

EAST AFR PROT
17011

C. O.
17011
REC'D
JAN 20 1905

1905

Review (Subject)
The Cost of Home Audit

States that the calculation of the home expense to be borne by each Prot. is based on Rule 35 of the Colonial Audit Regs. - enclosed with Mr. O. Treas. assenting to the application of explains excess cost charged by Manager of the

(Minutes.)

Mr. Read

It will be sufficient to send a copy of the letter without the enclosure to the Comr & LF

M 23/8

at once
H. J. R.

23/8

VICTORIA EMBANKMENT,

LONDON, E.C.

18th May, 1905

C. O.

17011

Perd
MAY 20 1905

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.

Sir,

I am directed by the Comptroller and Auditor General to acknowledge the receipt of your letter, No. 12395, of the 25th ultimo, forwarding a copy of a despatch, with enclosure, from the Commissioner of the East Africa Protectorate, relating to the charge made by the Crown Agents, in their accounts for the quarter ended 31st March 1905, on account of the Uganda Railway share of the Expenditure on Home Audit.

2. In reply, I am to explain for the information of the Secretary of State, that, as in the case of those Colonies the accounts of which are examined in the Colonial Audit Branch of this Department, the calculation of the share of the home expenditure to be borne by each of the Protectorates formerly administered by the Foreign Office, is based upon the principle laid down in Rule 35 of the Colonial Audit Regulations (Revised April 1903), the application of which to those Protectorates was authorised by the Treasury and the Foreign Office in the correspondence a copy of which is enclosed.

3. In the case of the East Africa Protectorate (including the Uganda Railway) the amount which was estimated to be required for this service in the year 1904 was £286, a moiety being chargeable to Uganda Railway funds. The share of the total expenditure actually incurred in 1904, calculated at the end of the year, in accordance with the Rule quoted, was, however, £328, thus leaving balances due, as on the 31st December 1904, of £17 each from the East Africa Protectorate and the

Under Secretary of State,
COLONIAL OFFICE.

Uganda

415

Uganda Railway respectively. The balances thus outstanding were added to the first requisitions on account of the current year, as provided in Rule 33 of the above-mentioned Regulations, and it was in consequence of this adjustment that the amount (£33) which, based upon the Estimate for 1905, would otherwise have been required from Uganda Railway funds for the quarter ended 31st March 1905, was increased to £50.

4. With reference to the system of charging the audit expenditure partly to Protectorate and partly to Railway funds, I am to enclose, for the information of Mr: Secretary Lyttelton, a copy of a letter from this Department to the Foreign Office No: 168 of the 8th July 1903, and of the reply received thereto.

I have the honour to be,

Sir,

Your obedient Servant,

L. King

MEMORANDUM FOR THE COMPTROLLER AND AUDITOR GENERAL TO THE
 FOREIGN OFFICE.

No. 12.

18th January, 1898.

Sir,

I am directed by the Comptroller and Auditor General to transmit to you, for submission to the Secretary of State, the accompanying Estimates of the amounts which will be required in 1898-1899 for the cost of audit of the following Protectorates:-

1. British East Africa and Uganda Railway.
2. British Central Africa.
3. Uganda.
4. Niger Coast Protectorate.

2. With reference to the amounts required for "contributions to Home Expenditure" which, in the case of the first three Protectorates, were fixed provisionally at a time when this Department was not in a position to ascertain the amount of work that would fall on the Home Establishment of the Colonial Audit Branch, I am to state that it is only proposed to take the usual fixed payments for 1898-9.

4. In submitting the Estimates for 1899-1900, it may be necessary to reconsider these contributions, with a view to placing the Home Audit Expenditure of the Protectorate on the same basis as that of the Crown Colonies whose accounts are examined in this Department. In the case of the Crown Colonies, the share of Home Expenditure is calculated as provided in Rule 121 of the Colonial Audit Regulations 1893 (Revised Edition) upon "the principle of the proportion which the total Expenditure of each Colony for the latest completed financial period, bears to the aggregate of the Expenditure of all the Colonies in question during the same period."

I have, etc,

(Sd) F. Phillips.

Copy
No: 8.

EXCHEQUER AND AUDIT DEPT:

6th January, 1899.

