

1934

23317

KENYA

C0533/452

1934

23317

REVISION OF RECORDS SECTION

This File should be returned to Queen Street when no longer required:

by Allowances.

Previous

3313/33

R. 297 2/5
Mr. Acheson 2/5
Mr Flood 2/6
Room 309 -

Subsequent

See 46507/8/36EA.
(Audit Salaries)
38463/45

C D 29/5
R. 299 2/6
R 297

Room 297 5/12
Room 309 7/12
Mr Treasurer 13
Mr Acheson 13
Mr Jeffries 14
D. C. A. 5/2
Mr Jeffries 6/2
Mr Flood 6/2
Miss Tomlinson 11/4/55
Sir C. Bottomley 12.2
R. 309 8
297 30/5
D. C. A. 31/5
295 16/9
297

P.S.
Allowances.
Auditor - cost accountants

1. Governor Byrnie 16.2.1954
vires
thunders his ^{vires} proposal that the Auditor's allowance of £200 should be incorporated in his salary & that his salary should be fixed at £1,500 instead of £1,350, & states that it is considered that no change should be made & that D.C.A. should be informed accordingly.

6th Nov '54

In the D.C.A.'s view (a) the allowance of £200 paid to the Auditor of Kenya as Auditor of the K.U.R. and H. should be incorporated in the Auditor's salary, and (b) that it would be only reasonable to fix the salary at £1,400 instead of £1,350.

The Governor is at a loss to understand the suggestion (b), having regard to the salaries attaching to other responsible posts in the Colony.

His objections to (a) are:-

(1) The adverse effect on the salary of the Acting Auditor. Under present arrangements the Acting Auditor draws:

Salary	£960	
Acting Allowance (Kenya)	£95	(i.e. half the difference between £960 and £1,150, the salary of the Auditor).
Allowance from Railway (non-pensionable)	£200	
	<hr/>	
	£1,255	

If proposal (a) were approved the Acting Auditor would receive:

Salary	£960	
Acting Allowance	£195	(i.e. half of the difference between £960 and £1,350).
	<hr/>	
	£1,155	

(2) The proposal would entail an addition

of about £133 per annum to the pension of the retiring Auditor. This addition would, of course, be spread among the scheduled Governments in which he has served. But arguments are advanced against the provision of a pension contribution based on £200 per annum by the Transport Administration. The Colony's share of the pension would, therefore, be increased.

(3) The effect of the proposals on the salary of the Deputy Auditor would be to put it below that drawn by Seconds-in-Command of Departments whose Heads are at £1,350, i.e. such Seconds-in-Command usually draw £1,000. The Deputy Auditor would draw £960. This would lead to a request for a removal of the anomaly.

The Governor is of the opinion that the present arrangements should not be changed and requests that the D.C.A. be so informed.

? Subject to the observations of the C.S. Department, the papers may be sent to the D.C.A.

C.H. Furness

12.12.34.

B. Hunter

? To D.C.A. as proposed. I need only show that, if in merits the case for increased parsimonious settlements is made out ultimately, regarded as established, the difficulties of adjustment as between the Govt & the H.A.P. might not be allowed to stand.

in the way of the increase. I don't suppose the difficulties an objection would involve. But the points about the acting allowance, and the reduction on the salary of the Deputy Auditor, as the matter would certainly seem to deserve consideration.

A. J. Jeffries
6-13/12

X Not at all. Kenya should raise the salary, and the K.A.P. should pay over to Kenya its share plus a pension contribution.

D.C.A.

May we have your views, please?

C. J. Jeffries

14/12/34

No: 3574/48.

Mr. Jeffries,

As you know, I kept this for discussion at the meetings - the first of which was held on End January - to consider East African and West African salary scales.

2. In this minute, I propose to confine myself

to

to the primary questions:- what are the proper salaries for the posts of Auditor and Deputy Auditor of Kenya and the Kenya-Uganda Railways and Harbours Administration.

