

1925

KENYA

C.O.
35673
5 AUG 25

DATE

G. DENHAM.

818

30th June 1925.

210

REGULATION:-

Colony

ANNUAL ACCOUNTS, 1ST APRIL, 1921 to 31st DEC, 1922.

U.S. of S.

Trs memo by Treasurer commenting upon Reports of Dir. of Colonial Audit.

U.S. of S.

U.S. of S.

Secretary of State.

Previous Paper

MINUTES

M.O.
180 ²⁴/₇₅

Paras 2 + 3 The H.A. as to R. h. Stores
+ P. W. h. Stores as with the D.C.A. - as
regards the latter the recent dep dealt with
accounting methods rather than the Standard
Limit - see duplicate herewith.

Paras 4 - 6 These are dead Eastons

Para 7 There is nothing to show that
⁽¹⁴⁾
~~11274/24~~ 11274/24 as to the use of
Surplus loan funds see Sec 5
of D.C.A.

? no action required except to
send this paper, these referred to, to
L. C. Stephenson & Co.

17/10/25

W.S.S.

14.8.25

Subsequent Paper

M.O. 265
2/26

D.C.A.

✓
Part by

h10

Mr. Allen,

Seen. The Treasurer's comments will receive due consideration in connection with the Accounts for 1923 and subsequent years.

I have noted the position with regard to the loan of £5,000,000 (paragraph 7) but, in view of the fact that the transactions relating to this loan were passed through the General Abstract Accounts of the Colony and Protectorate I am unable to refrain, in my reports to the Secretary of State, from commenting on the omission from the Balance Sheet of the invested portion of the unspent balance of the loan. I propose, however, to instruct the Auditor to discuss the matter with the Treasurer with a view to arriving at a settlement of this technical point. ? Put by.

[Handwritten signature]
19. 11. 25

J. W. Allen

27/1/26

atance

KENYA.
No 218.



211
GOVERNMENT HOUSE,
NAIROBI,
KENYA

30th June, 1925.



Sir,

With reference to your despatch No.110
of the 4th February, enclosing the Reports of the
Director of Colonial Audit upon the Colony's
Accounts for the nine months ended the 31st
December, 1921, and the year 1922, I have the
honour to transmit a memorandum by the Treasurer
commenting upon the Reports.

M/C
186
24/7/25

Memorandum
dated 16-6-25.

I have the honour to be,

Sir,

Your most obedient, humble servant,

J. H. K. [Signature]
ASTING GOVERNOR.

RIGHT HONOURABLE

LIEUTENANT COLONEL L.C.M.S. AMERY, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES.

DOWNING STREET,

LONDON, S. W.

THE TREASURY,
(P.O. Box No. 591)
Nairobi, 16th June, 1925.

Ref. No. 1238/1923/8.

The Hon. Ag. Colonial Secretary,
NAIROBI.

Ref. your No. S/B. 22419/21/2 dated 18/3/25.

The only points calling for special comment are the following:-

Railway Unallocated Stores

2. The Secretary of State is aware of the position, and arrangements are under consideration for gradually eliminating the item from the Colony's Balance Sheet.

Public Works Unallocated Stores

3. The amount under this heading has now been reduced to within the sanctioned limit of £60,000, and will not be exceeded again without authority. As regards Stock Balance Sheets the Auditor states that they have been submitted for 1923 and it is not proposed, therefore, to take any further action in regard to the years 1921 and 1922.

War Office Advances

4. As you are aware this Government does not support the Director of Colonial Audit's contention in regard to the item of £83,265. 1l. 92 etc, and as its views on the subject have been accepted by the War Office the matter is now settled.

King's African Rifles Expenditure 1919/20

5. The Colony's liability in respect of the above was settled in the years 1923 and 1924, by payments amounting to £250,000.

Quarterly Returns of Unforeseen Expenditure.

6. In terms of Colonial Office Despatch No 669 dated 26th of June 1924 Returns for the fourth quarter of the year were reintroduced from 1923.

£5,000,000 Loan Balance Sheet as at 31st December 1923

7. With regard to paras. 5 and 6, the Secretary of State was asked in paras. 7, 8 and 9 of Kenya Confidential Despatch No. 30 of the 6th of February 1924 to agree to the accounting procedure regarding Loans in respect of which the Colony and the Railway are both interested, being simplified in order that questions relating to temporary borrowings from Loan Funds might be settled without difficulty. The method of simplification proposed and agreed to by the Secretary of State in para. 2 and 3 of his Confidential Despatch of the 8th of May 1924 was to keep such loan funds separate and distinct both from the Colony's General funds and the funds of the Railway Administration. This is exactly what, in anticipation of the Secretary of State's approval, since given, I did in the 1922 accounts in regard to the £5,000,000 loan in which the Colony and the Railway Administration are both interested. In these accounts instead of showing the Colony's General Account as liable to the loan for the unspent balance of the loan and entirely omitting to show the Colony's liability to the Bondholders I showed the General Account as liable to the loan for the actual amount borrowed by the General

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