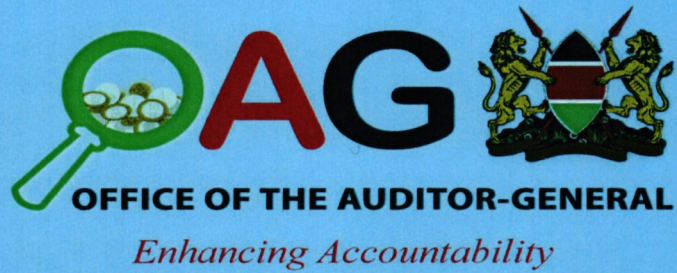
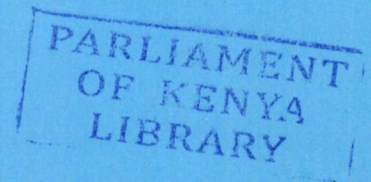


REPUBLIC OF KENYA



**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**PUBLIC TRUSTEE OF  
KENYA**

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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**PUBLIC TRUSTEE OF KENYA**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE, 2020**

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**Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)**

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**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background Information**

The Office of the Public Trustee is established under the Public Trustee Act (Chapter 168 Laws of Kenya). It operates independently but within the organizational framework of the Division of the Administrator-General in the Office of the Attorney-General and Department of Justice.

**b) Principal Activities**

The mission of the Public Trustee is to provide professional, efficient and effective trustee services in administration of trusts and estates. Principal activities include;

- Administration of Estates under the Public Trustee Act Cap 168
- Administration of Trusts under the Public Trustee Act Cap 168
- Administration of Trusts under the Trustee Act Cap 167

**c) Key Management**

The Public Trustee's day-to-day management is under the following key organs:

- The Public Trustee
- The Chief State Counsel
- The Principal Accountant

**d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June, 2020 and who had direct fiduciary responsibility were:

<b>NO</b>	<b>Designation</b>	<b>Name</b>
1	Ag Head. Public Trustee	Concepta N. Wasilwa
2	The Chief State Counsel	Mukulu Ngilu Kariuki
3	The Chief State Counsel	Dorcas Nyalwidhe
4	The Chief State Counsel	Lucy W. Mugo
5	The Deputy Chief State Counsel	Philip Cheruyoit
6	The Principal Accountant	Augustine K. Mburu

**e) Public Trustee of Kenya Headquarters**

Office of the Attorney General & Department of Justice

P. O. Box 49672 – 00100,

Sheria House, Harambee Avenue,

**Nairobi, Kenya**

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**II. KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**f) Public Trustee of Kenya Contacts**

Telephone: (254) 2227461

E-mail: p.t@ag.go.ke

Website: www.attorney-general.go.ke

**g) Public Trustee's Bankers**

1. National Bank of Kenya,  
Harambee Avenue Branch,  
P. O. Box 60000 - 00200, City Square  
**Nairobi, Kenya.**
2. Stanbic Bank,  
Kenyatta Avenue Branch,  
P. O. Box 30556  
**Nairobi, Kenya.**

**h) Independent Auditors**

Auditor-General

Office of the Auditor-General

Anniversary Towers, University Way

P. O. Box 30084 – 00100,

**Nairobi, Kenya**

**i) Principal Legal Adviser**

The Attorney General

State Law Office

City Square

P.O. Box 40112 – 00200

**Nairobi, Kenya**

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**III. MANAGEMENT TEAM**

<b>Name</b>	<b>Main area of responsibility</b>
1. Concepta N. Wasilwa – LLB ( Hons), Diploma in Law	Overall administration and co-ordination of Trustee Services, Estates and Trust funds.
2. Mukulu Ngilu Kariuki – LLB ( Hons), Diploma in Law	Supervising Administration of Estates and Trusts
3. Dorcas Nyalwidhe - LLB ( Hons), Diploma in Law	Supervising Administration of Estates and Trusts
4. Lucy W. Mugo- LLB (Hons), Diploma in Law	Supervising Administration of Estates and Trusts
5. Philip Cheruyoit- LLB (Hons), Diploma in Law	Supervising Administration of Estates and Trusts
6. Augustine Mburu – CPA(K), MBA	Overall Coordination of financial matters.

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**IV. REPORT OF THE PUBLIC TRUSTEE**

I have the pleasure of presenting the Public Trustee report for the financial year 2019-2020. This report covers the Public Trustee's financial, operational and governance performance in line with our vision and mission. The report reflects performance in Head Office and 12 Regional Offices covering the financial year starting 1<sup>st</sup> July 2019 to 30<sup>th</sup> June, 2020. The financial information presented is prepared in line with Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

Due to inadequate budgetary allocation, the automation of Public Trustee services did not take off during the year under review. The next phase of Public Trustee's development includes automation and continuous improvement as we focus on continual business improvement and customer focus. In this regard, investment in our digital strategy will become increasingly important over the next three years.

Public Trustee services mainly address the needs of a minority vulnerable group of the population namely, widows, widowers and orphans. Although the demand for Public Trustee services is very high and cuts across all counties in Kenya, the OAG&DOJ has only managed to decentralize the services to 12 counties. The Department in compliance with the requirement by the Constitution to make its services accessible to all Kenyans by decentralizing its services targets to establish three regional offices within the next three years.

