

EAST AFR PROT

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REC'D
NOV 20 1909

Name of Individual

Subject

1909

1909

at Previous Paper

93543

Report on Accounts - 1908-9

Sends various points mentioned in Report are receiving attention

Mr Butler

The greater part of this report deals with points of accounting which are for the A.O. to consider in the first place. But the remarks in paras 2 & 3 the few I am allude to are of some importance as I think that he might find a copy of them out to the former I ask for a report (The fact of course obtain a copy of the report locally)

to add. 31 May 1909
Yes. H.R.

subsequent Paper

93543

W. Read. 27th Dec. 1. at mee H.J.R. 14/12

EXCHEQUER AND AUDIT DEPARTMENT,

No. 1466

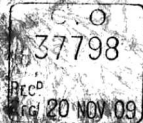
VICTORIA EMBANKMENT,

LONDON, E.C.

319

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."

19th November 1909.



Sir,

I am directed by the Comptroller and Auditor General to enclose, for the information of the Secretary of State, a copy of reports by the Local Auditor of the East Africa Protectorate on the Revenue, Stores and Expenditure Accounts of that Protectorate and on the Uganda Railway Account for the year ended 31st March 1909.

2. The various points in these reports upon which further action may be necessary are under consideration in this Department.

I have the honour to be,

Sir,

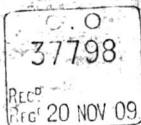
Your obedient Servant,

W. M. Martin

The Under Secretary of State,

COLONIAL OFFICE.

No:59/294/8.



Local Audit Office, 320

NAIROBI.

21st September 1909.

Sir,

I have the honour to forward herewith my report on the accounts of the East Africa Protectorate for the year 1908/09 together with the Honourable Treasurer's report.

2. Exclusive of the Grant in aid of £138,000 the revenue for the year amounted to £482,367-10-1 and including receipts from Land Sales, to £486,668-8-0. The expenditure for the same period was £703,102-17-2. The Statement of Assets and Liabilities on the 31st March 1909 shows an excess of Assets over Liabilities of £122,331-5-5 being £79,433-8-7 less than the excess on the same date of the previous year. The Revenue and Expenditure accounts have been examined in detail with satisfactory results.

3. The revenue for the year 1908/09 fell short of the Estimate by £47,770, but showed an increase over that of the previous year of £10,908-6-11. The difference would appear to a large extent to be due to overestimating. The chief decrease is under the Head "Government Railways" where the Revenue is less than the Estimate by £41,398-17-8. This is explained in the Chief Accountant's report to the Manager, vide pages 6 and 7 of the Railway Administration report a copy of which is attached to my report on the Uganda Railway. Other differences are explained by the Honourable the Treasurer, vide pages 2 and 3 and Appendix III of his report. The Treasurer's remarks call for no further comment except on the following minor points, viz:- (1) Gun Tax. (2) Game licenses.

(1) Gun Tax. No proper system appears to be in force to secure regular payment of Gun taxes and the regulations appear to give a loophole for holders of licenses to avoid payment. All firearms brought into the country are registered at the Gun registration office in Mombasa and a license fee of Rs.3 is charged. This license has to be renewed on the 1st January in each year. No general register is kept in this office of the gun licenses paid in the Protectorate, the consequence being that after the gun has once left

left Mombasa all trace of it is practically lost. Similarly, no registers appear to be kept in any of the districts nor are notices sent to persons in possession of firearms who have not paid their licenses. Large quantities of rifles and ammunition are imported into the country annually by big game sportsmen who, after their two or three months' expedition is finished, either sell to friends or give away to their gun bearers or guides, to save the trouble of bringing them back to England. Several of these rifles eventually find their way, in the hands of traders to the remote districts of the Protectorate, where they are sold at an enormous profit to native elephant hunters. In one district alone, I was informed that Martini Henry cartridges were bought eagerly at one rupee or $1\frac{1}{4}$ ^{s d} each. This illegal disposal of guns could to a great extent be stopped by keeping a general register in the head office at Mombasa, and by making sportsmen when leaving the country produce either the rifles they originally imported or permits from authorised officers of the Government for their sale or transfer. Each officer granting these permits should also keep the head office informed periodically, so that the general register may be posted accordingly. If a sportsman fails to produce these permits, his trophies should be detained until a satisfactory explanation be given.