Sir:-

I am directed by the Comptroller and Auditor General to transmit to you, for the information of His Secretary of State, the accompanying Estimates of the amounts which will be required in 1899-1900 for the cost of audit of the following Protectorates:-

1. Uganda
2. East Africa & Uganda Railway
3. British Central Africa
4. Somali Coast
5. Niger Coast.

2. With reference to the final para: of the letter from this Department of the 18th January last, I am to state that in the accompanying Estimates the contributions to Home Expenditure have been based upon the method of calculation approved by the Lords of the Treasury in Sir F. Nowatt's letter to this Department, No: 17241, of the 25th November last, on the subject of the accounts of the Somali Coast Protectorate, a copy of which was communicated to the F:O: by the Treasurer.

I have etc.

(Signed.) F. Phillips.

Under Secretary of State,
FOREIGN OFFICE.

6th January, 1899.

Sir:-

I am directed by the Comptroller and Auditor General to transmit to you, for the information of the Secretary of State, the accompanying Estimates of the amounts which will be required in 1899-1900 for the cost of audit of the following Protectorates:-

1. Uganda
2. East Africa & Uganda Railway
3. British Central Africa
4. Somali Coast
5. Niger Coast.

2. With reference to the final para. of the letter from this Department of the 18th January last, I am to state that in the accompanying Estimates the contributions to Home Expenditure have been based upon the method of calculation approved by the Lords of the Treasury in Sir F. Mowatt's letter to this Department, No: 17241, of the 25th November last, on the subject of the accounts of the Somali Coast Protectorate, a copy of which was communicated to the F.O. by the Treasurer.

I have etc.

(Signed.) F. Phillips.

LETTER FROM THE COMPTROLLER AND AUDITOR GENERAL TO THE
TREASURY.

No. 184.

16th November, 1898.

17011

Sir,

I am directed by the Comptroller and Auditor General to acknowledge the receipt of Sir Francis Mowatt's letter No. 15233/98, of the 5th instant, enclosing copy of a letter from the Foreign Office of 1st ultimo, on the subject of the Accounts of the Somali Coast Protectorate, which it appears that the Secretary of State for Foreign Affairs has instructed the Consul General for the Somali Coast to transmit to this Department for audit from the 1st ultimo.

2. In reply, I am to state for the information of the Lords Commissioners of the Treasury that the Comptroller and Auditor General concurs in the proposal that the Accounts should be examined in the Colonial Branch of this Department, and is prepared to undertake that duty, and to appoint a Local Auditor for service in the Protectorate.

3. The Comptroller and Auditor General considers it necessary that he should select for this appointment a Local Auditor or an Assistant Auditor, from one of the Colonies or Protectorates, as he has no officer at present available on the Home Staff who, in his opinion, has had sufficient training and experience for the particular post.

4. The Local Auditors serving in the Colonial Branch of this Department are already in receipt of salaries of £400 and upwards, the pay of the Assistant ranging between £300 and £400 a year. In these circumstances the Comptroller and Auditor General considers that £400 would be a fair rate to assign to the post of Local Auditor of the Somali Coast Protectorate, if filled by

the transfer of one of his officers already serving abroad. It may be necessary later to increase this minimum by annual increments to £500 but, for the present, the smaller rate should be sufficient.

5. With reference to the amount to be paid for the Home Audit of the Accounts, I am to state that the Comptroller and Auditor General, when submitting the Audit Estimates for 1899-1900 proposes to place the Home Expenditure of the whole of the African Protectorates on the same basis as that of the Crown Colonies whose accounts are examined in this Department. In the case of the Crown Colonies the share of Home Expenditure is calculated, as provided in Rule 121 of the Colonial Audit Regulations, 1893 (Revised Edition), "upon the principle of the proportion which the total Expenditure of each Colony for the latest completed financial period, bears to the aggregate of the Expenditure of all the Colonies in question during the same period".

6. Should this proposal be agreed to the amount to be provided for the home Audit of the Somali Coast Protectorate Accounts, assuming that the expenditure of the Protectorate amounts to £30,000 a year, should not exceed £50.

I have, etc;
(Sd) F. Phillips.

25th November, 1898.

L.P. 1/1898.

