



THE OFFICIAL GAZETTE OF THE COLONY AND PROTECTORATE OF KENYA

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GOVERNMENT NOTICE NO 589

The Governor in Council has approved of the introduction of the following Bill into Legislative Council

A W PURVIS,
Clerk of the Legislative Council

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A BILL ENTITLED

AN ORDINANCE TO PROVIDE FOR THE CONTROL AND MANAGEMENT OF THE PUBLIC FINANCES OF THE COLONY AND PROTECTORATE; FOR THE APPOINTMENT, TERMS OF OFFICE, DUTIES AND POWERS OF THE CONTROLLER AND AUDITOR-GENERAL; FOR THE COLLECTION, ISSUE AND PAYMENT OF PUBLIC MONEYS; FOR THE AUDIT OF PUBLIC ACCOUNTS AND THE PROTECTION AND RECOVERY OF PUBLIC PROPERTY; FOR THE CONTROL OF THE POWERS OF STATUTORY BOARDS AND COMMISSIONS; AND FOR MATTERS CONNECTED THEREWITH

ENACTED by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof, as follows —

PART I—PRELIMINARY

1. This Ordinance may be cited as the Exchequer and Audit Ordinance, 1955, and shall come into force on the 1st day of June, 1955

2. In this Ordinance, unless the context otherwise requires—

Short title and commencement

“accounting officer” means any person appointed by the Treasury and charged with the duty of accounting for any service in respect of which moneys have been appropriated by the Legislative Council or any person to whom issues are made from the exchequer account,

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“appropriate Minister” means the Minister administering any Ordinance under which a statutory board or commission is established,

“Appropriation Ordinance” means any Ordinance appropriating public moneys for such services as are specified in 10 such Ordinance,

“consolidated fund” means the consolidated fund of the Colony and Protectorate (including the growing produce thereof) constituted by section 15 of this Ordinance,

“Controller and Auditor-General” means the person 15 appointed as such under section 7 of this Ordinance,

“exchequer account” means the account provided for in section 14 of this Ordinance,

“officer” means any person in the employment of the Government,

20

“period of account” means, in respect of the accounts referred to in sub-section (1) of section 23 of this Ordinance, the period of twelve months ending on the 30th day of June in each year, and in respect of other accounts such period of twelve months (or lesser period) as may be prescribed,

25

“public moneys” include—

(a) revenue,

(b) any trust or other moneys held, whether temporarily or otherwise, by an officer in his official capacity, either alone or jointly with any other person, whether 30 an officer or not,

“receiver of revenue” means any officer appointed by the Treasury for the collection of, and for the accounting for, such items of revenue as the Treasury may specify,

“revenue” means all tolls, taxes, imposts, rates, duties, 35 fines, penalties, forfeitures, rents and dues and all other receipts of the Government, from whatever source arising, over which the Legislative Council has power of appropriation including the proceeds of all loans raised,

“statutory board or commission” means any body 40 corporate established and incorporated by an Ordinance,

“the Treasury” means the Minister and includes such officer or officers in the Ministry as may be deputed by the Minister to exercise powers and to perform duties under this Ordinance

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PART II—CONTROL AND MANAGEMENT OF PUBLIC FINANCES ,

Management
of the public
finances

3 The Minister shall subject to the provisions of this Ordinance, have the management of the consolidated fund and the supervision, control and direction of all matters relating 50 to the financial affairs of the Colony and Protectorate which are not assigned to any other Minister by any other Ordinance

Powers of the
Treasury

4. (1) All persons concerned in the collection, receipt custody and payment or issue of public moneys, stores, stamps, securities or other Government property, shall obey all such 55 instructions as they may from time to time receive from the Treasury in respect of public moneys, stores, stamps, securities or other Government property, or accounting for the same

(2) The Secretary to the Treasury, or any officer in the 60 Treasury authorized by him, shall be entitled to inspect all offices and to have such access to all official books, documents and other records as may be necessary for the exercise of the powers and duties of the Treasury under this Ordinance

(3) The Treasury shall so superintend the expenditure of public moneys as to ensure that proper arrangements for accounting to the Legislative Council for such expenditure are made.