(ii) Game licenses. Certain fees are charged for permission to shoot additional elephants or animals which are not included in the schedule such as giraffe, etc. These fees are endorsed on the sportsman's license alone no other receipt being given. It would be quite easy for a dishonest clerk to fail to enter the receipt of these fees in his cash book, the only proof of receipt being with the sportsman. Also in many cases a sportsman shoots for two or three months and returns before his license expires, and he could very easily use the endorsement on his license again. To guard against these chances of fraud, I have suggested that in addition to the endorsement on the license a special receipt from a counterfoil book be given, which should be handed to the Chief of Customs as an authority for the possession and export of the extra ivory, etc., and the endorsement on the license itself should then

then be cancelled.

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3. Arrears of Revenue. These, according to the returns submitted at the end of the year, amounted to £1602-13-10. The details are as follows:-

Licenses Excise & Internal Revenue .	£- s- d
Registration of Dhows	1-17- 0
Game licenses	50- 0- 0
Fees of Court & Office	
Net earnings of Trolley line	4-11- 0
Prison Industries	18-18- 4
Hospital fees	195- 1- 4
Rent of Government property	
Rent of Lands	1255-16- 1
Sale of Government property	
Agricultural Department	<u>75-10- 1</u>
	1602-13-10.

In accordance with Sec.359 of the Regulations attention has been called to these arrears and in the case of the Agricultural Department copies of correspondence on this subject have been forwarded to you vide my No:49/250/65 and 50/252/65 dated 13th and 14th August last. Strenuous efforts are now being made by this Department to recover outstandings and in accordance with my suggestions articles are now only supplied for cash. In the case of the Medical Department, there is, and I fear always will be, a considerable difficulty in collecting all outstandings, as it is obviously impossible to refuse patients admittance who are seriously ill, and a certain proportion of these are not in a position to pay the fees laid down.

4. Inspections. It was not found possible for many reasons to carry out the programme of work as regards the inspection of outstations in its entirety. I was on leave from April to September, Mr. Waters was detained in Lamu for six weeks during my absence, in connection with certain defalcations discovered by him there. After my return to East Africa I was detached for special duty to the Straits Settlements and Mr. Waters was transferred to Nigeria. Since my return in May last, however, the Kisumu, Tanaland, Kenia and Nainasha Provinces have been visited and I trust by the end of the year all the Provinces will be up to date. I enclose statements of stores and stations inspected during the year.

5. In addition to the Local Audit of Revenue and of Store Accounts the examination of the expenditure has been undertaken locally. In the course of examination some 580 expenditure and 102 revenue queries have been raised of which a large proportion could scarcely have come under observation without special local knowledge. The principal points dealt with in these queries may be classified as follows:-

1. Overpayments and undercharges.
2. Insufficient detail and proof of payment.
3. Allocation
4. Regulations General
5. Transport Regulations
6. Charges disallowed.
7. Returns and vouchers called for.

6. The audit of the year's accounts has been completed in less than a month after the submission of the annual account by the Treasurer. The expenditure £703,102-17-2 was less than the estimate by £100,535-2-10, savings having been effected on nearly all the heads, vide pages 80-69 of the Honourable Treasurer's report. The excesses are being brought before the next legislative council for sanction. I would however submit that according to Sec.25b of the Regulations, legislative authority should have previously been obtained for such excesses as official Gazette £1818, Medical special expenditure £1363, Agricultural special expenditure £9947

7. An establishment book was opened and kept by this Department for all salaries for eight months, but this is now discontinued, and the examination of the salary vouchers is made direct into the Treasury books.

8. The question of advances outstanding for over a year has been dealt with on query No:171 of the 14th January 1909 and is receiving the attention of the Treasurer. In the list of outstanding advances the following appear:-

1. Uganda Protectorate	Rs.114,420.00
2. Officers' guarantee	2,565.00
3. Transvaal Government	3,562.00
4. Lt.Col.Patterson	1,438.63
	5.S.S.Juba coal

5. S.S. Juba coal	324	Rs. 25,470.94
6. Uganda Railway Capital Account		Rs. 30,870.00
7. General Post Office, London		6,000.00

Nos: 1, 5, 6 and 7 and explained by the Treasurer vide pages 37, 38, 39 and 40 of his report. No: 2, this has now been collected. No: 3 is on account of pensions paid. No: 4 has since been recovered and is credited in the accounts of July 1909.