Sir:-

The Lords Commissioners of Her Majesty's Treasury desire me, in reply to your letter of the 16th instant to express Their thanks for your readiness to undertake the audit of the Somali Coast Protectorate Accounts in the Colonial Branch of your Department.

Should it become necessary to ask Parliament to give a grant in aid of the Protectorate, My Lords request you to examine the Accounts under section 33 of the Exchequer and Audit Departments Act, but until then you will conduct the audit at the request of the Secretary of State for Foreign Affairs.

My Lords are of opinion that your proposal that a salary of £400 per annum should be assigned by the Secretary of State for the present to the Local Auditor whom you are prepared to appoint to Somali-land from amongst your trained Officers already serving abroad, is reasonable; and They do not doubt that the Secretary of State will assent to it, as well as to the method in which you propose to calculate the charge for Home audit of the Protectorate Accounts.

My Lords are enclosing your letter and this reply to be communicated to the Foreign Office.

I am,

Sir,

Your obedient servant,

(Signed.) Francis Rowatt.

Comptroller and Auditor-General.

No 208

COMPTROLLER AND AUDIT DEPARTMENT.

8th July, 1963.

Sir,

I am directed by the Comptroller and Auditor General to acknowledge the receipt of Sir Clement L. Hill's letter of the 22nd ultimo, forwarding a copy of a despatch from the Manager and Chief Engineer of the Uganda Railway respecting the arrangements to be made for carrying on the audit of the Railway Accounts.

2. With reference to the suggestion that Mr. Barnes, one of the Assistant Auditors in the East Africa Protectorate, should have sole charge of the Railway Audit and that the present arrangement, under which the examination of Railway Accounts is supervised by the Local Auditor of the Protectorate, one half of whose salary is charged to Railway Funds, should be abolished, I am to say that as the Local Auditor for the East Africa Protectorate and Uganda Railway is responsible for the supervision of the work done by his Assistants at Nairobi, and as provision for the service of the Uganda Railway is now included in the estimate of the East Africa Protectorate, the Comptroller and Auditor General, as at present advised, sees no reason, so long as the audit of the Railway Accounts is charged to Railway Funds, for altering the sanctioned arrangement. Now, if this arrangement is to continue, does there appear to be any objection, on the same grounds, to half the cost of the house about to be built for the Local Auditor, in the place of the one destroyed by fire, being borne by the Railway.

Secretary of State,

SOMERSET HOUSE,

3. I am, however, to submit, for Lord Lansdowne's consideration, whether at the present time, when the construction accounts of the Railway are practically closed, it would not be convenient to reconsider the system of charging part of the Establishment of the Local Audit Office to the Protectorate and part to the Railway and I am to explain that in the West African Colonies, where there are Government Railways the accounts of which are examined by the Local Auditor, stationed in the particular Colony, the whole cost of audit, both of the ordinary Government Accounts and of the Railway accounts, is charged to one head "Audit".

4. Possibly there are reasons why the course adopted in the West African Colonies will not commend itself to the Secretary of State for Foreign Affairs for adoption in the East Africa Protectorate, otherwise the Comptroller and Auditor General would be disposed to recommend it for consideration when the Estimates of the Protectorate for 1904-1905 are in course of preparation.

5. In connection with the audit of the Railway Accounts, I am to refer to the 2nd paragraph of the letter from this Department to you, No: 36, of 12th February last and to say that the Comptroller and Auditor General has recently been in communication with Mr. Phillips, who is now in England and who reports that, in consequence of the great decrease in expenditure accounts following the practical completion of the Railway construction, and the closing of the Savings Bank Accounts, the 2nd Assistant Auditor, whose appointment was recommended in the letter to you from this Department No: 4 of 9th January last, will not be required permanently if the three extra Indian Clerks are retained. With the Staff so

constituted the Comptroller and Auditor General considers that the Revenue Accounts can be examined in sufficient detail, while local inspections, which are very desirable, can be carried out with greater frequency and completion than heretofore.

I have etc:

(Sd) W. Owen.

FOREIGN OFFICE,

January 1st 1904.

Sir:-
I am directed by the Secretary of State to say that careful consideration has been given in communication with the Uganda Railway officials to the views expressed by the Comptroller and Auditor General in Mr. Owen's letter of the 8th of July last with regard to the division of the expenses of audit of the Railway Accounts and I am now to express His Lordship's general concurrence with the principles laid down which will be communicated to the East Africa Protectorate Authorities for their guidance.

