

1931.

Kenya

No. 17026

SUBJECT

C0533/406

K. U. Railways and Harbours.

Annual Accounts 1929 - 1930

Previous

16082/30.

Subsequent

18258/32. (Stores Stock)

3005/33.

1 DCA. \_\_\_\_\_ 22<sup>nd</sup> January  
Submits in duplicate, certified copies of General  
Manager's Annual Account for year 1927, together  
with DCA's report thereon.

\* I cannot find any record of the raising of  
the amount of the stocks etc. held by the Railway. from  
£150,000 : a request in Dec. 1921 that it should  
be raised to £450,000 was refused by 1305  
of 6/9/22 (2965/21 Kenya) on the interests of economy  
and the state of the market then existing. The  
mileage of open lines was however then only  
776 : it is now 1615 and consequently larger  
stocks are necessary.

The First Subb.  
to be presented  
at 15974  
1770 30

I can find no trace of the second  
Supplementary Estimate 1929. <sup>has been submitted for</sup> being [reserved]  
the report approval.

? Send a certified copy of the  
Annual Account to the H.C.T. together with  
a copy of the S.C.A. report, asking for his  
X | views on the report, in particular with ref to  
para. 3 of 6.47.

G. B. Thamburani  
20/2

See 15974  
15974

Look at value  
at 15974

In his dep. ltr of 28/1/28 (1 on 15157/28) the H.C.T.  
reported that the value of stock on hand was £475,000.

This figure was not queried.

The figure at 31/12/28 was £602,908 - not queried  
I put up a copy of the letter referred to in para 7  
of S.C.A. report.

File 2612

Instead of X in the Attachment  
should ask to state in para  
3 (last unallocated stores) say  
as regards para 6 that there is no  
record of the 2nd S.E. having been  
submitted to the JOT for approval

It does not seem necessary to  
Comment on para 7

J. H. Allen

26/1/71

200P  
#12/71  
above

to be trans to (should be to) Comd 5 MAR 1971

21 April 11  
about comments on certain paragraphs of  
the report

By the D.C.A. a copy of which I put up.  
It would appear that the High Comm, advised  
by the Railway Advisory Council, is the  
responsible authority in this case. Account was  
however, subject to audit by the D.C.A., so  
perhaps she should be asked to say whether

to consider that the figures for stock stores  
and materials on hand and in transit are  
too high and whether a limit should be  
imposed.

S. H. Allen 29/1/71

Even if the JOT were the final  
& responsible authority say to show  
they saw the "Standard Stock"  
limit - but I do not understand  
why it should be intended that the  
ultimate authority does not  
act with the JOT.

What? to DCA in the  
first instance

J. H. Allen

5/6/71

D.C.A.

for above - please  
see Barham  
5/6/71

Mr. Parkinson.

In the original Memorandum of the  
C. & A.G. describing the Unallocated Store  
system, which received the approval of the  
Secretary of State, it is laid down that

a Standard Stock should be fixed, and it is clearly desirable that there should be a limit in order to prevent overstocking, accumulation of old stores and the locking up of excessive balances in stores.

The Unallocated Stores system, so far as I know, has always been regulated by the C. & A.G.'s. original Memorandum (copy enclosed for reference) and I see no reason at all why one of its most important features, viz. the fixing of a Standard Stock, should be eliminated in the case of the Kenya-Uganda Railways and Harbours.

As regards the authority required for the fixing of the Standard Stock I notice that the High Commissioner does not quote any particular section of the Order in Council in support of his opinion, and I cannot find therein any section which can be held directly to cover the point. In view, however, of the consideration that the transactions of an Unallocated Stores Account are intimately connected with the Expenditure of the Colony in which it operates I suggest that it is reasonable to say that the authority for fixing the Standard Stock, in the case of the Kenya-Uganda Railways and Harbours, should be similar to that required for the financial operation of the Railway and Harbour Fund (Section 17 of the Order-in-Council) in so far as the ultimate sanction of the Secretary of State is concerned, though it would not, of course, be necessary for the Standard Stock to be approved by the Legislative Council.

Consideration

4  
Consideration of the extent of limit had perhaps better wait until it has been decided whether there is to be a limit or not.

*[Signature]*  
Deputy Director  
of Colonial Audit.

JUN 16 1951

*A.C.A.*  
*Presumably I agree that a limit is desirable. On the assumption that there is to be a limit, have you any ideas now as to the extent? or wd. you suggest that we ask Mr. J. in view?*

*A.P. Parkison*  
*19.6.51*

Mr. Parkison,

I consider that a definite suggestion as regards the amount of the standard stock should originate from the High Commissioner. It does not necessarily follow that the introduction of a fixed amount for the standard stock would be the most satisfactory method of controlling the value of stores held, as it might be proposed to follow the precedent of the Nigerian Railway in which the original fixed amounts for the standard stocks were replaced by an overall limit of 2% of the capital value.

So, I think it would be preferable to approach the High Commissioner on the subject in the first instance.

*J. Fisher*  
Deputy Director  
of Colonial Audit.

JUL - 2 1931

65. Canion

Have you any observations please?  
*see Parkman*  
10/7/31

only one I entirely agree that it is ultimately for the S. of S., acting on the advice of the H.C., to decide what the "Standard Stock" shall be - but the figure shall be kept as low as possible.

*G. L. H. Canion*  
11/13/31

I agree

*10/11/31*

ack. No. 3 - explain what standard stock was. be paid - each H.C. in recommendation as to the amount - adding that I seem reasonable that it should be kept as low as possible.

*see Parkman*  
11/7/31

especially in present circumstances, I think it may be better

to risk a small delay in obtaining stores than to increase enormously the amount locked up in stores.