9. Unallocated Stores £54,690. The balance was not limited for the year 1908/09 but attention will be given in the 1909-10 account to see that balance is reduced to that fixed by the Colonial Office, viz:- £40,000.

10. Suspense. In addition to the current accounts with other colonies the following unadjusted accounts are most noticeable:-
Prison Industries Mombasa Rs. 6,901.00

---do.--- Nairobi " 1,059.00

This represents the value of material and manufactured articles on hand for sale.

Railway Carriage of Agricultural goods. Rs. 250.

This is an imprest made to the Railway for freight on goods supplied to private persons by the Agricultural Department. The Railway collect the cost of carriage on delivery.

Abdullah's Shauri. Rs. 4067.

A fine was inflicted on a Somali tribe for the murder of three Bajun Islanders. Expenses in connection with patrolling the district and guarding the Bajuns are being met out of this fine. The full amount has not yet been collected. This procedure has been sanctioned by His Excellency the Governor.

Railway fuel and timber Rs. 3672.

This is a running account which is debited with the cost of cutting and fees on fuel and timber supplied to the Uganda Railway by the Forestry Department and is cleared from time to time by a debit to the Uganda Railway.

Gobwen theft. Rs. 256.50.

This amount was lost during the building of the Police Barracks at Gobwen. The Treasurer, Somaliland Protectorate, has been asked to recover the amount.

Kisi cattle Rs.20079.

Vide paragraph 43, item E, of Treasurer's report.

Ivory purchase. 43,596.

To this account is charged the cost of ivory purchased by the Government from the natives at 4/- per pound, plus expenses in connection with freight to the Coast where the Ivory is sold by Public Auction and the profit credited to Revenue. Two items have been outstanding since the previous year viz:- J.L.Mansergh Rs.5/- and A.Dubeis Rs.500. The latter represents the value of a currency note stolen from the Police Department, and the loss of which has since been written off under the sanction of the Secretary of State. The former has now been recovered.

11. Deposits. Deposits outstanding for over five years amounting to Rs.902.41 have been brought to the notice of the Treasurer with the view of having them written off to Revenue in accordance with Sec.358.

12. Certain items of Cash in Transit which have been outstanding for over 9 months have been queried and will shortly be adjusted.

13. A number of cases where the revised Colonial Regulations are not being carried out have been brought to the notice of the Treasurer. I enclose copies of my Nos:162/12 and 164/12 dated May 21st and June 14th respectively. To these letters I have not as yet received a reply.

14. Securities. With the exception of the Post Office Staff and certain cashiers and pay clerks on the Uganda Railway, the subordinate staff of this Colony is not secured against dishonesty although European Officers appointed from home are secured for £200 each. On the 22nd August 1907 His Excellency the Governor convened a Board consisting of the Treasurer, the Crown Advocate, and myself and instructed us to submit a list of officers who, being in charge of money or stores, should in our opinion be secured and the amounts. This list (copy enclosed) was sent to the Secretary of State by His Excellency in November 1907 but up to date nothing has been settled. The principal reasons for this delay are apparently:-

(a) Doubt

a. Doubt as to whether a Local Government Insurance Fund should be founded jointly with Uganda, or whether the existing system of insuring with the Law Guarantee and Trust Society should be continued.

b. Doubt as to whether posts or officials should be secured.

c. The question as to whether officers already in the service should pay the whole of any increased or new premia.

The question has been again referred to the Secretary of State with the request that orders may be issued by His Lordship to the Crown Agents for discontinuing the existing system from January 1st 1910 and entering on fresh agreements with the Law Guarantee Society from that date, in accordance with the revised list of posts to be secured, and the respective amounts for which security is to be found in each case.

15. Lamu. In April last Mr:Waters, while on a tour of inspection in the Taland Province was asked by the Provincial Commissioner there to make an inspection of the deceased native estates accounts which he (the Provincial Commissioner) had strong reasons for suspecting were being kept in an irregular manner. As a result of a preliminary inspection a telegram was sent by the Assistant Auditor on the 28th April to His Honour the Lieutenant Governor reporting that a "confessed shortage" of Rs.6000 had been discovered in the Cadi of Lamu's deceased native estates, and anticipating further shortages on investigation and asking permission to arrest the Cadi and his clerk. The Provincial Commissioner wired at the same time recommending an investigation by a Judicial Officer and that an Arabic interpreter be sent at once to translate documents. The arrest was approved on the 30th and on the 3rd May His Excellency telegraphed to the Principal Judge to send a Magistrate to Lamu to hold an enquiry. His Honour the Judge in a telegram dated May 4th recommended a preliminary enquiry by an Administrative Officer not belonging to Lamu as he considered it desirable to reserve the Legal Staff in case of subsequent legal proceedings. Acting on this advice, His Excellency appointed a commission of enquiry, consisting of Mr:Shearman-Turner, the Registrar of Titles, and Mr:Gilkison, the Provincial Commissioner.