5 5. (1) No expenditure involving a charge on the consolidated fund shall be incurred and no sums due to the consolidated fund shall be remitted, without the general or specific authority of the Treasury

(2) Notwithstanding any general or specific authority which may have been given by him, it shall be within the discretion of the Minister to limit or suspend any expenditure so authorized if in his opinion the exigencies of the financial situation render such limitation or suspension necessary

6 No public or official account shall be opened in any bank without the authority of the Treasury in writing, and, except as provided in section 19 of this Ordinance, no bank shall permit an overdraft on any public or official account

PART III—APPOINTMENT, TERMS OF OFFICE, DUTIES AND POWERS OF THE CONTROLLER AND AUDITOR-GENERAL

20 7. (1) The Governor, with the prior approval of the Secretary of State, shall appoint in writing an officer to be styled the Controller and Auditor-General, who shall not be capable while holding the said office of holding any other office of profit under the Crown. The annual salary of the Controller and Auditor-General shall be not less than two thousand six hundred pounds

(2) The officer who, at the commencement of this Ordinance holds the office of Director of Audit shall be deemed to have been appointed Controller and Auditor-General under this section

8 (1) The Controller and Auditor-General shall hold office during good behaviour and may only be removed by the Governor with the prior approval of the Secretary of State. In such circumstances a full statement of the circumstances shall, 35 at the first opportunity, be made to the Legislative Council

(2) The Controller and Auditor-General shall be deemed to be an officer in the public service of the Colony and, save as is otherwise provided in sub-section (1) of this section, the provisions of the law and regulations in force relating to the 40 public service shall apply to him

9. On any vacancy occurring in the office of Controller and Auditor-General from death, retirement, resignation or other cause, the Governor, with the prior approval of the Secretary of State, shall appoint in writing a person in his 45 place

10. (1) If, in the opinion of the Governor, the Controller and Auditor-General is likely to be unable to exercise the powers or perform the duties of his office during any period owing to absence or inability to act from illness or any other cause, the Government may appoint in writing an officer to act as Controller and Auditor-General during such period

(2) In the event of the post of Controller and Auditor-General becoming vacant the Governor may appoint in writing a person to act as Controller and Auditor-General pending the 55 appointment of a Controller and Auditor-General in accordance with the provisions of section 7 of this Ordinance

(3) Every person appointed to act as Controller and Auditor-General pursuant to the provisions of this section shall have and may exercise all the powers and authority and shall 60 perform the duties by this Ordinance conferred and imposed on the Controller and Auditor-General,

Control of expenditure and revenue

Appointment and salary of the Controller and Auditor-General

Tenure of office

Duty to fill vacancy in the office of Controller and Auditor-General

Acting Controller and Auditor-General

Duties of the
Controller and
Auditor-General

11. (1) The Controller and Auditor-General shall on behalf of the Legislative Council, examine, inquire into and audit the accounts of all accounting officers and receivers of revenue and of all persons entrusted with the collection, receipt, custody, issue or payment of public moneys, or with 5 the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other Government property

(2) The Controller and Auditor-General shall satisfy himself—

- (a) that all reasonable precautions have been taken to 10 safeguard the collection of public moneys and that the Ordinances, directions and instructions relating thereto have been duly observed,
- (b) that all issues and payments were made in accordance with proper authority and that all payments were 15 properly chargeable and are supported by sufficient vouchers or proof of payment,
- (c) that all money expended has been applied to the purpose or purposes for which the same was granted by the Legislative Council and that such expenditure 20 conforms to the authority which governs it

Powers of the
Controller and
Auditor-General

12. (1) In the exercise of his duties under this Ordinance the Controller and Auditor-General may—

- (a) call upon any officer for any explanations and information which the Controller and Auditor-General may 25 require in order to enable him to discharge his duties,
- (b) authorize any officer on his behalf to conduct any inquiry, examination, or audit and such officer shall report thereon to the Controller and Auditor-General,
- (c) without payment of any fee, cause search to be made 30 in and extracts to be taken from any book, document or record in any public office,
- (d) examine upon oath, declaration or affirmation (which oath, declaration or affirmation the Controller and Auditor-General is hereby empowered to administer) 35 any person whom he may think fit to examine respecting the receipt or expenditure of money, or the receipt or issue of any stores, affected by the provisions of this Ordinance and respecting all other matters and things whatever necessary for the due 40 performance and exercise of the duties and powers vested in him,
- (e) lay before the Attorney General a case in writing as to any question regarding the interpretation of any 45 Ordinance or regulation concerning the powers of the Controller and Auditor-General or the discharge of his duties, and the Attorney-General shall give a written opinion upon such case