[I am rather surprised that the D.C. has been taken as permitting a relaxation of control in this matter].

13/7/31

all over  
20/11

4. S. S. by. Yarn Conf. 3. Standard. Conf. - 81 JUL 1931  
5. So. D.C. H. (w/c 4) - 24/2/31  
1931 AUG 18

Received for 17/5/31  
to *see*  
with C.I.  
C.I.  
(a) *Stamp - limit of amount of stores*  
*1/1/31*  
(b) *Railway Stores - D.C.A.*

Two (in duplicate) Certified copies of the A/C of the Gen. Mang. R.U.R. & Harbours for the year 1930, together XA's report.

? send <sup>for his comments</sup> copy of (b) & (c) enclosed to the H.C. and, with ref. to para 4 of the D.C.A. report, or might ask them a reply to (d) which may be expected.

*A.H.*  
16/11/31

*G.P. Manning*

I had omitted to notice that No. 7 etc. 4 was Conf. The reminder shall be by Conf. L.P.  
*G.P. Manning*  
20/11/31

C. O.

17026/1931

10 7 m  
90

Mr. Priestman

24/2  
24/2

Mr. *Downing*

Mr. Parkinson

Mr. Tomlinson

Mr. C. Bottomley

Sir J. Shuckburgh

Permt. U.S. of S.

Party. U.S. of S.

Secretary of State.

Downing Street,

25 February, 1932



Sir,

**DRAFT.** *Cmsn*

**TRANSPORT**

**KENYA AND UGANDA**

**Confidential**

(No.9)

copy to DCA 18/12A 25 FEB 1932

*Copy of 9 and this  
to DCA  
[Signature]*

I have, etc., to refer to your Confidential despatch of the 24th of December 1931, regarding the amount invested in the Capital Stores Stock of the Transport Services, and to inform you that I agree that the maximum amount which may be authorised by the High Commissioner for Transport for investment in stores stock by the Transport Services, without the prior approval of the Secretary of State, shall be £500,000, of which ~~Share~~ amount £50,000 will be in respect of wood fuel and £450,000 in respect of other stores.

2. Although this maximum figure has been fixed with reference

to

to normal requirements, I assume, for  
the reasons indicated in paragraph 3  
of Lord Passfield's Confidential despatch  
of the 31st of July 1931, that so long as  
existing conditions last, the actual  
material locked up in Stores will be kept  
at the disposal of the

(No.4)

I have, &c

W. H. LISTER

No. ~~Confidential~~

RECEIVED  
25 JAN 1932  
COL OFFICE

24<sup>th</sup> December 1931.

9

Sir,

I have the honour to refer to Lord Passfield's confidential despatch of the 31st July, 1931, regarding the amount invested in the Stores Stock of the Transport Services, and to state that I delayed replying to this despatch so that the position of the Stores Stock of the Administration might be fully investigated.

2. I note the contents of paragraph 2 and the ruling that there should be a standard stock fixed, subject to your approval.

3. The Administration's Stores Stock at present stands

at a value of .....	£415,000
Less value of clearance sales.....	<u>24,000</u>
	391,000
1931 issues are expected to be .....	<u>157,000</u>
	234,000
to which must be added the cost of essential purchases .....	<u>70,000</u>
which would reduce the value on hand at the end of 1932 to .....	<u>304,000</u>

If the existing depression continues beyond 1932, the amount invested in Stores Stock will be reduced further. On the other hand, in normal times, and at any rate in the course of a few years, a comparatively heavy Renewals programme will have to be undertaken while it is not improbable that some new construction also may be placed in hand.

4.....

THE RIGHT HONOURABLE

MAJOR SIR PHILIP CUNLIFFE-LISTER, G.B.E., M.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, S.W.1.

*copy to B.A. B/2A 25 JAN 1932*  
*First Annual Conf (on 18258/32) 22 AUG 1932*  
*Unword Conf. 25 FEB 1932*



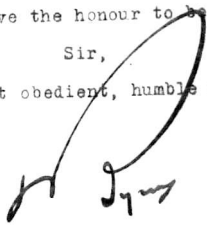
2.

4. In fixing a standard Stock, it is necessary that these factors should be borne in mind and, after careful consideration of the whole matter, I recommend that unless special sanction is received from you the total sum to be authorised for investment in Stores Stock by the Transport Services be £500,000, of this amount £50,000 will be for wood fuel and £450,000 for other Stores.

I have the honour to be,

Sir,

Your most obedient, humble servant,


 A large, stylized handwritten signature in dark ink, appearing to be 'H. J. ...', written over the typed name.

HIGH COMMISSIONER.

RECEIVED

13 NOV 1931

COLL. OFFICE

10  
6

East African Dept.:

In accordance with Rule 39 of the Departmental Instructions of the Colonial Audit Department I submit herewith (in duplicate) certified copies of the Account of the General Manager of the Kenya-Uganda Railways and Harbours for the year 1930, together with my report thereon.

*A. J. Harding*

Director of Colonial Audit.

10<sup>th</sup> Nov 1931

*Copy of Report to H. Cr. 168 24 NOV 1931*

11

**KENYA-UGANDA RAILWAYS AND HARBOURS.**

**ANNUAL ABSTRACT ACCOUNT, 1930.**

— | 0 | —

REPORT of the DIRECTOR OF COLONIAL AUDIT on the Account of the General Manager of Kenya-Uganda Railways and Harbours for the year ended the 31st of December, 1930.

— | 0 | —

As certified therein, the above mentioned Account, together with the Balance Sheet on the 31st of December, 1930, has been examined under my directions.

