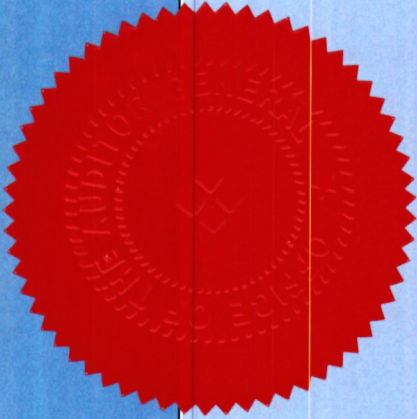


REPUBLIC OF KENYA

*Paper laid by the
Leader of majority Party
mof
25/7/2018*



OFFICE OF THE AUDITOR-GENERAL



REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS ON
OFFICIAL RECEIVER**

**FOR THE YEAR ENDED
30 JUNE 2017**

**OFFICE OF THE ATTORNEY GENERAL
AND DEPARTMENT OF JUSTICE**



STATE LAW OFFICE AND DEPARTMENT OF JUSTICE
OFFICIAL RECEIVER

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

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

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE –
OFFICIAL RECEIVER

Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

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**STATE LAW OFFICE AND DEPARTMENT OF JUSTICE -
OFFICIAL RECEIVER**

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The office of the Official Receiver is a section within the Registrar General's department of the State Law Office that deals with bankruptcies and Winding up of companies. The operations of the Official Receiver are governed by the Bankruptcy Act Cap 53 Laws of Kenya and the Companies Act Cap 486 Laws of Kenya.

(b) Principal Activities

The principal activity/mission of the Official Receiver derives its mandate from Section 74 of the Bankruptcy Act together with section 230 of the Companies Act Laws of Kenya. Section 74 of the bankruptcy Act provides;

"there shall be an official Receiver of debtors' estate for Kenya and as many deputy official receivers as may be required from time to time, who shall have jurisdiction in such areas as maybe required from time to time who shall have jurisdiction in such areas as may be specified"

Whereas Section 230 of the Companies Act states;

for the purposes of this Act so far as it relates to the winding up of companies by the court, "Official Receiver" means the Official receiver attached to the Court for Bankruptcy Purposes.....

The Core functions of the Official Receiver includes

- To act as administrator and administer the estate of the debtor
- To act as trustee during any vacancy in the office of the trustee
- To investigate the conduct of the debtor and to report to court
- To verify proofs, petitions, affidavits administered under the Bankruptcy Act
- To make such report concerning the conduct of the debtor as the court may direct
- To take part in the public of examination of the debtor
- Take part and give assistance in relation to the prosecution of the debtor in relation to offences as the Director of Public Prosecution may direct
- Advertise the Receiving Order, date of the first creditors meeting and of the public examination
- To report to the creditors of any proposal which the debtor may have made with respect to liquidating his debts

The Official Receiver is answerable to the court.

Vision of the State Law Office

The Vision of the SLO is **"To be the best Law Firm in the Region Recognized for its Professionalism and Efficiency in its Delivery of Public Legal Services"**.

Mission of the State Law Office

The Mission, which is anchored on the Attorney General's mandate, the core functions and the desire to achieve the stated Vision and in pursuit of the national aspirations as set out in the Vision 2030 is as follows:-

To "Enhance Democracy and otherwise Protect the National and public Interest" "To provide quality and efficient legal services to the Government and the Public, uphold the rule of Law and Good Governance, Promote Human Rights".

Vision of the Registrar General Department

The vision of the Registrar General department is *"To be Provider of the best registration services and related legal services"*

Mission of the Registrar General Department

The mission of the registrar general department is as follows *"To provide efficient registration services and related legal services to the public and business community"*

Core Values

In pursuit of excellence in delivery of service, the section is guided by the following values

Professionalism

The staff in the section is drawn from various professions. They are expected to demonstrate high level of professionalism in execution of their duties.

Quality Service Delivery

The Registrar General's department shall endeavor to exceed customer expectation in service delivery by continuously improving the quality of services provided to the customers.

