

1925

KENYA

C.O.
52035

19 NOV 25

520

ERNOR GRIGG.

TEL
538

DATE

18th November 1925.

CIRCULATION:—

Mr.
Mr.
Mr.
Asst. U.S. of S.

X.Ba.

£5,500,000 LOAN. ACCOUNTING.

Balance sheet for year ended 31st March was forwarded to Colonial Audit on 19th October.

Term U.S. of S.
Part U.S. of S.
Secretary of State.

Previous Paper

Gov 50442

MINUTES

Sir E. Stephenson

It may have reached you by Monday's mail - we have had despatches dated up to 17 Oct.

Wednesday

19.11.25

Mr. Bottemley,

The Loan Balance Sheet, of which I attach a copy, arrived on Monday last, the 30th ultimo. As you will observe it appears to be a complete account reflecting all the transactions in connection with the use of the money

voted

Subsequent Paper

*Gov 52694
X. 1000/24 (Balance sheet)*

*copy of 16 Jan 1926
copy of 16 Jan 1926
copy Balance sheet to H.C. 3 - 10 March 26.*

voted by Parliament. I am therefore doubtful of the necessity for a separate "Capital Investment Account" to which reference was made in the despatch to the O.A.G. (No. 737) of the 7th August 1925 (28141/25), and, as I understand that the Crown Agents have not in fact received instructions to render such an Account to this Office for supplementary audit, I shall be glad to learn whether, in view of the nature and completeness of the information now submitted in the Balance Sheet rendered by the Treasurer of the Colony, the Treasury will, nevertheless, require a second account.

[Handwritten signature]
3.12.25

Sir J.P. We must square Treasury

6/5 7.12.25

Sir E. Stephenson

I have kept Mr. Cuthbertson's reply (attached) very closely, & the Auditors Office are now pressing for the account.

I have had an opportunity of discussing with you & you consider that we can safely present such an account as you have prepared - i.e. that it is not necessary to show what interest has been received, or what rate for that period, on 4.5% or on 6% or on 7% advances.

? You will now submit a signed

Account on these books

W.S. Homey

8/4/26

Mr. ~~Bottonley~~

I now attach three copies of the Account duly certified by me. These three copies will of course require the certificate of the Accounting Officer of the vote for Colonial Services.

W.S. Homey
8.1.26

Mr. Egger

I hope it that this should pass through you. Will you please send on for the Accounting Officer's signature of the three accounts, today your best to make up for my delay in dealing with the Prober?

I do not think that the Accounting Officer will need much explanation. Briefly, this is the account of our stewardship of the £ 3,500,000 loan voted by Parliament in 1924 as a loan free of interest for 5 years to Messrs. Ghande for the improvement of communications. We have since pushed the issue of a further (public) loan

9.6
Mr. Egger
Jan 1923/4
(Kew)

loan of Rs. 5,000,000 for transport
purposes and that money used
to run using the idle balances of
the Rs. 5,000,000 ^{loan} for works (to
be covered by the Rs. 3,000,000 loan,
interest to the former being credited
as in this account).

Actually the money is now exhausted
and the C.A. will advance funds
against the security of the future
Rs. 3,000,000 loan, the Ordinance
authorizing which is being expedited.
These advances will be used for the
completion of the works, in both
schedules, and the payment of
interest to the credit of the Rs. 3,000,000
loan account will gradually
diminish as the expenditures under
the loan approaches completion.

W. J. H. H. H.

7.1.26

Via S. Wilson (Accounting Officer for Grand Division)
Via Mr. Borthwick's minutes of 17th Jan, and the minutes of 6th
Jan. by Mr. Parsons Stephenson, Director of General Dept.
As the account in question relates to a loan made
to the Govt of Kanya for a specific purpose, to D.C.A. and the
representatives of the L. and S. Funds, London India Office,
consider the Govt's signature, without any certificate, can
suffice for the loan account herewith.

If you wish to see copies of Accounting Officer
for

for Colonel's Office, and the Comptroller's Office, the same being
for the discharge of one copy to the Audit Office and one copy to
the Treasury.

(I have the papers in paper 63) I believe as to whether
he considers to send copy should not go to the Governor of
Kanya)

D. H. H. H.
7 Jan 1926

533

B. H. H.
at all

8.1.26

Mr. Borthwick

in above minute.

One copy of the account, signed by the Accounting Officer,
sent to Audit Office to-day. The second copy, also signed, has gone
to Treasury. The third, also signed, is in the envelope below.

If it is considered advisable to send the third copy to
the Treasury, the signature of an A.C.A. and of the Accounting Officer
will be added to the copy with 52000/1/25, which may be retained
etc. but better to return.