2. The questions which arose in the course of examination have been satisfactorily settled, as far as possible, but a few points are still awaiting final settlement.

3. The Balance Sheet at the 31st of December, 1930, as rendered, records an asset of £278,368.17.54cts in respect of stores and materials in hand and in transit. I am informed by the Auditor, however, that there was an unreconciled deficit of Shs.2,000 in the total balance extracted from the ledgers of the Stores Superintendent as compared with the governing accounts kept by the Chief Accountant.

With reference to paragraph 3 of my Report on the accounts for the year 1929, I understand that the question of fixing a standard stock for these stores is now under consideration, but, as far as I am aware, a final decision as to the amount has not yet been reached.

4. The Revenue Account, as rendered, includes various errors of classification which were brought to notice, and admitted by the Accounting Officer, too late for adjustment. These were, however, of minor importance with the exception of an amount of Rs.10.0 which was charged to Railway Expenditure Abstract "B" instead of to Railway Expenditure Abstract "B".

5. The Combined Net Revenue Account of the Railways and Harbours (certified statement No.7) records a loss on the year's working of Rs. 2,25,000.00; this has been charged, through the motion of a "loss account" to the recently established "Reserve account" which has accordingly been reduced to Rs. 9,50,000.00 in the Balance Sheet.

6. With reference to paragraph 4 of my report on the accounts for the year 1930, the liability of Rs. 2,42,347.45 which appeared in the Balance Sheet of that year in respect of the "Stores Fund" has since been transferred to the Capital Account where the item is now termed "Working Capital - Stores". The authority for this transfer was given in the Secretary of State's Despatch to the High Commissioner No.122, of the 6th of October, 1930.

7. With reference to paragraph 2 of the Secretary of State's Despatch to the High Commissioner for Transport of the 22nd of July, 1931, in connection with the charging of unauthorized expenditure to "Advances", I am informed by the Auditor that certain expenditure which had been incurred but

not sanctioned within the year remains charged as advances instead of as expenditure in the accounts of the year.

*standing*

Director of Colonial Audit.

COLONIAL AUDIT DEPARTMENT

November, 1931

KENYA-UGANDA RAILWAYS AND HARBOURS.

Financial Statements, 1930.

*K.U.R. & H.  
Reports (Vol.  
7) - Financial Statements*

HARBOURS.—REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1930.

STATEMENT No. 4.

EXPENDITURE RECEIPTS

HEADS	Amounts			Per cent to gross receipts			HEADS	Amounts			Per cent to total earnings						
	1930			1929				1930			1929						
	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.				
To Maintenance of Jetty, Wharves Quay, Tracks, Roads and Buildings	10,062	13	15	8,147	5	30	2,833	2,16		115,660	18	30	121,535	13	47	32,37	32,29
„ Ferries, Light and Mooring	4,973	0	80	4,227	12	38	1,40	1,12		93,930	1	85	71,228	10	33	26,42	18,93
„ Marine Working	6,117	9	16	5,774	7	33	1,72	1,52									
„ Water	3,972	13	29	2,815	7	20	1,12	0,75									
„ Tugs, Launches and Lighters, etc.	13,821	8	38	12,905	3	44	3,89	3,43		21,824	13	69	51,871	13	86	6,14	13,78
„ Mechanical and Electrical Machinery	21,034	3	89	18,323	19	10	5,93	4,87		6,339	11	86	24,543	5	72	1,78	6,52
„ Shore Working	107,871	2	03	141,767	12	33	30,35	37,67		65,233	6	85	57,062	4	28	18,35	15,16
„ General Charges	24,969	3	66	23,864	19	02	7,02	6,34		53,103	17	79	50,108	19	30	14,94	13,32
„ Miscellaneous Expenditure	7,585	8	40	6,723	12	30	2,13	1,79									
Total Ordinary Working Expenditure	220,457	3	26	224,492	18	37	55,39	59,65									
To Depreciation	16,600	0	00	14,504	0	00	4,67	3,85									
Total Expenditure	217,062	3	26	238,996	18	37	61,05	63,50									
Balance Net Earnings	138,430	7	08	137,353	8	59	38,94	36,50									
Total	355,492	10	34	376,350	6	96	100,00	100,00		355,492	10	34	376,350	6	96	100,00	100,00

Examined,  
W. H. SMITH,  
Auditor,  
2nd April, 1931.

H. E. GOODSHIP,  
Chief Accountant.

14th February, 1931.

RAILWAYS.—NET REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1930.

STATEMENT No. 5.

Particulars	Amount			Particulars	Amount		
	£	s.	d.		£	s.	d.
To Interest Charges	485,237	11	21	By Net Earnings from Revenue Account	454,574	8	37
„ Loan Redemption Charges	40,664	0	00	„ Interest on Advances and Cash Balances	40,951	11	59
„ Write-off of Obsolete Stores Stock	Cr. 946	7	57	„ Transfer from Stores Fund	442,347	4	86
„ Write-off of Dead Assets	189	10	20	„ Balance carried to combined Net-Revenue Account (Railways and Harbours)	57,351	19	34
„ Grain Refunds	35,000	0	00				
„ Loss on Land Account	2,453	5	46				
„ Transfer to Capital Account—Working Capital—Stores	44,2347	4	55				
Total	1,004,945	4	16	Total	1,004,945	4	16

Examined,  
W. H. SMITH,  
Auditor,  
2nd April, 1931.

H. E. GOODSHIP,  
Chief Accountant.

14th February, 1931.

HARBOURS.—NET REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1930.

STATEMENT No. 6.