3. The Governor agrees that the post of Auditor of Kenya is more onerous than that of other East African Auditors. He adds that the Audit staff in Kenya is much larger than that of other East African Auditors. The inference I draw from these admitted facts is that both the remuneration and the pensionable emoluments of the Auditor should be higher than that of the other East African Auditors. At present his remuneration when in the Colony is higher:-

viz. Kenya and Kenya-Uganda
Railway - £1150 + £200 = £1350.

Tanganyika Territory - £1150.

Uganda £1100 + £100 = £1200.

Northern Rhodesia £1000.

Zanzibar £960.

Nyasaland £920.

but his pensionable emoluments are the same as those of the Auditor of Tanganyika Territory:- £1150 + value of free quarters and only £50 a year more than those of the Auditor of Uganda.

4. The Governor thinks that I do not appreciate the fact that many other responsible posts in Kenya are more onerous than corresponding posts in other East African Dependencies.

He *thinks*

That's not the case
He is mistaken; I do, and always have done, though I did not appreciate how great the difference was in many cases until I visited East Africa in 1933 and saw the differences for myself. Though Kenya is smaller in area than Tanganyika Territory or Northern Rhodesia, and its population is less than Tanganyika Territory or Uganda, most of its Departmental Heads have a much bigger, more responsible, and more difficult, job than their opposite numbers in Tanganyika Territory or Uganda or Northern Rhodesia, and ought to be paid higher salaries than in other East African Dependencies. For such purpose Kenya ought in my opinion to be regarded in much the same way as Nigeria is in West Africa. Of course in West Africa, Nigeria is so much larger than the Gold Coast and has so much larger a population that, except where Departments in the two places are not on the same level of development, it has always been recognised without question that a Head of Department in Nigeria should be paid substantially more than in the Gold Coast. But in East Africa, except in a few of the best paid posts like Governor, Chief or Colonial Secretary, Chief Justice, and Attorney General, the position of Kenya has not been recognised in the same way.

5. The Governor objects to my comparing the salary of the Auditor of Kenya and the Kenya-Uganda Railway and Harbours Administration with the salaries of other East African Auditors and says that comparisons should be with the salaries of other posts in Kenya. My answer to this is that the Colonial Audit Department is a single combined

service,

service, and that therefore I must have regard to the salaries of Auditors elsewhere as well as to the salaries of other Heads of Departments in Kenya. But on the latter criterion as well as on the former I consider that the Auditor of Kenya and the K.U.R. and H. Administration ought to have his salary raised to £1,400.

6. If the Auditor was on £1,400, he would in respect of his double post get less than the :-

Colonial Secretary	£2,200.
Attorney General	£1,800.
Postmaster-General of (Kenya, Uganda and Tanganyika Territory)	£1,600.
Director of Agriculture	£1,500.
" Medical Services	£1,500.
" Education	£1,500.
Treasurer	£1,450.
Chief Native Commissioner	£1,450.

He would get the same salary though less emoluments than the

Commissioner of Customs, Kenya & Uganda	£1,400
---	--------

and he would get £50 a year more in salary than the :-

Commissioner of Local Government, etc.	£1,350
Commissioner of Police	£1,350.
D. P. W.	£1,350.
Deputy Colonial Secretary	£1,350.

+ Plus £150 allowance from East African Currency Board.

x Plus £100 allowance from Harbour Board.

In

In view of the double job held by the Auditor, this is far from being unfair or unreasonable.

6. If a separate Auditor were appointed for the K.U.R. and Harbours Administration - as was at one time contemplated as possible - he could not be paid less than £960. And the Auditor of Kenya alone could not be paid less than £1,100 - the salary of the Auditor of Uganda. But an officer holding one post and performing the duties of both would under Colonial Regulation 35(3) draw either

$$\frac{1}{2} \text{ of } £960 + £1,100 = £1,580$$

if his substantive post was Auditor of Kenya, or

$$\frac{1}{2} \text{ of } £1,100 + £960 = £1,510.$$

if his substantive post was Auditor of the K.U.R. and Harbours Administration.

8. As regards the Deputy Auditor, I certainly consider that his salary should be £1,000, not only because his post is much bigger, more difficult, and more responsible than that of the Deputy Auditor of Tanganyika Territory, but because it is worth at least as much as those of the second officers of the Kenya Treasury, Customs Department and Police.