D. H. H. H.
9/1/26

Wait 3 weeks - case if any question will be
raised by C.A. or Treas.

C.E.S. 7.1.26

There has been ample time for protest.

Sir E. Stephenson

Will you please, as Mr.

By your suggestion, sign the copy attached to
this paper?

[When it has also been signed by
the Accounting Officer, the loose copy
should go out in short despatch, but
please to Govt. Kanya or High Comm.

Transport depends on the reply we
get from tel. as to starting a separate
Transport series of departments.

W. S. M. M. M.

12.2.26.

Mr. Secretary

I have signed his checked

copy. W. S. M. M. M.
18.2.26

Sir S. Wilson

Will you kindly
counter sign?

W. S. M. M. M.

Date

20/2/26

P. H. W.

above

23.2.26.

The point at A. has been cleared up.

Send one copy of the account to

H.C. Transport ref. being a tel. (52035)

LF. for info.

W. S. M. M. M.

8/3 am

W. S. M. M. M.

Attach to 5203/26 Kenya

Sir E. Stephenson,

I have received the following minute from Mr. Drayson - "Have you any information that the account of the Kenya Loan expenditure (£3,500,000) down to 31st March, 1926, has been rendered as 523 laid down in 28141/25 Kenya?

Last year it was late and the Audit Office worried about it a good deal see 43567/25 Kenya".

I see from 52035/25 that the previous year's account reached you direct from the Colony. Have you yet had the account for the period to the 31st March, 1926? If not, do you think it necessary for us to telegraph to the Governor to find out when it may be expected.

W. Allen

27/10/26

W. Allen, I received yesterday a telegram from the Acting Auditor of Kenya Colony to the effect that the required account is being sent to me by the next mail.

W. Allen
9.11.26

Mr. Drayson

This case be attached to 52035/25:

W. Allen

W. Allen

11/11/26

W. Allen

W. Allen has been asked to
bring up in a minute if he has anything
further to say 12/11/26

Apparently it will be late again

W. Allen 14/11/26

PTO

M. Hill (at present) has the original
received and is at present awaiting signature by the Director, Public
Audit, after which it will be sent to the Office for the signature
of the Accounting Officer prior to despatch to the Cashier.
Messrs. Y.

157 Eggate
2/12/26

Mr. H. F. Allen

I spoke to you to day (phone) as to the account
referred to in my memo above, and subsequently rang up
Mr. H. D. Fisher (Ct. Audit Dept). Mr. Edward Stephenson has
the file before him, and Mr. Fisher tells me that it should
reach the Colonial Office by Monday next, 3 January.

157 Eggate
3/1/27

See now X 10007/27 Kenya

157 Eggate
7/1/27

H. F. A.

Liabilities.	Amount.		Assets.		Amount.	
	£.	s. cts.	Authorized Expenditure	Actual Expenditure.	£.	s. cts.
Imperial Government	3,500,000.	-				
Interest on unexpended balance	112,490.	5				
			Loan Expenditure:-			
			Extension of the Uganda Railway into Uganda etc.	2,200,000	58,458. 1.66	
			Additional Rolling Stock	490,000	180,711.17.97	
			Capital Improvements to existing Railway lines etc.	500,000	2,235. 7.71	
			Additional Port Development and Equipment	400,000	29,349. 5.93	
			Crown Agents:-			270,754.13.27
			Advances - Government of Kenya		1,086,200. - -	
			Advances to other Governments		170,500. - -	
			Advances "short call" London		1,244,040.18.15	
			Treasury Bills		100,000. - -	
			Fixed Deposit:-			2,600,740.18.15
			National Bank of India Ltd. Nairobi		520,000. - -	
			Standard Bank of South Africa Ltd. Nairobi		100,000. - -	
			Other:-			620,000. - -
			National Bank of India Ltd. Nairobi		90,760.12.80	
			Uganda Railway		28,719.14.44	
			Crown Agents		1,514. 7. -	
						120,994.14.24
						£3,612,490. 5.66
						£3,612,490. 5.66

Colonial Office

8th January 1926

Accounting Officer for Colonial Services

I certify that this Balance Sheet has been examined under my directions, and that, subject to verification, in the local construction office, of the details making up the charge of £58,458.1.66 under Loan Expenditure, is correct.

B. Stephens

Director of Colonial Audit.

Examined.

(Sgd)

M.A.M. VAN DE VELDE.

Auditor.

15.10.25.

(Sgd)

R. GLIFTON GRANNUM.

Treasurer.

Nairobi,

15th July, 1925.

B.H. Wilson

Accounting Officer

for Colonial Services

23.2.26.

East Africa Dept.

526

Have you any info: that
the account of the Kenya Loan
expenditure (£3,500,000) down to
31 March 1926 has been audited
at laid down in 28141/25 Kenya?