Particulars	Amount			Particulars	Amount		
	£	s.	d.		£	s.	d.
To Interest Charges	145,978	12	28	By Net Earnings from Revenue Account	136,430	7	08
„ Loan Redemption Charges	18,300	0	00	„ Balance carried to Combined Net Revenue Account (Railways and Harbours)	28,848	5	20
Total	164,278	12	28	Total	164,278	12	28

Examined,  
W. H. SMITH,  
Auditor,  
2nd April, 1931.

H. E. GOODSHIP,  
Chief Accountant.

14th February, 1931.

Typed  
Statement  
No  
(1931-1932)

III  
(4)

STATEMENT NO. 7.

RAILWAYS AND HARBOURS—COMBINED NET REVENUE ACCOUNT FOR THE YEAR ENDING 31ST DECEMBER, 1930.

Particulars	Amount			Particulars	Amount		
	£	s	d		£	s	d
To Balance from Net Revenue Account (Harbours)	28,846	5	20	By Balance	83,210	4	54
" Balance from Net Revenue Account (Railways)	57,361	19	34				
Total £	86,207	4	54	Total £	83,210	4	54

H. E. GOODSHIP,  
Chief Accountant,  
14th February, 1931.

W. H. SMITH,  
Auditor,  
2nd April, 1931.

The above accounts have been examined under my directions. I have obtained all the information and explanations that I have required, and I certify, as a result of this audit, that in my opinion the account is correct, subject to the observations contained in my report.

*A. J. Harding*  
Director of Colonial Audit.



O. O.

17026/31.

C. D.  
R 27 JUL  
D 29 1

4.16

Mr. Chamberlain 20/7

Mr. Clauson 21/7  
Dir. of Col. Audit. 22/7  
Mr. Parkinson  
Mr. Tomlinson

Handwritten initials and scribbles.

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Downing Street,

31 July, 1931.

Sir,

Handwritten 'S5' with a slash.

DRAFT.

TRANSPORT

KENYA-UGANDA

CONFIDENTIAL

High Commr.

Handwritten 'Am 9' with a slash.

Handwritten 'C/2 to S.C.G.' with a slash.

(3)

Copy C.C.F. 1/10/31 10 AUG 1931

I have the honour to acknowledge the receipt of your despatch No. 63 of the 27th April regarding the comments which were made by the Director of Colonial Audit on the annual accounts of the General Manager of the Transport Administration for the year ended 31st December, 1929.

2. I do not altogether understand the suggestion made in paragraph 2 of your despatch ~~to a standard stock of unallocated stores.~~ The ultimate

Handwritten note in a circle: "that since the passing of the Kenya and Uganda Transport Bill in 1927 the indefinite limit has existed for the stock of stores held by the Administration."

ultimate authority of the Secretary of State in  
~~this matter was~~  
~~not~~ not diminished by the Order in Council, and

I am definitely of opinion that there should  
be a standard stock fixed for the Transport  
Administration and that <sup>(in accordance with the usual practice,</sup> the amount should  
be subject to the approval of the Secretary  
of State.

2. I shall be glad therefore if you  
will submit to me your recommendation as  
to the figure at which it is desired that  
the Standard Stock should be fixed. ~~in IC~~  
~~this connection I would observe that it~~  
appears desirable that this figure should  
be kept as low as possible, especially in  
the present circumstances in which it may  
be better to risk a small delay in  
obtaining stores than to increase unduly  
the amount of capital ~~which would be~~  
locked up ~~in stores~~.

I have, etc.

(Signed) PASSFIELD

17

MEMORANDUM AS APPROVED BY THE COLONIAL OFFICE EXPLAINING THE METHOD IN WHICH EXPENDITURE ON PUBLIC WORKS MATERIALS AND STORES SHOULD BE ESTIMATED AND ACCOUNTED FOR.

1. There shall in future be a "Standard Stock" of materials and stores for the Public Works Department under the care of the Director of Public Works, of a gross value represented by a sum of £... or such other sum as the Governor with the approval of the Secretary of State may from time to time determine.

2. The amount so assigned as the value of the Standard Stock shall be fixed at the amount which would be sufficient to meet probable current requirements for a period not exceeding six months. Care should be taken that this amount is not so large as to lead to unnecessary accumulation of stores and any unauthorised expenditure in excess of the approved amount will be regarded as a serious financial irregularity.

3. The amounts of money required for instituting and maintaining the Standard Stock shall be provided out of the balances of the Colony under special authority of the Governor.

4. It will be the duty of the Treasurer to charge the expenditure on materials and stores to a Suspense Account entitled "Unallocated Stores" which would appear in his accounts below the line.

5. To this account shall be charged in the first instance the total cost of all purchases of stores including the charges for freight, insurance, etc.

6. As all stores and materials for public works must be estimated and accounted for as part of the cost of the works, it is necessary that as stores are issued to works, the heads of the Estimate under which such works are provided should be debited with the cost of the stores in the manner hereafter explained, the Suspense Account being correspondingly credited.

7. The "cost" of stores, for the purpose of issue valuation, will be the total cost (including Freight, etc.) of each article or unit of quantity and all stores, immediately they have been received and brought on charge, should have their issue valuation assigned to them. This issue valuation will be subject to revision whenever purchases are made in replenishment of any particular description of Stores and this will be calculated by adding the total cost of each new supply to the total issue value of the existing stock of the same description of stores, and thereupon computing the average cost per article or unit of quantity which will be recorded as the issue value for all stores in hand of that description, pending further repurchase.

8. For the purpose of facilitating the above calculations a "Stores Cost Book" should be kept showing (1) the invoice cost of each purchase of stores and (2) all additional expenditure incurred thereon.

