



Classification (650  
52482/16)

? Tell WO: in future to consult  
the Gov's staff.

Revision to follow the incidence of pay.

See Gov/45030.

? Saw WO: a copy of an undated  
note that he has

Para: 30.

931

The question of revising the post accounts  
raised in enclosure 1<sup>st</sup> was disposed of  
by Decr/32073 except for the  
distinction between the common opening  
account & the rest of the common  
charges account. It might may  
be regarded as merged in the  
larger matter (incl. P(1)) of the  
work involved in reworking the  
post C.C.A. according to the  
lines of our memo. in 51317. Our  
supposition that the revision would  
not involve serious difficulty was  
taken from Mr. Croland's letter of  
5.7.16 in 33617, & I think we must  
leave it to WO: to decide.

? Ask for their views on the  
role of Mr. Brown's comments on  
the C.C.A. arrangements.

Para: 75-77. So far S.R. can trace we have  
not been brought into the question of  
rationing supplied for the local defence  
force in (Ecuador) in 2 lines.

? Tell WO: that we will require  
of 2 lines, & send extract from the  
report to Resident for info.

There has still been much discussion  
and the Bureau reflects in both the  
Memorandum & the Chiefly papers

Jan 23 The Board have demanded by report  
on account of the fact, has been arranged  
by W.O. Johnson (taken out and on)

There is a demand that the Bureau  
for going to the Board in a number for  
the relevant matters in the 1914  
the way people and I think in  
and I think I would be  
in the Bureau, etc.

W.O.

Written by single  
all the things  
and the  
and the  
and the  
and the

There is still by Johnson accounts in the  
"irregular expenditure" papers, we  
are still waiting for further info  
before approving of the 1914  
accounts being disregarded. It also  
appears that the 1914 16 accounts  
also cannot be obliterated out.

59  
18

Send me copy of Mr. S. L. Johnson's report  
referred to Treasury & W.O.; Strawn  
to W.O. as in the first part of my  
minute, send copy of letter to W.O.  
to the Treasury. C. L. 3/5/17

[As W.O. have now printed for the report I have  
sent their copy to them privately - after consulting  
you - in advance of an official letter]  
C. L. 4.5.17

W. B. Bailey

J.B.

5.5.17 - at once  
R.  
5/17

## EAST AFRICA PROTECTORATE.

## WAR EXPENDITURE.

20226

Rec<sup>d</sup>  
Res<sup>d</sup> 20 11 17

REPORT of the DIRECTOR OF COLONIAL AUDIT on the Statement of Account rendered by the Chief Paymaster, East Africa Pay Corps, for the year ended the 31st of March, 1916.

As certified thereon, the above-mentioned Statement of Account has been examined under my directions.

2. I append a copy of the report which has been furnished to me by the Auditor of the East Africa Protectorate, under whose immediate supervision, as Director of Military Audit, the examination has been conducted, together with copies of such of the enclosures thereto as appear to be necessary to supplement the observations in that report.

3. The outstanding questions which were referred to in paragraph 3 of my report on the account for the period ended the 31st March 1915 have since been settled, as far as possible, as also have many of the questions which have arisen in connection with the account now under consideration, but, for the reason that the points involved are still under enquiry or that the necessary action regarding them is not yet complete, certain questions remain outstanding.

4. Apart from the outstanding questions above referred to, which will doubtless be disposed of in due course, I would invite special attention to paragraphs 29, 30 and 31 and 75 to 77 of the Auditor's report. It would appear to be very desirable that the decisions on the questions therein referred to, which call for non-

sideration

( 2 )

sideration by the Secretary of State and the Army Council, should be communicated to the Accounting Officer and to the Auditor as soon as may be possible.

5. It is satisfactory to note that the accounts are now being submitted more punctually and that the position and progress of the audit has greatly improved since the date of the Auditor's previous report.

*B. Stephens*

Director of Colonial Audit.

COLONIAL AUDIT DEPARTMENT,

19th April, 1917.

COPY.

20226

East Africa Protectorate. Recd  
Auditor to Director of Colonial Audit. Recd 20 Jan 17

No: 1721/W.38.

9th January, 1917.

Sir,

I have the honour to report that I have completed the examination of the War Accounts for 1915-16 and enclose herewith copy of the audited account.

2. The figures of final expenditure, as reported to you in my letter 110/1493/W.6-2 dated 27th October 1916, were submitted to His Excellency on 26th October 1916 to be cabled to the Colonial Office. The attached statement includes Suspense items and below-the-line accounts, but in view of the number of queries outstanding at date of submission and the necessary re-allocations ac., thereon arising, the whole account must be regarded as subject to adjustment.

3. There was considerable delay in the submission of the accounts of the earlier months of the year but an improvement was effected from the July 1915 Account onwards with the result that the 12 months accounts were submitted within 7 months, that for March being received on 21st September 1916. Subsequent to this date, supplementary accounts were received embodying corrections of numerous errors in earlier accounts, chiefly in allocations brought to light by queries. The annual account including all Suspense items, balances, &c., together with a reconciliation with the figures appearing in the Treasurer's books was submitted to this office on 28th November 1916.

4. I desire to emphasise the fact that the final figures of expenditure brought to account do not, even

approximately

approximately, represent the total local expenditure during the year. Until the 31st July 1915 the Treasurer paid practically all sums chargeable to War expenses with the exception of Pay and Allowances which were under the immediate control of the Chief Paymaster, but from 1st August 1915 the latter assumed responsibility for all payments with the exception of those appearing in the Crown Agents and King's African Rifles Accounts and casual payments by District Commissioners at outstations. Thus, both the Treasurer and the Chief Paymaster have acted as disbursing officers for War Expenditure, and, following the procedure adopted in the 1914-15 Accounts, the Treasurer's expenditure should have been submitted to the Chief Paymaster for allocation and amalgamation in his accounts. A very considerable portion of the Treasurer's Expenditure, however, has not been so submitted, as, owing to a misunderstanding between the Treasury and the East Africa Pay Corps, there have not been included the Crown Agents' expenditure from August 1915 onwards, approximately £52,000, the King's African Rifles expenditure for the same period, approximately £19,000, and Journal Entries involving credits to War Expenses of over £30,000. You will observe <sup>sure B.</sup> from Query 3748 that on the 28th August 1916 the Chief Paymaster's attention was called to the omission of the Crown Agents and the King's African Rifles Accounts and, as at that date the March account had not been submitted, there appears to be no adequate reason why on receipt of the Query these items of expenditure could not still have been incorporated. I am now informed that the figures have been included in the Accounts for August 1916.

5. The Journal Entries mentioned in the preceding paragraph include "inter alia" Interest Charges (referred to in paragraph 105) and adjustments of salaries of Government

Officials

Officials serving with the Forces originally charged to War expenses but written back to the Protectorate Estimates in accordance with the Secretary of State's ruling in cablegram dated 24<sup>th</sup> June 1915. These Journal entries were passed in the Treasurer's books in February and March 1916, so that again there would appear to have been ample time to have arranged for their inclusion in the East Africa Pay Corps Accounts.

6. With reference to paragraph 10 of my report for 1914-15, as the expenditure is not controlled by sanctioned estimates, and in the absence of instructions to the contrary, I have passed the inclusion in the 1915-16 Account of adjustments rectifying errors appearing in the 1914-15 Account. The same procedure is being followed in the current year.

7. Owing to the fact that during the greater portion of the period under review the Chief Paymaster's Department was under-staffed, inexperienced in the requirements of Government accounting and, further, was subjected to numerous changes, it was continually necessary to point out that the accounts were not being satisfactorily rendered. For instance, it was observed that in several cases both duplicate and original vouchers were being included as final charges (vide C. Queries 3869, 4218), vouchers were submitted which could not be traced in the abstracts (Queries 3389, 4199, 4207), while other minor difficulties arose which are detailed in my letter 1325/W.8-3.

8. The Chief Paymaster's attention was also drawn to the indiscriminate use which was being made of "Suspense". This head was utilised to include any payments presenting difficulties which prevented immediate allocation as final charges (see enclosure F). These items were subsequently removed by debit to the relevant heads.

9. The head "suspense" also included a large sum which represented payments for which the receipted vouchers had been mislaid. In the majority of cases these payments had been made by Officers in the Field from Imprest Accounts and as there was evidence in the Chief Paymaster's office to shew that the vouchers had been received by him he cleared the Suspense Head by allocation to final heads according to the information available in his ledgers. I attach correspondence dealing with this matter (enclosure G).

10. Although the amount of these missing vouchers at that date was a considerable sum, after very careful consideration I provisionally passed their inclusion as final expenditure, because a reversal of the Chief Paymaster's procedure would have entailed considerable delay and would have prevented the inclusion of the 1915-16 expenditure in the War Office Accounts. The fact that entries appear in the Chief Paymaster's books was accepted as evidence that vouchers had been received in his office and the correctness of this view has apparently been justified by the fact that the majority of the vouchers have since been traced and are being submitted to me. The Chief Paymaster informs me that the amount charged but unsupported by vouchers has now been reduced to approximately £s.97,000. A careful record has been kept of all unvouched expenditure and I will report to you further on the amounts which finally remain unsupported.

11. As stated above, the majority of the missing vouchers related to payments from Imprests held by Officers Commanding units in the Field. The original cash advanced to these officers was debited to Suspense, but no steps appear to have been taken to clear these debits by allocation to final heads until many months after. Not only was this delay responsible to a great extent for the temporary loss of the vouchers but it

has also caused considerable confusion in the Imprest Accounts.

12. For these reasons I am unable to certify to the correctness of the item "Advances" £75,772.15.2, representing the outstanding balances of Imprest Accounts at 31st March 1916. The Chief Paymaster is at present endeavouring to reconcile the balances shown in his books with those shown by the holders in their Imprest Accounts and this should bring to light all cases of double charges similar to those referred to in paragraph 7 above.