Last year it was late and
the audit office worried about it
a good deal. See 43567/25 Kenya.

W.P.D.

20/10/26

~~H. Allen~~
Pp annexed.
We do not seem
to have any info.

R. W.
10



527

TREASURY CHAMBERS,
WHITEHALL.

9th December, 1925.

Dear Bottomley,

£3,500,000 East African Loan.

In reply to yours of the 8th, on the accounts of the above Loan, I have not been able to visualise a single account covering Capital Investments and Expenditure unless it be a Cash Account with a note of the investments held at the end of the period; but if Stephenson is satisfied that the single account put up by the Treasurer of Kenya shows clearly all that is required, including e.g. the growth of the capital sum by the addition of interest and any loss or gain on investments, I expect that we shall be satisfied too.

In any case, there should be no need to return the present account to the Treasurer of Kenya. If anything further should be required perhaps Stephenson would be good enough to produce it for you in correct form, as I think he sometimes does.

Yours sincerely,

Bottomley, Esq., C.M.G., O.B.E.,
Colonial Office.

C.O.
52035
19 NOV 25

Telegram from the Governor of Kenya to the
Secretary of State for the Colonies.

523

(Dated 18th November Received Colonial Office

3.58 p.m. 18th November, 1925.)

No. 538. 18th November. Your telegram of 13th
November. Auditor states that balance sheet forwarded
to Director of Colonial Audit 19th October.

O.A.C.
479/25

C.O.
52035

19 NOV 25

Telegram from the Governor of Kenya to the
Secretary of State for the Colonies.

523

(Dated 18th November Received Colonial Office
3.58 p.m. 18th November, 1925.)

No.538. 18th November. Your telegram of 13th
November. Auditor states that balance sheet forwarded
to Director of Colonial Audit 19th October.

*D.A.C.
479/126
25*

52035

529

- Shackburgh.
- Davis.
- Grindle.
- Masterton Smith.
- Ormsby-Gore.
- Amery.

and
Y/10

C. D.
 7 DEC
 D. 8

- 8 DEC 1925

Dear Colleagues

£3,500,000 East Africa Loan

RAFT.

Semi-official
 We exchanged letters of 2nd

15th June agreeing on two

accounts - a Capital Investment

Account of the surplus of the

idle money, and an Expenditure

Account.

The Director of Colonial
 Audit has now reviewed through
 the local Auditor the accounts
 of the Treasurer of Kenya in

Mr. ...
...

- Mr. Strachey.
- Mr. J. Shackburgh.
- Mr. C. Davis.
- Mr. G. Grindle.
- Mr. Masterton Smith.
- Mr. Ormsby-Gore.
- Mr. Amery.

7025
 sent
 12/10/25

C. D.
 7 DEC
 D. 8

8 DEC 1925

Dear Colleagues

£3,500,000 East Africa Loan

RAFT.

Mr. Brown }
 Messrs

Semi-official
 We exchanged letters of 2nd

15th June agreeing on two
 accounts - a Capital Investment
 Account of the surplus of the
 idle money, and an Expenditure
 Account.

The Director of Colonial
 Audit has now reviewed through
 the local Auditor the accounts
 of the Treasurer of Kenya in

report of the loan up to
March 31st 1925. It

contains both the accounts
^{in view of}
proposed and, Stephenson doubts
the necessity for the separate
Capital Investment account.

If you agree that there is
no need for two accounts if
the state of the information can
be shown in one, we will
ask him to proceed on the
one combined account.

Yours sincerely

(Signed) W. C. BOTTOMLEY.

- Mr. Egge 7 Jan 1926
- Mr. Strachey.
- Sir J. Shuckburgh.
- Sir C. Davis.
- Sir G. Grindle.
- Sir J. Masterton Smith.
- Mr. Ormsby-Gore.
- Mr. Amery.

52035/ps Kenya

530

and Mr Eggett, Accounts

Request

9th January 1926

DRAFT.

The Comptroller and
Auditor General

iii

With reference to the reply dated the 5th

[139/2607-]

of January 1926 to Refuse that 1297 on
the account of the debt for Colonial Service, 1922-25
I am to transmit to you an account, of 1926
to the account of the debt for Colonial Service, which is
the account of the Colonial Service, which is
the account of the debt for Colonial Service, which is
of the amount of £2,500,000 made to
the Government of Kenya in the year 1923-24
(Subsidies A. C. Colonial Service.) by way of
loan for the construction, improvement, and
equipment of railways in Kenya and
Kipara in connection with the development
of cotton growing in those territories.

Account

of (see me copy of 96)
to the account of the
of the account of the
1926

X