9. In cases where stores which have been issued to a work and have not been wholly used the unexpended balance should again be brought on charge, at the current issue valuation, the work being credited with the total value and the Suspense Head "Unallocated Stores" correspondingly debited.

10. A monthly "Expense Statement" showing the total cost of the stores expended on the various Works should be prepared in the Public Works Department in such detail as may be locally desirable. These Expense Statements, certified by the Head of the Public Works Department, should be transmitted to the Treasurer, and should form the basis of the debits to the respective Works on account of which the Stores have been issued and of the concurrent entries to the credit of "Unallocated Stores".

11. The Expense Statements will subsequently be submitted to the Local Auditor for examination with the Store Ledgers and other records of the Public Works Department and will then be filed as vouchers to the Treasurer's Accounts.

12. Under this arrangement the account "Unallocated Stores" in the Ledger should show, as debits, the amount of the total expenditure in connection with Stores purchased or returned from Works, and, as credits, the sums transferred therefrom and debited to Works from time to time on account of issues.

13. A "Stock Balance Sheet" should be prepared in the Public Works Department at the end of each year and submitted for audit showing (1) as the opening balance, the value of stores in hand at the commencement of the year, (2) a summary of the whole of the transactions appearing in the "Unallocated Stores" account during the year including any financial adjustments on account of depreciation or losses of Stores (see paragraph 14) and (3) as the closing balance, the value of Stores in hand at the end of the year.

14. The Balance Sheet should be supported by a "Stock Valuation Return" prepared from the Store Ledgers (detailed descriptions and quantities need not necessarily be entered) and duly certified by the Head of the Public Works Department. The "valuation" here referred to does not mean an actual valuation of stock, the ledger values being as a rule accepted, but unserviceable and obsolete articles should be brought forward annually for re-valuation and any depreciation made the subject of financial adjustment within the year. Any difference between the total value shown in the Stock Valuation Return and the closing balance of the Stock Balance Sheet should be fully explained, as well as any excess over the authorised Standard Stock.

15. The value of Stores in hand (i.e., the balance of the "Unallocated Stores" Account) will be included in the Annual Statement of Assets and Liabilities.

HIGH COMMISSIONER  
FOR TRANSPORT.

OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,  
GOVERNMENT HOUSE,  
NAIROBI,  
KENYA.

RECEIVED  
26 MAY 1931  
COL. OFFICE

24<sup>th</sup> April 1931.

193

No. 68

My Lord,

No. 2

I have the honour to refer to Your Lordship's despatch TRANSPORT KENYA-UGANDA No. 22 of the 5th of March, 1931, which forwarded a certified copy of the Annual Accounts of the General Manager of this Administration for the year ending 31st December, 1929, and the Report by the Director of Colonial Audit.

31 JUL 1931

*Answered by*

2. As regards paragraph 3 of the Report of the Colonial Auditor, it has not been considered, since the passing of the Railway Order in Council, that any definite limit on the stocks of stores held by this Administration existed, but that the High Commissioner, advised by the Railway Advisory Council, in accordance with the terms of the Order in Council, was the responsible authority for the amount of stocks held. The value of the stocks at the end of 1929 was £516,723.11.08, at the end of 1928 was £602,908.6.89, and at the end of 1927, £503,335.1.90.

3. With reference to paragraph 6 of the Colonial Auditor's reports, it is regretted that through an oversight the Second Supplementary Estimates for 1929 were not forwarded to Your Lordship; they were approved by the Legislative Councils of Kenya and Uganda on the 4th April and 17th April, 1930, and a copy is forwarded herewith.

I have the honour to be,  
My Lord,  
Your Lordship's most obedient, humble servant.

THE RIGHT HONOURABLE  
LORD PASSFIELD,  
SECRETARY OF STATE FOR  
THE COLONIES,  
DOWNING STREET, S.W.1.

H. J. [Signature]  
HIGH COMMISSIONER.

*Sup. (Hand. in orig)  
registered on  
16944/30 Kya, as  
to this.*

~~SECRET~~  
KENYA-UGANDA.  
No. 22

Downing Street.  
5 March, 1931.

Sir,

I have the honour to transmit to you the accompanying copy of the annual accounts of the General Manager of the Kenya-Uganda Railways and Harbours for the year ended the 31st December, 1929, together with a report thereon by the Director of Colonial Audit.

2. I shall be glad to have your observations on the points referred to in paragraphs 3 and 6 of the report. As regards the latter paragraph, there is no record of the Second Supplementary Estimates 1929 having been submitted to me for approval.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

HIGH COMMISSIONER FOR TRANSPORT,  
KENYA-UGANDA.

C. O.

17026/31 Kenya

2<sup>21</sup>

Mr. *Chandini 28/2*  
 Mr. *Allen 21/2/31*  
 Mr.  
 Mr. Tomlinson.  
 Sir C. Bottomley.  
 Sir J. Shuckburgh.  
 Sir G. Grindle.  
 Permt. U.S. of S.  
 Parly. U.S. of S.  
 Secretary of State.

C. O. D.  
 R 3-MAR  
 D 4

54

*Arch No. 3*

5<sup>th</sup> March 1931

DRAFT.

Transport  
 Kenya-Kyanda  
 No. 22.  
 High Commr.

Sir,  
 I have the pleasure to give you the accompanying certified copy of the Annual Accounts of the General Manager of the Kenya-Kyanda Railways and Harbour for the year ended the 31<sup>st</sup> December 1929, together with a report thereon by the Dir. of Col. Audit.

2. I shall be glad to have your views on the points referred to in paras 3 & 6 ~~in para 3 of the Audit Report in respect to the item of £576,723 the abate. for stores and materials on hand and in transit and~~  
 As regards the latter ~~with reference to~~ para. 7 of the Report I have to inform you that there is no record of the second supplementary Schedule 1929 having been submitted to me for approval.