With regard to the proposals contained in paragraphs 3 and 4 of the above mentioned letter, His Lordship is of opinion that, for the present, it is desirable to keep the accounts of the Railway as self-contained as possible and that therefore its due proportion of the expenses incurred by the audit of its accounts should be charged as part of the Railway expenditure.

I am,

Sir,

Your most obedient,

humble Servant,

(sd:) Clement D. Hill.

Comptroller and Auditor General,

Victoria Embankment,

E. C.

LETTER FROM THE COMPTROLLER AND AUDITOR GENERAL TO THE
FOREIGN OFFICE.

18th January, 1899

No. 18

Sir,

I am directed by the Comptroller and Auditor General to transmit to you, for submission to the Secretary of State, the accompanying Estimates of the amounts which will be required in 1899-1900 for the cost of audit of the following Protectorates:-

1. British East Africa and Uganda Railway.
2. British Central Africa.
3. Uganda
4. Niger Coast Protectorate

5. With reference to the amounts required for "contributions to Home Expenditure" which, in the case of the first three Protectorates, were fixed provisionally at a time when this Department was not in a position to ascertain the amount of work that would fall on the Home Establishment of the Colonial Audit Branch, I am to state that it is only proposed to take the usual fixed payments for 1899-00.

6. In submitting the Estimates for 1899-1900, it may be necessary to reconsider these contributions, with a view to placing the Home Audit Expenditure of the Protectorate on the same basis as that of the Crown Colonies whose accounts are examined in this Department. In the case of the Crown Colonies, the

share

share of Home Expenditure is calculated as provided in Rule 121 of the Colonial Audit Regulations 1892 (Revised Edition) "upon the principle of the proportion which the total Expenditure of each Colony for the latest completed financial period, bears to the aggregate of the Expenditure of all the Colonies in question during the same period".

I am, etc.,

(Sgd) F. Phillips.

TREASURY AND AUDIT DEPARTMENT

6th January, 1899.

Sir,

I am directed by the Comptroller and Auditor General to transmit to you, for the information of the Secretary of State, the accompanying Estimates of the amounts which will be required in 1899-1900 for the cost of audit of the following Protectorates.

1. Uganda
2. East Africa & Uganda Railway
3. British Central Africa
4. Somali Coast
5. Niger Coast

2. With reference to the final paragraph of the letter from this Department of the 18th January last, I am to state that in the accompanying Estimates the contributions to Home Expenditure have been based upon the method of calculation approved by the Lords of the Treasury in Sir P. Mowatt's letter to this Department, No. 17241, of the 25th November last, on the subject of the accounts of the Somali Coast Protectorate, a copy of which was communicated to the P.O. by the Treasurer.

I have, etc.,

(Sgd) F. Phillips.

LETTER FROM THE COMPTROLLER AND AUDITOR GENERAL TO THE
TREASURY.

16th November, 1898.

No. 184.

Sir,

I am directed by the Comptroller and Auditor General to acknowledge the receipt of Sir Francis Mowatt's letter No. 15233/98 of the 5th instant, enclosing copy of a letter from the Foreign Office of 1st ultimo, on the subject of the Accounts of the Somali Coast Protectorate, which it appears that the Secretary of State for Foreign Affairs has instructed the Consul General for the Somali Coast to transmit to this Department for audit from the 1st ultimo.

2. In reply, I am to state for the information of the Lords Commissioners of the Treasury that the Comptroller and Auditor General concurs in the proposal that the Accounts should be examined in the Colonial Branch of this Department, and is prepared to undertake that duty, and to appoint a Local Auditor for service in the Protectorate.

3. The Comptroller and Auditor General considers it necessary that he should select for this appointment a Local Auditor or an Assistant Auditor, from one of the Colonies or Protectorates, as he has no officer at present available on the Home Staff who, in his opinion has had sufficient training and experience for the particular post.

