

EAST AFR. PROT  
SOMALILAND

9359

31 MAR 10

Audit.

1910

30 Mch

Accounts of the East Africa & Somaliland Prots  
1908-9.

Tr copies of Report to Parlt. on Vote for Cal  
Semiolo (Class Y. Vote 2) with certified afs of East & Somaliland  
& statements of assets & liabilities. Towards list of queries  
on East Afr. a copy is from local Auditor, re: differences  
disclosed at exam in connection with Watins Estate aka T-  
papers dealing with question of redemption of Norlong.

previous Paper  
27-10-10  
28-10-10

Hi Butler

The L.A. tell me that they cannot have  
any recd of as to appearance at exam  
at Cassim's table. Water table accounts  
or as to question of redemption of mortgages  
referred to the hands & etc of this letter.

Copy to you of East Afr. with copies of  
Parlt. C & D, asking for what is wanted  
referred to in these papers.

(The minutes in doubt do not

show a very formal list in the hand  
of the 21st 1910

of 1908-9 (vol 1) 137 p. 138

previous Paper  
27-10-10  
28-10-10

in their departmental records in the East  
as well)

1875 27  
4

W. Reed

2903

April 21

at New

York

NY

## EXCHEQUER AND AUDIT DEPARTMENT,

VICTORIA EMBANKMENT,

LONDON, E.C.

No. 367.

In any further correspondence on this subject,  
the above number should be quoted,

and

the communication should be

addressed to

The Comptroller and Auditor General.

30th March 1910.

H22  
Recd 31 MAR 10

Sir,

I am directed by the Comptroller and Auditor General to enclose, for the information of the Secretary of State, a copy of his Report to Parliament on the Vote for Colonial Services (Class V. Vote 2) for the year 1908-9 to which are appended copies of the Accounts of the East Africa and Somaliland Protectorates, duly certified by the Comptroller and Auditor General, and of the Statements of the Assets and Liabilities of the Protectorates on the 31st March 1909.

2. The outstanding questions in connexion with the Accounts of both Protectorates for the year 1907-8 have been satisfactorily settled, and, with respect to Somaliland, points of minor importance only relating to the Account for 1908-9 remain unsettled. In the case of East Africa, however, a considerable number of questions raised in the course of the examination of the Account for 1908-9 are still outstanding. In addition, certain queries drawing attention to errors of classification in the 1908-9 Account which have been admitted by the Treasurer, were not decided in time to be adjusted in the Annual Account. A list of these is enclosed.

A copy of the Report of the Local Auditor East Africa on the Accounts of that Protectorate for 1908-9 was transmitted with the letter from this Department No:1466 of the 19th November last, and with reference to paragraph 15, dealing with certain deficiencies discovered at Lamu in connexion with the Native Estates' Accounts, I am directed to enclose a copy of a later letter from the Local Auditor (No:74/367/8 of the 6th December last) from

which

Under Secretary of State,

COLONIAL OFFICE.

which it appears that the decision originally given by the Government with regard to this case has been modified and that Sir F.P.C. Girouard has now directed that the sums due to the various Matateas shall be paid to the persons interested.

4. In the course of the audit of East Africa for 1908-9 the attention of the Comptroller and Auditor General was drawn to certain Mortgages which were taken over in 1897 by the Government from the receivers to the late Imperial British East Africa Company at a cost of £1,806-19-3 in respect of which a considerable balance remains unpaid. There appears to be some doubt whether the claims of the Government can now be legally enforced, although no legal decision to this effect has been furnished to this Department, and as any repayments now made appear to be regarded as purely voluntary, I am directed by the Comptroller and Auditor General to state that he has deemed it advisable to lay the facts before you, for the information of the Earl of Greve, in the accompanying enclosures.

I have the honour to be,

Sir,

Your obedient Servant,

*W. J. G. [Signature]*

Queries as to errors of classification not adjusted in Annual  
Account.

Query 301.	Rs.260.50.	Not included in Cash Account. Should be charged to "Military" and corresponding credit made to Revenue.
" 449.	228.50.	Credited to "Military"; should be credited to "Miscellaneous Receipts".
" 464.	10.50.	Charged to "Provincial Administration"; should be charged to "Suspense".
" 467.	13.00	Charged to "Provincial Administration"; should be charged to "Suspense".
" 488.	17.50	Credited to "Licences, &c." should be credited to "Miscellaneous Revenue".
" 600.	236.86	Credited to "Miscellaneous Services"; should be credited to "Suspense".



## REFERENCE SHEET.

FROM EXCHEQUER AND AUDIT DEPARTMENT,  
VICTORIA EMBANKMENT,  
LONDON, E.C.

To The Local Auditor,  
MOMBASA.

Dated 23rd July, 1909

Information required, or notified.

Reply.

Your minute on Revenue Query  
of 1908-1909.

Please report the circumstances  
in which the present position in  
regard to these mortgages has arisen  
and state whether the opinion of the  
Law Officers has been obtained that  
they cannot now be legally enforced.  
(Sd.) C.W.A. TROLLOPE.

Hon. Crown Advocate.

Copy of query referred to at-  
tached. Could you kindly give me the  
information required.

(Sd.) H.C.A. BARNES. 21-8-09.

Local Auditor.

I have no recollection of having  
expressed an opinion on the subject  
of these mortgages. I believe, however,  
that Mr. Barth's opinion was taken  
when he was Crown Advocate. Mr. Peate  
could, I think, inform you as to  
whether legal opinion has been taken.

(Intd.) H.B. 25-8-09.

