

EAST AFR. PROT.

C. O.  
31242

31242

D.C.A.

RAILWAY AUDIT STAFF

1914

July

Submits proposals for increase of by 11 clerks  
and an additional Asst Auditor.

Last previous Paper

Gov  
15224

Mr: Read,

I append copies of three letters which I have received from the Auditor of the East Africa Protectorate with reference to the audit staff employed in the Railway Branch Audit Office. He has come to the conclusion (in which he is supported by the expressed opinions of the General Manager and the Chief Accountant of the Railway) that, having regard to the large increase in the traffic on the Uganda Railway and to the work which devolves upon the staff in connection with the allied Railways and other undertakings, the existing staff is totally inadequate, and he therefore asks that the annual contribution by the Railway Department, which is now £1574, may be increased to £3000 and that the <sup>and</sup> staff may be thereupon increased by 11 Clerks and that, in addition, the services of an additional Assistant Auditor may be employed on  
railway

Next subsequent Paper.

audit  
46868

railway audit work for at least six months in the year.

This is a large proposition calling for serious consideration but I think that Mr. Barnes has made out a good case, and, as I am anxious that the railway audit especially, in view of its special responsibility, should not be starved, I had intended to recommend his proposals in connection with the draft estimates for 1915/16. He now asks however that they might be considered with a view to making an immediate increase in the staff and I therefore put them forward with a view to their approval and adoption as soon as may be possible.

*B. J.*  
12/10/14

The Road In the Estimates the Railway Audit staff are not shown separately but form part of the General Audit Staff detailed on p. 48. It is, therefore, possible to compare exactly the proposed allocation of £3,000 with the allocation of the amount £1874, but Mr. Barnes' letter shows that no additional staff is asked for beyond the 4 extra clerks & the half time of one additional Assistant Auditor. As there are only 5 Audit Auditors, in all, of whom one at least will be on leave & one is exclusively employed on Railway audit, it is to be expected that the loss of this half time will soon lead to a demand for an extra Audit Auditor for the general Staff, quite apart from the additional Railway Audit staff which is foreshadowed.

Mr. Barnes  
Letter of 11/10/14 page 2

I think that in view of the comparative percentages given by Mr. Barnes on page 3 of his letter of



COPY.

ACTING AUDITOR, EAST AFRICA TO DIRECTOR OF COLONIAL  
AUDIT.

31242

No: 31/240/266.

4th July, 1914.

Sir,

I have the honour to acknowledge the receipt of your letter No: 112 dated the 13th of May 1914 on the subject of the staff of the Railway Branch Audit Office.

2. I note that the recommendations for increase of staff in the Auditor's letter to you No: 13/100 of the 17th of March 1914 will be considered in connection with the draft Audit Estimates for 1915-16. I would most strongly urge that these recommendations should be considered with a view to making an immediate increase in the staff. The figures on which the suggestions were made were taken from the estimates of the current year and I would submit that the increased staff is absolutely necessary to cope with the accounts for the year 1914/15.

3. The accounts of the year 1913/14 will shortly be closed and I am afraid it will not be possible to complete the Programme of Work approved for the audit of the Railway accounts.

4. With the increase sanctioned in the estimates for 1914/15 of one fourth grade clerk only I am convinced that the audit of the Railway Accounts will fall very far short of efficiency, and I earnestly trust that you will see your way to expedite the increase in staff asked for. The urgency is I consider such that, if the increase is sanctioned, a cable message to the effect would be justified.

I have, etc., (Sgd) W.A.Kempe.

COPY.

32

AUDITOR, EAST AFRICA TO DIRECTOR OF COLONIAL AUDIT.

No: 18/122/255.

1st April, 1911.

31042

Sir,

With reference to my letter No: 13/100/1134, dated 17th March last on the subject of an increase of staff for the Railway Audit, I have the honour to enclose herewith copies of letters Nos: C.21/75/541 and of No:2268 from the Honourable the Railway Manager and the Chief Accountant from which it will be seen that they support my proposals most strongly.