The Public Trustee is committed to developing and implementing innovative ways of service delivery to enhance client outcomes, improve systems and processes and build staff capacity. We also maintain open communication with our clients to obtain feedback regarding the standard of services we provide. As a result, our clients are benefitting from efficient communication; improved systems and processes; and stronger transparency and accountability. We are looking forward to continuing our client-centric journey of excellence and to realising our vision of being a trustee of choice in administration of trusts and estates.

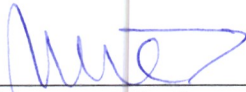
It is my pleasure to present the Annual Report for the year ended 30 June, 2020. Cash and cash equivalents in the year 2019/2020 is Kshs 4,783,108,000 while in the year 2018/2019 it was Kshs. 3,951,492,000. This variance was caused by maturity of Treasury Bills towards the end of the year

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

under review. The Division achieved a surplus of Kshs. 165,255,000 for the financial year under review compared with a surplus of Kshs. 380,851,000, during the 2018/19 financial year.

Factors contributing to the result were:

- Total revenue from activities decreased marginally during the year under review.
- Total expenses from ordinary activities reduced during the year.
- Corporate investments decreased marginally during the year.
- Dedicated staff.



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Concepta Wasilwa  
Ag. Head Public Trustee  
Date...30/03/2021...

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**V. CORPORATE GOVERNANCE STATEMENT**

The Public Trustee is established by an Act of Parliament discharging a statutory mandate.

**Vision**

To be the trustee of choice through service excellence

**Mission**

To provide efficient and professional legal services in administration of estates and trusts

In delivering this mandate, we shall be guided by and informed by our belief and commitment to the following values;

**Values**

- Respect for people and their dignity,
- Duty of care to customers,
- Integrity,
- Teamwork,
- Honesty
- Impartiality, inclusiveness and diversity.

**Mandate of the Division**

The Division's mandate can be summed up as follows:

- a) Administration of Estates under the Public Trustee Act Cap 168
- b) Administration of Trusts under the Public Trustee Act Cap 168
- c) Administration of Trusts under the Trustee Act Cap 167
- d) Estate Duty Commissioner under the Estate Duty Act Cap 483
- e) Custodian of Enemy Property under the Enemy's Property Act.
- f) Custodian of property of missing persons;
- g) Act as a Public Guardian or Conservator;
- h) Act as a Registrar of Wills.

The Public Trustee is committed to achieving and demonstrating the highest standards of corporate governance. During the year under review, the Division managed beneficiary's funds of Kenya Shillings 6,884,972,000.

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**Risk Management**

One of the major responsibilities of the Public Trustee is to manage risk, not only in the interest of the Public Trustee as an entity, but also to protect the interests of its clients. The Office has put in place a Risk Management Plan and has established a Risk Management Committee. The Committee is responsible for monitoring risk assessment processes, controls and compliance with an internal risk control framework. The Public Trustee regularly reviews its risk management strategies and policies.

**Management Team**

The Public Trustee is assisted by four (4) Chief State Counsel and a Principal Accountant who are responsible for the day to day fund management. The management team comprises graduates from various universities recognized in Kenya. They maintain their professional development, knowledge and skills through training in corporate governance and other critical areas.

Some of the key opportunities for improvement over the next twelve months include a continuation of our client service focus training for the management team and other employees on integrity and ethics; accountability; client service delivery; problem solving; and decision making.

**Investment Committee**

The Public Trustee manages beneficiary funds on behalf of its clients. It has established an Investment Committee which also has responsibility over investment review processes to ensure that appropriate client investment decisions are made. The Public Trustee (Amendment) Act 2018 has however provided for establishment of a Public Trustee Investment Board. The Investment Board shall comprise;

- (a) The Solicitor-General as the Chairperson;
- (b) the person for the time being in charge of public investment and portfolio management at the ministry responsible for matters relating to finance or a designated representative;
- (c) one advocate having at least ten years' experience nominated by the Law Society of Kenya;
- (d) three persons with knowledge and at least fifteen years' experience in matters relating to finance, economics and investments -one of whom shall be of opposite gender from the other

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

two; not being public officers; and not being full time employees or directors of a public company; and

(e) the Public Trustee.

The establishment of the Board is an enhancement of the existing governance structures to safeguard the beneficiaries' fund.

## **VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

The Public Trustee by its own existence is a social responsibility of the government to the community. In accordance with the provisions of the Public Trustee Act, the responsibility of the Public Trustee to administer estates and trusts is a community service by the Government. Public Trustee fees charged is not commensurate with work done.

The Public Trustee gives free legal advice and creates awareness on law of succession and trusteeship to enable the public to pursue inheritance rights.

## **VII. STATEMENT OF PUBLIC TRUSTEE'S RESPONSIBILITIES**

Section 81(1) of the Public Finance Management Act, 2012 requires the Public Trustee to prepare financial statements, which give a true and fair view of the state of affairs at the end of the financial year and the operating results for the year. The Public Trustee is also required to ensure that proper accounting records which disclose with reasonable accuracy the financial position are kept. The Public Trustee is also responsible for safeguarding the assets of the entity.

