

1925

KENYA
UGANDA

C O
26141
REC'D
JUN 25 1925

FROM
TREASURY.
(MR CUTHBERTSON)

DATE
5th June 1925.

FOR CIRCULATION :-

Mr.
Mr.
W. C. Hughes
Asst. U.S. of S.
W. Storer
Perm. U.S. of S.
Public U.S. of S.
Secretary of State

£5,500,000 LOAN.

Discusses question of accounting, and the use of the money temporarily for financing other services so as to avoid the waste of a premature issue of a public loan.

MINUTES

By letter, City Council, was sent instructions from Sir W. Lambert that we should examine how we should
I submit 5/11/25 to Sir W. Lambert
Copy to Sir W. Lambert & Sir A. for info.
Also to Sir A. for info.
W.C.S. 5/11/25

to Sec. of State 7 AUG 1925
copy shown to Sir W. Lambert
See Sir W. Lambert
See Sir A. for info.
See Sir W. Lambert
See Sir A. for info.
See Sir W. Lambert
See Sir A. for info.

Subsequent Paper

Jones
3311

28141

TREASURY DEPARTMENT
WHITEHALL

5th June 1932



1914-1915 Regd. No.

Dear Bottomley

I have talked over with Watson your letter of the 2nd on accounting for the 23,500,000 loan for railway development in Kenya and Uganda.

I agree that the arrangement in paragraph (1) carries out our intention with regard to the temporary use of the money. I can of course presume that the balance not being utilised for financing other services is being temporarily invested, in which case Capital Investment Account would be an improvement on your Idle Capital Account.

So far as I can judge, I agree that the Local Account should be the complete account, the Crown Agents' business being incorporated, as is I think the case with other Colonial accounts.

AS to audit I presume that the Director of Colonial audit examines the Crown Agents' accounts in

Bottomley, Esq., C.M.G., C.P.E.
Colonial Office
Downing Street.

connection

connection with his duties as an Individual Colony,
and I should think that [redacted] that he might have access
to the Capital Investment Account of this loan.
We should also accept his examination and certificate
of the Local Expenditure Account, including the
Local Agents' services.

With regard to his reports, I am inclined
to think that Parliament (or the Public Accounts
Committee) will continue to show ~~the~~ interest in the
£5,000,000 loan and it would be more satisfactory
therefore if the accounts were counter-signed by the
Accounting Officer and rendered both to the
Comptroller and Auditor General and to the Treasury.

Yours sincerely,

Peacock

connection with his audit in each individual Colony, and I should think therefore that he might have access to the Capital Investment Account of this loan. He should also accept this examination and certificate of the whole expenditure account, including the Special Agents' services.

With regard to his reports, I am inclined to think that Parliament (or the Public Accounts Committee) will want me to show ~~the~~ interest in the report, ~~the~~ loan, and it would be more satisfactory, therefore, if the account were countersigned by the Accounting Officer and rendered both to the Secretary and Auditor General and to the Treasury.

Yours sincerely,

Per Walter Long

Downing Street,

2 Jan. 1925

Dear Cuthbertson,

We want to emphasize that we are on the right lines in regard to the £3,500,000 assisted loan for transport development in Kenya and Uganda.

(1) The Crown Agents are keeping what I may call an Idle Capital Account. Under our correspondence with you, the money, pending its expenditure on services coming within the purpose of the loan, is not utilised for financing services not coming within these purposes, so as to avoid the waste of a premature issue of a public loan, care being taken that the assisted loan is duly credited with interest. The account which is being kept provides this safeguard.

(2) The Crown Agents have now opened an account of actual expenditure under the Loan. Of course all the incidents are not immediately identifiable as assisted

and Loan Services, and the Crown Agents' account
 be subject to adjustment locally. In fact it
 is clear that the authoritative account must be kept
 at Y.

3) The object of this letter is to ask (a) what
 has been done as to audit under (1), and (b) whether you
 accept under (2) the audit of the local audit staff,
 signed and certified in the usual way by the Director
 of Colonial Audit. Further, whether (after the Director
 has certified) it will be sufficient to send his report
 to the Treasury for information (as in the case of the
 Requirer-dependent Protectorates) the account should be
 assigned by the Accounting Officer here, and rendered
 only to you but to the Comptroller and Auditor General.

Yours sincerely,

[Handwritten signature]

Bottomley 3.8.25

Handwritten: 28141/1925 Kenya

C. D.
R 6 AUG
D 6

Handwritten: Sir E. Stephenson 4/8/25 *and*

Strachey. *S/R*

J. Shuckburgh.

C. Davis.

H. Gindler.

J. Masterton Smith.

Ormsby-Gore.

Lowry.

Downing Street,

7 August, 1925.

Sir,

I have the honour to inform

you that communications have passed with the Treasury on the question of the arrangements to be made for accounting for the £3,500,000 loan voted by Parliament in 1924 for railway development in Kenya and Uganda.

From the date of the receipt of the capital sum, the Crown Agents for the Colonies have kept an account of the use of the money in their hands. Part of it, as you are aware, has been used for financing, pending the issue of a separate loan, other capital services than those contemplated by Parliament, and interest is being credited to the Special Account, both in respect of this use of the money and in respect of the

DRAFT.

KENYA

10 AUG 1925

10 AUG 1925

Handwritten notes:
copy to
C. D. H. - S/S
for Uganda

Handwritten: answer 19/12

Handwritten: C.A. / Prof. ...

other temporary investments which the Crown Agents have arranged.

This Capital Investment Account

will be audited by the Director of Colonial Audit, and it will, after counter-signature by the Accounting Officer in the Colonial Office, be rendered to the Comptroller and Auditor-General and to the Treasury.