Integrity and professional ethics

The Registrar General's department has continued to achieve this by developing a mechanism for holding individuals accountable for effective resource stewardship through;

- Enforcement of the Public Officers Ethics Act, Code of Conduct and Code of Regulations
- Timely completion of tasks

- Enhanced Decision Making
- Increased automation to improve operational efficiency

Teamwork and Respect for Diversity

Teamwork is emphasized within the department as a means to maximize synergy to boost staff productivity.

Strategic Priorities

1. Decentralize its services to the counties
2. Implementation/review of insolvency bill
3. Digitalization of services

(c) Key Management

The *Official Receiver's* day-to-day management is under the following key organs:

No	Designation	Name
1	Solicitor General	Mr. Njee Muturi
2	Ag. Official Receiver	Mr. Mark Gakuru
3	Ag. Director General BRS	Mr. Kenneth Gathuma
4	Head of Section –Legal	Miss Judy Mugo
5	Head of Section –Accounts and Investment	Mr. Erastus K. Mbalu

The section is divided into three sections; the Official Receiver (Legal), Official Receiver (Accounts and Investment) and Official Receiver (Financial Institutions).

The legal section deals with the implementation of the legal issues as per the functions and mandate. The Official Receiver also operates offices in Kisumu and Mombasa.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE
OFFICIAL RECEIVER
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

No	Designation	Name
1	Solicitor General	Mr. Njee Muturi
2	Ag. Official Receiver	Mr. Mark Gakuru
3	Ag. Director General BRS	Mr. Kenneth Gathuma
4	Head of Section -Legal	Miss Judy Mugo
5	Head of Section -Accounts and Investment	Mr. Erastus K. Mbalu

(e) Official Receiver Headquarters

P.O. Box 30031 - 00100
Sheria House
Harambee Avenue
Nairobi, KENYA

(g) Official Receiver Contacts

Telephone :(254) 020 2227461
E-mail: info.statelawoffice@kenya.go.ke
Website: www.attorney-general.go.ke

(h) Official Receiver Bankers

1. National Bank of Kenya
Harambee Avenue
P.O. Box 41862 - 00100
Nairobi, Kenya

Central Bank of Kenya
Headquarters
P O Box 60000 - 00200
Nairobi, Kenya

(i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O.Box 30084
GOP 00100
Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. STATEMENT OF OFFICIAL RECEIVER RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Official Receiver in charge of the *Office* is responsible for the preparation and presentation of the *Official Receiver's* financial statements, which give a true and fair view of the state of affairs of the *Official Receiver* for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements 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 Official Receiver; (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 *Official Receiver*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Official Receiver in charge of the *Office* accepts responsibility for the *Official Receiver's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Official Receiver is of the opinion that the *Official Receiver's* financial statements give a true and fair view of the state of *Official Receiver's* transactions during the financial year ended June 30, 2017, and of the *Official Receiver's* financial position as at that date. The Official Receiver further confirms the completeness of the accounting records maintained for the *Official Receiver*, which have been relied upon in the preparation of the *Official Receiver's* financial statements as well as the adequacy of the systems of internal financial control.

The Official Receiver confirms that the office has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Official Receiver confirms that the *Official Receiver's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The *Official Receiver's* financial statements were approved and signed on ~~30.5~~ 2018.



Official Receiver



Senior Accountant

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON OFFICIAL RECEIVER FOR THE YEAR ENDED 30 JUNE 2017 - OFFICE OF THE ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Official Receiver set out on pages 8 to 16, which comprise the statement of financial position as at 30 June 2017, and the statement of receipts and payments, statement of cash flows 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 my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Official Receiver as at 30 June 2017, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) And comply with the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Basis for Qualified Opinion section of my report, I confirm that public money has been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Accuracy, Completeness and Presentation of Financial Statements

1.1 Receivables

The statements of financial position indicates receivables of Kshs.125,426,843 as at 30 June 2017. However, no supporting documents were provided for audit review. Further, Note 11 to the financial statements reflects a block figure.

1.2 Accounts Payables

The statement of financial position shows payables of Kshs.8,000,000 as at 30 June 2017. However, no supporting documents or details were made available for audit scrutiny.