13. In order to effect this reconciliation it has been necessary to take into account the advances made by the Treasurer from the commencement of hostilities (as mentioned in paragraphs 3 and 4 of my report for 1914-15) of which he had made no attempt to obtain clearance.

14. I think you will agree from the foregoing remarks that I am justified in stating that the accounts, particularly so far as the Imprest portion is concerned, have not been satisfactorily rendered.

15. It is only just to the Chief Paymaster to state that the majority of his Imprest holders are quite inexperienced in accounting and that he has been severely handicapped in corresponding with them by the very long lines of communication, the continual movements of the units and the consequent interruptions in the postal facilities.

Store Accounts.

16. As reported in paragraph 8 of my Report for 1914-15 and in accordance with paragraph 9 of War Office Letter  
c: H. 0165/7168 (F.I.) dated 2nd June 1916, supply, store and animal accounts have been audited by this Department, but there seems to be a misapprehension on the part of the War Office in connection with this matter.

17. The various Store Accounts do not pass through the office

office of the Chief Paymaster but are compiled by the departments responsible and rendered direct to the Audit Office. The misunderstanding appears to have arisen originally in General Tiche's letter dated 2nd November 1915 wherein it is stated that the East Africa Pay Corps took over "the writing up of all Store Ledgers from the commencement of hostilities to date and onwards", whereas all that the East Africa Pay Corps did was to compile from the Cash Vouchers statements of stores purchased, for the purpose of facilitating their check by this Department into the various store ledgers. It was however found necessary to check direct from the cash vouchers into the ledgers and the compilation of these statements by the East Africa Pay Corps was therefore discontinued.

Repayment Indents.

I. 18. Owing to a misunderstanding of the Indian Expeditionary Force "B" as to the duties of an Auditor under the Colonial Regulations this office was held responsible for the collection of sums due on payment indents (see enclosure I.) As no local arrangements had been made for the control of store accounts and in view of the probable loss of public money by undue delay, this department undertook the work of extracting and forwarding to the various paymasters for collection all repayment vouchers appearing in the store and supply accounts submitted for audit. Arrangements were also made for the vouchers of store accounts awaiting local examination to be similarly dealt with.

J. 19. In November 1915 the Chief Paymaster appeared to me to be in a position to assume responsibility for this work and the necessary arrangements were therefore made (see enclosure J).

20. The Chief Paymaster accordingly opened a set of registers

registers which had they been entered up, would have met with audit requirements but a subsequent examination proved the entries to be very incomplete. An attempt was made to remedy this but I have again found it necessary to return the registers to the Chief Paymaster for the insertion of further information.

21. I anticipate that the failure to keep these registers up to date will result in considerable loss to the State but will report further on the subject when I have been <sup>able</sup> to complete my examination.

PAY AND ALLOWANCES. Protectorates £83,212.3.6.

Common Charges £150,944.15.2.

22. The basis of the charges against this head is the Pay List.

23. I regret to report that the Pay Lists have not been rendered satisfactorily. In spite of the very definite notes for guidance printed on the covers of the Pay Lists, supplemented by the further instructions given by this Department on Query 3264, (copy attached), errors of the most elementary description have been of frequent occurrence during the whole of the period under review.

24. In addition much difficulty has been experienced in identifying the various entries in the Pay Lists with the vouchers of the Cash Accounts, as the cross references essential to audit were frequently omitted, and it was found necessary to return the majority of the Pay Lists for these omissions to be rectified. This complaint applied equally to stoppages and recoveries on account of fines, payment indents, &c.

25. An attempt was made to remedy this unsatisfactory state of affairs by the establishment of a pre-audit branch in the Chief Paymaster's office but the result was not very successful

nc: L. successful as will be observed from my letters, (enclosure L) and the large number of queries raised. I still find it necessary to apply a detailed audit.

26. Many of the missing vouchers referred to in paragraphs 9 and 10 proved to be paylists with the result that Pay Lists for March, April and May 1915 were not received for audit till October 1916, at which date it was naturally hard to obtain the information necessary to settle satisfactorily the points raised or to secure recoveries thereon arising.

27. The compilation of the Pay Lists of a locally raised unit should be a simple matter there being no complications in the Proclamation Rates of Pay such as are presented by the varying rates of Imperial Pay under the Royal Warrant.

nc: M. 28. The Chief Paymaster in his letter dated 22nd November 1916 (vide enclosure M) has assured me that an improvement will be effected in future pay lists and I trust this will prove to be the case.

nc: N. 29. Enclosure N shows the units in the payment of the Chief Paymaster E.A.P.C. and the classification of the expenditure. As this Department has become the sole arbiter on questions of allocation, I should be glad of your confirmation of the classification adopted, particularly in view of the assumption that the incidence of gratuities and pensions follows the incidence of the pay of the unit (vide correspondence attached enclosure O).

O. 30. You will observe from the correspondence in enclosure P that the accounts to 31st March 1916 have not been altered in accordance with the requirements of War Office letter O165/7168 (F.L.) dated 11th April 1916 (forwarded under cover of Colonial Office Confidential Letter dated 19th July 1916). A copy of this correspondence was forwarded to you on 21st September 1916 but was lost in the S.S. "Arabia".

31. I have addressed a separate communication to you on p(1). the subject of the War Office letter referred to above.

32. During the earlier portion of the year ration allowances were charged to the head "Pay and Allowances" and the question of adjustment has been referred to you for decision on Query 3056 forwarded with my letter No. 90/1275 dated 29th August 1916.

33. It will be noticed that no charges have been raised against the War Office on account of the increases in the King's African Rifles which it was arranged should be a direct charge to Imperial Funds. As only a small portion of the King's African Rifles accounts for the year have been included in the East Africa Pay Corps Account, vide paragraph 4 above, I have not been in a position to criticize the allocation but the point will be kept in view in 1916-17.

South African Pay Lists.

34. The South African Pay Lists from dates of embarkation in South Africa to the end of the financial year have been audited by this Department. Few queries and those of small importance were raised and great credit is I submit, due to the Imperial Paymaster, Col. Lean and Major Whately for the efficient manner in which they have been rendered. The certified schedule of allocated expenditure has been submitted to the War Office by the Imperial Paymaster. Our duplicate copy of this schedule was forwarded to you under cover of my letter 105/1369/W.21 dated 27th September 1916 but it is understood to have been lost on the S.S. "Arabia". The copy forwarded to the War Office however, I am informed, safely reached its destination. Should you require it I should be obliged if you would apply to the War Office for a copy.

35. In October last the Paymaster South African Forces transferred his staff to Durban and at his request I propose

to

to continue my audit there when the amounts included in the certified schedule of allotments will be verified. At present these amounts are based on arrangements made prior to departure of the troops but there appear to be discrepancies between the amounts so shown in the Pay Lists and those paid by the Command Paymaster South Africa. See correspondence attached to Query 3747 herewith.

MEDICINES AND MEDICAL STORES - £5,482.8.2.

36. It was considered equitable that War Expenses should bear a share of the cost of military patients in the Protectorate hospitals and paragraph 3 of Treasurer's letter (enclosure R) shews the basis on which an adjustment was effected. This resulted in payments to the Protectorate of Rs.16,262/- for 1914-15 and Rs.36,312/- for 1915-16, which have been brought to credit in the Treasurer's Accounts, but for the reasons explained in paragraph 4 the payment for 1915-16 has not yet appeared in the Common Charges Account.

37. In continuation of paragraph 29 of my report for 1914-15 I enclose further correspondence with regard to the non-accounting for medical stores by the Indian Expeditionary Force "B" from which you will observe that I have been unable to verify the receipts of consignments from India, vouchers for which have been sent me for cross check.

HIRE OF BUILDINGS - £5,160.7.10.

38. An agreement was entered into in January 1916 with the Muthaiga Country Club, situated near Nairobi, for the use of their premises for hospital purposes, at a rental of £150 per mensem.

39. The initial payment included approximately £2,740 for furniture and fittings on which I found it necessary to comment as it appeared to me that many articles had been purchased which, not being necessary as hospital equipment, should under the terms of the agreement have remained the property

Enc: T. property of the Club. Enclosure T contains copy of my letter on the subject and also of the agreement, but in spite of several reminders the Chief Paymaster has not yet been able to obtain the information required. I will communicate with you further upon the matter.

40. The premises have recently been returned to the Proprietors and the terms of settlement are under consideration. I understand, however, that the proprietors have made an offer of £1,066.13.4 for the furniture returned and that an arbitrator has been appointed to assess the amount payable on account of damages to the premises and grounds. A further report will be submitted in due course.

41. With reference to paragraph 33 of my report for last year, the amount credited to this head in respect of rental charges by the Uganda Railway was Rs.4,502.77.

LAND TRANSPORT - £284,142.3.7.

42. As remarked in my 1914-15 Report this item is principally composed of payments to the Uganda Railway. The monthly bills submitted by the Chief Accountant of the Railway were accepted by the Chief Paymaster without any check being exercised before inclusion in the accounts, and consequently the responsibility for their correctness has devolved entirely on this Department. That this was not a satisfactory procedure is revealed by the sums recovered to War Expenses on audit queries. Enclosure U shows some of the larger recoveries.

43. In accordance with the correspondence terminating with Colonial Office Despatch No.633 dated 6th September 1916, no adjustment has yet been effected either in respect of the rolling stock imported from India and used by the Uganda Railway or of the Uganda Railway Stock used on the Military Railways. The cost of the erection of the former has

has been borne by the Uganda Railway estimates and in view of the fact that this stock was imported and used indiscriminately, both to replace shortages caused by hostile bombing parties and also to stock the military Voi Maktau Railway, it would be difficult to estimate accurately a division of these costs. As a set off to these charges the Uganda Railway have had the use for revenue earning purposes of such of this stock as could be spared by the Military. On the other hand, no charges have been levied by the Uganda Railway for trucks loaded with the Military Stores while proceeding over the Military lines, freight being charged as far as the junction at Voi only.

