

1931.

~~Kenya~~

No. 17394

SUBJECT

CO 533/417

Mr R. Cakley - Deceased.

Claim for compensation by widow.

Previous

15644/29.

Subsequent

Treasury. The Treasury examination in the past has shown that, whilst considerable work is involved in verifying the details of Forest revenue receipts, the actual results are insignificant and it is my considered opinion that a detailed examination both by the Treasury and Auditor is not justified. The Auditor concurs in this opinion and considers that if this department were made self-accounting, Audit examination would be facilitated without creating any extra expense to Government.

5. It has been suggested to me that the Medical and Agricultural departments might also be placed upon a self-accounting basis in the interests of economy. I am, however, unable to recommend this suggestion at present, as I am not satisfied that any economy would actually result or that the accounting staffs of these departments are sufficiently experienced to control the accounting transactions that would be transferred to them.

6. I wish to make it clear that the proposals in paragraphs 1-4 of this memorandum are made primarily in the interests of economy and that there is not the slightest desire on my part to divest the Treasury of any of the responsibilities imposed upon it by Colonial Regulations unless adequate justification has been shown, and I am assured that the result will not in any way be prejudicial to the Colony's interests. As you are aware, very considerable additional responsibilities have been placed upon the Treasurer within recent months and I need only mention as instances the Chairmanship of the Land Bank and Agricultural Advances Board, the responsibilities in connection with the Central Tender Board recently transferred from the Secretariat whilst other important duties have or will shortly be added to the responsibilities of the Treasury.

(Sgd) H. H. Russell

TREASURER.

military accounting transactions of the Kenya and Uganda Governments and, in this respect, the department is in the same category as the Post Office and Customs departments, which embrace also the combined transactions of the Kenya and Uganda Governments. I am satisfied that direct examination by the Auditor of the Military accounts will be adequate now that the department's accounting system is satisfactorily established and, if this proposal receive the Secretary of State's sanction, I am prepared to reduce my establishment by one clerk. I understand that no increase in the Audit staff would be necessary.

3. The transactions of the Police department have also expanded considerably in the last few years and they are under the control of a superintendent who for some years has been in charge of the accounts branch of the department. The Treasury examination of this account, prior to audit, in connection with the Military and Forest accounts examination, results in a duplication of work which, in my opinion, is not justified by results. A further reduction of one clerk could be made in the Treasury establishment if the Police department were made self-accounting and I am informed by the Auditor that no increase in his staff would be required. I should prefer that a trained Treasury officer should be in charge of the Police accounts department and I think this could be arranged if the Superintendent at present in charge were transferred to other Police duties.

4. My recommendation that the Forest Department also be made self-accounting is based more upon convenience than other reasons. The actual expenditure of the department is not large and the revenue transactions are more easily verified by direct audit examination than by the examination of vouchers which accompany the account submitted to the Treasury./

THE TREASURY,
NAIROBI,
KENYA.

1st September, 1951.

Ref.No. 4257/19.

The Hon'ble
The Colonial Secretary,
NAIROBI.

ACCOUNTING DEPARTMENTS - TREASURY
CONTROL

I wish to draw your attention to the Secretary of State's despatch No. 89 of the 23rd of January, 1936, in regard to my predecessor's proposal to make the Military and Police Departments self-accounting. The conclusion reached by the Secretary of State was that, at that time, there was insufficient justification for excluding either of these departments from the supervision and control which should be exercised in and through the Treasury. I desire, however, to suggest that the extension of the self-accounting principle to the Military, Police and Forest Departments be further considered on the grounds that there is now sound justification, in my opinion, for such extension and that the urgent need for economy calls for a re-examination of this question as, if approved, it would result in a reduction of staff. I have consulted the Auditor, who agrees with the proposals now made.

2. With regard to the Military accounts, the position has changed considerably since 1936. The Military Accounts Department in Kenya, which is under the control of a highly paid Paymaster, is now responsible for the combined military/

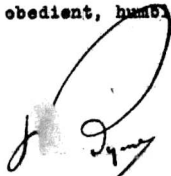
it be given self-accounting status as a matter of convenience and for the reasons given in para 4 of the memorandum enclosed with this despatch.

3. I have requested the Treasurer to examine whether further economy in staff could not be effected by the change proposed and in the meantime I support the proposal and request your sanction thereto.

I have the honour to be,

Sir,

Your most obedient, humble servant,



BRIGADIER GENERAL.

G O V E R N O R .

KENYA.

NO. 639



GOVERNMENT HOUSE,
NAIROBI.
KENYA.

RECEIVED
7-DEC-1931
COL. OFFICE

// ~~11~~ NOVEMBER, 1931.

35659/25.

Sir,

I have the honour to refer to Mr. Amery's despatch No.89 of the 23rd January, 1926, regarding the proposal that certain departments should be regarded as self-accounting and to enclose a memorandum of the Treasurer proposing the extension of the self-accounting principle to the Military, Police and Forest Departments, from which you will observe that a saving of two clerical appointments is foreshadowed in the Treasury and that no increased staff will be required by the Auditor if this proposal is approved.

52748/24.