4. The Local Auditors serving in the Colonial
Branch

Branches of this Department are already in receipt of salaries of £400 and upwards, the pay of the Assistant ranging between £300 and £400 a year. In these circumstances the Comptroller and Auditor General considers that £400 would be a fair rate to assign to the post of Local Auditor of the Somali Coast Protectorate, if filled by the transfer of one of his officers already serving abroad. It may be necessary later to increase this minimum by annual increments to £500, but, for the present, the smaller rate should be sufficient.

5. With reference to the amount to be paid for the Home Audit of the Accounts, I am to state that the Comptroller and Auditor General, when submitting the Audit Estimates for 1899-1900 proposes to place the Home Expenditure of the whole of the African Protectorates on the same basis as that of the Crown Colonies whose accounts are examined in this Department. In the case of the Crown Colonies the share of Home Expenditure is calculated, as provided in Rule 121 of the Colonial Audit Regulations, 1893 (Revised Edition) upon the principle of the proportion which the total Expenditure of each Colony for the latest completed financial period, bears to the aggregate of the Expenditure of all the Colonies in question during the same period.

6. Should this proposal be agreed to the amount to be provided for the Home Audit of the Somali Coast Protectorate Accounts, assuming that the expenditure of the Protectorate amounts to £20,000 a year, should not exceed £50.

I have, etc.,

(Sd) F. Phillips.

17241/1898

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TREASURY CHAMBERS

25th November, 1898.

Sir,

The Lords Commissioners of Her Majesty's Treasury desire me, in reply to your letter of the 16th instant to express their thanks for your readiness to undertake the audit of the Somali Coast Protectorate Accounts in the Colonial Branch of your Department.

Should it become necessary to ask Parliament to give a grant in aid of the Protectorate, My Lords request you to examine the Accounts under section 33 of the Exchequer and Audit Departments Act, but until then you will conduct the audit at the request of the Secretary of State for Foreign Affairs.

My Lords are of opinion that your proposal that a salary of £400 per annum should be assigned by the Secretary of State for the present to the Local Auditor whom you are prepared to appoint to Somaliland from amongst your trained Officers already serving abroad, is reasonable; and they do not doubt that the Secretary of State will assent to it, as well as to the method in which you propose to calculate the charge for home audit of the Protectorate Accounts.

My Lords are causing your letter and this reply to be communicated to the Foreign Office.

I am, etc.,

(Sgd) Francis Mowatt

TROLLER AND AUDITOR GENERAL.

EXCHEQUER AND AUDIT DEPARTMENT

8th July, 1903.

Sir,

I am directed by the Comptroller and Auditor General to acknowledge the receipt of Sir Clement L. Hill's letter of the 22nd ultimo, forwarding a copy of a despatch from the Manager and Chief Engineer of the Uganda Railway respecting the arrangements to be made for carrying on the audit of the Railway Accounts.

2. With reference to the suggestion that Mr. Barnes, one of the Assistant Auditors in the East Africa Protectorate, should have sole charge of the Railway Audit and that the present arrangement, under which the examination of Railway Accounts is supervised by the Local Auditor of the Protectorate, one half of whose salary is charged to Railway Funds, should be abolished, I am to say that as the Local Auditor for the East Africa Protectorate and Uganda Railway is responsible for the supervision of the work done by his Assistants at Nairobi, and as provision for the service of the Uganda Railway is now included in the estimate of the East Africa Protectorate, the Comptroller and Auditor General, as at present advised, sees no reason, so long as the Audit of the Railway Accounts is charged to Railway Funds, for altering the sanctioned arrangement, nor, if this arrangement is to continue, does there appear to be any objection, on the same grounds, to half the cost of the house about to be built for the Local Auditor, in the place of the one destroyed by fire, being borne by the Railway.

I am, however, to submit for Lord Lansdowne's consideration, whether at the present time, when the construction accounts of the Railway are practically closed, it would not be convenient to reconsider the system of charging part of the Establishment of the Local Audit Office to the Protectorate and part to the Railway and I am to explain that in the West African Colonies where there are Government Railways the accounts of which are examined by the Local Auditor, stationed in the particular Colony, the whole cost of audit, both of the ordinary Government Accounts and of the Railway accounts, is charged to one head "Audit".

4. Possibly there are reasons why the course adopted in the West African Colonies will not commend itself to the Secretary of State for Foreign Affairs for adoption in the East Africa Protectorate; otherwise the Comptroller and Auditor General would be disposed to recommend it for consideration when the Estimates of the Protectorate for 1904-1905 are in course of preparation.