But the pay of these two officers should be fixed at their proper level, and then the remuneration of the Deputy Auditor when acting as Auditor should be fixed in accordance with the ordinary rules about acting pay. There is no ground for refusing to pay the Auditor properly because under the present anomalous arrangement the Deputy Auditor gets more than he would if the Auditor got a

higher

higher salary. If the salary of the Auditor was raised to £1,400 and the salary of the Deputy Auditor to £1,000, the Deputy Auditor when acting as Auditor would get £1,000 + £200 = £1,200, which would be a fair remuneration for acting as Auditor.

A. J. Harding

Director of Colonial Audit.

5-2-35

I agree with his reasoning

G. Jeffries

6.2.35

So do I entirely; but I fear the matter may have to wait while Kenya chews over the suggested general revision. It ought not to wait because the Auditor is rather outside the general machine.

I think we can put the D. C. A.'s points to Kenya & say the S. G. B. agrees.

S. G. B. agrees

6.2.

Yes - let me see it.

G. J. 7.7

11.2.35

Wad

12.2.35 *above*

To Kenya, Conf. (w/c & minutes) of 5-2-35) 27 MAY 1935

I amend

Seen

A. J. Harding

DCA

31-5-35

*X 157
Res on pp
11/12*

Mr. Acheson,

So far as I know, nothing has yet been done to implement the decision of the Secretary of State in his confidential despatch of 27th May, 1935 (No. 2. on Kenya/23317/1934) that a good case had been made out for giving immediate effect to my recommendations that the salary of the Auditor of Kenya should be raised to £1,400 (the non-pensionable allowance of £200 a year disappearing) and that the salary of the Deputy Auditor should be raised from £960 to £1,000, though practically a year has passed.

The delay is very unfortunate for Mr. W.H. Smith, who is retiring next year, and will lose the benefit of the change in pensionable emoluments, if it is much longer delayed. The case for the increases does not really depend on the new salaries and conditions of service of other East African officers, the correspondence regarding which is proceeding so slowly.

Cannot something be done to expedite matters?

A. J. Harding

Director of Colonial Audit.

19th May 1936

The Gen. M Kenya has had the HQ colonial despatch nos. He called and a despatch referring to that, & says he is asking for a reply to No. 2.

Yes:

S. G. B. agrees

A. J. Harding

3

To Kenya, Conf - cons

2/4

2 JUN 1936

Register reply in
the conditions of service
and 9 commut
up this file

C-9

Amis/Dup Staff
- Auditor's salary

C. O.

Mr. *Worsmith*

Mr. *Parkin*

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.



closed on 46507/8/36 E.A.

May, 1935

DRAFT.

Kenya
Conf.
for.

4/4/36
CA

Sir,

I have etc to invite reference to paragraphs 14 and 15 of my Confidential despatch of the 24th of March and to enquire whether you are now in a position to reply to the Confidential despatch from Sir Philip Cunliffe-Lister (now Viscount ~~Lord~~ Swinton) of the 27th of May, 1935, regarding the salary of the Auditor of Kenya.

I have etc.

FURTHER ACTION.

(Signed) W. GAMBLY GORE.

C. O.

23317/34.

Mr. Grossmith. *26/2/35*

Mr. *Freeston* 26

Mr. *Adams* 21/5. *(I kept this until it is possible to say that "shelly" in para 3. approximately to accuracy)*

Mr. *Barkinson* *Hood* 22.5

Sir G. Tomlinson

X Sir C. Bottomley *22/5*

Sir J. Shuckburgh

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Downing Street,

22 MAY 27

Magd February, 1935.

Sir,

DRAFT.

KENYA.

CONFIDENTIAL.

GOVERNOR.

Memorandum

(D.C.A.'s minute of 3/2/35 as amended)

u.s.s.

I have the honour to acknowledge the receipt of your *Sup. 20. 3/35* Confidential despatch No. 162 of the 6th of November, and to transmit to you a copy of a memorandum by the Director of Colonial Audit in amplification of his contention that the salary of the Auditor of Kenya should be increased to £1400 ^(a year) ~~inclusive~~ ^{to include} of the amount paid to him for auditing the accounts of the Transport Administration. It will be noted that the position of the Deputy Auditor is also dealt with in the memorandum.

