

EAST AFR. PROT  
21043

21043  
REC'D  
REG'D 4 MAY 16

Gov. Selfield 2024  
1916  
5 April

RAILWAY ~~Exchange~~ <sup>changes</sup>  
FOR CARRIAGE OF STORES FOR RAILWAY WORKS  
EXTRAORDINARY

The copy comes with the ~~Director~~ <sup>Director</sup> asks that whatever decision is arrived at no alteration be made until 1917-8.

Last previous Paper.

Mr. Stephenson

For ~~his~~ <sup>his</sup> please.  
W.L.S. 4.5.16

M. Anton  
DPA

These appearing under "Railway  
Extraordinary" is of a Capital nature  
is carried to the Running  
is true that these works  
say, for out of

Justify as the ~~method~~ <sup>method</sup>  
method of arriving at the cost which is  
different from that employed in  
of other Capital works. I  
minute of 23 hrs/1/2 should be

I think agree. As I had about  
by ~~John~~ <sup>John</sup> Laidlaw M. Palmer

Ans. 355. 22 May 16

Last previous Paper.

605

21043

AFRICA PROTECTORATE.  
No. 204.

GOVERNMENT HOUSE  
NAIROBI  
BRITISH EAST AFRICA

April 5th, 1916.

Sir,

I have the honour to enclose herewith for your consideration a copy of correspondence which has recently been submitted to me by the Auditor on the subject of the charges made for the carriage of stores for Railway Works Extraordinary.

Auditor  
encls.  
-3-16

2. I have to request that, whatever may be arrived at, no alteration in existing arrangements should be made until the first year 1917-18, as no provision has been made in the Budget which the argument of the Auditor has been made in the Budget year.

Your humble, obedient servant,

*Alfred Wood*  
GOVERNOR.

THE RIGHT HONOURABLE  
ANDREW BONAR LAW, P.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET, LONDON, S. W.

605

21043

EAST AFRICA PROTECTORATE.

No. 204.

GOVERNMENT HOUSE,  
NAIROBI, EAST AFRICA  
BRITISH EAST AFRICA

April 5th, 1918.

Sir,

I have the honour to enclose herewith for your consideration a copy of correspondence which has recently been submitted to me by the Auditor on the subject of the charges made for the carriage of stores for Railway Works Extraordinary.

Auditor  
encls.  
6-3-18

2. I have to request that, whatever may be arrived at, no alteration in existing arrangements should be made until the first year 1917-18, as no provision has been made in the budget of the year 1917-18, which the argument of the Auditor has been made in the Extraordinary year.

Your humble, obedient servant,

*Andrew Bonar Law*

GOVERNOR.

THE RIGHT HONOURABLE

ANDREW BONAR LAW, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, E. W.

INCLOSURE

In Despatch No. 204 of April 5<sup>th</sup> 1916

1/19.

C O  
21043  
Rec<sup>d</sup>  
Rec<sup>d</sup> 4 MAY 16

SESSION AUDIT OFFICE,  
NAIROBI, 606  
16th March, 1916.

Sir,

I have the honor to forward for your consideration correspondence arising in this office query No. 943/168 of 1914/15.

The Director of Railways argument against following the directions of the Director of Colonial Audit appears to be based on an assumption that Railway Works Extraordinary are not Capital Works but that being provided for, under the Protectorate Estimates, they are necessarily Revenue Works.

I would submit however, that if Capital Grant or Loans been allotted for Railway purposes, the whole of the cost, not in charge, would have borne on the Estimates of the Protectorate. The construction of the earlier portion of the Lake Port not being provided for in the original Grant, but under Railway Works, and the later vessels have been built on a Fund similarly, New Helling Stock (as well as replacements), new Houses, new buildings, and partly under the same. It would hardly be that the method of provision caused a portion

THE HONOURABLE

THE SECRETARY,

NAIROBI.

607

-3-

portion of these works to be Revenue Works while  
the remainder are Capital Works.

I have the honour to be,

Sir,

Your obedient Servant;

*Herbamer*

A U D I T O R.

UGANDA RAILWAY,  
GENERAL MANAGER'S OFFICE.

NAIROBI,

21st February, 1916.

The Auditor,  
East Africa Protectorate,  
Nairobi.

Sir,

Audit Query No. 943/158 of 1914/15 re charges on carriage of stores for Railway Works Extraordinary.

The Chief Accountant has forwarded your query on this subject, which contains the following ruling by the Director of Colonial Audit:-

"In the absence of definite instructions approved by the Secretary of State, the procedure which has been followed may be admitted, except in the case of stores for "Extraordinary" Works, which I consider should be treated, as regards the cost of carriage by rail, in the same manner as stores required for other "Capital works",

and in connection therewith I have the honour to state that I do not consider the expression of opinion given therein is an "exact" ruling of the procedure that should be observed.

2. When it was decided that the head "Carriage of Revenue Stores" should be eliminated from both sides of the Railway account, it was neither intended or expressed that Railway Works Extraordinary should be included in "Capital Construction Works". The expression means works that are constructed out of monies provided from either the original Capital grant, any subsequent grant by the Imperial government for works of a Capital nature, or any loan advanced for the purpose of the improvement enlargement or creation of Railway facilities.

3. Expenditure sanctioned and works carried out under "Railway Works Extraordinary" does not come under either of the before mentioned conditions and such expenditure is quite as much revenue expenditure as any work that may be carried out under Abstracts A and C of the Revenue Estimates that include this nature. The cost of "Railway Works Extraordinary" is paid out of the revenue of the Province equally with any other item of expenditure and is in the sanctioned Revenue Estimates, the difference being that on a portion of their side is treated as separate expenditure and of coming under, say, New Mines.

Revenue Expenditures are directly available for Railway Works Extraordinary.

4. Example: If expenditure is urgently required under "Railway Works Extraordinary" beyond that sanctioned for the current year, the amount may be obtained by a transference of money from Abstract A, Maintenance of Way and Works, as a transfer for Engineering Works or it can even be transferred for such purpose from general savings under the Revenue Estimates as a whole. It is obviously incorrect to charge freight for the construction of railway works, but the cost is paid out of Revenue. Freight on coal and other materials is charged to charge it, it is incorrect to charge it at all.

(2)

5. There were two reasons for eliminating the head "Garrison of Revenue Stores" from the accounts:

- (a) A change in the policy of the Railway
- (b) The exclusion of an item in the Railway accounts that could not be included in the Treasurer's Cash Account.

6. "Railway Works Extraordinary" are paid for of Protectorate Revenue, therefore, if Railway ~~fees~~ on such works should be charged it would necessitate the re-creation of adjustments and reconciliations ~~which~~ that it was one of the objects of the present ~~to~~ avoid.

Yours truly,  
Honour to be,

Your obedient servant,

Sd/- J. WOOD  
 for Director of Railways



Govt 21043/1916  
Ext

613

22 May 1916

Staff  
Ext  
No 355

Sir,

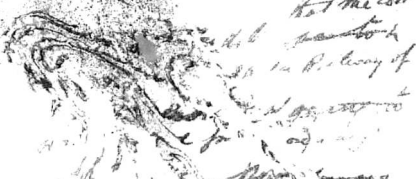
I have pleasure to acknowledge

19/5/16

Stanley 205

and to inform you of  
the views of the  
Director of the

Director of the  
that the cost  
of the Railway of  
is



between this and other  
Capital works in the  
matter of carrying  
stores.

Copy of report to  
to D.C.P.  
19/5/16

of the Railway of  
is  
of the Railway of  
is  
of the Railway of  
is

I am, Sir,  
Yours faithfully,  
The Director