricted to the minimum necessary to carry out the administration on austerity basis and shall not generally exceed 80 per cent of the 1939-40 level. But if this is considered impracticable under

any head or heads, the grounds in justification of the increases shall be clearly explained. The budget estimates of the Mandalay Municipality shall be forwarded to Government for sanction. In the other cases if the budget is a balanced one and no assistance from Government, other than the prescribed contributions, if any, is required, the Commissioner shall be competent to sanction the budget, a copy of the same being forwarded to the local authority and to Government for information. If the budget discloses a deficit, it shall be forwarded in duplicate to Government with such remarks and recommendations as the Commissioner may offer as early as possible but not later than the 28th June. One copy of the budget showing the deficit amount that may be admitted for payment as a recoverable advance shall be returned to the Commissioner by the 14th July to enable him to communicate to the local authority concerned his sanction to the budget estimates. The deficit budget estimates shall also indicate separately the advance required from Government at the beginning of each quarter, namely, 1st October, 1st January, 1st April and 1st July. The Accountant-General Burma, will be informed of the recoverable advances to be placed to the credit of local authorities concerned at the beginning of each quarter.

All expenditure from a fund shall be subject to the availability of sufficient funds therefor in the sanctioned budget or necessary reappropriations of funds being made from one budget head to another in accordance with the provisions of the Municipal Rules or the Rural Self-Government Rules, as the case may be. No new services which were not in existence in 1939-40 should be undertaken by local authorities without the specific sanction of the Governor. No expenditure which may require an additional advance from Government funds shall be incurred except with the previous sanction of the Governor.

#### Taxes and Rates.

7. Taxes and rates which were in force in each urban and rural area in the pre-evacuation period shall be assessed and collected by the local authority concerned. If it is considered that the collection of any taxes or rates should be suspended or that the rates should be amended, proposals for the same should be forwarded to Government through the Deputy Commissioner and the Commissioner. The prescribed procedure in the Acts and rules concerned shall be followed as far as possible in making proposals for the levy of any new taxes or rates.

#### Other Rights.

8. The local authority concerned shall, as far as practicable, dispose of the leases or licences for public or private markets, ferries, slaughter-houses, pawn-shops, tolls, etc., in the manner prescribed in the Municipal or Rural Self-Government Rules, except that the financial year for all such leases and licenses shall, with the exception of ferry licences, be from the 1st October to the 30th September.

Assessment and Collection.

9. The procedure prescribed in the Municipal and Rural Self-Government Rules and in the Burma Local Fund Accounts Manual for the assessment and collection of taxes and other revenue shall be generally followed, the deviations rendered necessary by the existing circumstances being reported to the Commissioner through the Deputy Commissioner for his approval. The Examiner, Local Fund Accounts, shall be consulted if necessary.

Pre-evacuation Assets and Liabilities.

10. (1) The local authority concerned shall report through the Deputy Commissioner to the Commissioner of the treasury balance that stood to its credit on the last date when the urban or rural administration lapsed during 1941 or 1942, indicating therein the documentary or other evidence relied upon in support thereof. The balance, if any, of Government contributions payable and not paid during 1941-42 and of any other amount recoverable from Government shall be recorded in detail separately. The details of building funds, renewal funds and other specific funds that may have been formed for local authorities, the assets of such funds and the manner in which such assets were kept or invested shall also be similarly reported. The Commissioner shall forward such reports to Government with his recommendations. The amounts belonging to local authorities and in the custody of Government shall, after consideration of all the circumstances, be determined by the Governor and the amounts so fixed shall, after such deductions as may be found to be necessary, be placed to the credit of the local authority in the Treasury or Bank concerned or be vested in the local authority as the case may be.

The taxes, fees and other amounts that were due to the local authority and remained unrealized on the date when the administration lapsed in 1941 or 1942 shall be estimated in detail and the local authority shall determine, in accordance with the provisions in the existing rules, the manner in which such dues shall be collected, remitted, recovered or written off. Extraordinary cases shall be reported to the Commissioner.

(2) The pre-evacuation assets, other than investments for specific purposes or in favour of specific funds, which should be governed by the rules or orders in force for such funds, shall be applied for the purposes shown below in the order of priority:-

- (a) Pensions and other payments made or authorised by the Governor on behalf of local bodies of Burma in India;
- (b) Instalments of repayments of Government loans and interest thereon payable for 1941-42 and not paid;
- (c) Refund of security deposits;
- (d) Pension claims less advances, if any, paid in India;
- (e) Unpaid bills for supplies, works and other incidental charges; and
- (f) Other claims.

The subsistence allowance drawn by employees of local authorities or their lawful dependents in India shall be a first charge on any amount that may be authorised to such employees for payment. In cases where owing to the death of the employee or for other reasons it is not possible to recover in full the subsistence allowances paid or to treat the unrecovered balances as advances from Provident Fund credits, a report shall be made through the Deputy Commissioner to the Commissioner who shall forward the same with his remarks to Government for disposal.

