

EAST AFR. PROT.
32860

C O
32360
27 OCT 19

Audit

Report of Local Auditor - 1909-10.

1910

25 Oct

on Prokatorate & Railway Accounts.
Teato. matters refer to me
receiving answer.

see previous Paper

26/10/09

Mr. Stephenson

Mr. Reid

Mr. Fiddes

keeping

The ~~state~~ of the P. & A. accounts

is evidently satisfactory on the whole

It is necessary, however, to notice the
serious exception of the P. & A. Street at

Nairobi (p. 7). It is also unsatisfactory

that there should be such large amounts
of rents from land (p. 8)

on the separate report on the
Uganda Railway accounts, last page

I think we should ask the Govt

what advantages there are in the

audit
11/10/09

1909 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

To Pay system which it is proposed
to introduce sufficient to counterbalance
an additional expenditure of £500 p.a.
on accounting staff. We might add that
it appears that the system also involves
an increase of the staff in the Traffic
Dept. & new house & office accommodation
for the increased staff in the Dept.
& ask for an explanation of the
System & an estimate of the
increases of expenditure & reserves
anticipated as the result of it.

See p. 6
of the Rail
Report

Start

Notes

I quite agree

R.S.

T. 1/11

W. 1/11

5/11

along with

EXCHEQUER AND AUDIT DEPARTMENT,

VICTORIA EMBANKMENT,

LONDON, E.C.

No. 931.

In any further correspondence on this subject, the above number should be quoted.

the communication should be addressed to

"The Comptroller and Auditor General."

25th October, 1910.

C O
32860
REC
27 OCT 1910

Sir,

I am directed by the Comptroller and Auditor General to transmit, for the information of the Secretary of State, copies of the Annual Reports of the Local Auditor of East Africa on the Account of that Protectorate and of the Uganda Railway respectively for the year 1909-1910.

-2-

2. Any points in regard to which further action may be necessary are under consideration in this Department.

I have the honour to be,

Sir,

Your obedient Servant,

W. A. Phillips

The Under Secretary of State,

COLONIAL OFFICE.

Local Audit Office,
Nairobi.
21st August, 1910.

Sir,

I have the honour to inform you that the examination of the Uganda Railway Accounts for 1909-1910 has now been completed and as a result of the examination 104 queries have been raised.

This number is not as large as that of previous years but the decrease is partly due to the fact that small clerical errors and minor discrepancies in which no principle was involved have been pointed out verbally to avoid unnecessary correspondence.

As a result of our queries the system of paying time expired men and casual labourers which had fallen into a somewhat unsatisfactory state has been thoroughly revised by the Chief Accountant, while I think this Department can also claim a share of the credit due to the Railway Accounts Department on account of the Catering Department which on being first taken over from the Contractor was run at a loss but which now begins to show a substantial profit.

The only queries of importance still outstanding are 120 of 1908-9, 1 of 1909-10 and 11 of 1909-10. The two former deal with the non-inclusion of adjustments in the Treasurer's Account and have been submitted to you with a memo of the Treasurer's suggesting a revision in the system of presenting the Account. The letter deals with the non-inclusion in the Account of the balances of the Provident Fund and the Fine Fund and is still under your consideration on Reference Sheet 14 of 1908-9 dated 21st October 1909. Pending a decision on these points I have certified the Accounts as correct.

During the course of the year the Chief Accountant's local inspections of Accounts have been somewhat curtailed owing to stress of work at Headquarters and to shortness of staff but inspections have been carried out by this Department at all stations and Lake Ports and also on the Lake Steamers with satisfactory results.

CAPITAL

CAPITAL ACCOUNTS. It will be observed from page 6 of the General Manager's Annual Administration Report of which a copy is enclosed that the Balance of Stores on hand has been slightly decreased and the new construction works in Uganda will probably cause a considerable reduction during the next year or two.

The Store Stocks and Accounts have been examined periodically but beyond a few small clerical errors the high standard of excellence has been fully maintained and reflects great credit on the Store-keeping Staff.

A certain amount of detail examination has been devoted during the course of the year to the Workshop Suspense Account with satisfactory results. The debit balance of £7,500 (see page 34 of Report) is composed principally of fuel.