Commissioner, to make a thorough investigation, and instructed Mr. Waters to give every assistance. The Commission was opened on the 11th May and sat for 27 days, sending in their report on the 20th June. In this report the shortage was put down at Rs.11,300 including Rs.1,300 on account of Hut Tax. A supplementary report explaining how this shortage was arrived at was sent in by Mr. Shearman Turner on the 1st July on the suggestion of the Acting Crown Advocate. (I enclose copies of both reports and of Mr. Bowring's minute to His Excellency dated July 6th dealing with the same and suggesting a further enquiry), and on the 14th July Mr. Powter, the Senior Assistant Treasury Officer was sent to Lama with an Arabic interpreter and was instructed to make an exhaustive examination of all the books as Mr. Kempe reported that, owing to pressure of work, and shortness of staff it was impossible to detach an Assistant Auditor for such a length of time as this enquiry would probably take. On the 30th July Mr. Powter reported the actual shortage of hut tax to be Rs.1,621. This shortage, the Treasurer in a letter to the Lieutenant Governor (copy enclosed) dated 10th August, recommended should be made good by the Liwali of Lama, Seff bin Salim. The question of deceased Native Accounts was gone into very thoroughly by Mr. Powter who examined 213 in detail and sent 14 voluminous reports thereon to the Treasurer from which it would appear that the total deficit traced is Rs.11,972. Mr. Powter returned from Lama on or about the 15th December and on the 14th March 1909 His Excellency gave his decision, a copy of which is enclosed which, summarised, was as follows:-

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(Kewick)

(Lorewell)

1. The Clerk Saleh was to be dismissed.
2. That the Liwali should make good the shortage of Rs.1,621 Hut tax and be transferred to another station.
3. That the Kathi should make good the deficiency in the Native Estates and on doing so, be allowed to resign. Failing to do so that he be dismissed and the natives concerned take civil action for recovery of their property from him with the assistance of the Government.

As regards:-

1. Saleh was dismissed on the 24th May.

2. Rs.1,821 was refunded on the 19th March.

3. The Kathi refused to make good the money on account of native states and has been dismissed.

I am informed that the Crown Advocate is of the opinion that the Government has no case against the Kathi, that they (the Government) are not responsible for the missing property and that the only remedy is for the sufferers themselves to take civil action against the Kathi.

16. Customs. In November 1908 Mr: Marsden, the Chief of Customs was transferred to India and his place was taken by Mr: F.W. Major, who has inaugurated several improvements in the working of this Department, notably the introduction of an abstract cash book, and a more detailed system of Departmental audit. These accounts are checked in great detail by this office and include a monthly jerqueing of at least two ships' manifests. The disappearance of the Customs Cashier and discovery of a shortage of his cash of over Rs.2,000 in May 1908 was reported to you vide Audit Office letters No:30/94 and 31/104 of the 4th and 30th June. Also in December 1908 frauds in connection with the Water Supply to the S.S. Juba amounting approximately to Rs.2,700 were brought to light by Mr: Mitchell of the Customs Department. I cannot trace in my files whether this latter incident was ever reported to you and I therefore enclose a copy of the report of the Board of Enquiry held by the Chief of Customs and the Acting Local Auditor, as a result of which the clerk involved was dismissed, and the Assistant Chief of Customs, Mr: Dodd, was reprimanded. This action was approved by the Colonial Office in their despatch No:271 dated 19th May.

(with)
2/2
16-13
19

17. Public Works Department. The system of Public Works Store accounting has been taken up with great detail by this Department and Surveys of Stores at the different stations have been made from time to time. The Public Works Department has, in my opinion been heavily handicapped in the past by the want of reliable and efficient storekeepers and clerks and although the stores under the direct charge of the Chief Storekeeper are well kept and accounted for, those at the outstations have been found in a hopeless state of confusion, mainly owing to the incompetence, dishonesty,

dishonesty and carelessness of the Indian and Goanese storekeeper in charge at these places. These men have now in many instances been replaced by Europeans, and an experienced man was sent round the Nyeri and Naivasha Stores early in the present year with the result that these accounts are now on a much more satisfactory basis. The Honourable Commissioner of Works is now revising the furniture regulations, which are at present in a somewhat unsatisfactory state owing to the difficulty experienced in getting officers to furnish regular returns of the furniture in their possession.