I have, etc.,

(Sgd) E.C.E. Barnes.

No: C.21/75  
544

March 27th, 1914.

TO

THE AUDITOR

NAIROBI.

Sir,

In forwarding Mr: Eastwood's reply to your letter No: 101 of 17th March regarding the enlargement of the staff of the Railway Audit Department I beg to state that I fully endorse the Chief Accountant's views. The increase in traffic on the Uganda Railway during the last year is very great and the number of separate accounts now to be kept adds considerably to the duties of the Accounts Department and consequently to the Audit Department.

I certainly would like to see the Audit Department placed in such a position as to meet the work that will come in the future and with a big Construction Programme coming on, the additional duties of the Accounts and Audit Departments will be very largely increased.

I endorse Mr: Eastwoods recommendation that the staff be increased by an additional Assistant Auditor as well as the increase to the Clerical Establishment. I am sure it will pay the Uganda Railway to have the best control possible of their Expenditure and Revenue.

I have, etc.,

(Sgd) H.B.Taylor.

General Manager  
Uganda Railway.

COPY.

34

CHIEF ACCOUNTANT, UGANDA RAILWAY TO THE AUDITOR THROUGH THE  
HON: THE GENERAL MANAGER.

No: 2268.

23rd March, 1911.

Sir,

I have the honour to acknowledge the receipt of your letter dated 17th March, No:101/U.Rly., forwarding a letter to the Director of Colonial Audit with reference to the enlargement of the staff of the Railway Audit Department, and asking for my opinion on the subject.

2. I am fully in accord with the opinions expressed and the enlargement of the staff asked for, in fact I would recommend two Assistant Auditors in place of one. I have long been of the opinion that your staff is inadequate to carry out its duties in any but a very perfunctory manner, but it has been a matter entirely outside my province and one on which I could not offer any criticisms.

3. I consider the Audit Department is of very great assistance to the Accounts Department, and the more competent the Audit Department is the more satisfactory will be my work.

I therefore give your proposals the fullest possible support.

I have, etc.,

(Sgd) B. Eastwood.

AUDITOR, EAST AFRICA TO THE DIRECTOR OF COLONIAL AUDIT.

No: 13/100/U.Rly.

17th March, 1914.

31242

Sir,

I beg to bring to your notice the inadequacy of the staff employed at the Railway Branch Office to cope with the present and rapidly increasing volume of work.

2. Prior to 1908/9, provision was made for the staff at the Branch Audit Office, in detail, under the Railway Estimates, but, in 1908/9, £1,500 was agreed upon as a contribution by the Railway to cover the cost of the audit of the accounts. The staff at that time consisted of an Assistant Auditor and 5½ Clerks, and the accounts audited were the Uganda Railway Working Account, the Treasurer's Cash Account and the Uganda Railway Capital Account. The total of the audited figures for that year were:-

|                            |           |
|----------------------------|-----------|
| Ug.Rly.Working Expenditure | £ 167,882 |
| "    Receipts              | £ 232,661 |
| Capital Expenditure        | £ 21,477  |
| Extraordinary Works        | £ 35,310  |
|                            | <hr/>     |
|                            | £ 457,330 |

3. The contribution has since been increased to £1,570 to allow for an extra clerk in view of the work entailed by the increased traffic and the introduction of the Catering Accounts, Kilindini Pier Accounts and the Provident Fund. It still stands at this figure in the 1914/15 Estimates and the present staff is 1 Assistant Auditor and 7 Clerks.

4. The estimated Railway figures for 1914/5 are

|                              |           |
|------------------------------|-----------|
| Ug. Rly. Working Expenditure | £ 468,036 |
| "    "    Receipts           | £ 800,000 |
| Busoga Rly. " Expenditure    | £ 33,137  |
| "    "    Receipts           | £ 41,223  |





subaccounts. Inclusive of these the total staff of the Accounts Department will be Chief Accountant, 2 Assistant Chief Accountants and 171 Clerks. The total cost of the Department will be more than triple that of 1908/9 while the clerical staff will be more than four times the number.