In this regard, the Public Trustee is responsible for;

- (i) maintaining adequate financial management policies and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the entity;

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

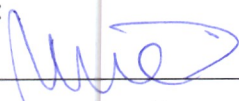
The Public Trustee accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis method of Financial Reporting, using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in accordance with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act. The Public Trustee is of the opinion that the entity's financial statements give a true and fair view of the state of its transactions during the financial year ended June 30, 2020, and of its financial position as at that date.


The Public Trustee further confirms the completeness of the accounting records maintained, which have been relied on in the preparation of the financial statements as well as the adequacy of the systems of internal financial controls.

The Public Trustee is of the opinion that the office will remain a going concern for at least the next twelve months from the date of this statement.

**APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the Public Trustee on 28<sup>th</sup> September, 2020 and signed by:

  
\_\_\_\_\_  
Concepta Wasilwa  
Ag. Head Public Trustee  
Date: 30/08/2021

  
\_\_\_\_\_  
Principal Accountant  
CPA Augustine K. Mburu  
ICPAK NO. 10823

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**VIII. REPORT OF THE PUBLIC TRUSTEE**

The Public Trustee submits this report together with the financial statements for the year ended June 30, 2020 showing the performance and financial status of the Public Trustee.

**PRINCIPAL ACTIVITIES**

The Public Trustee has established twelve (12) regional offices in Kisumu, Malindi, Mombasa, Kakamega, Embu, Nyeri, Kisii, Machakos, Garissa, Meru, Eldoret and Nakuru with a Head office in Nairobi, making trustee services fairly accessible to the public. Through administration of estates and trusts, the Public Trustee discharges a constitutional mandate of addressing the needs of children, orphans, widows and widowers identified by the Constitution as vulnerable, weak and marginalized by taking cognizance of the social, economic and cultural realities affecting them.

**RESULTS**

Pursuant to the PFM Act and the Public Trustee Act, I hereby submit the Annual Report for the year ended June, 30, 2020.


The Report is a concise account of collective efforts, achievements and performance in delivering accessible, affordable and timely trustee services to the people of Kenya. The Office remains committed to delivering services in accordance with the highest standards with an organisational culture of dignity and respect for all. The financial statements for the year ended June 30, 2020 are set out on pages 12 through 26.


**APPRECIATION**

The Public Trustee has managed to execute its fiduciary mandate thanks to a strong partnership between the management team and a dedicated staff. My appreciation goes to all members of staff who have worked round the clock to make a difference in the lives of our clientele.

The Office has also received a lot of support from the top management in the Office of the Attorney General and Department of Justice.

My sincere appreciation goes to the Attorney General, **Hon. Justice Retired Paul Kihara Kariuki**, and the Solicitor General **Mr. Kennedy Ogeto** for their unwavering support.

  
\_\_\_\_\_  
Concepta Wasilwa  
Ag. Head Public Trustee  
Date: 30/06/2021...

  
\_\_\_\_\_  
Principal Accountant  
CPA Augustine K. Mburu  
ICPAK.NO: 10823

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



*Enhancing Accountability*

**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON PUBLIC TRUSTEE OF KENYA FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Public Trustee of Kenya set out on pages 12 to 27, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of the Public Trustee of Kenya as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Public Trustee Act, Cap 168 of the laws of Kenya.

#### **Basis for Qualified Opinion**

##### **1. Deposits**

The statement of financial position reflects a balance of Kshs.109,400,000 (2019 – Kshs. 122,400,000) under deposits which, as previously reported, includes an amount of Kshs.71,250,000 held in Imperial Bank Limited. However, information available indicated that Imperial Bank Limited was placed under receivership by the Central Bank of Kenya on 13 October, 2015 and the Kenya Deposit Insurance Corporation (KDIC) appointed the receivers. Consequently, recoverability of the balance of Kshs.71,250,000 held at Imperial Bank remains doubtful.

Under the circumstances, the accuracy and existence of deposits balance of Kshs.109,400,000 as at 30 June, 2020 could not be confirmed.

##### **2. Investments**

The statement of financial position reflects a balance of Kshs.232,160,000 under investments which, as disclosed in Note 14 to the financial statements, includes a balance

of Kshs.144,098,000 described as deposits in financial institutions under the management of the Kenya Deposit Insurance Corporation (KDIC) as the Official Receiver. However, as previously reported, no explanation was provided for failure to seek refund of the dormant deposits. In addition, the dormant deposits of Kshs.144,098,000 includes investments totalling to Kshs.29,694,000 held in two (2) institutions as detailed below;

Institution	Investment Balance (Kshs.)	Managing Institution
Central Finance Ltd	22,750,000	Kenya Deposit Insurance Corporation (KDIC)
Allied Credit Ltd	6,944,000	Kenya Deposit Insurance Corporation (KDIC)
<b>Total</b>	<b>29,694,000</b>	

However, through letters dated 8 April, 2019, the Kenya Deposit Insurance Corporation notified the Public Trustee that the amounts were not payable as the two (2) institutions were wound up and stood dissolved indicating irrecoverability and therefore loss of funds.