44. Members of the Indian Expeditionary Force "B" employed in the Uganda Railway Workshops at Nairobi and Kilindini have been paid from the Uganda Railway Estimates.

45. These facts must be borne in mind when the re-adjustment foreshadowed in the above mentioned correspondence is effected.

46. It might here be pointed out that the question of the profits made by the Uganda Railway during the year will have to be taken into consideration when the division of Common Charges is effected as they are in no small measure due to Military traffic. In spite of the fact that the receipts from the traffic, (which is partly carried at reduced rates) represented 45% of the total earnings, the General Manager is able to report a profit of £294,500 against an estimated profit, based on normal conditions, of £260,051. Various abnormal circumstances, such as reductions in the cost of maintenance of rolling stock and permanent way, drastic economy in numbers of staff, stoppage of leave, &c., should be taken into consideration when comparing these profits but it is nevertheless obvious that appreciable gain

accrued from the Military traffic.

SEA TRANSPORT - £2,775.14.1.

47. No comment other than that owing to the omission of the Crown Agents accounts from July 1915 to March 1916 (see paragraph 4) this amount represents a small portion only of the expenditure of the year.

WAGES OF CIVILIAN SUBORDINATES - £143,887.18.0.

48. In view of the indications in recent correspondence that a precise allocation of Common Charges is required, I consider it advisable to report that the broad lines hitherto adopted have been to allocate to this head all unattested clerical labour, attested clerical labour being charged to the head "Pay and Allowances". These distinctions have not however been rigidly adhered to but in view of the comprehensive character of the 19 heads under which local expenditure is allocated, and in the absence of instructions as to whether the heading "Civilian Subordinates" is intended to correspond with Subhead L Vote 6 of the Army Estimates or whether it should also include the civilians and clerical labour provided under Votes 1 and 2, I have not considered it necessary to disturb the Chief Paymaster's classification.

49. It was pointed out in paragraph 9 (a) of my Report for 1914-15 that many advances and imprests have been allocated to final expenditure and this irregularity applies particularly to the imprests given to Carrier Depot Officers, the amount so involved being approximately £12,000. Correspondence now extending over several months has passed between this office and that of the Chief Paymaster requesting that detailed accounts of this expenditure should be furnished. These have not yet been submitted, but I am informed that they are in course of compilation. In addition to the above sum charged as final expenditure, an amount of approximately

ately

ately £70,000, issued to Carrier Depot Officers from April 1915 to December 1915 and charged to Advances, and Final Heads remains to be accounted for.

50. The late submission of these accounts suggests an unsatisfactory state of affairs and I anticipate considerable difficulty in their examination. In the event of these accounts not being forthcoming at an early date I have informed the Chief Paymaster that I intend to place the matter before the General Officer Commanding for necessary action.

51. Meanwhile, a current audit is being conducted on the accounts from January 1916 onwards at the Nairobi Depot, which from that date became the Central Accounting Depot, for all payments of Native labour recruited in this Protectorate. These accounts do not appear to be very satisfactory but I will report further to you when my queries have been replied to. Until the imprests and advances referred to above have been accounted for I cannot accept as correct the opening balances shown in the Pay Registers as due to the men on 1st January 1916.

52. The present system is that a Pay Card is kept for each native which records all advances paid to him by the various depot Officers holding imprests.

53. It was ascertained in September 1916 that the Pay Cards at the Nairobi Depot were not entered up to date and that in consequence discharged natives awaiting final payment were being detained at the depot at an estimated cost of £16 per diem, plus rations (see enclosure V). These natives were subsequently quarantined owing to an outbreak of small-pox and it is therefore difficult to estimate the total loss to the state due only to the delay in entering up the pay cards, although this delay was responsible in the first instance for the detention.

54. The attention of the Chief Paymaster has been drawn

drawn to instances of large payments to natives with no further evidence of payment than the signature of the disbursing officer or non-commissioned officer. In view however of the time which had elapsed between the dates of payments and the date of audit, and of military exigencies generally it did not appear necessary to press the matter unduly. Instructions have been issued recently which should reduce this irregularity to a minimum.

MECHANICAL TRANSPORT VEHICLES - £19,036.18.4.

55. The adjustment mentioned in paragraph 44 of last year's Report was satisfactorily effected and calls for no further comment while the examination of the ledgers of the Nairobi Depot subsequent to March 1916 shews that the accounts are now being carefully and efficiently kept. The ledgers of the base depot at Kilindini from March 1916 are in course of audit.

56. The settlement with the private garage referred to in paragraph 45 of the 1914-15 Report has ~~only~~ recently been effected and the resultant credit appears in the 1916-17 accounts. I propose to defer further comment on the subject as I have not yet received the replies to all my queries.

Enc: W. 57. Enclosure W deals with the queries referred to in paragraph 44 of last year's Report from which you will observe that a sum of Rs.2,154.58 remains uncollected. The Chief Paymaster is continuing his efforts to effect further recoveries but meanwhile His Excellency the Governor has requested authority to write off certain claims which may, after further enquiry, prove to be irrecoverable (E.A.P. Confidential Despatch No. 178 dated 19th December 1916).

PURCHASE OF ANIMALS, RIDING, DRAUGHT OR PACK -

£16,484.0.6.

58. The reduction on this head as compared with the expenditure

expenditure for 1914-15 is apparently due to the fact that the immediately available resources of the country were depleted during the earlier period of the war. The expenditure on account of shipments from overseas does not appear in the local account.

Remount Accounts.

59. The disadvantages referred to in paragraph 49 of Report 1914-15 were removed in July by the grant to officers of the Military Audit Branch of relative precedence and permission to wear uniform. I recently detached an officer on tour of inspection on the Voi-Tanga Line but as the Headquarters Remount ledgers were then at Dar-es-Salaam with the Director of Remounts, who stated that he could not spare them, I was again unable to examine the depot accounts for the earlier period of the war. As however the depots in existence during that time have now practically all been closed I am in communication with the Director of Remounts with a view to having them audited at Dar-es-Salaam in the near future. I would however point out prior to the arrival of the South African Forces early in 1916 the Remount transactions in the country were not of the present magnitude.

60. From February 1916, when the home system was introduced, accounts of the various depots have been forwarded to this office for examination and call for no comment.

61. With reference to paragraph 50 of 1914-15 Report I received in September last a communication from the Imperial Controller, South Africa, to the effect that he proposes to send me for verification 5% of his receipted vouchers for shipments of animals and stores from that country. At present very few vouchers only have been forwarded but the matter would now appear to rest with that officer.

62. An adjustment is outstanding on Query 2519 in connection

nection with the supply of horses and mules by the Protectorate Departments to the Military at the outbreak of hostilities.

PROVISIONS - £258,302.4.6.

63. A refund of £879.6 was received from the South African Government on account of condemnation of Australian tinned meat ordered by them on behalf of this Protectorate. As it appeared that the amount of refund due was considerably larger, the question was raised on Query 2666 which was forwarded to you on 4th September 1916 but lost on S.S. "Arabia". Further copies are being sent you under separate cover.

X. 64. I attach copy of Query 2934 dealing with the scheme for providing milk for hospitals which must be regarded in part as fruitless expenditure owing to the excessive cost of the milk. The matter is still under correspondence and will be reported further in due course.

Supply Depot Accounts.

65. These accounts are still being compiled on the Indian system. They have been regularly and efficiently rendered to this office and call for no special comment.

66. You will have observed however that a large number of queries are issued on these accounts but the majority of them appear to be due to clerical errors rather than to actual over-issues of rations. The system in vogue at the Depots is to issue the provisions on presentation of an indent and, when the issues of the day have been completed, to enter on the back of the indent the details of the various stores issued. It is at this stage that the numerous errors queried appear to occur and it therefore does not follow that an incorrectly backed indent represents an incorrect issue. For this reason entries in the accounts adjusting these errors have been accepted.

67. In justice to the store-keepers it should be stated that the majority of the depots are often under-staffed and working at high pressure.

Supply Column Accounts.

68. With reference to paragraph 66 of my report for last year, certain supply column accounts have been locally inspected and no serious discrepancies were revealed. I am arranging with Col. Dunlop, the Assistant Director of Supplies to audit at Dar-es-Salaam the accounts of those Supply Columns which have been closed down, it being found inconvenient, both for this office and for the supply department, to examine the transactions of these advanced depots while they are within the zone of operations. I feel confident that the issues made by these depots have been considerably below rather than above the authorised scale and I therefore propose to confine my audit of the accounts to testing their receipts against the issues of the main depots.

69. Vouchers have been received from the Controller of War Accounts, Simla, relating to shipments of supplies from India during the period under review. Queries on these vouchers are outstanding with the Officer-in-Charge of Supplies, Kilindini, with regard to discrepancies between his receipts and the issues shown on the vouchers. On completion of the Queries I propose to forward copies to India for the necessary adjustments to be effected.

Livestock Accounts.

70. I attach a copy of a letter (enclosure Y) dealing with issues for live-stock depots direct to units to which in spite of repeated reminders I have not yet been furnished with a reply. There are also queries on similar issues in earlier accounts which have not yet been satisfactorily replied to.

71. In addition to those referred to in paragraph 72 of the 1914-15 Report there are further queries outstanding dealing with issues to Supply Depots which cannot be traced in the accounts of the receiving depots. I will report later on these if necessary.

72. The accounting for hides and skins of animals slaughtered at the Supply Depots was not satisfactory during the greater part of the year but as the replies to queries afforded no evidence of fraud or misappropriation and having in view the difficulties which must be experienced at outlying depots in curing and preserving skins, it would appear that no useful object can be gained by pursuing the matter. Numerous queries on the subject have already been forwarded to you in which I have informed you that a satisfactory system of accounting has now been instituted.