The difference of £3-7-8 between the Chief Accountant's Capital Account and that of the Crown Agents as noted on page 30 of the Administration Report for last year has now been adjusted in accordance with your directions on Reference Sheet 18 of 1908-9 dated 26th November 1909.

It will be seen from the Chief Accountant's Report page 6 that it is intended to introduce the "To Pay" system at an early date. This will entail a large amount of additional accounting and the cost of the necessary staff in the Chief Accountant's Office is estimated at £800. In addition to this the extension of the Railway system from Jinja to Kakinu, involving an estimated expenditure of £160,000 has recently been commenced. These two items together with the recent additions of the Catering Account and the Provident Fund will throw a considerable amount of extra work on the Branch Audit Staff.

I have, etc.,

(Sd.) H. G. E. BARNES,

Local Auditor.

Local Audit Office,
NAIROBI.

3rd September, 1910.

Sir,

I have the honour to forward herewith my report on the accounts of the East Africa Protectorate for the year 1909-10.

2. Exclusive of the Grant-in-aid of £133,500 the revenue for the year amounted to £501,056-16-8 and including receipts from Land Sales to £593,039-13-8. The 1909-10 Estimates originally showed a Grant-in-aid of £145,000 but this amount was subsequently reduced by the Treasury to £133,500. The expenditure for the same period was £669,404-16-6. The Statement of Assets and Liabilities as on the 31st March 1910 showed an excess of Assets over Liabilities of £89,466-0-9 as compared with the excess in the previous year £122,331-5-5, being a decrease of £32,865-4-10.

3. Revenue. The Revenue for the year fell short of the Estimate by £10,637; it exceeds however, the revenue of the previous year by £17,371. For a full explanation of the deficit I would refer you to pages 22-26 of the Honourable Treasurer's report, copy of which is enclosed and marked A.

4. Notable among the excesses of Revenue is the item of Hut Tax in the Kisumu Province, which has exceeded the estimate by £18,724. This is mainly due to the fact that a large proportion of the labourers of the country are drawn from this province, and also to the opening up of new stations and increase of Administrative Staff. On page 3 of the Treasurer's report, a table of Hut Tax revenue for the different Provinces in the Protectorate is shown, from which it will be seen that this item of Revenue has increased from £3,328 in 1901-02 to £106,565 in 1909-10 and the recent introduction of a Poll Tax of Rs3/- per head on those natives who are not liable to pay a Hut Tax, and which includes Swahilis, servants and Office boys will, it is anticipated,

substitutions, in accounting for all counterfoil books, especially Hut Tax Books and in many instances registers of these have been started by us. Representations have, however, been made to the Treasury with the result that a Counterfoil Book Register has now been printed which will be issued to all outstations.

7. Periodical inspections of cash and stores in the various departments at Nairobi and Mombasa, have been carried out. I enclose a Statement marked "D" detailing these. The Police, Military, Hospital, Telegraph Stores and the Public Works Department Stores at Mombasa and Kisumu are kept with commendable accuracy, but I regret to have to report that the Public Works Department Stores at Nairobi still give us a lot of trouble as will be seen from the fact that a recent inspection of these showed 40% of errors in the items selected. The Honourable Commissioner of Public Works Department has been addressed several times on the subject and I trust that next year I may be able to report some improvement in this Branch. The balance of Unallocated Stores as on the 31st March amounted to £46,322. Included in this amount are Unallocated Prison Stores to the value of £442. This exceeds by £5,860 the limit of £40,000 laid down by the Secretary of State in his despatch of 16-5-1910. The previous year's balance was £54,690. In paragraph 47 of his report the Treasurer explained that owing to the small Public Works Department Programme it was found impossible to further reduce the balance.

8. Arrears of Revenue. The following are the arrears of Revenue as on the 31st March 1910.

Prison Industries	Rs 48.24
District Commissioner Nakuru (fines and forfeitures)	66.60
Ground Rents Mombasa Conservancy	107.45
District Commissioner Kisumu (Rent of Shambas)	2.50
Land Office, Rents of Land	16592.99
Carried forward	Rs. 13619.18

the Treasurer's report. In a great number of instances excesses on subheads were not covered by Special Warrants which is apparently required by Section 281 of the Colonial Office Regulations. The Treasurer's attention has been drawn to this and he is circularising all Departments on the subject warning them that special warrants must in future be obtained before expenditure is incurred.