5. In connection with the audit of the Railway Accounts, I am to refer to the 2nd paragraph of the letter from this Department to you, No. 30 of 12th February last and to say that the Comptroller and Auditor General has recently been in communication with Mr. Phelps, who is now in England, and who reports that in consequence of the great decrease in expenditure accounts following the practical completion of the Railway construction, and the closing of the Savings Bank Accounts, the 2nd Assistant Auditor, whose appointment was recommended in the letter to you from this Department

Department No. 4 of 9th January last, will not be required permanently if the three extra Indian Clerks are retained. With the staff so constituted the Comptroller and Auditor General considers that the Revenue Accounts can be examined in sufficient detail, while local inspections, which are very desirable, can be carried out with greater frequency and completion than heretofore.

I have, etc.,

(Sgd) W. Owen.

UNDER SECRETARY OF STATE

INDIAN OFFICE.

434

FOREIGN OFFICE

1st January, 1904.

Sir,

I am directed by the Secretary of State to say that careful consideration has been given in communication with the Uganda Railway officials to the views expressed by the Comptroller and Auditor General in Mr. Owen's letter of the 8th of July last with regard to the division of the expenses of audit of the Railway Accounts and I am now to express His Lordship's general concurrence with the principles laid down which will be communicated to the East Africa Protectorate Authorities for their guidance.

With regard to the proposals contained in paragraphs 3 and 4 of the above mentioned letter, His Lordship is of opinion that, for the present, it is desirable to keep the accounts of the Railway as self-contained as possible and that therefore its due proportion of the expenses incurred by the audit of its accounts should be charged as part of the Railway expenditure.

I am, etc.,

(Sgd) Clement L. Hill

COMPTROLLER AND

AUDITOR GENERAL, VICTORIA EMBANKMENT, E.C.

LETTER FOR THE COMPTROLLER AND AUDITOR GENERAL TO THE SECRETARY OF STATE

12th January, 1898.

No. 12

Sir,

I am directed by the Comptroller and Auditor General to transmit to you, for submission to the Secretary of State, the accompanying Estimates of the amounts which will be required in 1898-1899 for the cost of audit of the following Protectorates:-

- 1. British East Africa and Uganda Railway.
- 2. British Central Africa.
- 3. Uganda
- 4. Niger Coast Protectorate

With reference to the amounts required for "contributions to Home Expenditure" which, in the case of the first three Protectorates, were fixed provisionally at a time when this Department was not in a position to ascertain the amount of work to be done on the Home Establishment of the Colonial Office, I am to state that it is only proposed to add the usual fixed payments or charges.

3. In the estimates for 1898-1900, it may be necessary to reconsider these contributions, with a view to placing the Home Audit Expenditure of the Protectorates on the same basis as that of the Crown Colonies, whose accounts are examined in this Department. In the case of the Crown Colonies, the share

share of total expenditure is calculated as provided in Rule 121 of the Colonial Audit Regulations 1895 (revised Edition) "upon the principle of the proportion which the total Expenditure of each Colony for the latest-completed financial period bears to the aggregate of the Expenditure of all the Colonies in question during the same period".

I am, etc.,

(Sgd) F. Phillips.

REVENUE AND AUDIT DEPARTMENT

10th January, 1899

Sir,

I am directed by the Comptroller and Auditor General to transmit to you, for the information of the Secretary of State, the accompanying Estimates of the amounts which will be required for 1899-1900 for the cost of audit of the following Protectorates.

1. Uganda
2. East Africa & Uganda Railway
3. British Central Africa
4. Somali Coast
5. Niger Coast

2. With reference to the final paragraph of the letter from this Department of the 10th January last, I am to state that in the accompanying Estimates the contributions to Home Expenditure have been based upon the method of calculation approved by the Lords of the Treasury in Sir Pollock's letter to this Department, No. 17241 of the 26th November last, on the subject of the accounts of the Somali East Protectorate, a copy of which was communicated to the F.O. by the Treasury.

I have, etc.,

(Sgd) F. Phillips

SECRETARY OF STATE

REVENUE OFFICE

LETTER FROM THE COMPTROLLER AND AUDITOR GENERAL TO THE
 LORDS OF THE TREASURY

16th November, 1898.