Transport. The local audit of the expenditure accounts of this department has resulted in some 65 queries being raised on the subjects of unauthorised allowances of porters, railway freight, passages, etc., and on which a considerable amount of money has been refunded to the Government. The Transport regulations are now being revised and I trust to be able to report fewer queries in future.

Gaol. There has been a marked improvement in the system of accounting for the Gaol Stores, and industries, principally owing to the efforts of Mr. Gray, Deputy Superintendent of the Mombasa Gaol.

Nairobi Municipality. These accounts have been carefully scrutinized by Messrs. Van de Velde and Faulkner and several improvements in the system of book-keeping brought into force. Some 13 queries have been issued; one of these, No:13, raised the point whether the conservancy fees at Government House should be paid by the Government or personally and the question was referred to the Secretary of State who has ruled in favour of the latter procedure. This will mean a yearly saving to the Government of some £20. This query has been sent you under cover of my No: 62/310/24 dated 8-10-09.

I enclose a statement showing the movements of the staff during the year.

I have, etc.
(Sd.) H.C.E. BARNES.
Local Auditor.

No:169/12.

37798

REC'D
20 NOV 09

Local Audit Office,

MOMBASA

21st May, 1909.

Sir,

With reference to your minute No:8 on the Audit Query No:198 of 16th January last in which you ask that we should bring to your notice any cases of departure from the Colonial Office Regulations, I have the honour to submit the following:-

Sec.223. Estimates. The Secretary of State's sanction is not received before the commencement of the Financial Year.

Sec.225. The Abstracts preceding the body of the Estimates do not contain a column for the revised estimates of the current year.

Sec.226. With the exception of the Province of Ukamba Hut tax is not estimated according to gross receipts.

Sec.235. House Allowances. Allowances in lieu of quarters, clothing allowances, are not shown under Personal Emoluments in every case.

Sec.237. Provision of an official residence is not shown in the estimate by a footnote against the officer concerned.

Sec.244. There is a sub-head under Public Works Recurrent for "rent of offices and houses" and rents are not provided for in the votes for each Department.

Sec.265. Percentage on collection of Hut Tax should appear as expenditure. Vide also 226.

Sec.279. What limit has His Excellency appointed for payments by cheque?

Sec.314. Except at Lamu there are no fixed limits to cash balances.

Sec.317-321. Imprests are treated as advances or remittances. No imprest warrant is used and in many cases there is no authority, neither is a special imprest ledger kept up.

Sec.322. Has the Secretary of State fixed any limit to the balance to be kept at the Bank?

Sec.323-326. The Treasurer keeps all the cash in the Strong Room

Room in his own immediate charge. There are two keys, one with the Deputy Treasurer and one with the Cashier. The Cashier often has access to the Strong Room by himself.

Sec.330. The Stamp Stock account is not initialled by the Treasurer.

Sec.331. Boards of Survey on the Cash are held at Mombasa only.

Sec.332. These are not sent in every case.

Sec.339. Items insufficiently accounted for are never disallowed but are queried and adjusted later if necessary.

I have, etc.,

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

Local Auditor

The Hon. the Treasurer,

MOMBASA.

No:184/12.

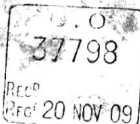
Local Audit Office,

MOMBASA

332

14th June, 1909.

Sir,



In continuation of my No:169/12 of the 21st May last on the subject of the application of the Colonial Office Regulations in this Colony, I have the honour to draw your attention to the following sections.

No:256. Are excesses on sub-heads of expenditure submitted to the Legislature before being incurred?

No:261. The S. Form Book is often wrongly used as a Counterfoil book for Miscellaneous Receipts. This would appear to be unsatisfactory because at some stations all receipts are entered in the S. Form Book, and in cases where receipts are already given from another Counterfoil book the Triplicate portion of the Form S. is not required and could be misused.