### 3. Cash and Cash Equivalents

The statement of financial position reflects a balance of Kshs.4,783,108,000 under cash and cash equivalents as at 30 June, 2020. However, bank reconciliation statements for the various Public Trustee administration bank accounts reflected outstanding reconciling items whose clearance status as at the time of the audit in March, 2021 was not disclosed as tabulated below:

Account	Payments in Cashbook not in Bank Statement (Unpresented Cheques) (Kshs.)	Receipts in Bank Statement not in Cashbook (Kshs.)	Payments in Bank Statement not in Cashbook (Kshs.)
Administration Account-Nairobi	-	14,292,282	-
Nyeri	232,993	772,963	-
Machakos	230,288	1,751,873	-
Malindi	-	338,911	-
Eldoret	-	1,177,836	-
Kakamega	14,528,357	5,272,406	-
Kisii	428,000	4,930,777	-
Kisumu	-	13,121,365	-
Garissa	-	-	4,214
Embu	-	9,874,086	1,200
<b>Total</b>	<b>15,419,638</b>	<b>51,532,499</b>	<b>5,414</b>

In the circumstances, the validity and accuracy of the cash and cash equivalents balance of Kshs.4,783,108,000 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Public Trustee of Kenya Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities

in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Public Trustee's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Public Trustee or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Public Trustee to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Public Trustee to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

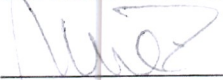
**12 May, 2021**


**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**X. STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30TH JUNE 2020**

	Note	2019/2020	2018/2019
		KSHS	KSHS
<b>Revenue</b>			
<b>Income From Exchange Services</b>			
Public Trustee Fee	3	75,606,000	81,869,000
<b>Income From Non-Exchange Services</b>			
Finance income- External Investments			
Interest received on Treasury Bills & Deposits	4(a)	204,881,000	165,448,000
Interest received on current Account	5	258,619,000	277,104,000
Other income	6	2,049,000	3,942,000
<b>Finance income- outstanding receivables</b>			
Accrued interest on Treasury bills & Deposits	7	88,703,000	189,059,000
<b>Total revenue</b>		629,858,000	717,422,000
<b>Expenses</b>			
Administrative Expenses	8	1,318,000	16,733,000
General Expenses	9	510,000	4,969,000
<b>Total Expenses</b>		1,828,000	21,702,000
Surplus/(Deficit) before appropriation		628,030,000	695,720,000
Public Trustee Fees Account		75,606,000	81,869,000
Interest paid in Excess of Provision	4(c)	41,169,000	
Provision for interest due to beneficiaries	16	346,000,000	233,000,000
Surplus/(Deficit) after appropriation		165,255,000	380,851,000

The notes set out on pages 17 to 26 form an integral part of the Financial Statements

  
\_\_\_\_\_  
Concepta Wasilwa  
Ag. Head Public Trustee  
Date: 30/03/2021

  
\_\_\_\_\_  
Principal Accountant  
CPA Augustine K. Mburu  
ICPAK.NO: 10823  
Date: 30/03/2021

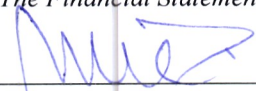
**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**


**XI. STATEMENT OF FINANCIAL POSITION**

**AS AT 30TH JUNE 2020**

		2019/2020	2018/2019
		KSHS	KSHS
<b>Current Assets</b>			
Cash and Cash Equivalents	10	4,783,108,000	3,951,492,000
Receivable from Non Exchange Transactions			
Treasury Bills	11	4,512,450,000	5,712,450,000
Interest Receivable	12	89,966,000	189,059,000
<b>Total Current Assets</b>		<b>9,385,524,000</b>	<b>9,853,001,000</b>
<b>Non-Current Assets</b>			
Deposits	13	109,400,000	122,400,000
Investments	14	232,160,000	232,160,000
<b>Total Non-Current Assets</b>		<b>341,560,000</b>	<b>354,560,000</b>
<b>Total Assets</b>		<b><u>9,727,084,000</u></b>	<b><u>10,207,561,000</u></b>
<b>Non-Current Liabilities</b>			
Beneficiaries Fund	15(a)	6,884,972,000	7,643,704,000
Interest provision due to beneficiaries	16	346,000,000	233,000,000
<b>Beneficiaries Fund</b>		<b>7,230,972,000</b>	<b>7,876,704,000</b>
<b>Total Liabilities</b>		<b>7,230,972,000</b>	<b>7,876,704,000</b>
<b>Net Assets</b>		<b>2,496,112,000</b>	<b>2,330,857,000</b>
Accumulated Surplus		2,330,857,000	1,950,006,000
Surplus/(Deficit)for the Year		165,255,000	380,851,000
<b>Total Reserves</b>		<b><u>2,496,112,000</u></b>	<b><u>2,330,857,000</u></b>

The Financial Statements set out on pages 12 to 16 were signed on behalf of the Public Trustee by:

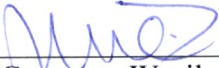
  
 Concepta Wasilwa  
 Ag. Head Public Trustee  
 Date: 20/03/2021.