(2) In the exercise of his duties under this Ordinance the Controller and Auditor-General, or any person duly authorized 50 by him in writing, shall have access to all records, books, vouchers, documents, cash, stamps, securities, stores or other Government property in the possession of any officer

(3) Any person examined pursuant to the provisions of paragraph (d) of sub-section (1) of this section who gives a 55 false answer to any question put to him or makes a false statement on any matter, knowing that answer or statement to be false or not knowing or believing it to be true, is guilty of a felony and shall be liable to imprisonment for seven years

13. (1) The staff required to assist the Controller and Auditor-General in the performance of his duties shall be composed of such officers as the Governor may determine

Staff and delegation of functions of the Controller and Auditor-General

(2) Anything which, under the authority of this Ordinance, is directed to be done by the Controller and Auditor-General, other than the certifying and reporting of accounts for the Legislative Council, may be done by any officer of his staff so authorized by him

(3) For the purposes of this Ordinance, any reference to the Director of Audit in any other Ordinance shall be construed as a reference to the Controller and Auditor-General

PART IV—THE COLLECTION, ISSUE AND PAYMENT OF PUBLIC MONEYS

14. (1) An account styled "the exchequer account" shall be kept with such bank or banks as the Treasury shall from time to time determine

Exchequer account

(2) Subject to the provisions of section 17 of this Ordinance, issues out of the exchequer account for the public service shall be made in accordance with orders directed by the Treasury to such bank or banks

15. All revenue shall be paid, at such times and in such manner as the Treasury may direct, to the credit of the exchequer account and such revenue shall form the consolidated fund of the Colony and Protectorate

Consolidated fund

25 Provided that—

(i) receivers of revenue may deduct such sums as may be required for drawbacks, repayments or discounts before paying the gross revenues into the exchequer account,

30 (ii) the Treasury may, as it deems fit, from time to time authorize receivers of revenue who are accounting officers to defray in the first instance from revenue collected by them expenditure for which they are accountable and the amount of such revenue so expended shall be subsequently paid to the exchequer account from the moneys provided for the purposes of such expenditure,

40 (iii) where the Treasury directs that any revenue, whether received by way of fee, penalty or proceeds of sale, or by way of an extra or unusual receipt, shall be applied as an appropriation in aid of money provided by the Legislative Council for any purpose, such revenue shall be deemed to be money provided by the Legislative Council for that purpose and shall, without being paid into the exchequer account, be applied, audited and dealt with accordingly, and, so far as they are not in fact so applied, shall be paid into the exchequer account, and where the revenue so directed to be applied as appropriations in aid of money provided by Legislative Council for any purpose exceeds in a financial year the amount sanctioned by Legislative Council to be applied to such purpose, the excess so realized shall be paid into the exchequer account

55 **16.** Statements showing payments into and issues from the exchequer account shall be rendered by every bank, at which such an account is maintained, to the Treasury and to the Controller and Auditor-General at such intervals and in such form as the Treasury may direct

Bank returns

Granting of credits on exchequer account

17. (1) When issues from the consolidated fund in accordance with any Appropriation Ordinance have been authorized by the Treasury in the manner hereafter provided, the Treasury may by requisition from time to time authorize and require the Controller and Auditor-General to grant credits ⁵ on the exchequer account not exceeding on the whole the amount authorized by the Treasury

(2) The Controller and Auditor-General, if satisfied—

(a) that the sums authorized by the Treasury have been lawfully authorized in accordance with the provisions ¹⁰ of sections 21 and 22 of this Ordinance, and

(b) that the amount or amounts requisitioned by the Treasury do not exceed the sum so authorized,

shall grant the credits on the exchequer account

(3) The credits so granted by the Controller and Auditor-¹⁵ General shall be the necessary authority to the bank designated therein to issue from the exchequer account the amounts specified in the credits in accordance with the directions of the Treasury

Issues from exchequer account to be paid into bank account

Overdraft on exchequer account

Issue from consolidated fund

Issues of moneys appropriated by law

Investment of moneys in the consolidated fund

Cap 36

Annual accounts

18. All issues from the exchequer account in terms of ²⁰ this Ordinance shall be paid into such other bank account or accounts as the Treasury may direct