No:269. A Transcript of the Station Cash Book is not in all cases available for Audit. Instead, part of the S. Form is submitted in support of the Treasurer's abstract of the Cash Book. This is sufficient from an Audit point of view if these are furnished in consecutive order, but the S. Form was not intended for this purpose, and it would, I submit, involve less work to make a copy of the Cash Book.

No:286. Payments in excess of the Estimate sanctioned by general warrant are in some cases made without the previous sanction of a special warrant.

No:640. Does the Treasurer or his Deputy test the Daily Abstract Book?

No:385. Boards are not appointed by the Governor to inspect and report on Stores.

No:396. VII & X. Are these returns furnished?

I have, etc.,

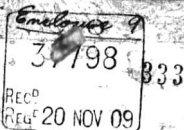
(Sd.) H.C.E. Barnes.

Local Auditor.

n. the Treasurer,

MOMBASA.

COPY



Shortage in the Lamu Accounts.

With reference to this matter there have been two independent enquiries lasting off and on for nearly a year and a lamentable and disgraceful state of affairs has been revealed.

As regards the shortage in the hut tax collection the Liwali Seif bin Salim, at once admitted his responsibility and only demurred to making good the amount because he had been accused by the Clerk, Saleh, of embezzlement.

The enquiries held have not proved dishonesty, and looking to the High Arab family to which Seif belongs, to the property he owns, and the wealth of his father and the high traditions of his family I think it highly improbable that there could have been any fraudulent intent and I am the more inclined to believe that he has been the victim, through his negligence, of the machinations of the clerk and the spirit of intrigue for which for years past Lamu has had an evil reputation.

The facts revealed by the enquiries into the shortage of the estates accounts show a more serious state of affairs. Apparently for years past these accounts have been managed by the Cathi - without any supervision whatever by our Courts or by the District Officers - and speculation has been rife, the misappropriated balances of one account being made good out of the proceeds of the next and so forth, till the accounts now show a deficit of Rs. 11,972.

No one appears to have thought it his duty to check these accounts or to enquire in any way how the estates were managed or mismanaged until last year, when the suspicions of the District Officers were aroused and facts were elicited which resulted in the aforesaid enquiries.

At one time I had in view the desirability of assembling a Board of senior officers at Lamu to investigate the matters revealed and the enquiries de novo and apportion blame, but in view of the time that has elapsed since the shortages were reported a year ago, the extreme difficulty of assembling such a Board without detriment to the work of the Departments, and principally because

because we have the main facts before us and it is very doubtful whether now further facts would be elicited, I consider that the matters can be dealt with in the papers before us. After careful consideration in Executive Council the following decisions were arrived at:

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That the evidence is not sufficient to justify the prosecution of either the Liwali or the Cathi.

That no dishonesty is to be attributed to the Liwali. That he was very negligent in keeping of the hut tax account and must accordingly make good the shortage of Rs.1821, for which he is held to be directly responsible. He is to be transferred to another station. Similarly I am not prepared to impute dishonesty to the Cathi, but he has been so grossly negligent and incompetent as to prove him quite unfitted for the Government service. He is required to make good the amount of Rs.10,151 shown to be short in his accounts and on doing so he would be allowed to resign his appointment as Cathi; failing to do so he will be dismissed, should the shortage in the estates accounts not be made good the estates concerned will sue the Cathi by Civil action with the assistance of the Government. The Clerk Saleh to be at once dismissed. The management of the estates which has already been taken directly out of the hands of the Cathi will in future rest in the Administrator General's Department or in the District Commissioner's Court. This order will apply to the management of all such estates in the Seyyidiah and Lamaland Provinces which have not yet come under the control of that Department or the District Courts.

The necessary orders will now be issued to the Administrator General and District Courts. At the same time the question must be investigated and determined as to which department of the Government is responsible or should have been responsible for the safe custody and proper disposal of their receipts. No control or supervision appears to have been given to the District Staff in the matter and yet it was the District Commissioner who brought these abuses to light. Should this supervision have been exercised by the High Court, or by the Administrator General or by whom?

Mr. Power deserves every credit for the careful manner in

which

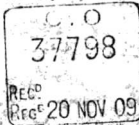
which he conducted the protracted and laborious enquiry into the accounts.

(Sd.) J. HAYES-SADLER.

Governor.

14-3-09.

COPY.



Local Audit Office
NAIROBI. 336
16th September 1909.

No:18/22/26 U.R.