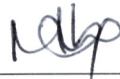
  
 Principal Accountant  
 CPA Augustine K. Mburu  
 ICPAK.NO: 10823  
 Date: 20/03/2021.

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**XII. STATEMENT OF CHANGE IN NET ASSETS  
FOR YEAR ENDED 30TH JUNE 2020**

	<b>2019/2020</b>		<b>2018/2019</b>
	<b>KSHS</b>		<b>KSHS</b>
<i>Balance as at 1st July 2019</i>	2,330,857,000		1,950,006,000
<i>Surplus/(Deficit)for the period</i>	165,255,000		380,851,000
<i>Transfer to/From Accumulated Surplus</i>			
<i>Balance as at 30th June 2020</i>	<b><u>2,496,112,000</u></b>		<b><u>2,330,857,000</u></b>

  
\_\_\_\_\_  
Concepta Wasilwa  
Ag. Head Public Trustee  
Date: 30/03/2021..

  
\_\_\_\_\_  
Principal Accountant  
CPA Augustine K. Mburu  
ICPAK.NO: 10823  
Date: 30/03/2021..

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**XIII. STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

	Notes	2019/2020	2018/2019
		Kshs.	Kshs.
<b>Cash Flow From Operating Activities</b>			
<b>Receipts</b>			
Other Income	6	2,049,000	3,942,000
<b>Total Receipts</b>		<b>2,049,000</b>	<b>3,942,000</b>
<b>Payments</b>			
Administrative Expenses	8	1,318,000	16,733,000
General Expenses	9	510,000	4,969,000
<b>Total Payments</b>		<b>1,828,000</b>	<b>21,702,000</b>
<b>Net cash flow from operating activities</b>		<b>221,000</b>	<b>(17,760,000)</b>
<b>Cash Flow From Investing Activities</b>			
<b>Receipts</b>			
Interest received from treasury bills & deposits	4(b)	392,677,000	165,448,000
Interest received from current accounts	5	258,619,000	277,104,000
Increase/(Decrease) in treasury bills	11	1,200,000,000	(1,472,450,000)
Increase/(Decrease) in Deposits	13	13,000,000	
Increase/(Decrease) in Investments	14	0	21,500,000
<b>Cash flow from investing activities</b>		<b>1,864,296,000</b>	<b>(1,008,398,000)</b>
<b>Cash flow from financing activities</b>			
<b>Receipts</b>			
Receipts from administration account	15(b)	2,133,713,000	5,974,693,000
Receipts from trust account	15(b)	90,155,000	308,970,000
<b>Total receipts from financing activities</b>		<b>2,223,868,000</b>	<b>6,283,663,000</b>
<b>Payments</b>			

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

<i>Advances and final dues administration account</i>	15(c)	2,837,677,000	6,725,988,000
<i>Advances and final dues trust account</i>	15(c)	144,923,000	611,659,000
<i>Interest paid</i>	15(d)	274,169,000	250,923,000
<b><i>Total payments</i></b>		<b>3,256,769,000</b>	<b>7,588,570,000</b>
<i>Net cash inflows from financing activities</i>		(1,032,901,000)	(1,304,907,000)
<i>Net cash out flow</i>		<b>831,616,000</b>	(2,331,065,000)
<i>Cash and cash equivalents as at 1st July 2019</i>		<b>3,951,492,000</b>	<b>6,282,557,000</b>
<i>Cash and cash equivalents as at 30th June 2020</i>		<b>4,783,108,000</b>	<b>3,951,492,000</b>

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**XIV. NOTES TO THE FINANCIAL STATEMENTS**

**1. Statement of Compliance and Basis of Preparation**

The Public Trustee financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Republic of Kenya. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**2. Summary of Significant Accounting Policies**

**a) Revenue Recognition**

**(i) Revenue from Non-Exchange Transactions**

- **Public Trustee Fees**

The entity recognizes revenues from fees upon distribution of estates and termination of trusts and the asset recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

- **Transfers from other Government Entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. However, during the year, Public Trustee did not have such revenue.

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**(ii) Revenue from exchange transactions**

- **Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The main source of interest is Treasury Bills. The entity also earns interest from current account and fixed deposits.

**b) Taxes**

Public Trustee main source of income is interest from Treasury Bills and fixed deposits from various financial institutions of which withholding tax is charged at source.

**c) Financial instruments**

**(i) Financial assets**

- **Treasury Bills**

Public Trustee invests heavily on Treasury Bills due to their nature in terms of risk (risk free). It therefore recognizes Treasury Bills whose maturity date falls beyond the end of the financial year being reported on. These Treasury Bills are recognized as a current asset and are quoted at face value less withholding tax and interest.

- **Deposits**

Fixed deposits held with various banks are reported under non-current assets and recognized as assets. These deposits are stated at the recoverable amounts. Accrued interest (interest receivable) on Treasury Bills, current accounts and fixed deposits is also recognized as a current asset pro rata.