No. 184.

Sir,

I am directed by the Comptroller and Auditor General to acknowledge the receipt of Sir Francis Mowatt's letter No. 1213/98 of the 5th instant, enclosing copy of a letter from the Foreign Office of 1st ultimo, on the subject of the Accounts of the Somali Coast Protectorate, which it appears that the Secretary of State for Foreign Affairs has instructed the Consul General for the Somali Coast to transmit to this Department for audit from the 1st ultimo.

2. In reply, I am to state for the information of the Lords Commissioners of the Treasury that the Comptroller and Auditor General concurs in the proposal that the Accounts should be examined in the Colonial Branch of this Department, and is prepared to undertake that duty, and to appoint a Local Auditor for service in the Protectorate.

3. The Comptroller and Auditor General considers it necessary that he should select for this appointment a Local Auditor or an Assistant Auditor, from one of the Colonies or Protectorates, as he has no officer at present available on the Home Staff who, in his opinion, has had sufficient training and experience for the particular post.

The Local Auditors serving in the Colonial
 Branch

Branch of this Department are already in receipt of salaries of £400 and upwards, the pay of the Assistant ranging between £300 and £400 a year. In these circumstances the Comptroller and Auditor General considers that £400 would be a fair rate to assign to the post of Local Auditor of the Somali Coast Protectorate, if filled by the transfer of one of his officers already serving abroad. It may be necessary later to increase this minimum by annual increments to £500, but, for the present, the smaller rate should be sufficient.

5. With reference to the amount to be paid for the Home Audit of the Accounts, I wish to state that the Comptroller and Auditor General, when submitting the Audit Estimates for 1899-1900 proposes to place the Home Expenditure of the whole of the African Protectorates on the same basis as that of the Crown Colonies whose accounts are examined in this Department. In the case of the Crown Colonies the share of Home Expenditure is calculated, as provided in Rule 121 of the Colonial Audit Regulations, 1898 (Revised Edition) "upon the principle of the proportion which the total Expenditure of each Colony for the latest completed financial period, bears to the aggregate of the Expenditure of all the Colonies in question during the same period".

Should this proposal be agreed to the amount to be provided for the Home Audit of the Somali Coast Protectorate Accounts, assuming that the expenditure of the Protectorate amounts to £20,000 a year, would not exceed £50.

I have, &c.

(Sgd) R. Phillips

F241/1898

TREASURY CHAMBERS

25th November, 1898.

Sir,

The Lords Commissioners of Her Majesty's Treasury desire me, in reply to your letter of the 16th instant to express their thanks for your readiness to undertake the audit of the Somali Coast Protectorate Accounts in the Colonial Branch of your Department.

Should it become necessary to ask Parliament to give a grant in aid of the Protectorate, My Lords request you to examine the Accounts under section 35 of the Highways and Audit Departments Act, but until then you will conduct the audit at the request of the Secretary of State for Foreign Affairs.

My Lords are of opinion that your proposal that a salary of £400 per annum should be assigned by the Secretary of State for the present to the local Auditor whom you are prepared to appoint to Somaliland from amongst your trained Officers already serving abroad, is reasonable; and They do not doubt that the Secretary of State will assent to it, as well as to the method in which you propose to calculate the charges for the audit of the Protectorate Accounts.

My Lords are sending your letter and this reply to be communicated to the Foreign Office.

COLLIER AND ASSISTANT GENERAL

COMPTROLLER AND AUDITOR GENERAL

24th July, 1904.

Sir,

I am directed by the Comptroller and Auditor General to acknowledge the receipt of Sir Clement Hill's letter of the 22nd ultimo, forwarding a copy of a despatch from the Manager and Chief Engineer of the Uganda Railway respecting the arrangements to be made for carrying on the audit of the Railway Accounts.