19. The powers conferred by any general or specific Loans Ordinance to borrow money by means of advances from a bank may be exercised by means of fluctuating overdraft on ²⁵ the exchequer account

20. No part of the consolidated fund shall be issued except under and in accordance with this Ordinance

21. The Treasury may authorize the issue from the consolidated fund of the sums required from time to time to ³⁰ meet the cost of any purpose to which any revenue is or has been appropriated by the Legislative Council

Provided that the aggregate of such sums shall not exceed the total sum so appropriated

22. (1) The Minister may authorize the issue out of the ³⁵ consolidated fund which is hereby appropriated to the purpose, of sums for investment with a bank either at call or subject to notice not exceeding twelve months or with the Joint Colonial Fund or in any of the investments authorized by the Trustees Ordinance for the investment of trust funds ⁴⁰

(2) When any such investment is realized the proceeds shall be paid by the Treasury to the credit of the exchequer account

PART V—THE AUDIT OF PUBLIC ACCOUNTS AND THE PROTECTION AND RECOVERY OF PUBLIC PROPERTY

23. (1) Within a period of four months after the 30th day of June in each year, or such longer period thereafter as the Legislative Council may, by resolution, appoint—

(a) the Treasury shall transmit to the Controller and Auditor-General accounts showing fully the financial ⁵⁰ position of the Colony on the said 30th day of June, which shall include —

(i) the exchequer account,

(ii) the statement of public debt,

(iii) the statement of loans from revenue,

(iv) the statement of revenue, showing the sums estimated to be received into the exchequer account and the sums actually so received in the period of account,

⁵⁵

- (v) the statement of expenditure showing the sums estimated to be issued out of the exchequer account and the sums actually so issued in the period of account,
- 5 (vi) such other statements as the Legislative Council may from time to time require,
- (b) accounting officers shall prepare and transmit to the Controller and Auditor-General appropriation accounts of the moneys expended under the votes for which they were responsible, showing the services for which the money was voted, the sums actually expended on each such service during the period of account, and the state of each vote compared with appropriation. Each such appropriation account shall contain an explanatory statement for any variation between the expenditure and the sums voted, and shall contain such other information and shall be in such form as the Treasury may direct and such statement as well as the appropriation account shall be signed by the accounting officer,
- 10 (c) receivers of revenue shall prepare and transmit to the Controller and Auditor-General statements of their receipts and disbursements in such form as the Treasury may direct
- 15 (2) Within a period of four months after the close of such period of account as may be prescribed in any law relating thereto or, in the absence of such law, such period of account as the Treasury may prescribe—
- 20 (a) any officer administering a fund established under the provisions of section 33 of this Ordinance shall, in respect of such fund, prepare, sign and transmit to the Controller and Auditor-General an account relating to the period of account in such form as the Treasury may from time to time direct,
- 25 (b) any officer administering any trust or other fund or account not provided for in this section shall, if so directed by the Treasury, prepare, sign and transmit to the Controller and Auditor-General an account, of such fund or account, in such form as the Treasury may from time to time direct
- 30 (c) any officer administering a fund established under the provisions of section 33 of this Ordinance shall, in respect of such fund, prepare, sign and transmit to the Controller and Auditor-General an account relating to the period of account in such form as the Treasury may from time to time direct,
- 35 (d) any officer administering any trust or other fund or account not provided for in this section shall, if so directed by the Treasury, prepare, sign and transmit to the Controller and Auditor-General an account, of such fund or account, in such form as the Treasury may from time to time direct
- 40 (e) any officer administering a fund established under the provisions of section 33 of this Ordinance shall, in respect of such fund, prepare, sign and transmit to the Controller and Auditor-General an account relating to the period of account in such form as the Treasury may from time to time direct

24. (1) On receipt of the accounts prescribed by section 23 of this Ordinance, the Controller and Auditor-General shall cause them to be examined and audited and shall, within a period of seven months after the 30th day of June in each 45 year or such longer period thereafter as the Legislative Council may, by resolution, appoint, prepare and transmit to the Minister a report upon his examination and audit of all such accounts relating to public moneys, stamps, securities, stores and other Government property, together with certified copies 50 of each of the said accounts