I have  
 signed  
 (Signed) PASSFIELD.

~~Duplicate (or pencil copy) of this Report~~  
~~Printed and~~ 2

22

COPY.

High Commissioner for Transport, Nairobi, to the  
Acting General Manager, Kenya-Uganda Rly.

No.T/O/1.

26th February, 1926.

Your S.P.27 dated the 6th February regarding the powers of the General Manager.

2. His Excellency the High Commissioner for Transport directs me to state that he, in accordance with Section 5(1) of the Kenya and Uganda (Transport) Order in Council, 1925, delegates to you the following powers:-

(1) GENERAL.

Subject to the provision of the Kenya and Uganda (Transport) ORDER IN COUNCIL, 1925, and of such other Rules and Regulations as may from time to time be issued (and subject to the authority of the High Commissioner for Transport) the General Manager shall have full powers in the executive management of the Railway.

(2) FINANCE.

The General Manager, in addition to the general powers conferred upon him herein:-

(1) May operate on the working, renewals and betterment expenditure within the provision allowed in the sanctioned estimates, and, subject to the approval of the High Commissioner for Transport, may utilise savings under any one Abstract of such estimates to meet an excess under another Abstract, provided the gross authorised expenditure is not exceeded.

(2) May authorise expenditure up to the amounts sanctioned within the main heads of approved loan schedules for railway and harbour works.

(3) May authorise the expenditure of any sum not exceeding £2,500, in respect of any one railway or harbour work or service other than a work or service covered by sanctioned working estimates or carried out under an authorised construction, betterment or renewals programme provided that such expenditure is subsequently covered by supplementary estimates or re-allocation.

(4)



- (4) May enter into contracts for specific sanctioned works up to the amount of the estimated cost.
- (5) May enter into local contracts for the purchase of stores.
- (6) May order the "write-off" of book losses of stores due to depreciation, and may sanction adjustments of excesses and deficiencies of stocks incurred in ordinary working, but such "write-off" shall be reported to the High Commissioner.
- (7) May order the "Write-off" of a loss in cash to an amount of £100, in any one case, but such "write-off" shall be reported to the High Commissioner.
- (8) May permit the execution of work for Government Departments or private persons after the estimated cost, including a suitable percentage for supervision and for depreciation and interest on the capital cost of machinery, and, in the case of works on private account, a percentage as to profit and customs has been adjusted by transfer and credited to the Deposit Account of the Railway by Government, or, in the case of private persons, has been deposited by them.
- (9) May incur expenditure under "Law Charges" on the advice of the Legal Adviser to the Administration.
- (10) May enter into contracts for the carriage and delivery of goods, and for tools at bridges, ferries, and other communications provided or controlled by the Railway for loading and unloading, and subject to the provisions of the Order in Council, may fix the tariff of rates, fares and charges.
- (11) May authorise the sale of surplus material and stores.
- (12) May enter into agreements for the interchange of traffic with other providers of transport.
- (13) May, subject to the conditions under which the control of land and Railway property has been handed over to the High Commissioner by the Government concerned, arrange for the grant or taking of leases of houses, land, etc. the rent absorbed not exceeding £500 a month.
- (14) May re-convey or re-deliver property given as security under any contract.
- (15) Shall have control of all buildings and land, including dwelling houses exclusively devoted to Railway purposes, and shall also have control of the allotment of quarters therein.

(3) STAFF.

The General Manager:-

(1) May appoint, promote, transfer within the Railway Administration, dismiss, and accept resignations of servants whose substantive salaries do not exceed £450 per annum.

(2) May appoint, promote, transfer within the Administration, dismiss and accept resignations of all temporary servants engaged for new work and construction, within provision of the expenditure allowed.

(3) May sanction increments in excess of those laid down by scale, provided the maximum substantive salary of the servant concerned does not exceed £450 per annum.

(4) May grant leave to staff of all grades under the rules in force.

(5) May advance pay up to one month's salary to all grades of the staff, recoverable in three monthly instalments.

(6) May, where he considers it advisable in the interests of the Administration, suspend any official from the exercise of his duties, and shall refer such cases to the High Commissioner for Transport for such enquiry as the High Commissioner may order.

3. I am to point out that some or all of these powers may be withdrawn or amended at a later date.

(Sgd) C.A.G.WALKER.

Secretary to the High Commissioner.

REC D  
23 JAN 1931  
COL. OFFICE

East African Department,

In accordance with Rule 39 of the Departmental Instructions of the Colonial Audit Department, I submit herewith (in duplicate) certified copies of the Annual Account of the General Manager of the Kenya-Uganda Railways and Harbours for the year 1929, together with my report thereon.

*A. J. Harding*

Director of Colonial Audit.

JAN 22 1931

*Sub encls. 2 of 2. Stamp 22 - 8 MAR 1931*

KENYA-UGANDA RAILWAYS AND HARBOURS.  
ANNUAL ACCOUNT, 1929.

—: o :—

REPORT of the DIRECTOR OF COLONIAL AUDIT on the  
Account of the General Manager of the Kenya-Uganda  
Railways and Harbours for the year ended the 31st  
of December, 1929.

—: o :—

As certified thereon, the above mentioned  
Account, together with the Balance Sheet on the  
31st of December, 1929, have been examined under  
my directions.

2. The questions which arose in the course  
of examination have been satisfactorily settled,  
as far as possible, but a few questions still  
await final settlement.