Appendix IV, pages 27-63 of the Treasurer's Report gives a detailed statement of the expenditure for the year under subheads as compared with the Estimates. The expenditure Accounts have been carefully scrutinised and 375 queries have been raised thereon as against 580 in the previous year, the reasons for the decrease being due to the fact that the accounts are being compiled with more accuracy and also that, last year being the first year that expenditure was examined locally, many points dealing with authorities, etc. had to be raised which, being settled once, do not recur. The principal points dealt with in these queries may be classified as follows:-

1. Information or papers required	161.
2. Recoveries of undercharges or over-payments	28.
3. Authorities	64
4. Application of circulars	53
5. Allocation	57
6. Contracts	<u>12</u>
	<u>375.</u>

Of these, some 31 are still outstanding.

10. **ADVANCES.** The total outstanding advances on the 31st March amounted to £8,173-15-8. The principal items making up this sum are:-

1. Government Zanzibar	£89-16-10
2. General Post Office London	400-0-0
3. Uganda Protectorate	2,996-15-4
4. Railway Capital Account	3,768-17-8
5. Sir E.P. Girouard	445-1-11

Nos:2,3 and 4 are explained in pages 6 and 7 of the Treasurer's report. No:1 is a running account which is adjusted periodically and No:5 is an account of certain articles purchased by the Crown Agents for Government House in connection with the Duke of Connaught's visit and charged to His Excellency's private account. This has since been adjusted. The attention of the Treasurer was called by means of a query to Advances which had been outstanding for more than a year, viz:-

Mr:J.K.Hill 100.34 January 1908.

Kung Behari 5.00 June 1908.

The former has since been recovered.

11. **DEPOSITS.** Deposits amounting to Rs.3,619 which have been outstanding for more than five years have now been written off to revenue. This sum includes an amount of Rs.51 under Estate Deposits, and which, according to the Ordinance cannot be brought to Revenue for 20 years. The Treasurer's attention has been called to this.

12. **SUSPENSE.** The liability due under suspense amounted to £15,565. This account is fully explained in the Treasurer's report paragraphs 50-56 pages 8, 9 and 10.

13. I enclose the following statements marked "D" and "E":

- (1) Statement of Assets and Liabilities
- (2) " " Advances as on 31st March
- (3) " " Drafts and Remittances
- (4) " " Investments
- (5) " " Unallocated Stores
- (6) " " Trade Goods
- (7) " " Cash Balances
- (8) " " Suspense
- (9) " " Deposits
- (10) " " Cash in Transit.

14. The Annual Abstract Account.

15. During the year Messrs:Van de Velde and Kneelys were transferred to Uganda, and Mr:Birden was on special duty in Somaliland, their places being taken by Messrs:Jebb, Bebb and Lie Hardy. I enclose a Statement marked "F" showing the movements

of the staff. Visits were made to Zanzibar and Pemba in November 1909 and February and March 1910. These have been reported to you separately. I enclose a list of the Audit Staff marked "G" showing the dates of appointments and salaries drawn as on 1st April 1910.

15. UGANDA RAILWAY. These accounts have been audited in detail during the year with satisfactory results. I enclose a separate report dealing with them marked "H" also the Chief Accountant's Report marked "I".

I have, etc.,

(Sd.) H.C.E. BARRIS.

Local Auditor.

Rs 32860

449

Nov 1910

I have the honor to inform you that my

attention has been called to the last para of the local auditor's report on the accounts of the

Uganda Railway for the year 1909. 10. ^{with the} introduction of the "Lo-hay" system.

2. I have to expect that I may be informed what ~~are the~~ advantages

which are inherent to ~~the~~ account of the proposed

System. Sufficient to ~~be~~ made balance sheet

no. 32860

at no 696
to Mr P. Finlay

SB 9/11
to Mr P. Finlay

expends are involved. It appears
from the Local Auditor's report that an additional
Expenditure of £500 p.a.
will be required

An Accounting Staff, 20 and
I further
address from p. 6 of the
Harbour Report for 1909-10

that the system also involves
an increase of the Staff
in the Traffic Dept. and
new house & office accommodation
for the increased Staff

in both depts. I shall
be glad to receive an explanation
of the ~~new~~ system, and
an estimate of the increase
of expense & expenditure
incurred as a result of it

I have the