Annual Report
of the
Controller and
Auditor-General

(2) The Controller and Auditor-General shall set out in his annual report all payments out of public moneys made to members of the Legislative Council (other than the salaries or allowances paid to them as Ministers or as members or as 55 officers and any pension paid to any of them) by stating in each case the name of the member receiving such payment, the total amount which he has received and the service or services in respect of which the payment was made

(3) The Minister shall lay the report of the Controller 60 and Auditor-General on the table of the Legislative Council within fourteen days of its receipt by him or, if the Legislative Council is not sitting, within fourteen days after the commencement of its next sitting

(4) The Controller and Auditor-General may at any time if it appears to him desirable transmit a special report to the Minister for presentation in like manner to the Legislative Council. Such special report may be made on any matter incidental to his powers and duties under this Ordinance ⁵

(5) If the Minister does not within the time prescribed lay such annual or special report on the Table of the Legislative Council the Controller and Auditor-General shall forthwith transmit such report to the Speaker of the Legislative Council, to be by him presented to the said Council ¹⁰

Notification of irregularities to the Treasury

25. If at any time it appears to the Controller and Auditor-General that any irregularities have occurred in the receipt, custody or expenditure of public moneys or in the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other Government property, or in the ¹⁵ accounting for the same, he shall immediately bring the matter to the notice of the Treasury

Surcharge by Minister

26 If it appears to the Minister that any person who is or was in the employment of the Government—

(a) has failed to collect any moneys owing to the Government for the collection of which he is or was responsible, or

(b) is or was responsible for any improper payment of public moneys or for any payment of such moneys ²⁵ which is not duly vouched, or

(c) is or was responsible for any deficiency in, or for the destruction of, any public moneys stamps, securities, stores, or other Government property,

and if a satisfactory explanation is not within a period specified by him furnished to the Minister with regard to such ³⁰ failure to collect, improper payment, payment not duly vouched, deficiency or destruction, the Minister may surcharge against the said person the amount of any such amount not collected, payment, deficiency, or loss or the value of the property destroyed, as the case may be. The amount of any ³⁵ such surcharge shall subject to the provisions of section 29 of this Ordinance, be a debt due to the Government from the person against whom the surcharge is made

Notification of surcharge

27. The Minister shall cause the head of the department of the person surcharged to be notified of any surcharge made ⁴⁰ under section 26 of this Ordinance and such head of department shall thereupon notify the person surcharged and shall, subject to the provisions of section 29 of this Ordinance, recover the amount from such person

Withdrawal of surcharge

28. The Minister may at any time withdraw any sur- ⁴⁵ charge in respect of which a satisfactory explanation has been received or if it otherwise appears that no surcharge should have been made and shall at once cause the head of department to be notified of such withdrawal

Remedy of person aggrieved by surcharge

29. Any person who is dissatisfied with any surcharge ⁵⁰ made against him under section 26 of this Ordinance may, within one month (or such longer period as the Minister may in any particular case authorize) after receiving notification thereof, appeal to the Governor, who shall determine upon the merits of the case whether such surcharge shall be confirmed, ⁵⁵ altered or remitted, and shall forthwith cause his decision to be notified to the Minister, the Controller and Auditor-General and the person aforesaid

30. The amount of any surcharge made under section 26 of this Ordinance may be sued for and recovered in any court of competent jurisdiction at the suit of the Minister or he may direct that the amount of any surcharge shall be recovered by 5 equal monthly instalments by deductions from the salary of such officer in such amounts, not exceeding one-fourth of the monthly salary of such officer, as the Minister shall authorize

Recovery of
surcharge

PART VI—CONTROL OF THE FINANCES OF STATUTORY BOARDS AND COMMISSIONS

10 **31.** (1) Notwithstanding anything to the contrary contained in any Ordinance in force at the commencement of this Ordinance, the accounts of any statutory board or commission shall be audited by the Controller and Auditor-General if the Legislative Council by resolution so directs. In the exercise of 15 his duties under this section the Controller and Auditor-General— *

Accounts of
statutory boards
and commissions

(a) shall have, in relation to such statutory board or commission and its members, officers and employees, the same discretion and powers as are conferred on him by sections 11 and 12 of this Ordinance in relation to public moneys, stamps, securities, stores or other Government property,

(b) may authorize any person publicly carrying on the profession of accountant or any officer to inspect, examine or audit the books and accounts of any statutory board or commission which he may be required to examine and audit pursuant to the provisions of this section and such person or officer shall report thereon to the Controller and Auditor-General in such manner as the Controller and Auditor-General may direct