Sir,

I have the honour to inform you that the examination of the Uganda Railway accounts for the year 1908-9 has now been completed.

I enclose herewith a copy of the General Manager's Annual Administration Report, from which it will be observed (see page 4) that during the course of the year a Provident Fund has been instituted and the Railway has taken over the Catering arrangements from the contractors. These two new features have increased the work in the Branch Office to a considerable extent. The Provident Fund from its nature requires a careful detail check, at any rate in its initial stages, but as the number of transactions increases it will be necessary, unless an addition is made to the staff to limit our examination to a test only. For the present I would suggest that our examination of way-bills be cut down to meet the extra work as the Chief Accountant has recently increased the staff in his way-bill audit section, and the labour expended by us does not now meet with proportionate results. With regard to the Catering owing to the difficulty of securing reliable stewards and to the want of co-operation on the part of the Steamer officers the accounting has not been on a par with the rest of the Railway accounts and also a considerable working loss has been incurred. Strenuous efforts are being made by the Chief Accountant to remedy this, and the accounts are now being rendered much more satisfactorily. It is also hoped that in the near future the loss will be reduced to a minimum. A considerable amount of time has been necessarily devoted both by us and by the Chief Accountant's Department to local inspection of these Catering accounts and the inspection of the Station accounts has consequently been somewhat curtailed in the last few months. The Assistant Auditor is however now making a complete tour of the stations after which it is hoped that the inspections can be normally resumed.

3.

3. In accordance with the Assistant Comptroller and Auditor's directions the Loco Workshop accounts have been satisfactorily examined. The remainder of the accounts have been carefully compiled and although 142 queries have been sent during the year none of the points raised were of great importance. Of these queries two are outstanding viz:- Nos:117 and 120.

4. It will be observed that the balance at debit of Unallocated Stores is slightly in excess of last year's figure but this is due to the inclusion of large initial purchases of catering stores. Otherwise the amount would have shown a small decrease.

5. Stores examination. In accordance with the instructions of the Assistant Comptroller and Auditor, the examination of the Stores Ledgers has not been carried out with such detail as in former years, one month in three being checked instead of each month as before, the time saved thereby being applied to a more rigorous examination of the way-bills. However the closing balances of the Chief Storekeeper's and Chief Accountant's Ledgers have been carefully compared and the valuations checked. I enclose a list of the stations examined during the year.

6. Municipality Accounts. The audit of these accounts has been carefully carried out by Mr:Van de Velde and during his absence on leave, by Mr:Faulkner.

7. Mr:Pereira the Head Clerk was on leave in India from October to March 1909; Mr:Van de Velde left for England on the 28th February 1909 and Mr:Faulkner assumed charge on the 13th idem.

I have, etc.

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

Local Auditor.

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List of the Uganda Railway Stations examined during
the year 1908-09.

Date.	Stations.
April 1908.	-----
May	Kisumu, Kibes, Kibigori, Mohoroni, Lumbwa, Nakuru, Naivasha, Escarpment, Kijabe.
June	Samburu, Maji ya Chumvi.
July	Voi, Kapiti Plains, Kisumu
September	-----
October	Nairobi
November	Changanwe
December	Lombasa, Mazeras, Maungu, Voi, Tsavo, Kilin- dini, Mitoto Andei, Masanzoni, Kibwezi, Makindu, Samburu, Sultan Hamud, Kiu, Machakos Roads, Kapiti Plains & Athi River.
January 1909	-----
February	Port Florence, Nairobi, Kenani, Kiu, Kakindu, Mitoto Andei, Voi, Simba.
March	Nakuru, Jinja, Entebbe, S.S. Sybil.

ad. The Sec
37798

Sir

I have the honor

to inform you that my
attention has been drawn

to certain remarks which

appear to the great Jan 7
registration of persons in the Ed.
which appear in the

reports of the local land

on the North accounts of
the Institute
transmitted for the year 1908.

of the remarks
of which a copy is enclosed

for convenience of reference

I should be glad to hear

from you in connection with

what is the subject of

these remarks
I have the

DRAFT.

Est. to 727
John P. Forward

msa 75353

MINUTE.

- Mr. HSB 2/2
- Mr. Butler 3/3
- Mr. Fiddes.
- Mr. Just.
- Mr. Coar.
- Sir C. Lucas.
- Sir F. Hopwood.
- Col. Seely.
- Lord Crewe.

marks in Jan
to make a pencil /

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