73. The details of the claim against the Zanzibar Government referred to in paragraph 69 of last year's Report have now been satisfactorily settled as it transpired that certain issues shown in the up-country live-stock accounts as having been railed to Zanzibar had not proceeded beyond Mombasa but had been taken on charge there, while other consignments shown as issued to Zanzibar had in reality been delivered to and been paid for by the Navy.

74. A debit note for the supplies actually received has now been sent to the Zanzibar Government for their acceptance.

75. Prior to receipt of the decision conveyed in paragraph 4 of Colonial Office letter to War Office dated 31st January 1916 (forwarded under cover of your letter 48/249 dated 14th March 1916) to the effect that Zanzibar should not be included in the Common Charges Account, certain payments amounting to Rs. 53,210.61 had been made to that Government on account.

account of rations supplied to a detachment of the 3rd Gwalior Infantry stationed there. On the assumption that Zanzibar, if not sharing in the Common Charges Accounts, was responsible for its own defence, I suggested to the Chief Paymaster that he should apply for refund of this amount (see correspondence enclosure Z).

76. The question has apparently been referred to the Secretary of State but I have not yet received copies of the correspondence.

77. In the event of it being decided that payment is due from Zanzibar, I would point out that the above sum represents Cash expenditure only and does not include either cost of rations shipped from East African stocks or charges for pay etc., of this detachment.

78. In continuation of paragraph 68 of my 1914-15 Report, I attach copy of the agreement under which the Canteens have been handed over to the Y.M.C.A. and Query 3978 requesting that War Office sanction be obtained to this agreement. Enclosure BB contains correspondence relating to the audit of these accounts subsequent to transfer to the Y.M.C.A. from which it will be seen that the Deputy Adjutant and Quartermaster General considers they should be supervised by this department. Although not admitting that the audit of these accounts falls within my official province, in view of the arrangements made in June 1916 by which the Imperial Treasury are advancing money on loan for purchase of stocks, I have agreed to accede to his wishes as far as possible with the staff at my disposal and have requested the Chief Paymaster to submit the Cash Accounts. I should like to point out, however, that I cannot accept responsibility for the detailed accuracy of the store accounting as this would necessarily include frequent

local verification of the stocks on hand at distant depots. Arrangements have recently been made to detach a Paymaster from the East Africa Pay Corps who will prepare these accounts at Dar-es-Salaam and make periodical test inspections of the various Depots which should ensure an efficient check.

79. There appears to have been some misunderstanding with regard to the acceptance by the Y.M.C.A. of the debits raised against them by the Assistant Director of Supplies on account of shipments from India and in consequence no statement has yet been furnished showing the financial position of the canteens. The Chief Paymaster informs me he is not in a position to present a statement until this question is settled but hopes that the arrangements referred to above will expedite the matter, meanwhile my audit has ascertained that all issues of stores to the Y.M.C.A. and cash purchases on their behalf have been duly noted for recovery.

80. Certain Loss Statements representing shortages and breakages in transit between India and East Africa stand at present as a charge against the public but are noted by the Chief Paymaster as a first charge against any profits that may accrue from the canteens. In view of the fact that these losses occurred prior to delivery to the Y.M.C.A. and as there is at present no guarantee that a profit will accrue your instructions are requested as to the onus of these losses.

81. I would further point out that it has not been possible to adjust these losses by increased sale prices as the invoices of the last few shipments had not been received from India, and, the sale prices have been based on previous consignments. The amount involved as at present ascertained is not considerable but it is probable the shipping documents

when

when presented for audit will reveal further losses.

82. The arrangement by which the Supply Department furnished the stocks for the canteens has now ceased and the National Council of the F.M.C.A. are acting as buying agents. There would appear to be no doubt that any losses in transit under this system should be debited against Working Expenses and sale prices adjusted accordingly.

FORAGE - £12,260.1.7.

FUEL AND LIGHT - £2,200.18.4.

83. No comments required.

CLOTHING - £41,320.7.2.

84. The Clothing Accounts, now under the control of the Ordnance Department, call for no special comment beyond the fact that it has been found impossible to adhere rigidly to the sanctioned scales for duration of clothing. I have not considered it advisable to question the discretion of indenting officers in this matter.

ARMS AND AMMUNITION - £326.11.7 Credit.

85. Please see report on Ordnance stores paragraphs 89 etc.

TRANSPORT VEHICLES OTHER THAN MECHANICAL - £8,349.5.1.

86. In continuation of paragraph 37 of my report for 1914-15, the only depot which has yet submitted an account from January 1916 capable of audit, is the Nairobi Depot. The accounts of the Kajiado Depot which was closed down in June last, were forwarded to me but as it was impossible to audit them as presented an attempt has been made to re-write them (see correspondence enclosure CC). The re-written accounts have recently been received but I do not anticipate any useful results from their audit.

87. The arrangement originally made with the Director of Transport was that all depots should submit to me monthly

= 23 =

copies of the transactions appearing in their ledgers and as I agreed to accept a certified write-off voucher for all issues of expendable stores during the month, the labour involved would not have been excessive. My request for the accounts of all depots other than Nairobi was however met by a request that I should audit the accounts locally. I am still in correspondence with the Director of Transport on the subject (vide enclosure DD) but the position at present is that from the outbreak of hostilities I have been able to audit the account of the Nairobi Depot only from 1st January 1917 to date.

MISCELLANEOUS STORES - £159,002.4.6.

Veterinary Stores.

88. The Veterinary Store ledgers have been carefully kept and call for no comment.

Ordnance Accounts.

89. Prior to the arrival of General Smith Darrien's staff the Ordnance Accounts were compiled on the Indian system i.e., the accounts of all depots were centralized at the Main Depot, Nairobi, as one stock, but from the 15th March 1916 the Home system was introduced and each depot became self contained and kept its own ledgers. These ledgers were opened with stocks on hand according to a stock-taking at that date by the Ordnance Department.

90. With the limited staff at my disposal during the period of the Indian system I was not in a position to carry out a simultaneous stock-taking at the various depots and so check the total stock as shown in the Nairobi ledgers.

91. I am informed however that the stock-taking carried out by the Ordnance Department in March 1916 revealed a great many discrepancies between the book and the actual balances.

92. In my letter dated 27th September 1916 (enclosure KK) I asked to be furnished with a list of these discrepancies but in an interview with Col. Stewart, Assistant Director of Ordnance Services, British East Africa, and Major Johnson, Assistant Director of Ordnance Services, General Headquarters, (representing General Scott, Director of Ordnance Services) it was decided that to furnish this list would prove a colossal task and involve an expenditure of time and labour incommensurate with the object to be gained and I enclose a copy of a minute on this subject (enclosure KK.1.). It has been arranged that the old ledgers and accounts be deposited in the audit office should it be considered necessary to reopen the subject.

93. After augmentation of my staff a test stock-taking of the Nairobi Depot was carried out by this Department in August 1916 and I attach extracts from the report dealing with it and the reply thereto. Further action on this report has been delayed as the Director of Ordnance Services has ordered a complete re-count of stock at this Depot. This is now being carried out and I will report further in due course.

94. A test stock-taking at the Mombasa Depot and an examination of the accounts subsequent to 15th March 1916 was productive of more satisfactory results.

95. The Ordnance Workshops accounts have been examined and call for no comment.

96. I attach copy of Query 1845 on the subject of issues of Ordnance Stores to Nyassaland, Zanzibar and Uganda. The debit against Uganda has been withdrawn in view of their participation in the Common Charges account. You will observe that Zanzibar are requesting duplicate vouchers but for the reasons explained in paragraph 82 of my Report for 1914-15 these cannot be produced and the matter is still under discussion.

cussion.

97. No reply has yet been received regarding the supplies to Nyassaland.

96. The remaining Store Accounts have been dealt with under their departmental heads.

MILITARY WORKS - £17,173.10.3.

99. A considerable portion of this expenditure represents cost of temporary buildings. A list of these buildings shewing cost of erection is kept by the Officer Commanding, Royal Engineers, with a view to their ultimate disposal on completion of hostilities.

100. The question was raised during the year whether Common Charges should bear the cost of repairs to the permanent way necessitated by damage done by enemy parties and  
 HH. I attach correspondence in which His Excellency has agreed that such expenditure should be borne by the Protectorate. An adjustment will be passed crediting Common Charges and debiting Protectorate share with the amount involved.

POSTAL AND TELEGRAPH EXPENSES - £5,544.12.5.

101. No comment required.

NON-EFFECTIVE SERVICES -

Protectorates - £1,722.4.11.

Common Charges - £2,152.6.11.

102. The incidence of pensions and gratuities between Protectorate and Common Charges has followed the allocation of the pay of the units (see paragraph 29).

103. The figure shown in the final statement against East Africa would presumably be considerably larger if the whole of the King's African Rifles accounts of the year had been included. Moreover a small portion of the War Pensions have been borne during 1915-16 on the Protectorate Estimates.

104. This head also includes payments of rewards for  
 discovery

discovery of bombs and charges of a similar nature.

MISCELLANEOUS - £13,762.0.11.

105. In accordance with the decisions conveyed in Secretary of State's despatch, East Africa Protectorate Confidential dated 10th May 1916, no charges are being levied against the Common Charges Account for interest on sums provided either from Imperial or local sources. An adjustment crediting the account with all charges previously raised was effected by the Treasurer in his accounts for 1915-16 but it does not appear in the account of the Chief Paymaster as explained in paragraph 4.

106. Bank and exchange charges however remain as a debit against this head.

SECRET SERVICE - £12,200 Credit.

107. No comment required.

RHODESIA REGIMENTAL PAY - £15,421.6.11.