**d) Provisions for Interest due to beneficiaries**

Public Trustee invests in Treasury Bills. The interest earned is distributed among the various estates and trusts. The rate of provision is determined by the prevailing average interest rates on Treasury Bills in the year under review which constitutes more than 99% of the total Public Trustee investments. During the financial year under review, the Treasury Bills earned an average interest rate of six point five per cent. The interest distributed in the year was at five per cent. The variance was caused by withholding tax deducted and money on call which cannot be invested because it should be available for payment to beneficiaries on demand.

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**e) Contingent Liabilities**

Public Trustee did not have a contingent liability in the year under review, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**f) Contingent Assets**

Public Trustee did not have a contingent asset in the year under review, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**g) Nature and Purpose of Reserves**

The Public Trustee creates and maintains reserves in terms of specific requirements such as interest to beneficiaries, statutory requirements and any other contingent liabilities.

**h) Changes in Accounting Policies and Estimates**

Public Trustee has recognized the effects of changes in accounting policy retrospectively. We have therefore adopted the accrual basis of accounting for the year ended June 30<sup>th</sup> 2020 as well as the preceding financial year (year ended June 30<sup>th</sup> 2019) for comparative purposes.

In order to make the financial statements more concise and clear, we have consolidated expenditure into two classes whose details are now presented in the notes. This has no effect on the financial performance and position.

**i) Cash and cash equivalents**

Cash and cash equivalents comprise bank account balances. Bank account balances include amounts held in various commercial banks at the end of the financial year.

**j) Subsequent events**

There have been no events subsequent to the end of the financial year with a significant impact on the financial statements for the year ended June 30<sup>th</sup>, 2020.

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**3. Public Trustee Fees**

Public Trustee fees are a statutory charge to administration and trust estates under the administration of the Public Trustee. The same is charged when the administration of an estate is concluded and handed over to the beneficiaries and is remitted to the State Law Office Account in form of government revenue.

*Summary of revenue raised as per table below*

STATION	2019/2020	2018/2019
	Kshs	Kshs
<i>Administration- Nairobi</i>	7,638,000	12,064,000
<i>Trust Estates-Nairobi</i>	10,940,000	14,763,000
<i>Nakuru- Administration</i>	6,747,000	5,184,000
<i>Nyeri- Administration</i>	4,405,000	3,830,000
<i>Machako-Administration</i>	6,095,000	10,278,000
<i>Malindi- Administration</i>	267,000	1,000,000
<i>Mombasa- Administration</i>	5,214,000	5,792,000
<i>Embu- Administration</i>	3,200,000	3,401,000
<i>Eldoret- Administration</i>	6,037,000	4,184,000
<i>Kakamega- Administration</i>	13,484,000	6,112,000
<i>Kisii- Administration</i>	4,097,000	7,284,000
<i>Kisumu- Administration</i>	5,484,000	7,219,000
<i>Garissa- Administration</i>	734,000	301,000
<i>Meru- Administration</i>	1,264,000	457,000
<b>Total</b>	<b><u>75,606,000</u></b>	<b><u>81,869,000</u></b>

**4. (a) Interest Received on Treasury Bills & Deposits**

Account	2019/2020	2018/2019
	Kshs	Kshs
<i>Public Trustee Administration Account</i>	272,663,000	110,398,000
<i>Public Trustee Trust Estates</i>	38,989,000	3,598,000
<i>Public Trustee Investment</i>	60,676,000	36,773,000
<i>Public Trustee Sundry</i>	17,595,000	11,527,000
<i>Interest on Deposit</i>	2,754,000	3,152,000
<b>Total</b>	<b><u>392,677,000</u></b>	<b><u>165,448,000</u></b>
<i>Less: Receivable</i>	187,796,000	-
<b>Total</b>	<b><u>204,881,000</u></b>	<b><u>165,448,000</u></b>

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**4 (b) Interest Received on Treasury Bills and Deposits**

Account	2019/2020	2018/2019
	Kshs	Kshs
<i>Public Trustee Administration Account</i>	272,663,000	110,398,000
<i>Public Trustee Trust Estates</i>	38,989,000	3,598,000
<i>Public Trustee Investment</i>	60,676,000	36,773,000
<i>Public Trustee Sundry</i>	17,595,000	11,527,000
<b>Sub total</b>	<b>389,923,000</b>	<b>162,296,000</b>
<i>Interest on Deposit</i>	2,754,000	3,152,000
<b>Total</b>	<b>392,677,000</b>	<b>165,448,000</b>

**4 (c). Interest Paid in excess of provision**

Details	2019/2020	2018/2019
	Kshs	Kshs
<i>Interest Paid</i>	274,169,000	-
<i>Interest Provision to Beneficiaries Fy 2018/2019</i>	233,000,000	-
<b>Total</b>	<b>41,169,000</b>	<b>-</b>

**5. Interest Received on Current Account**

	2019/2020	2018/2019
	Kshs	Kshs
<i>Public Trustee Administration Account</i>	194,059,000	205,274,000
<i>Public Trustee Trust Estate Account</i>	52,042,000	61,737,000
<i>Public Trustee Investment Income Account</i>	5,998,000	6,261,000
<i>Public Trustee Sundry Expenses Account</i>	3,545,000	3,832,000
<i>Regional Offices</i>	2,975,000	-
<b>Total</b>	<b>258,619,000</b>	<b>277,104,000</b>