(2) The Controller and Auditor-General shall report on his examination and audit of the accounts referred to in this section and shall transmit such report to the appropriate 35 Minister for presentation to the Legislative Council

Provided that—

(i) the appropriate Minister shall obtain the observations of the statutory board or commission on any matter to which attention has been called by the Controller and Auditor-General in his report and such observations shall be presented to the Legislative Council with the said report,

(ii) if the appropriate Minister fails within a reasonable time to present such report to Legislative Council, the Controller and Auditor-General shall transmit such report to the Speaker of the Legislative Council to be by him presented to the said Council

(3) The appropriate Minister may exercise in respect of the members, or of any member or members, of any statutory 50 board or commission, or of any officer, employee or servant of any statutory board or commission, the accounts of which have been audited by the Controller and Auditor-General, whether or not in pursuance of a resolution of the Legislative Council the same powers of surcharge as the Minister may

55 exercise in accordance with the provisions of section 26 of this Ordinance in respect of a person who is or who was in the employment of the Government, for this purpose, every such member, officer, employee or servant shall be deemed to be such a person, and references in the said section to moneys

60 owing to the Government and to public moneys, stamps, securities, stores or other Government property shall be construed as references to moneys owing to the said statutory board or commission and to moneys, stamps, securities, stores or other

property of the said statutory board or commissions, and the provisions of sections 26, 27, 28, 29 and 30 of this Ordinance shall, in any such case, apply accordingly and in such application references to "the Minister" shall be construed as references to "the appropriate Minister"

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PART VII—GENERAL

Duration of Appropriation Ordinance

32. Unless special provision to the contrary is made in any Appropriation Ordinance, every appropriation by the Legislative Council of public moneys for the service of any financial year shall lapse and cease to have any effect at the close of that year, and, except as otherwise provided in this Ordinance, the unexpended balance of any moneys withdrawn from the exchequer account shall be surrendered to the exchequer account

Establishment of funds

33. (1) Whenever moneys are appropriated by the Legislative Council to establish funds, the Treasury may establish funds to which moneys so appropriated may be credited and from which moneys may be expended for the purposes for which the funds were established

(2) Unless the Treasury otherwise directs, and notwithstanding the provisions of sections 16 and 32 of this Ordinance, neither the receipts, earnings nor accruals of funds established in terms of this section, nor the balances of such funds at the close of each financial year, shall be paid into the consolidated fund, but shall be retained for the purposes of such funds

25

(3) The funds set out in the First Schedule to this Ordinance shall be deemed to have been established in accordance with this section and the provisions of sub-section (2) of this section shall apply to the receipts, earnings and accruals and to the balances of such funds

30

Payment of certain accounts into the exchequer account and appropriation of certain amounts to certain funds

34. (1) There shall be paid into the exchequer account the sum of four million, seven hundred and ninety-six thousand and fifty-five pounds, thirteen shillings and seventy-two cents, being the amount standing to the credit, at the 30th day of June, 1954, of the accounts set out in the Second Schedule to this Ordinance after deducting therefrom the sum of four million five hundred and forty thousand pounds, which is hereby appropriated to establish the funds specified in the Third Schedule to this Ordinance

(2) The funds established by virtue of sub-section (1) of this section shall be operated in accordance with regulations made under section 36 of this Ordinance

• Saving

35. Nothing in this Ordinance shall extend to abridge or alter the rights and powers of the Governor to control, suspend or prevent the execution of any process or proceeding for recovering money due to the Government

Regulations

36. The Minister may make regulations (to be called financial regulations) as may appear to him to be necessary or expedient for the proper carrying out of the intent and provisions of this Ordinance

50

Repeal
No 14 of 1952
No 36 of 1953

37. The Audit Ordinance, 1952, and the Audit (Amendment) Ordinance, 1953, are hereby repealed

FIRST SCHEDULE

Section 33 (3)

Funds deemed to have been established in accordance with sub-section (3) of section 33 —