108. A copy of Query No. 373 dated 28th August 1916 dealing with allocation of the Rhodesian Pay is attached hereto (enclosure II). The original query has been lost on the S.S. "Arabia". In accordance with the terms of paragraph 11(b) of my letter attached to the query, the expenditure figure represents the pay earned during the period January to March while the credit to Deposits Rhodesia Regiment is the total of the unpaid credit balances on the Pay Lists for that period. The allocation to Army Votes and to the special vote of credit of the expenditure item £15,421.6.11 was cabled to the War Office by the Imperial Paymaster on or about October 25th.

109. It was agreed with the Chief Paymaster, East Africa Pay Corps, to adopt the same principle for the East Africa Pay Lists from the 1st April 1916 but as I still find it necessary to send numerous queries on these paylists and as

= 27 =

the consequent adjustments would be further complicated if this system were in vogue, I considered it advisable to withdraw the suggestion. The item Pay and Allowances in the accounts therefore represents and will continue to represent only actual payments made.

110. With reference to paragraph 11(a) of the above letter, as a cheque was received from the Indian Field Disbursing Officer in January 1916 to cover the outstanding balances due to the men as at 31st December 1915, it was not necessary to make the proposed entry in the accounts. The Chief Paymaster however has omitted to incorporate in his balances as at 31st March 1916 the balances of the Rhodesian Paymaster at that date and the adjusting entry debiting his cash and crediting deposits with the amount of the credit balances of the Pay Lists to 31st December 1915 appears in the Accounts of 1916-17.

LAKE STEAMERS - £37,632.17.6.

111. This expenditure is again shown separately for the reason explained in paragraph 94 of my report for 1914-15.

PRISONERS OF WAR - £3,313.6.2.

112. No comment required.

IMPERIAL WAR OFFICE - £195.

113. This amount represents the excess of the Imperial outfit allowance over the local rate, paid to the officers - vide Query 3020 upon which your decision is awaited.

Suspense Accounts.

114. I have assumed that Suspense items are not being posted in the War Office ledgers and acting on this assumption have not pressed for the inclusion in the final statement of the running balances of these accounts but, as with the 19 heads of expenditure, the net result of the year's working only is shown.

115. With reference to paragraph 98 of 191-15 report the item "Unallocated" has been adjusted by debits to final heads or by transfer to Advances of such items as still remain uncleared. In this connection please see paragraph 130.

GIRIAMA FINES ACCOUNT CREDIT - £290.0.3.

116. This represents proceeds of sale of captured stock which should have properly been credited to the Protectorates Fines account instead of to Common Charges. The necessary adjustment, embodying also the charge appearing in 1914-15 account will be passed in the accounts for 1916-17.

DEPOSITS RHODESIAN REGIMENT CREDIT - £5,970.14.7.

117. Vide paragraph 106.

BELGIAN GOVERNMENT - £142.19.7.

118. This item represents debits raised in respect of Cash Expenditure on behalf of the Belgian Government less cheques received as payment for mules and livestock supplied. These figures represent a small portion only of the indebtedness of the Belgian Government on account of stores and cash but as the store accounts do not pass through the office of the Chief Paymaster (vide paragraph 17) he is not in a position to raise debits in respect of issues in kind. Lists have been prepared in this office of items appearing in audited store and cash accounts and the Chief Paymaster also furnishes me monthly with a statement compiled from information supplied by the various departments. You will observe however from the correspondence in enclosure JJ that the detailed information which is necessary for me to check the statements against my lists is not yet to hand.

119. Pending the verification of these statements no action can be taken to clear the Suspense item and the item

appearing

appearing in 1914-15 (see paragraph 106 of Report for that year).

TURKHANA PATROL - £1,937.4.9.

120. In continuation of paragraph 103 of last year's Report the adjustment removing this charge does not appear in the accounts of the Chief Paymaster till 1916-17 for the reasons explained in paragraph 1 above.

121. The debits in this year's account are the result of queries raised by this department and represent further miscellaneous expenditure incorrectly charged to War Expenses instead of to the proceeds of the fines levied. Adjustments are also outstanding on account of the cost of clothing and rations supplied from Military Stores to the Patrol while a counter claim is being made against Common Charges for Livestock handed over to the military from the stock received in payment of fines.

ZANZIBAR GOVERNMENT - £3.8.0.

122. The expenditure referred to in paragraph 11 of last year's report has been re-imbursed to Zanzibar but pending more definite details and proofs of shipments the amount has been allocated to Suspense. The clearance to final heads appears in the 1916-17 account.

The charge of £3.8.0 included in the 1916-16 account represents debits on account of small issues of rations during the year.

DIRECTOR OF MILITARY RAILWAYS - £20,592.17.7.

(See paragraph 101 of my report for 1914-15).

KK. 123. I attach correspondence regarding the Cash Expenditure of Col. Sir Wm. Johns, Director of Railways, who has latterly been kept in funds by the Chief Paymaster, East Africa Pay Corps. You will see that I considered the audit of these accounts could be more satisfactorily conducted by

Indian

Indian Officials and I was influenced in this view by the fact that no correspondence has been received in this office relating to the building, repairing, staffing, &c. of the Voi-Maktau and German East Africa Railways, that so far as I am aware the Director of Railway's Staff has been almost entirely recruited from among Indian Railway employees, and that his expenditure which is mainly composed of pay of staff with consequent allowances, stoppages for pensions &c., is governed to a great extent by Indian Civil and Railway regulations. As a result of the representations of the Chief Paymaster to the Railway Board India, an accounting staff has now arrived at Dar-es-Salaam and the Officer-in-Charge (designated Examiner Central Railways) is understood to be undertaking the audit of the accounts vide his telegram dated 8th November 1916 to which, however, no reply has yet been received.

LL. 124. The debit of £6,666.13.4 of 1914-15 together with the sum of £20,592.17.7 advanced during 1915-16 is awaiting adjustment on receipt of a reply to this telegram.

125. Rolling Stock and Stores ordered by the Director of Railways from India have been utilized on these Railways but no adjustment has yet appeared in the local account and I presume this expenditure is being settled by the India Office direct with the War Office.

126. A statement is being compiled of all payments made by the Chief Paymaster for local issues of stores, native labour &c., used on the Voi-Maktau and German East Africa Railways and hitherto debited to the appropriate heads of Common Charges in his accounts. Should any adjustment be effected in respect of these amounts I will report to you in due course.

MAFIA ISLAND - £7,065.9.10.

127. A copy of a report has been received from the Acting Resident, Zanzibar (the Political Officer in charge of Mafia) to the General Officer Commanding-in-Chief wherein it is stated that the revenue for 1915-16 exceeds the expenditure by £1,385 (vide extract contained in enclosure MM). I have not yet been able to audit this account and hope to detach one of my officers at an early date. At present the accounts have been examined to July 1915 and I attach copy of my report thereon (enclosure NN). An adjustment has been effected in the Common Charges Account for 1915-16 giving credit in respect of this surplus revenue in accordance with the terms of War Office letter No. 0165/7344 (F.I.) dated 17th February 1915 forwarded under cover of Colonial Office letter E.A.P. 130 dated 25th February 1915 but the attention of the Chief Paymaster has been called to the omission.

128. The Imprest to Mafia of £3,331.6.8 noted in paragraph 99 of my Report for 1914-15 and the further advances of £7,065.9.10 during 1915-16 have not yet been adjusted.

129. I have not been informed whether Mafia Island will be brought under the control of the Administrator of Occupied Territories or whether it is to be administered from Zanzibar but if the former is the case, the date on which such transfer is effected would appear to be a convenient date on which to settle these outstanding adjustments.

ADVANCES - £75,772.15.2.

130. This sum represents the balances of imprests in the hands of Field Paymasters and of officers commanding units. Please see remarks in paragraph 12.

GENERAL.

131. The number of queries raised to date is now approaching 5000. You will have observed that many of them relate to errors of an elementary description which could have

been

been avoided had closer supervision been exercised by the commissioned staff of the Pay Department.

132. Considerable recoveries to Common Charges have been effected during the course of the year and in addition to those noted in paragraph 42.

Enclosure 00 furnished examples of the more important cash recoveries.

#### STAFF.

133. The present establishment of the Military Audit Department consists of six Assistant Auditors and 46 clerks. Four of these Assistant Auditors, viz. Messrs: Collisson, Baldwin, Bragg and Stoodley are being paid from the Common Charges Account. In addition to the above Mr. Ghersi has been seconded for duty in this department from the South African Pay Corps and is also being paid by Common Charges. Mr. Stoodley has now been detailed for work on the Protectorate accounts in the place of Mr. Ellard who was transferred to the Mafia Administration. The Branch Office at Entebbe under the supervision of Major van de Velde was closed down from December last and the clerical staff numbering five was transferred to the Head Office. I have been requested by Major van de Velde to place on record his appreciation of the excellent services performed by Lieuts. Cremer and Gale. The services of the latter officer were lent by the Uganda Protectorate. In accordance with paragraph 35 I propose to detail Capt. Baldwin to Durban as he has been in charge of the audit of all paylists since his appointment to this department and is therefore eminently qualified for the duty. I also propose in the near future and as soon as accommodation is available to open a Branch Office in Dar-es-Salaam under the supervision of Capt. Lee.

134. The position of the Military Accounts' audit has greatly

greatly improved since my last annual report, April and May Accounts have been audited and June accounts are nearly completed and this satisfactory position is due to the unremitting exertions of the Audit Staff among whom I would especially mention the names of Major Faulkner and Capts. Collisson, Baldwin and Lee.

155. The Chief Paymaster is now submitting the accounts more punctually and I anticipate that the audit of the account for 1916-17 will present less difficulties than in the past as the Pay Corps Staff was considerably strengthened in April last by the arrival from South Africa of Capt. Edmund and Lieut. Doble. The former officer is an expert accountant and has already effected a considerable improvement in the accounting system. The Accounts Branch under the supervision of Paymaster, Capt. Rehm assisted by these two officers certainly promises a more satisfactory state of affairs.