FURTHER ACTION.

(I find myself in full agreement)

2. I entirely agree with the

views of the Director of Colonial Audit

and I ~~would ask that effect may be given~~ ^{think a good case is made out for}
^{giving immediate effect}

to his recommendations, ~~in this matter~~, even in ^{the} present ^{circumstances} of Kenya.

3. I hope to address you shortly

with regard to the revision of the

conditions of service in East Africa as

discussed at the Governors Conference

at Nairobi in May, 1934. If, therefore,

you would prefer to postpone final action

in connection with the salaries of the

Auditor and Deputy Auditor, pending

the receipt of that despatch, I ^{shall} should

have no objection.

I have, etc.

(Sgd.) P. CUNLIFFE-LISTER.

KENYA.

No. 162.

CONFIDENTIAL.



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

RECEIVED
29 NOV 1934
C. O. REGI

November, 1934.

No. 3.
3313/33

Handwritten (2)

Sir,

With reference to your despatch Confidential (2) of the 30th August, regarding the representations made by the Director of Colonial Audit on the subject of the allowance of £200 which is paid to the Auditor in Kenya for audit of the accounts of the Transport Administration, while I am prepared to agree that the Director of Colonial Audit is correct in his conclusion that the post of Auditor of Kenya is more onerous than that of other East African Auditors, I would add that the Audit staff in Kenya is much larger than that in most Dependencies. Moreover, had the Director's observation covered a less restricted field he could not have failed to appreciate the fact that the same conclusion must be reached in regard to a large proportion of the responsible posts in this Colony.

I consider that in discussing the question of the Auditor's salary, if comparisons are to be brought into the argument, they should be in relation to other posts in the Colony and not in relation to corresponding Audit posts elsewhere. Otherwise a general re-adjustment of salaries could not logically be avoided.

On this basis of comparison the case for any increase in the Kenya Auditor's pensionable salary

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.

salary is not a strong one, and I am unable to understand the suggestion that it would be reasonable to fix the salary at £1,400 per annum, that is to substitute a pensionable £250 per annum for a non-pensionable allowance of £200.

2. As regards the suggestion that the allowance of £200 should be incorporated in the Auditor's salary, making it £1350, and that it would be reasonable to require the Railway Administration to assume responsibility for pension commitments in respect of this sum, many complications would arise if this proposal were adopted.

The allowance came into existence with the Estimates for 1929 and it takes the form of a direct payment of £200 a year by the Railway, the Auditor's salary payable from Kenya funds continuing to be expressed at the figure of £1150, which is his pensionable salary.

As the allowance is payable to the officer for the time being performing the duties of Auditor, it is paid to the Acting Auditor when the Auditor is on leave. No question of an increased contribution from the Railway therefore arises on account of the Auditor's leave movements. If, however, the allowance were incorporated in the Auditor's salary, the acting allowance paid to an Acting Auditor would be at the rate of £100 per annum more than at present, but the Acting Auditor would be drawing £100 a year less than he draws now. The Acting Auditor now gets his substantive salary plus acting allowance at the rate of £95 per annum, plus the £200 non-pensionable allowance from the Railway, a total of £1255. If the Auditor's

Auditor's salary were raised to £1350 per annum by the inclusion in salary of the allowance from the Railway, the Acting Auditor would receive his substantive salary plus an acting allowance of £195 per annum or a total of £1155.

If an increase to £1350 in the salary of the Auditor is to be regarded as creating additional charges which should fall on the Railway, as by way of responsibility for the pension commitments involved, it should follow that the consequential additional expenditure in respect of the acting allowance to the Acting Auditor should also fall on Railway funds.

An increase in pensionable emoluments from £1150 to £1350 per annum would, disregarding the higher allowance in respect of quarters that might be payable in certain cases, probably entail an addition of about £133 per annum to the pension of the retiring Auditor who will, it must be supposed, normally be an officer of such seniority as would entitle him to something in the neighbourhood of maximum pension. This addition to the pension earned would of course be spread among the scheduled Governments in which he has served. The Railway could not be called upon to pay the whole of it and the share of pension to be borne by Kenya might therefore be increased.