African Livestock Marketing Organization Fund
 Agricultural Land Rehabilitation Fund
 Civil Contingencies Fund
 Civil Servants Building Scheme Account
 Cotton Sales Proceeds Fund
 Crown Estates Development Fund
 Development Deferred Emoluments Fund
 East African Cereals Pool, Kenya Account
 Education and Scholarship Funds
 Emergency Expenditure Fund
 Ethiopian Border Raids Trust Fund
 European Widows' and Orphans' Pensions Scheme Account
 Hides and Skins Cess Fund
 Kenya 4 Per Cent Stock 1960/61 Support Fund
 Kitale Water Works Renewals Fund
 Mechanical Transport and Plant Funds
 Military Buildings Fund
 Minor Water Works Renewals Fund
 Mombasa Water Supply Reserve Fund
 Mombasa Water Works Renewals Fund
 Nairobi City Council Water Supply Sinking Fund
 Samburu Abattoir Account
 Special Development of Cotton Areas Fund
 Stamp Duty Reserve Fund
 Supplementary Sinking Fund
 Townships Roads and Drains Account
 Wheat Profits Account

SECOND SCHEDULE

Section 34 (1)

Accounts and amounts standing to their credit at the 30th June, 1954, to be paid into the consolidated fund

	£	Sh	cts
General Revenue Account	4,080,392	13	90
Reserve Fund	500,000	0	0
Development Fund	4,755,662	19	82
 Total	 £9,336,055	 13	 72

THIRD SCHEDULE

Section 34 (1)

Funds, and amounts appropriated for their establishment, in accordance with sub-section (1) of section 34 —

	£
Motor Car Advances Fund	750,000
Sugar Equalization Fund	800,000
Other Governments and Administrations Pension Fund	100,000
Public Works Department Stores and Services Fund	177,000
Government Coast Agent Services Fund	18,000
Treasury Main Clearance Account Fund	1,000,000
Cereals Finance Fund	1,500,000
Ministry of African Affairs District Floats Fund	175,000
Ministry of African Affairs Military Payments Fund	20,000
 Total	 £4,540,000

MEMORANDUM OF OBJECTS AND REASONS

The devolution upon the Government of the Colony of certain financial powers and recent constitutional developments make it desirable to legislate for the management, control and audit of the public finances of the Colony

This Bill is designed to achieve these objects by the establishment of a consolidated fund and the introduction of the exchequer system which provides, broadly, that all revenues shall accrue to the consolidated fund and that no expenditure shall be made from that fund except as authorized by the Legislative Council

Part I of the Bill deals with preliminary matters and includes the interpretation of terms used in it

Part II provides for the control and management of public finances and specifies in *clause 3* that the Minister (i.e. the Minister for Finance and Development) shall have the management of the consolidated fund and the supervision and control of the finances of the Colony. *Clauses 4-5* set out the powers of the Treasury in connexion with the collection of revenue, the payment of public money and the custody of all Government property

Part III re-enacts the relevant provisions of the Audit Ordinance, 1952, in connexion with the appointment, terms of office, duties and powers of the Controller and Auditor-General, as the office of the Director of Audit will now be termed

Part IV, which deals with the collection, issue and payment of public moneys, makes provision for the exchequer account and defines the consolidated fund (*clauses 14-15*). *Clauses 17-22* deal with the procedure for payment out of the consolidated fund and specify the purposes for which such payments may be made

Part V requires the audit of public funds and makes provision for measures for the protection and recovery of public property. *Clauses 23-25* re-enact existing provisions of the Audit Ordinance, 1952, while *clauses 26-30* provide for circumstances in which the Minister may surcharge any officer through whose neglect or default public money or property is lost. An officer who has been surcharged may appeal to the Governor against such an order (*clause 29*)

Part VI provides that the accounts of any statutory board or commission may be audited by the Controller and Auditor-General if the Legislative Council so resolves and *clause 31 (1)* and *(2)* re-enact in this regard the provisions of section 9 *(1)* and *(2)* of the Audit Ordinance, 1952. *Clause 31 (3)*, which is new, provides that the appropriate Minister administering any Ordinance under which a statutory board or commission is established may exercise in respect of the members of that board or commission, or of its officers, employees or servants, the same powers of surcharge as the Minister for Finance may exercise in respect of Government officers. The right of appeal provided by *clause 29* will apply in any such case

Part VII contains a number of miscellaneous provisions of a general nature

No additional expenditure of public moneys will be incurred if the provisions of this Bill become law

Nairobi,
21st April, 1955

E N GRIFFITH-JONES,
Acting Attorney General