6. In view of these increases it would I think be a very moderate request that the audit contribution be increased to £3,000. The £1,500 of 1908/9 represented 0.33% of the total audited figures and 24.2% of the cost of the Accounts Department, while £3000 will represent only 0.18% of the 1914/15 figures and 16.9% of the cost of the Accounts Department.

7. If this increase is agreed to I would suggest that both the numbers and the grades of the clerical staff at the branch office be considerably increased. Under the present arrangement we audit the accounts prior to their submission to the Treasurer and he accepts the audited figures for posting in his ledgers, without further examination on the part of his Department. By this system we accept rather more responsibility for the correctness of the Railway Accounts than we do in the case of the ordinary Protectorate Account, and, with the volume of figures which should be audited, it is impossible to do this with a clerical staff of 1 1st Grade and 6 IV Grade clerks. Moreover the system of Railway accounting, even with a single line, is necessarily a complicated one, but now that there are two branch lines belonging to another administration, but managed by the Uganda Railway, separately estimated for and consequently requiring separate accounts, the inter-railway transactions still further complicate matters and a considerable technical knowledge of book-keeping, as well as an intimate knowledge of the accounts, is required by the auditing staff.

8. I would therefore urge that appointments of higher

grades

grades should be allotted to the office. The contribution of £3000 would include allowance for

- 1 I Grade Clerk
- 2 II " "
- 5 III " "
- 5 IV " "
- 5 V " "

and this, I submit, is a minimum staff with which to accept any sort of responsibility for the correctness of the accounts. The cost of this staff would be approximately £1782 in salaries.

9. Following the lines on which the contribution of £1,500 was arrived at I would propose the following expenditure as covered by the £3,000:-

|  |         |
|--|---------|
| † Auditor's salary & Duty Pay            | £ 375   |
| Asst. Auditor's salary                   | £ 345   |
| Clerks salaries                          | £ 1,782 |
| Contingencies                            | £ 20    |
| Travelling Expenses (including passages) | £ 175   |
| Messengers (2)                           | £ 16    |
| Share of Home Expenditure                | £ 150   |
|  | £ 2,863 |

and that the balance should be utilized in allotting an additional Assistant Auditor to the branch office for at least six months of the year. It is necessary for a great deal more local inspection work to be undertaken and the majority of this work cannot be entrusted to a clerk. Our programme of local inspection work has been put at a minimum during the last few years but, latterly, we have not been able to fulfil this minimum. To carry it through properly would necessitate an Assistant Auditor's absence from headquarters for at least 4 months during the year, and, owing to the distances to be travelled, some of the tours must be of considerable duration.

10. These proposals do not take into consideration the working of the Magadi Branch line which is expected to be opened during the course of the next 6 months.

11. Under the agreement with the <sup>34</sup>Magadi Soda Co. they receive half the profits of their branch line and the accounts will therefore require a very careful audit. I take it that in arriving at the working expenses of this line an approximate figure to cover the accounts and audit will be charged, in which case a proportion of this sum should form a further contribution to the Audit Vote and the staff at the Branch Office should be correspondingly increased.

12. In addition to the above there are the new Loan Expenditures, at present under consideration, details of which have not yet been received but which I understand will include the following:

- |   |            |
|---|------------|
| (1) The New Harbour Works at Kilindini  | £750,000   |
| (2) Suggested New Branch Lines and improvements and renewals of the existing line | £2,000,000 |

13. When this expenditure has been finally decided upon and a commencement made on the various undertakings, I will address you further with proposals to meet the corresponding increase of audit work.

I have, etc.,

(Sgd) H.C.E. Barnes.