

and Protectorates, I am

Directed by Mr. Mc. Dutton to

transmit to you, for the

information of the Hon. Secy of the

Treasury, the accompanying

Abstracts of the total Revenue

and Expenditure for the year 1904-5

under each head of Receipt and Payment

in the case of the Protectorates

of British East Africa and of

Uganda.

I am to send but

the Abstracts now enclosed may

be returned to this Office when

no copy required

L. J. (21) 1000

Mr. B. M. ...

DESPATCH

EAST AFRICA PROT.
No. 26805

C O
26805
REC 29 JUL 05

No. 258
1905
June
previous Paper
Age
15-186

(Subject.)

Method of accounting
for payment of Rly stores

States Br. Agts are not following F.O. instructions and that sum of £2,921 2/6 has been charged to Revenue Acct for stores & Rly. Request necessary instructions may be given to Br. Agts.

(Minutes)

~~Mr. ...~~
Mr. Antrobus

I have had this file of papers by me for a long time because they raise a question of principle in regard to which such instructions as have been issued by this Department in regard to Store Accounts are at variance with the procedure recommended by the Railway Accountants in this correspondence and approved by the F. O., and which I myself agree with them in considering to be the more convenient. And as it seemed desirable to settle these questions in revising the Financial Instructions, and if possible to take the Audit Office, who devised the system we have hitherto prescribed, with us, I had hoped to be able to cover these questions in the general decision; but I have not yet been able to discuss them with the Audit Office. But I will delay these matters.

The Audit Office prescription is, that all purchases of stores shall be immediately charged as expenditure to a store vote to be taken in the annual estimates, and that vote credited as stores are issued and charged to particular votes. This method ensures that all expenditure actually incurred for stores appears at once in the expenditure Accounts. The alternative method, of keeping a suspense store life say, unless carefully supervised, result in stores being ordered which are not wanted without the extravagance being detected until long after, and unless stock is very carefully taken and conscientiously depreciated at regular intervals, in the store A/c showing a credit to the Govt which is not really supported.

On the other hand it is really impracticable to keep Railway Accounts in this method, and they were not so kept in Jamaica under my supervision. One of the reasons are given in the Chief Accountant's memorandum of the 4th Oct. 1904. (copy on 3624). And to give a simple example of

Copy of the ... 19 June 1905

previous Paper

30019

210

26805

G. O.
20 JUL 05

Manager's Office,

Nairobi,

June 15th 1905.

121/7

Sir,

In my letter No. 269 dated the 12th October 1904 I suggested that the cost of all stores purchased for this railway by the Crown Agents should be paid for from Capital funds and charged to the "Unallocated Stores" head of the Capital Account.

The Foreign Office, in their despatch No. 52 dated the 31st January last, approved of this procedure and instructed the Crown Agents to do so from the 1st April 1905 and to set aside £10,000 as an imprest for the purpose.

The Chief Accountant now informs me that the Crown Agents have not adopted the above procedure and that they have charged the sum of £3,921.2.7 on account of payments made by them during April 1905 for stores (steel sleepers and keys) purchased, to their Uganda Railway Working Account i. e. Revenue.

I have, etc.,

(sd) H. A. F. Currie.

Manager,

Uganda Railway.

M. Commissioner,
East Africa Protectorate,

NAIROBI.

H. H. Commissioner

In Sir D. Stewart's despatch

No. 268 of June 26th 1905.

Enclosure

and also enclosed for the Secretary of the Board of Education, London.

Very truly yours,
H. H. Commissioner

Comm t. A. P.
26805

211

DRAFT

P. A. P.

Ind

18 January '06

and 3620

MINUTE.

- Mr. *W. H. 12 Jan 06*
- Mr. *Read 12*
- Mr. *Andrew 18 p*
- Mr. Cox.
- Mr. Lucas.
- Mr. Graham.
- Sir H. Osmanney.
- The Duke of Marlborough.
- Mr. Lytton.

2 D/15

to C.O. 3 Feb (2006)
10th May (1898)
14 June (2003)
to P. No 274 20th June
No 35826 June (26805)

Gentlemen,
 I am directed
 by the Earl of Egmont
 to inform you that
 he has had under his
 review your letters
 as noted in the
 margin of what appears
 subject of the method
 of accounting for
 working stores fur-
 nished for the
 Uganda Railway.

*Copy of them 2 D/15
to A.O. L.F.*

Copy Comm 25 18 Jan 06

2. The previous practice, which the Comrs have requested shd. be continued, ^{has been} was to debit the cost of all stores purchased, in the first instance, against the Capital Account, ^{of the Railway} subsequently crediting that acct & debiting General Reserve acct as & when stores were issued for working purposes.

3. This practice is in accordance with that of ordinary Railway Cos, but ~~is~~ as you say not suitable for the ~~operation~~ ^{operation} of the Railway, which is in the case of other Colonial Railways ^{permanently}

partially used
small

old or. Two accepted
account for construction
purposes, which will ²¹²
now soon be closed.

4. ^{Lord Selkirk is} ~~It seems~~ ^{not} ~~improbable~~
~~that the~~ ~~head~~ ~~to~~

direct that ^{all} stores
shd. be charged ~~directly~~
to ~~General Reserve~~ ^{Capital} ~~Account~~
first for, since this
might easily render
the accounts of the
Railway ~~entirely~~ ^{more}
burdened if a large
conignment of stores
were intended to supply the
needs of the railway
for a considerable period,
and all charged on
the ~~operation~~ ^{operation} of a
single ~~year~~ ^{year}.