I have the honour to be,

Sir,

Your obedient Servant,

(Signed) H. C. E. BARNES.  
Director of Military Audit.

397

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REC  
R0020 11/17

ENCLOSURES N, O, P, P(1), R, U, W, Y,

EE, EE(1), LL, OO.

List of Units in the payment of the Chief Paymaster,  
East Africa Pay Corps, during 1915/1916.

398

Units charged to Common Charges.

1. Censor Department.
2. East Africa Veterinary Corps.
3. Intelligence Department.
4. "Z" Division Signalling Coy.
5. Unattached List "A".
6. East Africa Ordnance Services.
7. East Africa Pioneers.
8. Mombasa Marine Defence.
9. East Africa Remounts.
10. Ammunition Column.
11. Military Audit Department.
12. East Africa Transport Corps.
13. Military Labour Bureau.
14. R.F. Volunteer Telegraphs.
15. East Africa Mechanical Transport Corps.
16. Prison Guard.
17. Headquarters Staff.
18. East Africa Pay Corps.
19. East Africa Supply Corps.
20. East Africa Medical Service.
21. East Africa Nursing Service.
22. Armoured Train.
23. Treasury Temporary Clerks.

Units charged to Protectorate.

24. Arab Rifles.
25. Police Service Battalion and Reserve Companies.
26. East Africa Marines.

27. Belfield's Scouts. { Scout pay of Rs.4/- per diem charged to  
Common Charges under authority of His  
Excellency the Governor.
28. Zanzibar African Rifles.
29. East Africa Mounted Rifles.
30. Cole's Scouts.
31. East Africa Regiment.
-

No. 1222/337.

Military Audit Office,  
Nairobi.  
17th August, 1916.

The Honourable  
The Chief Secretary,  
Nairobi.

400

Sir,

With reference to your S. Nos. 14459 and 14460 on the subject of pensions granted to the widows of Driver A.H. Watts and Trooper A.E. Martin. I would respectfully point out that in the case of the former the cost of the Mechanical Transport Corps to which he was attached is a common organisation debited to Common Charges. Is it to be understood that under the Secretary of State's ruling, pensions of members of locally raised units paid out of Common Charges are to be debited to the Protectorate Estimates?

As this may apply to many similar cases the point is, I submit, an important one.

I have, etc.,

(Sgd) H.C.E. BARNES.

Director of Military Audit.

COPY.

GOVERNOR OF EAST AFRICA PROTECTORATE TO SECRETARY OF STATE.

No: 100.

CONFIDENTIAL.

August 19th, 1916.

Sir,

I have the honour to acknowledge the receipt of your despatch No.464 of the 5th of July regarding the liability of this Protectorate for the pension to be granted to the widow of Driver A.H.Watts, late of the East Africa Mechanical Transport.

2. I would refer to your Confidential despatch of the 8th June and the correspondence enclosed therein, in which it is argued that the incidence of pay and allowances of non-combatant units which have been raised in East Africa should not fall upon the Protectorate. I have not yet been notified of any decision in this matter but if the argument is maintained it appears to apply equally to the pensions in respect of these units.

3. Such pensions as these have in the past been debited to the Common Charges Account.

I have, etc..

(Sgd) H.C.BELFIELD.

Governor.

ENCLOSURE P.

No. 1294/W.25.

Military Audit Office,  
Nairobi,  
4th September, 1916.

The Hon. The Chief Secretary,  
The Secretariat,  
Nairobi.

Sir,

Reference your S.9968/11/85 of 28.8.16 and S.9968/11/79 of 14.7.16 on the subject of the Financial Position of East Africa Protectorate, I observe that no comment is made by the Lords Commissioners of H.M.Treasury on the suggestion contained in the last paragraph of Colonial Office Letter dated 5th June, to the effect that the accounts to 31st March 1916 should remain unaltered.

Am I correct in assuming that the suggestion has been accepted ?

I have, etc.,  
(Sgd) S.N.FAULKNER.  
for the Director of Military Audit.

58/16

No. 9968/2/89.

The Secretariat,  
Nairobi.

September 7th, 1916.

The Director of Military Audit,  
Nairobi.

Financial position of East Africa protectorate  
owing to the European War.

-----  
Your Conf. 1294/W.25 of September 4th.

I think that your assumption is correct; the sentence  
appears to be an expression of opinion, not a suggestion.

(Sgd) T.S. THOMAS.  
for Chief Secretary.

-----  
Chief Paymaster,

Please note and return.

9/9/16. (Sgd) S.N. FAULKNER.

D.M.A.,

Noted and returned.

(Sgd) A. REEM. Captain.  
for Chief Paymaster.

11/9/16.

COPY.

404

East Africa Protectorate.Director of Military Audit to Director of Colonial Audit.

No: 3/W.25.

21st January, 1917.

Sir,

650  
57317

In continuation of my letter No.1/W.25 dated 10th December 1916, I have the honour to inform you that I have now received a copy of Colonial Office Despatch E.A.P. Confidential dated 3rd November 1916 bearing on the same subject and beg to submit the following for your consideration in connection therewith.

You will observe from paragraph 2 of the despatch that revision of the accounts from the commencement of the war is required and the view which was adopted locally in the correspondence attached to the above letter was therefore an incorrect interpretation. I would however emphasise the amount of labour which will be experienced in conforming with these instructions not only on the part of the East African Pay Corps but also on the part of this office. The disorganized state of the early accounts does not appear to be appreciated, but the 1914-16 vouchers were handed over to the Chief Paymaster at a late date with instructions to allocate as quickly as possible and he was not in a position owing to the shortage of staff to sort out the vouchers under their respective headings. Consequently payments relating to any particular head appear in his account in the order in which they arose in the Treasurer's Cash Book and to comply with the required revision will practically necessitate the re-examination of every voucher of the accounts already audited.

Further, I would call your attention to the difficulties

= 2 =

explained in my letter No. 1/W.29 dated 20th December 1916 which will prevent an accurate cost of the locally raised units being arrived at and also to the impossibility of extracting the cost of stores &c. supplied on formation of local units (as required by paragraph 6 of the memo:), owing to the unsatisfactory state of store accounting during the earlier period of the war vide paragraphs 37, 61 and 62 of my Report for 1914-15.

In view of the concluding words of paragraph 2 of the Colonial Office despatch and of the fact that both this office and that of the Chief Paymaster are working at high pressure to cope with the current work, I would ask whether it would not be possible to forego this required revision otherwise I shall be reluctantly compelled to ask for a considerable increase to my present staff of both officers and clerks.

I have, etc.,

(Signed) H. C. E. BARNES.

Dir: of Military Audit.

P.S. Since writing the above I have been requested by the Assistant Adjutant General to furnish him with the information necessary to enable him to reply to the War Office on the subject and I therefore attach a copy of my reply to him which deals with the memo by paragraphs.

(Signed) H. C. E. BARNES.

Dir: of Military Audit.

COPY.East Africa Protectorate.Director of Military Audit to Assistant Adjutant General.

No: 4/W.25.

16th January, 1917.

Sir,

1. With reference to your No. A.978 dated 30th December 1916 I have the honour to submit herewith for your information copies of three letters I have addressed to the Director of Colonial Audit with regard to matters on which the memo "Military operations in East Africa Common Charges Account" has a bearing.

2. Re paragraph 2 of Colonial Office Despatch. I would particularly call your attention to the amount of labour which would be involved in revising the accounts from the beginning of the war. Had the earlier accounts been rendered in the form in which they are usually prepared at the War Office, it would be possible to extract, without any great amount of labour, the vouchers relating to any particular regimental pay or to any definite allowance. But as I explained in my Report on the 1914-15 accounts (paragraph 4) all payments made by the Treasurer and his sub-accountants were handed over to the Chief Paymaster for examination and allocation and if he had attempted to do more than allocate the vouchers, keeping them in the order in which they had been handed over to him, he could never have apportioned to the Treasurer the onus of finding missing vouchers on which there were a great many. Consequently the vouchers of the accounts are filed indiscriminately, and to attempt a revision of these back accounts will involve practically a re-examination and re-

letters  
1/W.25  
2/W.25  
3/W.25

audit of the whole account.

3. Further, you will observe from my following remarks that I do not consider it will be possible to shew with any degree of accuracy the cost of locally raised common organizations which appears to be the sole object of the revision.

4. As it appears from paragraph 2 of the despatch that there is a decided misunderstanding as to the labour involved, and as War Office letter 155/7168 (F.L.) dated 11th April 1916 - copy attached (from which this correspondence appears to have emanated) indicates in the final paragraph a certain amount of doubt as to whether it will be ultimately decided that the cost of these organizations will be divided on a different basis from the rest of the Common Charges Account, I trust you will be able to prevail on the home authorities to forego the revision.

5. Re paragraph 3 of the despatch. I attach a detailed statement dealing with the memo attached thereto by paragraphs.

6. Re paragraph 4 of the despatch. Any important points arising on claims put forward by the Civil Departments and paid by the Military or vice versa have been dealt with in my annual reports 1914-15 and 1915-16 copies of which have been sent to the Deputy Adjutant and Quartermaster General. The only case which occurs to me of claims not submitted by the civil departments is in respect of salaries of officials seconded to the military, or performing military duties in addition to their civil. As however the principle that the Protectorate shall bear the cost of all salaries provided for on its estimates has been accepted both by the War Office and the Colonial Office this point would not appear to require mention. I am afraid I cannot advise you as to any claims

which

which might be preferred by the military against the civil departments.