There can hardly be any cut and dried scheme under which responsibility for the pension in respect of the £200 Railway allowance could fall entirely on the Railway. From the point of view of the officer concerned,

concerned, he would know that his pensionable emoluments were based on a pensionable salary of £1350 per annum and his pension would be calculated on retiring pensionable emoluments and length of service and only on those two factors. From this point of view, therefore, there can be no question of the £200 allowance being pensionable only in respect of the period during which the retiring officer has drawn that allowance. Such a method would introduce an entirely new feature into pension legislation. On the other hand if the normal method is adopted of basing pensions on average pensionable emoluments for the three years previous to retirement it is quite clear that the Railway interest in the pension so increased does not extend to the whole of the increase.

The extent to which the Railway should be responsible for the increase in pension would remain a matter for decision. If it were decided that the Railway were to bear such portion of the pension payable in respect of the Auditor's service in Kenya as £200 bears to £1350, a proportion which seems to be reasonable on the face of it, it would probably be necessary to lay down that this proportion should only apply to periods of service performed by the officer as Auditor, that is to say, if the officer had previous service in Kenya, Kenya would pay the whole of the pension in respect of that service and a separate calculation would have to be made.

If the Auditor had no previous service in Kenya this method would probably result in Kenya paying

paying no more towards the officer's pension than it does at present. On the other hand part of the burden would be borne by Colonies in which the Auditor had previously served. But a division of responsibility in this way between the Colony and the Railway is not covered by the present law.

From the considerations outlined above it seems to me that it is impracticable to translate the Auditor's £200 allowance into a pensionable allowance merely by starring it as pensionable in the footnote to the Colonial Estimates and in the Railway Estimates. If in fact the Auditor's salary were to become a pensionable salary of £1350 per annum it should be expressed at that figure in the Colony's Estimates and the Railway reimbursement should be increased accordingly. In other words, the allowance would no longer be a direct payment from the Railway to the officer; the Colony would pay the whole salary and be reimbursed by the Railway.

The reaction which this course of procedure would have on the Deputy Auditor's salary remains to be considered. The Deputy Auditor now receives £960 per annum which, as against £1150 per annum drawn by the Auditor, is probably fair and reasonable. But in so far as any standardisation exists in these matters, seconds in command of departments whose Heads are at £1350 per annum usually draw £1000 per annum. The next stage may therefore be expected to be an application for the removal of an anomaly by an increase in the salary of the Deputy Auditor to £1000 per annum. The Railway would not be interested in this and if the point were conceded the

the additional cost would fall on the Colony.

3. Moreover, there is the point that the acceptance by the Railway of responsibility for any part of the pension of the Auditor would naturally raise the question of Railway responsibility for pensions payable for the Audit staff employed on Railway audit work. The present position is that in the case of this staff the reimbursement from the Railway excludes any reference to pensions.

This question has a comparatively wide application. It extends, for instance, to the Audit staff employed on the audit of Post Office and Telegraph, Customs and Military accounts. But precision in assessing the cost of pensionable liability for these services is practically impossible. The staff changes from time to time and the only way in which reimbursement could be made would in practice be to raise an arbitrary charge.

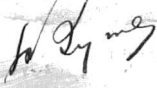
For the reasons given above I am of opinion that no change should be made, and I shall be glad if the Director of Colonial Audit can be informed accordingly.

4. This question brings into prominence the many difficulties with which this Government is faced in being all but required to fulfil the functions of a "Central Authority" in addition to the normal activities of territorial administration.

As a direct result the operations of Government are very considerably complicated, the numbers employed by Government are increased and although consistent efforts are made to effect an equitable distribution of the added burden, pensions and similar commitments

commitments tend to fall on the operating Government rather than on other Administrations. I am convinced that sooner or later the whole question of the relationship of the Kenya Government to the activities of other East African Governments must be investigated.

I have the honour to be,
Sir,
Your most obedient, humble servant,



BRIGADIER-GENERAL.

GOVERNOR.