Mr. Powder.

Can you give me this information  
(Intd.) H.B. 1-9-09.

Mr. Barnes.

I have no records in this office  
to refer to but an opinion you can  
get the information you require on  
reference to the Mortgage File in the  
Treasurer's Headquarters Office, if

not

Reply: continued.

~~Reply: continued.~~

Not, I would suggest writing to Messrs Byren & Harrison to whom the mortgages were handed over for collection about four years ago. Messrs: Byron & Harrison were, I believe, then acting as Crown Solicitors.

(Sd.) T.E.Pewter.

T.O. 6-9-09.

C. & A.G.

I have made an exhaustive search through the Treasury records for information on this matter and have asked His Honor Judge Barth who was Advocate at the time whether an opinion was taken. He told me he distinctly remembered giving a ruling but is not sure whether verbally or in writing. However, Mr:Kegle, in the last paragraph of his letter of 16th September (copy enclosed) mentions that he consulted him. I enclose copies of all the correspondence I can find. I would ask if you consider any further steps should be taken.

(Intd.) H.B. 15-9-09

MOMBASA, 16th September,  
1905.

Sir,

I have the honour to inform you that I have recently been considering the best method of dealing with the outstanding mortgages which were taken over by the Protectorate from the liquidators of the Imperial British East Africa Company.

As I do not think that the subject has yet been before you, I may briefly explain the circumstances.

During the years 1889 to 1893 certain mortgages were accepted by the late Imperial British East Africa Company on the properties of Arabs and others on the island of Mombasa and at Changanwe and other places on the mainland. In 1895 the mortgages outstanding were handed over to the liquidators of the Imperial British East Africa Company. In 1897 the unredeemed mortgages were purchased by Her Majesty's Government for one thousand eight hundred and six pounds nineteen shillings and three pence and payment of this sum was made by the Crown Agents for the Colonies in March 1897.

Since March 1897 and up to the 15th September 1905 sums aggregating one thousand one hundred and fourteen pounds and six pence have been received in redemption of the mortgages taken over, leaving a balance of six hundred and ninety-two pounds eighteen shillings and nine pence - vide statement enclosed.

There is still a sum of thirteen thousand eight hundred and twenty six and three-quarters dollars or say twenty seven thousand six hundred and fifty three rupees which represents original sums lent plus one year's interest less repayment if any which is apparently outstanding but it is difficult to arrive at an exact estimate, the register having passed through so many hands, and the repayments in some instances not having been properly recorded. The figures given are therefore only approximate.

The mortgages have in most if not all instances exceeded the statute of limitation and it would therefore be difficult to press payment



payment legally.

Mr:Byron of the firm of Messrs:Mead, Byron & Harrison has made a proposal to take the mortgages in hand or recover as much as possible, charging only a fixed percentage of seven and a half on the amount recovered.

I have consulted the Crown Advocate, and we consider Mr:Byron's proposal a fair one. I have therefore the honour to request your approval of the same and that I may be authorised to instruct Mr:Byron to proceed on the terms suggested by him.

I have, etc.,

(Sd.) H.P.Espie.  
Acting Treasurer.

M's Commissioner and Commander-in-Chief,

MOMBASA.

Redemption of Mortgages.

Sum paid by Crown Agents March 1897. £1806-19-6 Recd 31 MAR 10

Sum received on account of redemption.

1896-1897	Nil	
1897-1898	Nil	
1898-1899	Nil	
1899-1900		£81-13-4
1900-1901		199-16-6
1901-1902		309-5-2
1902-1903		283-15-9
1903-1904		106-0-0
1904-1905		22-5-8
1905-1906 (up to September 15th)		<u>111-4-2</u>
		£1114-0-6

By Balance.

692-18-9

£1806-19-6    £1806-19-6

(Intd.) F.P.M.  
Acting Treasurer.

MEMORANDUM

September 1906.

423  
COPY.

124/257/8.

Local Audit Office,  
NAIROBI.

6th December 1909.

Sir,

With reference to the concluding portion of paragraph 15 of my report to you No:59/294/09 in which I said that, with regard to certain shortages in the Native Estates Accounts at Lamu, the Government disclaimed responsibility, I have the honour to enclose herewith a copy of a minute from the Principal Secretary to the Government, from which it would appear that His Excellency has now ruled that the money shall be refunded.

I have, etc.,

(Sd.) H.C.E. BARNES.

Local Auditor.

COMPTROLLER AND AUDITOR GENERAL

31 MAR 10

L.A.

I see that in your account of the Lama shortages you say that Government disclaims responsibility for the money lost.

This is not quite the case. H.E. considers that the money should be paid to the various estates and has given instructions accordingly. The papers have been taken to Lama by the Hon. Sec. Native Affairs.

(Intd.) W.J.M.

4-12-09.

As per  
7th March

8 April 1900

Sir,

I have the honor

to transmit to you, for

your convenience, the accompanying

copy of a letter from the

C. & A. F. on the subject

of the accounts of the S. & A.

& A. F. for the year 1900-1.

I shall be pleased

to receive a report on the

reporting the S. & A. F.

in the C. & A. F.'s letter

of the 1st March

with the letter - signed

as enclosed

Ans. 1383

DRAFT.

185

for the P. Finance

MINUTE

Mr. N. M. J.

Mr. R. H. J.

Mr. F. J.

Mr. J. J.

Mr. C. J.

Sir O. J.

Sir T. J.

Col. J.

Lord G.

C. & A. F. 1st March  
incl. accompanying para 3 (not marked  
in the last two)

Para 3