7. Re paragraph 3 of War Office letter 0165/7794 (F.L.) dated 13th November 1916. I attach schedule in reply thereto. I would point out that the question of the allocation of these units has been influenced by the understanding that locally raised combatant units such as East African Mounted Rifles, East African Regiment, &c., only were to be charged directly to the Protectorate and that units whose services were of benefit to the forces generally should be regarded as Common Charge units the cost to be divided on such basis as might ultimately be decided. Your attention is further directed to the fact that after the arrival of Expeditionary Force "B" all questions of establishment, &c., of these units have been outside the jurisdiction of the Protectorate Government.

I have, etc.,

(Signed) H.C.E. BARNES.

Director of Military Audit.

- Para: 1. No comments, as these are the general principles which have been followed in the Common Charges Account.
- Para: 2. Requires no comment.
- Para: 3. Does the term "allowances" mean only those allowances included in Vote I of the Army Estimates or does it embrace all allowances, e.g. Ration, Travelling, Clothing, Colonial, Field, &c., Allowances?
- Para: 4. The requirements of this paragraph have hitherto been followed, the excess over Protectorate rates of pay being included in the general Heads of the Common Charges Account. As however the majority of Government Officials are serving in locally raised common organizations, a portion of the pay charged to this account would require to be separately shown if revision is insisted upon.
- Para: 5. This will cause considerable difficulty as it frequently happens that members of one Government Department are serving in several different departments or units and the substitutes have not been allotted against the holder of any particular civil post but have been employed as found necessary to carry on the duties generally of the Government department.
- Para: 6. It will be impossible to carry out the requirements of this paragraph with regard to the initial stores and supplies on formation of units raised locally for the reasons that the earlier store and supply accounts were so incomplete as reported in paragraphs 7, 61 and 82 of my report for 1914-15. I have also represented the difficulties with regard to this question in paragraph 20 of that Report viz. that, even were it possible to extract the cost an immense amount of labour would be involved. I

would further point out that the examination of the store accounts has been conducted solely by this department and as the early Protectorate, Ordnance, Transport, Supply, &c. Departments have now been broken up and personnel dispersed, no department alone would appear to be in a position to carry out the task were it possible, a duty which I regret I could not attempt without a special staff for the purpose.

Para: 7. This is a matter for arrangement between the civil and military departments.

Para: 8. Presumably the same division would be required in the case of rations as in the case of stores, supplies, &c. in paragraph 6. Animal rations and equipment have always been charged to Common Charges.

Para: 9. Presumably ocean transport of stores should be charged to Common Charges as all stores are so charged. At present all passages of invalided officers and men have been charged to Common Charges irrespective of the allocation of pay but a revision of the charges would now appear to be necessary, in which case further directions are required as to the incidence of passages of South African troops whose pay at Imperial rates is charged to Army Funds direct and the excess of Union over Imperial rates is charged to the Union.

The pay of the Rhodesian Regiment being a charge against both Army Funds and a special Treasury Vote of credit, the passages of this regiment appear to be chargeable to Army Funds.

Para: 10. This is a matter for the Protectorate Treasurer.

Para: 11.

Para: 11. The maintenance of the Railway and its Marine has been a charge against the Protectorate except with regard to the maintenance of that portion of its flotilla which was commandeered by the Military or Naval Authorities. The charges in connection with this portion have been shown in the Common Charges Account under the heading "Lake Steamers" for the reason explained in paragraph 93 of my Report for 1914-15.

No charges on account of the capital expenditure referred to have yet appeared in the accounts submitted to me for audit but if they do appear the point will be kept in view.

The final portion of this paragraph is already complied with.

Para: 12. I would refer you to paragraphs 73, 75 to 77, 96, 97 and 122 of my Report 1915-16 with regard to Nyasaland and Zanzibar and to paragraphs 127 to 129 with regard to Mafia.

Para: 13. No comments required.

Para: 14. See covering letter as to difficulties involved.

1. East Africa Supply Corps )
  2. " " " " Livestock )
  3. Ordnance Dept. Prot. Personnel )
  4. " " " " Artisans )
  5. East Africa Pioneer Coy.
  6. Military Audit Department.
  7. Temporary Clerks in Treasury.
  8. Indian Jemadar Transport.
  9. East Africa Pay Corps.
  10. Unattached Lists A & B.
  11. East African Veterinary Services.
  12. Censors Department.
- These units are supplementary to the Indian Supply & Transport & the Army Service Corps units and perform duties in connection with Supply Depots which serve all units.
- Supplementary to the Overseas Ordnance Units. They deal with all branches of the Service in East Africa.
- Perform general R.E. Field work for the benefit of the combatant units generally.
- Audits the War Expenditure a/c's. both "Common" & Protectorate. The pay of Assistant Auditors specially seconded for this work is charged to Common Charges A/c. with War Office approval, and presumably this is the correct allocation of the clerical staff.
- Appointed to cope with the additional work involved by the war. As the Treasurer is primarily the accountant for the Common Charges A/c. and as he discharges considerable sums on behalf of this a/c. this allocation would appear to be in order.
- This Transport is for the benefit of the Belgian Congo and is charged against that Government.
- Prepares the Common Charges A/c. in addition to examining the charges directly debitable to Protectorates, Army Funds, South Africa &c.
- This does not appear to be correct. The only unattached list charged to Common Charges A/c. is composed of Post Commandants, Railway Transport Officers, Lines of Communication Personnel, &c.
- Work in connection with Remounts supplied to combatant units and with Transport & Livestock supplied to all units.
- Postal service is for the benefit of all units.

13. Z Divisional Signal Co. Employed on telegraph services for benefit of all units.
14. Intelligence Department. Services benefit all units.
15. Railway Guard. This guard was recruited locally to relieve regular soldiers in the work of guarding the Uganda Railway, thus maintaining the principal line of communication, and would appear to be correctly charged to Common Charges.
16. E.A. Medical Service. ) Employed in hospitals serving all units.  
17. " Nursing Service. )
18. Prison Guard. Employed in guarding German Prisoners of War.
19. Civilians in Military employ. The pay of Civilians employed in a military department follows the allocation of the pay of the department. The difficulty in dealing with the allocation of substitutes employed in Government Offices is dealt with in paragraph of Enclosure.
20. Headquarters & Volunteer Headquarter Staff. This is a small payroll, but as a large number of the local enlisted men are charged to Common Charges it would be difficult to apportion this payroll between Protectorate and Common Charges.
21. E.A. Transport Corps. Supplementary to Overseas transport units and serves all units.
22. R.E. Volunteer Telegraph Sect. See remarks in Z Signal Co.
23. Wireless. No paylists exist. The only charge on account of wireless services appearing in Common Charges was that for erection of station at Mombasa.
24. Ammunition Column. Serves all combatant units indiscriminately.
25. Remounts. The cost of Remounts themselves has been accepted as common charge and the pay of the department handling them would also appear to be correctly allocated to Common Charges.

COPY.

East Africa Protectorate.

Director of Military Audit to Director of Colonial Audit.

No: 1/W.20.

10th Dec 1916.

Sir,

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tial  
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to.

1. In duplication of my letter No. 104/101/W.20 of 21st September 1916 which was in the mails on S.S. "Arabia", I have the honour to draw your attention to the correspondence marginally noted on the subject of the ultimate division of that portion of Common Charges which is on account of Units raised locally.

2. You will observe that after discussion with the Treasury and War Office the Secretary of State (32073/1916 of 19.7.16) accepts in principle the condition that Uganda and East Africa Protectorates should eventually bear a larger proportion of the expenditure on common organizations recruited locally than of the Common Charges generally. In order to allow such division to be made it will be necessary for the Chief Paymaster to keep a separate record of the amounts involved and this record will presumably require the certificate of this Department. It is further requested that a statement should be furnished showing the amounts borne on civil votes on account of such organisations.

3. I wish therefore to draw your attention to the difficulties and possible complications which will be encountered in preparing such records.

4. As pointed out in paragraph 2 of the Secretary of State's letter 32073 of 19th June 1916 many of the units raised locally include on their strength various Protectorate officials whose salaries are borne on the estimates. Many of these officials however, have been granted honorary rank only.

= 2 =

and, in addition to their civil duties, devote a portion of their time to Military work, (e.g. the Director of Agriculture controls the Livestock Section of the Supply and Transport, the Chief Veterinary Officer is Deputy Director of Veterinary Services, the Auditor is occupied to a considerable extent on War accounts). In such cases it would be extremely difficult to determine what proportions of the salaries of these officials are in respect of civil or military duties.

A further complication arises from the fact that a certain portion of Head 6, Civilian Subordinates will require to be re-marked to these organisations. Such portion will include pay of substitutes employed in Protectorate Departments and also clerical labour &c., engaged direct by the units. With regard to the former it will be difficult to identify the substitutes with any particular substantive post and it frequently happens that members of the same Protectorate Department are serving in several different units.

6. In view of the above difficulties and others which will inevitably arise, I am doubtful whether the object desired in the final paragraph of War Office letter 165/7168 (F.I.) dated 11th April 1916 can be attained with any degree of accuracy.

7. I would also like to emphasise that locally raised organisations, though styled East African Units, are not in reality separate organisations but are supplementary to Imperial, Indian or South African organisations. As a particular instance the Livestock Department, a Branch of the East Africa Supply Corps, has been recruited locally owing to greater knowledge of local conditions but performs essential duties of the Army Service Corps, viz. purchase and distribution of cattle and sheep.

8. You will observe in the correspondence attached that the Chief Secretary has endorsed my assumption that no alteration need be made in the accounts to 31st March 1916.

I have, etc.,

(Sgd) H.C.E. BARNES.

Director of Military Audit.

COPY.Military Audit Dept.,  
Nairobi.

No: 1294/W.25.

4th September 1916.

To  
The Hon. The Chief Secretary,  
The Secretariat,  
Nairobi.