2. The Treasurer has given an assurance in regard to the conditions laid down in para 2 of Mr. Amery's despatch No.255 of the 18th March, 1925, that conditions (2) and (4) are fulfilled in all cases and the Auditor has given a similar assurance in respect of (3). With regard to (1) the Treasurer states that, in his opinion, it applies fully in the case of the Military and the Police and, although he is unable to say that the Forest Department's expenditure is large or that its transactions are numerous, he recommends that

it

THE RIGHT HONOURABLE
MAJOR SIR PHILIP CUNLIFFE-LISTER, P.C., G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W.1.

I have spoken to Mr Harding. We cannot do anything to expedite the reply to the 8/0 to Mr Smith, which Mr Harding is sure he will answer as quickly as possible

As Mr Harding agrees that the case for the timber Dept is made and I agree in that case I say that the other two require further attention. It has been the

Mr Allen

23/2/32

JRS

23/2/32

at once

23 February 1932

~~DESTROYED UNDER STATUTE~~

Do how tel 39

Mr. Allen,

I have had a reply from Mr. Smith, which clears up my difficulty. I think that it may be assumed, as regards the Police and Forestry Departments, that conditions 2 and 3 are satisfied, and I have therefore no objection, so far as Audit is concerned, to those Departments being made self-accounting.

The question whether the balance of advantage under conditions 1 and 4 is sufficient to justify the change seems rather doubtful, especially

4

especially as regards the Forestry Department. But the Auditor has informed me that, as regards the latter, he had a special reason for agreeing to the proposal, viz: it would enable him to include, as part of the routine examination, a reference to certain records of timber cut and paid for which would form an additional check on the revenue. So there is a special reason, of some weight, in favour of making the Forestry Department self-accounting which does not normally enter into such a question.

A. J. Harding

Director of Colonial Audit.

9-3-32

Reading Mr Harding's minute with Lara 29 Nov I think approval may now be given by me to both the Police & Forest Dept being self accounting. I suppose

Mr Allen

10/3/32

W.C.S. 11.3.32 at once

~~DESTROYED UNDER STATUTE~~

4 Tel Gov. Kenya - 53 - 12.3.1932

Seen A. J. Harding
4.4.32 DCA

(4) That the change will result in a saving of expenditure at any rate will not involve any appreciable increase compared, not necessarily with the existing cost, but with what the cost ought to be on the orthodox system.

As regards ^{the} Military ~~the~~ the position has, as the Treasurer says, changed considerably since 1926, and unless the D.C.A. sees any objection there would seem to be a strong case for allowing the Department to become self-accounting.

The case for similar treatment of the Police is not perhaps quite so strong, but economies would be effected thereby and, again of course subject to the obns. of the D.C.A. the proposal may be approved on the understanding that arrangements are made for a trained Treasury Officer to be in charge of the Accounts Branch (see the ^{end of} ~~note~~ paragraph 3 of the Treasurer's memorandum).

It will be seen that the Auditor concurs in the recommendation regarding the Forest Department, and economy will be effected thereby in the circumstances although the department cannot be said to be a large one, again the recommendation may be accepted.

Grant
8.1.32

(Since economies will result from the proposal an early decision is desirable. I regret that I have delayed this response for part of the time the paper was in the hands of the D.C.A.)

as to the management - Uganda & T.S. - here
do not seem to be any relevant H.)

Amund
9/1
Steel
6/1

App recommended
from D.C.A. 19/12

DESTROYED UNDER STATUTE ^{to be grateful for earliest possible reply to No 1.}

D.C.A.
Please see the Governor's remarks (N-2).
We should be grateful for your early decision.
A. Freeston
10/2.

Mr. Freeston,

I found that I needed further information from the Auditor before I could satisfactorily reply to the C.O.'s reference to me, and I wrote to Mr. Smith on the subject semi-officially on February 4th. It was not a matter on which I could very well deal by telegraph.

I should be glad if a definite answer could be deferred until I have had Mr. Smith's reply. If, however, you feel that you cannot simply send the Governor an interim reply promising a decision in a few weeks time, I would suggest that the S. of S. should agree to the Military Department being made self-accounting (as there seems to be a clear case for that) and promise a further reply later as regards the Police and Forestry Departments.

A. J. Harding

Director of Colonial Audit.

12/2/32

Trans. and supports proposals by the Treasury for the extension of the self-accounting principle to the Military, Police and Forest Departments.

The four conditions referred to in paragraph 2 were:-

- (1) That the Department is so large and its transactions so numerous that considerable convenience will on the balance result from the change through the saving of time and clerical labour (preparation of duplicate vouchers etc.);
- (2) That the accounting staff of the Department is sufficiently well trained, intelligent, and honest, and sufficiently well organised to enable the check by the Treasury on the classification and accuracy of entries to be dispensed with - otherwise the time of the Audit Office will be unduly taken up in dealing with mistakes or improprieties which ought to have been detected and corrected before the Audit Office was asked to go through the accounts;
- (3) That the Audit Department is in a position to undertake on the spot a continuous audit of the accounts of the Department which will follow close on the actual entries. Otherwise intelligent frauds may remain undetected for a considerable time, and innocent mistakes may throw the accounts of the Treasurer - that is the accounts of the Colony - into confusion.

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