2. With reference to the suggestion that Mr. Barnes, one of the Assistant Auditors in the East Africa Protectorate, should have sole charge of the Railway Audit and that the present arrangement, under which the examination of Railway Accounts is supervised by the Local Auditor of the Protectorate, one half of whose salary is charged to Railway Funds, should be abolished, I am to say that as the Local Auditor for the East Africa Protectorate and Uganda Railway is responsible for the supervision of the work done by his Assistants at Nairobi, and as provision for the service of the Uganda Railway is now included in the estimate of the East Africa Protectorate, the Comptroller and Auditor General, as at present advised, sees no reason, so long as the audit of the Railway Accounts is carried on by the Local Auditor, for altering the mentioned arrangement, nor, if this arrangement is to continue, does there appear to be any objection, on the same grounds, to half the cost of the house now to be paid for by the Local Auditor, in the place of the one destroyed by fire, being borne by the Railway.

EXCISE AND AUDIT DEPARTMENT

24th July, 1904.

Sir,

I am directed by the Comptroller and Auditor General to acknowledge the receipt of Sir Clement Hill's letter of the 22nd ultimo, forwarding a copy of a despatch from the Manager and Chief Engineer of the Uganda Railway respecting the arrangements to be made for carrying on the audit of the Railway Accounts.

2. With reference to the suggestion that Mr. Barnes, one of the Assistant Auditors in the East Africa Protectorate, should have sole charge of the Railway Audit and that the present arrangement, under which the examination of Railway Accounts is supervised by the Local Auditor of the Protectorate, one half of whose salary is charged to Railway Funds, should be abolished, I am to say that as the Local Auditor for the East Africa Protectorate and Uganda Railway is responsible for the supervision of the work done by his Assistants at Nairobi, and as provision for the service of the Uganda Railway is now included in the estimate of the East Africa Protectorate, the Comptroller and Auditor General, as at present advised, sees no reason, so long as the audit of the Railway Accounts is entrusted to the Local Auditor, for altering the mentioned arrangement; nor, if this arrangement is to continue, does there appear to be any objection, on the same grounds, to half the cost of the house about to be built for the Local Auditor, in the place of the one destroyed by fire, being borne by the Railway.

3. I am, however, to submit for Lord Lansdowne's consideration, whether at the present time, when the construction accounts of the Railway are practically closed, it would not be convenient to reconsider the system of charging part of the Establishment of the Local Audit Office to the Protectorate and part to the Railway and I am to explain that in the West African Colonies where there are Government Railways the accounts of which are examined by the Local Auditor, stationed in the particular Colony, the whole cost of audit, both of the ordinary Government Accounts and of the Railway accounts, is charged to one head "Audit".

4. Possibly there are reasons why the course adopted in the West African Colonies will not commend itself to the Secretary of State for Foreign Affairs for adoption in the East Africa Protectorate. Otherwise the Comptroller and Auditor General would be disposed to recommend it for consideration where the Estimates of the Protectorate for 1904-1905 are in course of preparation.

5. In connection with the audit of the Accounts, I am to refer to the 2nd paragraph of the letter from this Department to you, No. 36 of 12th February last and to say that the Comptroller and Auditor General has recently been in communication with Mr. Phelps, who is now in England and who reports that in consequence of the transfer of the construction accounts following the completion of the Railway construction, and the closing of the Savings Bank accounts, the Assistant Auditor, whose appointment was intended to be left to you from this Department

Department Revenue Accounts, will not be
made possible if the Indian Clerks are
retained. With the aid of the Comptroller
and Auditor General considers that the Revenue Accounts
can be examined in sufficient detail, while local
inspections, which are very desirable, can be carried
out with greater frequency and completion than hereto-
fore.

I have, etc.,

(Sgd) W. Owen.

UNDER SECRETARY OF STATE
FOREIGN OFFICE

FOREIGN OFFICE

1st January, 1904.

Sir,

I am directed by the Secretary of State to say that careful consideration has been given in communication with the Uganda Railway officials to the views expressed by the Comptroller and Auditor General in Mr. Owen's letter of the 8th of July last with regard to the division of the expenses of audit of the Railway Accounts and I am now to express His Lordship's general concurrence with the principles laid down which will be communicated to the East Africa Protectorate Authorities for their guidance

With reference to the proposals contained in paragraphs 3 and 4 of the above mentioned letter, His Lordship is of opinion that for the present it is desirable to keep the accounts of the Railway as well contained as possible and that therefore its due proportion of the expenses incurred in the audit of its accounts should be charged as part of the Railway expenditure.

I am, etc.,

(Sgd) Clement Hill