Sir,

Reference your S.9968/11/35 of 28.8.16 and S.9968/11/79 dated 14.7.16 on the subject of the Financial Position of East Africa Protectorate, I observe that no comment is made by the Lords Commissioners of H.M.Treasury on the suggestion contained in the last paragraph of Colonial Office letter dated 6th June to the effect that the accounts to 31st March 1916 should remain unaltered.

Am I correct in assuming that the suggestion has been accepted ?

I have, etc.,

(Sgd) S.N.FAULKNER.  
for Director of Military Audit.

The Secretariat,  
Nairobi.

No: S.9968/2/39.

September 7th 1916.

To  
The Director of Military Audit,  
Nairobi.

Financial position of East Africa Protectorate  
owing to the European War.

-----  
Your Conf.1294/W.25 of September 4th.

I think that your assumption is correct; the sentence appears to be an expression of opinion, not a suggestion.

(Sgd) T.S.THOMAS.  
for Chief Secretary.

ENCLOSURE R.

No. 105.a/634.

The Treasury, Nairobi.

26th August, 1915.

The Hon'ble Chief Secretary,

A letter has been addressed to you by the principal Medical Officer through the D.D.M.S., No. 26/274/2 dated the 18th of August 1915, on the subject of charges to be recovered for the maintenance of the European Hospitals.

2. A copy of this letter has been forwarded to me, in which I observe that the Principal Medical Officer has suggested the method of debiting the Protectorate with the amount provided in the Estimates and charging the excess to War Expenses, as being the simplest.

3. As this method makes no attempt at accuracy and does not appear to favour the Protectorate, I should not recommend it in the absence of any other practical suggestion. A proportionate division of the actual charges according to the number of days spent by Civil and Military patients in the hospital would be far preferable. I see no reason why an average should not be taken from 4 months actual figures. If the Principal Medical Officer would furnish a monthly statement of the number of days spent by Civil and Military patients in hospital the amounts debited monthly in the Treasury Books to the vote for Upkeep of European Hospitals, plus any other items which he considers should be added, could be divided proportionately between the Protectorate Vote and War Expenses.

4. It is very necessary that a decision on this point should be given immediately in order that an adjustment may be effected in the 1914-15 accounts, the closing of which has already been unduly delayed. For the same reason your assistance is requested in obtaining an early settlement of the

question

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question of charges to be recovered for issues from the Protectorate Medical Stores for Military purposes, a matter which has also been brought to the notice of the Principal Medical Officer but on which he does not appear to have yet made any proposals.

(Sgd) W.A.KEMPE.

for Treasurer.

Recoveries from Uganda Railway.

Query	1133	Rs. 328/67	Charged to Common Charges instead of Protectorate Estimates.
"	1867	918/59	Overcharge of Freight.
"	2203	328/67	Fares recovered from Departmental Votes.
"	2812	50762/37	Overcharge of Freight on Ammunition.
"	3387	1146/57	Overcharge of Freight.
"	3315	495/07	Fares recovered from Departmental Votes.
Lr.	668/278/1	7494/-	Reduction of Demurrage Charges.

Fly. Queries.

231/110	478/02	Overcharges of Freight.
563/140	11312/94	" " "
566/143	556/94	" " "
585/162	799/63	" " "
701/178	4103/59	" " "
706/183	1113/60	" " "
708/185	9880/69	" " "
735/189	889/81	" " "
737/191	1890/14	" " "

ENCLOSURE W.

No. 5126/W.7.

Military Audit Office,  
Nairobi.

1st December 1916.

The Director of Military Audit,  
Nairobi.

Reference Queries - War 168/912, War 175/919, War 352/1261,  
359/1268, 353/1262, 354/1263, 361/1270, 362/1271, 491/1408,  
496/1413, 507/1424, herewith.

As a result of these queries certain bills were submitted by the Mechanical Transport Company and recoveries amounting to Rs. 529.97 were effected. In the majority of cases the persons billed either disputed the details of the accounts or the right of the Mechanical Transport Company to levy the charges and a meeting was convened on February 15th 1916 between Colonel Roddy, Captain Dudgeon and yourself at the instance of the General Officer Commanding to consider and arrive at final decisions on the outstanding cases.

Each individual case was considered on its merits and in consequence, bills amounting to Rs. 3353.01 were submitted for payment. In a few cases the bills were subsequently reduced owing to proved inaccuracies in the Mechanical Transport books but the amount of alteration so involved is small. Of this sum of Rs. 3353.01, Rs. 2154.58 (as per attached list) at present remain uncollected. The Chief Paymaster is still endeavouring to secure payment but I would suggest that the queries be submitted to the Director of Colonial Audit and the disposal of this balance be kept in view.

In addition to the above sum of Rs. 3353.01, a bill for Rs. 2203.50 was presented to Captain H.F. Ward on account of petrol supplied to which it was considered at the meeting he was not entitled as a free issue. This amount, after considerable correspondence, was reduced by the Deputy Assistant and Quartermaster General with your agreement to Rs. 775/- which sum has been duly collected.

collected.

(Sgd) S.N.FAULKNER.

Assistant Director of Military Audit.

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Director of Colonial Audit.

Chief Paymaster reported this to the Hon.Chief Secretary for the information of the War Office in connection with their letter No.0165/7513 A/c.s.I.a. dated 29/6/16.

He is also in communication with the Judge Advocate General on the subject, as His Excellency will not agree to amounts due from the officials being deducted from their salaries, while the Deputy Adjutant and Quartermaster General will not authorize similar deductions from Military debtors.

The matter will be kept in view and I will report to you any further developments.

(Sgd) H.C.E.BARNES.

Director of Military Audit.

AMOUNTS OUTSTANDING O/A M. T. C.  
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File No.2.

Capt. J. Elkington	172.--
Sergt. Eccleshell	24.--
Lieut. Finch-Hatten	87.63
Capt. J. Grant	111.--
Lieut. Gorrings	53.--
Capt. Lovegrove	2.50
Capt. De la Pasture	11.25
Capt. Beth Smith	27.--
Capt. Stewart	7.50
Lieut. Reynolds	15.50

Rs. 511.38File No.3.

Capt. Eustace	17.50
Major W. Rigby	470.50
Cel. W. K. Netley	109.--
Capt. R. B. Cole	611.75
Major H. M. Carnegie	31.75

Rs. 1240.50

File No.2	511.38
" " 3	1240.50
" " 4	<u>402.70</u>

Rs. 2154.68File No.4.

B. Ellis	14.--
J. C. Ferguson	24.25
M. Jacobs	31.75
H. Kjellburg	17.50
W. J. Meynagh	26.50
N. Z. Patretich	7.50
Mr. Ramsay	4.50
W. Stewart	4.--
Alan Thomsen	30.75
C. M. Castle-Smith	17.50
G. T. Davies	5.--
F. W. Hale	38.50
J. H. Neen	60.75
Dr. R. H. Ross	2.--
R. Whittet	118.--

Rs. 402.70.

ENCLOSURE Y.

No.1227/W.4.

Military Audit Office,  
Nairobi.August 10th 1916  
18th

The Honourable  
Director of Agriculture,  
Nairobi.

Sir,

I have the honour to enclose herewith a list of issues from Live Stock Depots to Units, and should be obliged if you would give me information on the following points:-

1. On whose authority the issues were made.
2. Whether indents were received shewing the number of men and days.
3. Whether any receipts or proofs of delivery are held.

I am strongly of opinion that issues to Units and individuals from Live Stock Depots should cease and that the necessary arrangements should be made between the units and the Supply Depots as in the case of the remaining rations. Under the present system all control over these issues appears to cease.

Will you please give the matter your early attention.

(Sgd) H. C. E. BARNES.

Director of Military Audit.

ENCLOSURE PP.

No. 1391/W.15.

Military Audit Office,  
London.

27th September, 1918.

The Chief Ordnance Officer,  
London.

Sir,

I have the honour to draw your attention to the method of adjustment adopted at present in the ledgers of the Ordnance as at 15.3.18.

It appears that transfers of stock have been prepared by which surpluses are brought on charge in the Old Ledgers, but written off again in the new ledgers. By this means the surpluses still remain and I would therefore request that the usual method of adjustment be adopted viz. that the surpluses be brought on charge by certificate to a person and competent authority be obtained to write off the shortages.

I should be obliged if you would forward me a list of differences between actual stock and ledger balances as at 15.3.18.

I have, etc.,

(Sgd) S. N. FAULKNER.

for Director of Military Audit.

D.O.S.,  
G.H.Q.,  
Dar-es-Salaam.

I have been in consultation with the Director of Military Audit regarding the old accounts of the Nairobi Depot, kept under the Indian Ordnance Departmental System, which were ordered to be closed on March 15th, 1916.

This account originally embraced the Voi, Kilindini, Longido West, Kajiado and Simba accounts.

From what I can see of the old account the only method possible of ever arriving at a clear statement would be to compute the values of surpluses and deficiencies of every item - 24 ledgers are involved and there are queries on at least 75% of the entries.

None of the present staff were here during the period under audit and to put forward a statement such as I have indicated would mean a colossal amount of clerical labour for which the requisite staff is not forthcoming.

Further, having in view the mixed descriptions, of stores involved viz. from Home, India, South Africa and Local Purchase in such a summary of money values it would be difficult to settle what rates should be worked on.

In view of the exceptional circumstances in which the Depot was apparently being conducted up to that time owing to the exigencies of active service, I would strongly recommend that the stocktaking figures on the 15th March as entered in the New Ledgers be accepted as correct and the audit of the Old ledgers, ending on March 15th 1916, be dispensed with as apparently no useful purpose would be served by the compilation of this voluminous return.

There is no reason to believe that any wastage of stores took place but merely that owing to pressure of work, several different stations being involved, and loss of vouchers in

# PUBLIC RECORD OFFICE

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