**6. Other Income**

	2019/2020	2018/2019
	Kshs	Kshs
<i>Regional Offices</i>	1,364,000	2,410,000
<i>Nairobi</i>	685,000	1,532,000
<b>Total</b>	<b>2,049,000</b>	<b>3,942,000</b>

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**7. Accrued Interest on Treasury Bills and deposits**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>kshs</b>
<i>Interest receivable on deposits</i>	73,000	1,263,000
<i>Interest receivable on treasury bills</i>	88,630,000	187,796,000
<b>Total</b>	<b><u>88,703,000</u></b>	<b><u>189,059,000</u></b>

**8. Administrative Expenses**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KSHS</b>	<b>Kshs</b>
<i>Daily Subsistence Allowance</i>	319,000	4,734,000
<i>Community sensitization</i>	562,000	6,671,000
<i>Field services</i>	376,000	5,267,000
<b>Sub total</b>	<b>1,257,000</b>	<b>16,672,000</b>
<i>Financial Cost</i>	61,000	61,000
<b>Total</b>	<b><u>1,318,000</u></b>	<b><u>16,733,000</u></b>

**9. General Expenses**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Hospitality Supplies and Services</i>	84,000	574,000
<i>Repairs and Maintenance</i>	194,000	951,000
<i>Printing, Postages, and courier</i>	232,000	3,444,000
<b>Total</b>	<b><u>510,000</u></b>	<b><u>4,969,000</u></b>

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**10. Cash and cash equivalents**

STATION	2019/2020	2018/2019
	Kshs	Kshs
<i>Public Trustee Administration- Account</i>	3,477,636,000	2,716,800,000
<i>Public Trustee Trust Estates</i>	779,589,000	736,958,000
<i>Public Trustee Investment Account</i>	276,967,000	290,134,000
<i>Public Trustee Sundry Expenses Account</i>	248,916,000	207,600,000
<b>Total</b>	<b><u>4,783,108,000</u></b>	<b><u>3,951,492,000</u></b>

**11. Treasury Bills**

	2019/2020	2018/2019
	Kshs	Kshs
<i>Public Trustee Administration- Account</i>	2,500,000,000	3,500,000,000
<i>Public Trustee Investment Account</i>	900,000,000	1,100,000,000
<i>Public Trustee Trust Account</i>	512,450,000	512,450,000
<i>Public Trustee Sundry Expenses Account</i>	600,000,000	600,000,000
<b>Total</b>	<b><u>4,512,450,000</u></b>	<b><u>5,712,450,000</u></b>

**12. Interest receivable**

	2019/2020	2018/2019
	Kshs	kshs
<i>Interest receivable on deposits</i>	1,336,000	1,263,000
<i>Interest receivable on treasury bills</i>	88,630,000	187,796,000
<b>Total</b>	<b><u>89,966,000</u></b>	<b><u>189,059,000</u></b>

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

**13. Deposits**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Public Trustee Administration Account</i>	32,750,000	32,750,000
<i>Public Trustee Investment Income Account</i>	71,250,000	71,250,000
<i>Public Trustee Trust Estates Account</i>	5,400,000	5,400,000
<i>Public Trustee Administration/Investment (NIC bank)</i>	0	13,000,000
<b>Total</b>	<b>109,400,000</b>	<b><u>122,400,000</u></b>

**14. Investments**

<i>Investments refers to deposits held with various financial institutions which were converted into non-cumulative preference shares, ordinary shares and deposits with financial institutions under the management of the Kenya Deposit, Insurance Corporation and The Official Receiver.</i>		
	<b>2019/2020</b>	<b>2018/2019</b>
<b>Details</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Consolidated bank of Kenya Ltd 2,420,005 4% non-cumulative preference shares of Kshs 20@</i>	48,400,000	48,400,000
<i>Consolidated bank of Kenya Ltd 660,000 ordinary shares of Kshs 20@</i>	13,200,000	13,200,000
<i>Kingdom bank Ltd 25,126 ordinary shares of Ksh 1,000@</i>	25,126,000	25,126,000
<i>Trust Bank Ltd 415,761 ordinary shares of Kshs 5@ at a discounted rate of Kshs 4</i>	1,336,000	1,336,000
<b>Sub-total</b>	<b><u>88,062,000</u></b>	<b><u>88,062,000</u></b>
<i>Deposits- financial institutions under the management of Kenya Deposit, Insurance Corporation and Official Receiver.</i>	144,098,000	144,098,000
<b>Total</b>	<b><u>232,160,000</u></b>	<b><u>232,160,000</u></b>

**15. (a) Beneficiary Fund**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Public Trustee Trust estate account</i>	1,022,939,000	1,077,708,000
<i>Add: Provision for the Year</i>	51,000,000	32,000,000
<b>Trust Estates Total Beneficiary fund</b>	<b><u>1,073,939,000</u></b>	<b><u>1,109,708,000</u></b>