(3) The local authorities that had taken loans from Government and had not fully repaid them shall forward a report of their liabilities on this account to the Commissioner showing therein the object for which the loan was taken, the term of the loan, the equated instalments, if any, fixed for re-payment, the rate of interest and the period up to which such instalments and interest had been paid. The details of the sinking funds, if any, formed for the loan or for the works for which the loans were raised and the amounts in and the disposition of such sinking funds shall also be specified. The Commissioner shall forward the reports to Government with his remarks thereon. The amounts due to Government from the local authorities as loans, the amounts due to the local authorities from Government as sinking fund monies or investments, and the manner in which such assets and liabilities shall be recovered or paid shall then be determined by the Governor.

(4) Subject to the orders of the Governor or the sanction of the Commissioner, as the case may be and to the availability of funds, the local authority shall be competent to consider and recommend to Government the manner in which the services of its permanent officers and servants shall be treated

for purposes of leave, leave salary, increments pensions and other service events and concessions for the period from the date of lapse of the local authority in 1941 or 1942 to the date of their reporting for duty either in the same or another local authority or under Government. The terms that may be granted shall not be more favourable than those admissible to Government servants of the same status in similar circumstances.

- (5) The receipts and liquid assets relating to pre-evacuation periods and the expenditure to be debited to such credits in accordance with the provisions in these rules shall be accounted for in a separate pro forma cash account. If the assets are not sufficient to meet the liabilities, the claims, other than those referred to in clauses (a) to (d) of sub-rule 2 above shall be settled pro rata without prejudice to the right of the claimants to recover under law the unsettled claims.

Officers and servants.

11. Subject to any reservations made or orders issued by the Governor, the Appointed Persons may employ such officers and servants as may be considered necessary for the discharge of duties, powers and functions in respect of subjects and services entrusted to it, provided due provision is made therefor in the budget with the sanction of competent authority. The permanent servants of the local authority shall be recalled to duty as far as possible and they shall be permitted to retain the terms and conditions of service they were previously subject to. The manner in which the local authority proposes to deal with permanent employees who are surplus to requirements shall be reported to Government through the Commissioner. Establishments entertained in excess of 80 per cent of 1939-40 strength shall be treated as temporary as far as possible. The terms and conditions of service for the temporary or new officers and servants engaged by the Appointed Persons shall not generally be more favourable than those accorded to officers and servants of similar status in Government service.

Provident Fund

12. (1) The Provident Fund accounts of each local authority shall be reconstructed from the records and other reliable evidence that may be available. The manner in which the provident fund balances were kept or invested shall be reported to the Commissioner. He shall, if necessary, cause an examination to be made with the help of the Local Fund Audit Department, and forward a report to Government of the amount that the provident fund of the local authority had in Post Office Savings Bank Accounts, Post Office Cash Certificates and any other investments at the time of evacuation from Burma. The Post Office Savings Bank Pass-books, the Post Office Cash Certificates and other securities that are available shall be

deemed to vest in the local authority concerned. In cases where such documents are lost, the amounts that may be determined by the Governor to be in the custody of Government shall be placed to the credit of the provident fund of the local authority concerned in such manner as he may direct.

- (2) Where provident fund balances of officers and servants fall due for payment, the local authority shall, subject to any authorised deductions to be made, cause a refund of the provident fund balances to be made subject to a pre-audit of the reconstructed accounts and to the provisional retention for a period not exceeding one year up to a maximum of 50 per cent of contribution balances as may be considered necessary in individual cases if there is any uncertainty in regard to the precise amount.
- (3) The local authority may authorise payments of arrears of insurance premia from such funds in cases in which the authority is satisfied that the policy in question was assigned to the provident fund of the local authority concerned. Such payments shall not exceed the amount at the credit of the subscriber in his subscription account.
- (4) If the subsistence allowances drawn by employees of local authorities or their lawful dependents in India on the security of provident fund balances cannot be adjusted in full against the amounts that may now be payable to the employees concerned under sub-rule 4 of rule 10 of these rules, the balances still remaining due shall be recovered from the employees' subsequent pay of leave salary in such suitable instalments as may be determined by the Appointed Persons.
- (5) Except as otherwise provided in these rules, questions relating to provident funds shall be dealt with in the manner prescribed by the provident fund by-laws applicable to the local authority concerned.

Imprest.

13. The permanent advance that may be sanctioned under the provisions of the Burma Local Fund Accounts Manual may be increased by the Commissioner according as the present circumstances of the fund may require. The limitation of cash payments from imprest to Rs. 20 at a time may also be relaxed by the Commissioner for particular funds if he considers such a course to be expedient. A copy of the orders increasing the advance or the cash payment limit shall be communicated to the Examiner, Local Fund Accounts, Burma.

Accounts and Audit.

14. The provisions of the Burma Local Fund Accounts Manual, Volume I, shall be followed generally in the maintenance of accounts with such modifications in procedure as the Appointed Persons concerned may, subject to the approval of the Examiner, Local Fund Accounts, consider necessary. The reconstruction of

the accounts of local authorities shall be made in consultation with the Examiner, Local Fund Accounts, who may, with the concurrence of the Social Services, Department of Government, issue general instructions, if any, for the guidance of the Appointed Persons. The accounts shall be subject to audit periodically by the Auditors of the Local Fund Audit Department.

Variations.

15. The Governor may sanction a departure from the provisions of these rules in any particular case where he considers such a course to be expedient or necessary.

The notification issues with the concurrence of the Frontier Areas Administration.

By order,

MAUNG KYIN,

Secretary to the Govt. of Burma,

Social Services Department.