3. The Balance Sheet, as rendered, includes  
an asset of £516,723.11s.08cts. in respect of  
Stores and Materials on hand and in transit. So  
far as I am aware, the limit on the stocks of  
stores held by the Uganda Railway has not been  
revised in recent years, and I presume, therefore,  
that the figure still stands at £150,000, which,  
at the date of Mr. Churchill's despatch No. 1305,  
of the 6th of September, 1922, was under recon-  
sideration.

See 2965/21  
32 2/3

4. With reference to paragraph 3 of my  
report on the accounts for the years 1926, 1927  
and 1928, the Balance Sheet as at the 31st of  
December

( 2 )

December, 1929, again records a liability of £442,347.4s.86cts. in respect of the "Stores Fund". In accordance with the instructions contained in the despatch from the Secretary of State to the High Commissioner (No.122 of the 8th October 1930) this liability should disappear from the account during the year 1930.

5. The Revenue Account, as rendered, includes various errors of classification, which were brought to notice, and admitted by the accounting officer, too late for adjustment. These were, however, of minor importance with the exception of those shown in the attached list.

6. So far as I am aware, the second Supplementary Estimates have not yet received the approval of the Secretary of State.

7. With reference to paragraph 4 of my report on the accounts for 1926, 1927 and 1928, the question regarding the authority for writing off losses of money is now satisfactorily settled, but the question of the delegation of certain of his powers by the General Manager to various officers of the Administration is still under local consideration. As regards the conveyance of authority for expenditure to the General Manager, it does not appear that the procedure prescribed in Colonial Regulation 261, under which authority is conveyed by means of a General Warrant, is followed in the case of the Kenya-Uganda Railways and Harbours, where it is the practice, in view of sections 5, 17 and 18 of the Order-in-Council, to regard the delegation of powers

( 3 )

*Copy now attached*

by the High Commissioner of Transport in his letter No.T/O/1 of 26th February 1926 as conveying to the General Manager a standing authority, not limited in time, to meet expenditure without the necessity of an annual General Warrant.

*A. J. Harding*

Director of Colonial Audit.

COLONIAL AUDIT DEPARTMENT,

2<sup>nd</sup> January, 1931.

KENYA - UGANDA RAILWAY.

Annual Accounts, 1929.





## HARBOURS REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1929.

HEADS	EXPENDITURE				RECEIPTS				Per cent to total earnings							
	Amounts				Amounts											
	1929	£	s.	d.	1929	£	s.	d.		1929	1928	1927				
To Docks, Harbours, Jetties, Wharves, and Quays	12,410	17	86	10,537	17	98	25	5,35	121,535	13	47	67,578	12	23	32.29	34.34
" Marine Working	115	7	33	8,045	2	15	189	4.79	71,228	10	33	28,708	12	80	18.93	14.59
" Water	3,010	6	69	94	6	53	0.90	0.05								
" Tugs, Launches and Lighters	12,486	8	32	9,535	11	31	3.32	4.85	51,871	13	86	25,810	7	35	13.78	13.11
" Cranes and Mechanical Appliances	16,643	1	92	15,718	17	20	4.42	7.94	24,543	5	72	15,126	1	68	6.52	7.69
" Shore Working	142,957	4	93	22,529	18	84	17.98	11.45	57,062	4	28	37,365	13	01	15.16	18.99
" General Charges	23,145	19	02	15,014	12	28	6.15	7.63								
" Miscellaneous Expenditure	6,823	12	30	2,469	12	91	1.81	1.25	50,108	19	30	22,208	6	96	13.32	11.28
Total Ordinary Working Expenditure	224,492	18	37	83,945	19	21	59.65	42.66								
To Depreciation	14,504	0	00	12,623	0	00	3.85	6.41								
Total Expenditure	238,996	18	37	96,568	19	21	63.50	49.07								
Balance Net Earnings	137,353	8	59	100,228	14	82	36.50	50.93								
Total	376,350	6	96	196,797	14	03	100.00	100.00	376,350	6	96	196,797	14	03	100.00	100.00

Examined.  
W. H. SMITH,  
Auditor,  
2nd April, 1930.

H. E. GOODSHIP,  
Chief Accountant,  
15th February, 1930.

## STATEMENT No. 5.

## RAILWAYS—NET REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1929.

Particulars	Amount			Particulars	Amount		
	£	s.	d.		£	s.	d.
	To Interest Charges	485,869	8		63	By Net Earnings from Revenue Account	794,259
" Loan Redemption Charges	40,664	0	00	" Interest on Advances and Cash Balances	41,580	7	29
" Write-off of Obsolete Stores Stock	1,351	7	52	" Surplus on Land Account	1,041	17	63
" Interest Reserve Fund	100,000	0	00				
" Balance carried to Combined Net Revenue Account (Railways and Harbours)	208,996	13	11	Total	836,881	9	26
Total	836,881	9	26				

Examined.  
W. H. SMITH,  
Auditor,  
2nd April, 1930.

H. E. GOODSHIP,  
Chief Accountant,  
15th February, 1930.

## STATEMENT No. 6.

## HARBOURS—NET REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1929.

Particulars	Amount			Particulars	Amount		
	£	s.	d.		£	s.	d.
	To Interest Charges	140,683	2		42	By Net Earnings from Revenue Account	137,353
" Loan Redemption Charges	16,300	0	00	" Balance carried to Combined Net Revenue Account (Railways and Harbours)	21,629	13	83
Total	156,983	2	42	Total	156,983	2	42

Examined.  
W. H. SMITH,  
Auditor,  
2nd April, 1930.

H. E. GOODSHIP,  
Chief Accountant,  
15th February, 1930.

STATEMENT NO. 7.  
RAILWAYS AND HARBOURS.—COMBINED NET REVENUE ACCOUNT FOR THE YEAR ENDING 31ST DECEMBER, 1929.