5. The only alternative
appears to be the course
and be ~~conducted~~ ^{conducted} in ~~the~~ ^{the} ~~same~~ ^{same}

which is the common understanding
in favour of your letter
of the 10th of May 15486

might that the Working
Dept. shd. take over
all the ^{and be merged for working purposes} ~~debts~~ from
the Capital Account

at a valuation ^{any}
loss in ^{repayment to the Govt} ~~indeed~~ being ~~settled~~
off the Capital Account.

^{As suggested} ~~These would be~~
~~transferred~~ for ~~Stamps~~ ^{which}
^{is by order} ~~of the Dept.~~

the working ^{of the Dept.} ~~Dept.~~ ^{General}
Revenue ^{or} ~~Dept.~~ ^{or} ~~Dept.~~
credit to the Capital ^{or} ~~Dept.~~ ^{or} ~~Dept.~~

for the whole value of the
Stamps taken over & would
take credit against
the ~~Stamps~~ ^{or} ~~Dept.~~ ^{or} ~~Dept.~~
~~There would be no need~~
for the ~~transfer~~ ^{or} ~~Dept.~~ ^{or} ~~Dept.~~
Account suggested by you.

DRAFT.

MINUTE.

- Mr. ~~Antrobus~~
- Mr. ~~Cox~~
- Mr. ~~Evans~~
- Mr. ~~Graham~~
- Sir M. ~~Osmanney~~
- The Duke of ~~Marborough~~
- Mr. ~~Lytellton~~

As ~~Stamps~~ ^{are} ~~issued~~
for working purposes 213
their value ^{will} ~~would~~ be
credited to the ~~Stamps~~.

~~Proposed~~ ^{of a} ~~draft~~
~~of the~~ ⁱⁿ ~~Dept.~~ ^{order}
~~of the~~ ^{of the} ~~Dept.~~ ^{of the}
~~of the~~ ^{of the} ~~Dept.~~ ^{of the}

~~proposed~~ ⁱⁿ ~~your~~
letter of the 14th of June
~~of the~~ ^{of the} ~~Dept.~~ ^{of the}

~~of the~~ ^{of the} ~~Dept.~~ ^{of the}
~~of the~~ ^{of the} ~~Dept.~~ ^{of the}
~~of the~~ ^{of the} ~~Dept.~~ ^{of the}

the ~~minutes~~ ^{referred} ~~to~~
shd. be ~~deleted~~.

It is not clear to
Lord ~~Alger~~ why you
should be ~~required~~ ^{any}
longer to keep the
accounts of the ~~Railway~~.
The ~~actual~~ ^{of the} ~~Dept.~~ ^{of the}
to be for the ~~Railway~~
Accountant in the ~~Treasury~~

abstract their own
accounts, and to charge themselves
their ~~own~~ ^{own} ~~accounts~~ to
the proper heads ~~there~~ ^{any} ~~of~~ ^{them} intended for
them. But of the
part of the ~~particulars~~
denies that ~~you~~ ^{you} ~~should~~
~~continue~~ ^{to} as well
as their own accounts,
should continue to keep
the accounts of the ~~particulars~~
it will be necessary for
them ~~to~~ ^{to} keep
the account
to which any confidence
is ~~deposited~~ ^{to} be ~~deposited~~
in the ~~accounts~~.

This matter will
however be of ~~little~~ ^{little} ~~importance~~
in the ~~future~~ ^{future} if
the ~~particulars~~ ^{particulars} ~~are~~
left in the manner
indicated, as it is
understood that there

will not be many ~~more~~
required on ~~Capital~~
Account in the ~~future~~

214

49. I am ~~enclosed~~ ^{enclosed} ~~copy~~
of a ~~draft~~ ^{draft} which ~~has~~ ^{has} ~~been~~
submitted to Col. ~~Peck~~
on this subject: from
which you will know
that ~~it~~ ^{it} ~~is~~ ^{is} ~~suggested~~
is suggested as the
best of ~~arrangements~~
between ~~Stamps~~ ^{Stamps} ~~&c.~~ &
that in the ~~meanwhile~~
Revenue ~~stamps~~ may
continue to be ~~debited~~
in the first place to
Capital ~~Account~~

24 P to Commr Ell P No 10
(4th March)

RJA

draft overleaf

18 January '06

L.A.P. No.

Comr.
Col. Packer

Sir
I enclose herewith
the receipt of Sir D. P. P. P. P.
No 358 of the
28th of Jan on the
subject of the
account to which
charges for the
of the railway
charged to be
transmitted
to you for your
reference the
copy of a letter
which
I have
to the
the subject

28905
M. J. P.
H. J. P.
S. J. P.

DRAFT.

MINUTE.

- Mr. Antrobus.
- Mr. Cox.
- Mr. Lucas.
- Mr. Graham.
- Sir H. Osmanney.
- The Duke of Marlborough.
- Mr. Lytton.

consulting the General
Manager of
of the Railway
what debt the
Perform Account to
which these
are to be debited in
future shall be
unquestioned, but
probably the
of the next
convenient.
In the
such
to be debited to
Capital Account as
requested in
Sir D. P. P. P. P.

I am

28905

C. P. P.