3. A separate account is necessary for ~~the~~ actual expenditure under the Loan, and the Crown Agents have opened such an account so far as concerns the amounts expended by them. But the indents which they received are not immediately identifiable as services coming under the Assisted Loan and both on this account and also because local expenditure must be included, it is necessary that the authoritative Account should be kept locally.

It is probable that arrangements have already been made to this end; but in any case I shall be glad if you will ensure that such an Account is kept ~~up~~ and that

other temporary investments which the Crown Agents have arranged.

This Capital Investment Account

will be audited by the Director of Colonial Audit, and it will, after counter-signature by the Accounting Officer in the Colonial Office, be rendered to the Comptroller and Auditor-General and to the Treasury.

3. A separate account is necessary

~~for the~~ actual expenditure under the Loan, and the Crown Agents have opened such an account so far as concerns the amounts expended by them. But the indents which they received are not immediately identifiable as services coming under the Assisted Loan and both on this account and also because local expenditure must be included, it is necessary that the authoritative Account should be kept locally.

It is probable that arrangements have already been made to this end; but in any case I shall be glad if you will ensure that such an Account is kept and that

601

the expenditures reported by the Crown Agents, to whom a copy of this letter is being sent, ^{from time to time} ~~are~~ ^{despatched} included in the local Account, ~~from time to time~~. This Account, which may be described as the Assisted Loan Expenditure Account, should be audited by the local audit staff in the usual way, and the local Auditor should submit the account annually to the Director of Colonial Audit for examination and certificate. In this case also it will be necessary for the account to be countersigned by the Accounting Officer, and referred both to the Comptroller and Auditor-General and to the Treasury.

I have, etc

(Signed) L. S. AMERY

Bottomley 3.8.25

C.A.G. 28141/1925 Kenya

C. D.
R 6 AUG
D

Sir E. Stephenson 4/8/25
Mr. Strachey S/B

Downing Street,

7 August, 1925.

- J. Shuckburgh.
- C. Davis.
- G. Grindle.
- J. Masterton Smith.
- Ormsby-Gore.
- Amery.

Sir,

I have the honour to inform

DRAFT.

you that communications have passed with the Treasury on the question of the arrangements to be made for accounting for the £2,500,000 loan voted by Parliament for railway development in Kenya and Uganda.

2. From the date of the receipt of the capital sum, the Crown Agents for the Colonies have kept an account of the use of the money in their hands. Part of it, as you are aware, has been used for financing, pending the issue of a separate loan, other capital services than those contemplated by Parliament, and interest is being credited to the Special Account, both in respect of this use of the money and in respect of the

W.Y.A

737

copy to
 S. C. G. }
 D.C. }
 for Uganda }
 10 AUG 1925
 10 AUG 1925

28141/1925

8/8/25
C.A. Prof. G. G. G.

other temporary investments which the
Crown Agents have arranged.

This Capital Investment Account

will be audited by the Director of Colonial
Audit, and it will, after counter-signature
by the Accounting Officer in the Colonial
Office, be rendered to the Comptroller
and Auditor-General and to the Treasury.

3. A separate account is necessary

~~for~~ actual expenditure under the Loan,
and the Crown Agents have opened such an
account so far as concerns the amounts

expended by them. But the indents which
they received are not immediately identifiable

as services coming under the Assisted Loan
and both on this account and also because
local expenditure must be included, it is
necessary that the authoritative Account
should be kept locally.

It is probable that arrangements
have already been made to this end; but in
any case I shall be glad if you will ensure
that such an Account is kept, and that

^{from time to time}
 the expenditures reported by the Crown
^{despatch}
 Agents, to whom a copy of this letter is
 being sent, ~~are~~ included in the local
 Account, ~~from time to time~~. This Account,
 which may be described as the Assisted Loan
 Expenditure Account, should be audited by
 the local audit staff in the usual way,
 and the local Auditor should submit the
 account annually to the Director of Colonial
 Audit for examination and certificate. In
 this case also it will be necessary for the
 Account to be countersigned by the
 Accounting Officer, and referred both to
 the Comptroller and Auditor-General and
 to the Treasury.

I have, etc

(Signed) L. S. AMERY

other temporary investments which the
Crown Agents have arranged.

This Capital Investment Account

will be audited by the Director of Colonial
Audit, and it will, after counter-signature
by the Accounting Officer in the Colonial
Office, be rendered to the Comptroller
and Auditor-General and to the Treasury.

3. A separate account is necessary

~~see~~ ² actual expenditure under the loan,
and the Crown Agents have opened such an
account so far as concerns the amounts
expended by them. But the indents which
they received are not immediately identifiable
as services coming under the Assisted Loan
and both on this account and also because
local expenditure must be included, it is
necessary that the authoritative Account
should be kept locally.

It is probable that arrangements
have already been made to this end; but in
any case I shall be glad if you will ensure
that such an Account is kept ~~up~~ and that

641

the expenditures ^{from time to time} reported by the Crown
Agents, to whom a copy of this letter is ^{despatch}
being sent, ~~are~~ included in the local
Account, ~~from time to time~~. This Account,
which may be described as the Assisted Loan
Expenditure Account, should be audited by
the local audit staff in the usual way,
and the local auditor should submit the
Account annually to the Director of Colonial
Audit for examination and certificate. In
this ~~case~~ it will be necessary for the
Account to be countersigned by the
Accounting Officer, and referred both to
the Comptroller and Auditor-General and
to the Treasury.

I have, etc

(Signed) L. S. AMERY