Particulars	Amount			Particulars	Amount		
	£	s.	d.		£	s.	d.
To Balance from Net Revenue Account (Harbours) . . . . .	21,629	13	63	By Balance from Net Revenue Account (Railways) . . . . .	208,996	13	11
By Balance transferred to Betterment Fund (Railways) . . . . .	187,366	19	28				
<i>Total</i> £ . . . . .	208,996	13	11	<i>Total</i> £ . . . . .	208,996	13	11

*Examined.*

W. H. SMITH,  
*Auditor.*

2nd April, 1930.

H. E. GOODSHIP,

*Chief Accountant.*

15th February, 1930.

The above accounts have been examined under my directions in accordance with the Colonial Regulations and the General Instructions and Rules of the Colonial Audit Department. I have obtained all the information and explanations that I have required, and I certify, as a result of this audit, that in my opinion the accounts are correct subject to the observations contained in my report.

*A. J. Harding*  
Director of Colonial Audit.

KENYA-UGANDA RAILWAYS AND HARBOURS.

1929.

Errors of classification brought to notice and admitted  
by the accounting officer, too late for  
adjustment.

Account.	Amount.	Abstract charged.	Abstract which should have been charged.
K.U.R. Expenditure vouchers.	<p>£. s. cts. 23.14.90.</p>	A.	<p>s. cts. A. £3.11.24. B. 3.15.98. D. 16. 2.93. Advances 4.75. <u>£23.14.90.</u></p>
Do.	4. - . -	A.	D.
Do.	5.10. - .	A.	D.

# PUBLIC RECORD OFFICE

CONTINUED ON NEXT FILM

TOTAL EXPOSURES →



have received no instructions from the  
Uganda Government in this matter, but  
that <sup>an</sup> ~~the~~ enquiry <sup>has been already made</sup> ~~has been passed~~ to the  
Governor by the Secretary of State, and  
that a further communication will be  
sent to him when the Governor's reply  
is received.

I am,

etc.

10 23



ALL COMMUNICATIONS  
TO BE ADDRESSED TO THE  
CROWN AGENTS FOR THE COLONIES.  
THE FOLLOWING REFERENCE AND THE  
DATE OF THIS LETTER BEING QUOTED.

P/Misc. Uganda 1.

TELEGRAMS: "CROWN, LONDON"  
TELEPHONE: 7730 VICTORIA

27 JAN 1932

4, MILLBANK,  
WESTMINSTER,  
LONDON, S.W.1.

26th January, 1932.

Sir,

With reference to your letter No. 20291/29  
of the 19th July, 1929, in connection with the preparation  
of a report on the Fishing Survey of lakes in Uganda, I  
have the honour to enclose a copy of a letter from  
Dr. E. B. Worthington regarding grants made to him by the  
Government of Uganda, and to enquire whether the sum of  
£160, mentioned by him may be paid from Uganda funds.

I have the honour to be,

Sir,

Your obedient servant,

*Manoub*  
for CROWN AGENTS.

*109. m  
20291/29  
Uganda*

18. 1. 32

*copy of parcel to Gov. Uganda (2)*

The Under Secretary of State,  
Colonial Office,  
S. W. 1.

J. Ed.

GAG.

FROM DR. E. B. WORTHINGTON TO THE CROWN AGENTS.

Zoological Laboratory,  
Cambridge.  
18th January, 1932.

Gentlemen,

I have the honour to write to you concerning a certain sum of money owing to me in connection with the Fishing Survey of Lakes Edward, George, etc. in Uganda, carried out by me in 1931. The Government of Uganda made grants to me amounting to £200. Previous to my leaving Uganda in October last I had drawn on this sum to the amount of £40. I arranged with the honourable the Treasurer, Entebbe, that the balance amounting to £160 should be paid to me direct from the Crown Agents for the Colonies, Millbank, on my return to this country.

Since I have not yet heard from you or from my bankers in connection with this payment, I would ask you to arrange the matter with as little delay as possible and to send the money to my bankers - the National Provincial Bank, Notting Hill Gate, W. 11.

I am, Gentlemen,

Your obedient servant,

(SIGNED) E. B. WORTHINGTON (Dr.)



9 25

C. O.

Mr. Hyde, 25.1.32.

Mr. Acheson. *Wp*

Mr.

Mr. Parbinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

DOWNING STREET,

29 January, 1932.

C. D.
R 27 JAI
D 29.

DRAFT. FOR CONSON.

15986/30  
No. 29

E. B. WORTHINGTON, ESQ.,

C/O THE ZOOLOGICAL LABORATORY,  
CAMBRIDGE.

*Copy to E. B. W. (17)*

Sir,

I am etc. to refer to the correspondence ending with the letter from this Department of the 18th September, 1930, on the subject of your recent scientific expedition to East Africa, and to inform you that he has now received a despatch from the Governor of Uganda stating that you propose to prepare for publication a full report of the work carried out by the Expedition in Uganda, and that the Protectorate Govt. would wish to purchase 100 copies

of this report. *When it is published* - *The Dept would accordingly be glad to be glad to enquire what arrangements you would be so kind as to inform him that arrangements you have*

have made, or are making, with regard  
to publication.

2. The Governor adds that before leaving  
Uganda you suggested that it would be convenient  
if the Report were published by the Crown Agents  
for the Colonies, and the Secretary of State has  
ascertained that the Crown Agents <sup>with</sup> would be  
prepared to assist, if you so desire, by  
arranging for <sup>the</sup> printing and publication.

I am, etc.,