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

<i>Public trustee Administration Account</i>	5,862,033,000	6,565,996,000
<i>Add: Provision for the year</i>	295,000,000	201,000,000
<b><i>Administration Total Beneficiary fund</i></b>	<b><u>6,157,033,000</u></b>	<b><u>6,766,996,000</u></b>
<i>Total</i>	<b>7,230,972,000</b>	7,876,704,000
<i>Less: Provision for the year</i>	346,000,000	233,000,000
<b><i>Beneficiary Fund</i></b>	<b><u>6,884,972,000</u></b>	<b><u>7,643,704,000</u></b>

15.(b)

<b>BENEFICIARY FUND RECEIPTS</b>		
	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<i>RECEIPTS: Trust Estates</i>	90,155,000	308,970,000
<i>Administration Estates</i>	2,133,713,000	5,974,693,000
<b>TOTAL RECEIPTS</b>	<b><u>2,223,868,000</u></b>	<b><u>6,283,663,000</u></b>

15.(c).

<b>BENEFICIARY FUND PAYMENTS</b>		
	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<i>Opening Balance</i>	7,643,704,000	8,697,688,000
<i>Add: Total Receipt</i>	2,223,868,000	6,283,663,000
<b><i>Subtotal</i></b>	<b><u>9,867,572,000</u></b>	<b><u>14,981,351,000</u></b>
<i>Less Payments:</i>		
<i>Trust Estates</i>	144,923,000	611,659,000
<i>Administration Estates</i>	2,837,677,000	6,725,988,000
<b><i>Sub Total</i></b>	<b><u>2,982,600,000</u></b>	<b><u>7,337,647,000</u></b>
<i>Closing Balance</i>	<b>6,884,972,000</b>	<b>7,643,704,000</b>

15.(d).

<b>INTEREST PAID TO ESTATES</b>		
<b>MONTH</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<i>July</i>	13,131,000	-
<i>August</i>	5,142,000	3,889,000
<i>September</i>	3,322,000	1,198,000
<i>October</i>	8,650,000	9,131,000
<i>November</i>	7,270,000	4,775,000

**Public Trustee of Kenya**  
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<i>December</i>	16,312,000	13,281,000
<i>January</i>	7,066,000	718,000
<i>February</i>	7,956,000	27,476,000
<i>March</i>	3,870,000	61,400,000
<i>April</i>	66,305,000	22,343,000
<i>May</i>	3,537,000	5,579,000
<i>June</i>	131,608,000	101,133,000
<b>TOTAL</b>	<b>274,169,000</b>	<b>250,923,000</b>

**16. Provision due to beneficiaries -Interest**

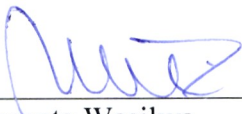
<i>Details</i>	<b>2019/2020</b>	<b>2018/2019</b>
	Kshs	Kshs
<i>Public Trustee Administration Estates</i>	295,000,000	201,000,000
<i>Public Trustee Trust Estates</i>	51,000,000	32,000,000
<b>Total</b>	<b><u>346,000,000</u></b>	<b><u>233,000,000</u></b>


The above provision for interests to beneficiaries results from the average interest earned within the year under review taking into consideration the reserves and Cash on call for payments to beneficiaries within the year. In the year under review, the provision was based on five percent interest rate.

**17. Immovable Properties**

The financial statements do not include the immovable properties due to the technical nature of the value and identity of the said assets. The Public Trustee is the administrator of last resort and therefore does not have the power to enforce the valuation and other disclosures in regard to the assets by the beneficiaries.

Beneficiaries bear the valuation cost and in most cases they are unable to raise valuation fees even for purposes of administration of estates. Therefore, including assets without proper value may not be prudent and the accounts may not present a true and fair view of the financial position.

  
 \_\_\_\_\_  
 Concepta Wasilwa  
 Ag. Head Public Trustee  
 Date: 30/09/2021

  
 \_\_\_\_\_  
 Principal Accountant  
 CPA Augustine K. Mburu  
 ICPAK.NO: 10823  
 Date: 30/03/2021

**Public Trustee of Kenya**  
**Annual Report and Financial Statements for Financial Year Ended 30<sup>th</sup> June, 2020**

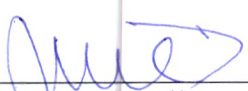
**APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
526	Unsupported investments	The management has taken note of the recommendation by PAC and hence provided confirmed and reconciled figures from the office of the Official receiver and Kenya Deposit Insurance Corporation. The Public Trustee continue to engage the office of the Official receiver and Kenya Deposit Insurance Corporation for the recovery of the same.	SOLICITOR GENERAL AND PUBLIC TRUSTEE	PARTIALLY RESOLVED	ON GOING
534	Deposits-Imperial Bank	The Public Trustee through the Solicitor General has written to the Cabinet Secretary National Treasury seeking authority to open bank account with Kenya Commercial Bank in compliance with PFM Act, and the bank operations requirement. The Public Trustee is therefore waiting for the response.	SOLICITOR GENERAL AND PUBLIC TRUSTEE	PARTIALLY RESOLVED	ON GOING

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

  
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 Concepta Wasilwa  
 Ag. Head Public Trustee

Date: 28/03/2021