Report of the Auditor-General on Official Receiver for the year ended 30 June 2017 - Office of the Attorney General and Department of Justice

Further, Note 12 on payables indicates nil balance which contradicts the statement of financial position.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June 2017 could not be ascertained.

2. Un-supported Cash and Cash Equivalentents

2.1 Cash and Bank Balances

The statements of financial position and note 9 to the financial statements reflect bank account balance of Kshs.27,264,340 as at 30 June 2017. A scrutiny of the documents provided for audit review show that there was an overstatement of Kshs.1,064,753 under various bank accounts. In the circumstances, the cash and bank balance as at 30 June 2017 cannot be confirmed.

2.2 Short-term Deposits

The financial statements under Note 10 short-term deposits reflects a balance of Kshs.114,403,802 and treasury bills of Kshs.160,000,000 all totaling Kshs.274,403,802 indicated as cash equivalentents in the statement of financial position. A scrutiny of the documents provided for audit review show that there was an overstatement of Kshs.9,650,000, which was neither explained nor reconciled.

In view of the foregoing, the cash and cash equivalentents balance Kshs.427,094,985 could not be confirmed as at 30 June 2017.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Official Receiver in accordance with ISSAI 30 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. Except for the matter described in the Basis for Qualified Opinion section of my report, I have determined that there are no Key Audit Matters to communicate in my report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such 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.

In preparing the financial statements, management is responsible for assessing the Official Receiver's ability to sustain services, disclosing, as applicable, matters related to sustainability of services unless the management either intends to liquidate the Official Receiver or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Official Receiver's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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.

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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Official Receiver's 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 going concern 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 Official Receiver's ability to continue as a going concern or 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 Official Receiver to cease 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 Official Receiver 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.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

26 June 2018

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE-OFFICIAL RECEIVER
Reports and Financial Statements
For the year ended June30,2017(Kshs)

Statement of Receipts and Payments			
	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Reimbursements and Refunds	1	241018	0
Proceeds from sale of buildings and Land	2	8000000	
Other Revenues	3	31530050	22090154
TOTAL REVENUES		39771068	22090154
PAYMENTS			
Compensation of Employees	4	5712357	12827000
Use of goods and services	5	12540737	14470286
Transfer to other Government Units-AIA	6	498371	266940
Acquisition of Assets	7	990845	136480
Other payments	8	31260089	582162
TOTAL PAYMENTS		51002399	28282868
SUPPLUS/DEFICIT		-11231331	-6192714

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31.05 2018 and signed by;


 Official Receiver


 Senior Accountant

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE-OFFICIAL RECEIVER

Reports and Financial Statements

For the year ended June30,2017(Kshs)

STATEMENT OF ASSETS			
	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and cash Equivalents			
Bank Balances	9	27264339	277456256
Cash Equivalents	10	274403802	35443216
Receivables	11	125426843	125426843
TOTAL FINANCIAL ASSETS		427094984	438326315
LESS:FINANCIAL LIABILITIES			
Accounts Payable	12	0	0
TOTAL FINANCIAL LIABILITIES		0	0
NET FINANCIAL ASSETS/(LIABILITIES)		427094984	438326315
REPRESENTED BY			
Fund balance b/lwd	13	438326315	444519029
Surplus/Deficit for the year		-11231331	-6192714
NET FINANCIAL POSITION		427094984	438326315

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31.05 2018 and signed by;


Official Receiver


Senior Accountant

THE STATE LAW OFFICE AND DEPARTMENT OF JUSTICE (OFFICIAL RECEIVER)

Reports and Financial Statements

For the year ended June30,2017(Kshs)

STATEMENT OF CASH FLOW

	Note	2016-2017	2015-2016
		Kshs	Kshs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Reimbursements and Refunds	1	241018	0
Other Revenues	3	31530050	22090154
		31771068	22090154
Payments for operating expenses			
Compensation of Employees	4	5712357	12827000
Use of goods and services	5	12540737	14470286
Transfer to other Government Units	6	498371	266940
Other expenses	8	31260089	582162
		50011554	28146388
Adjusted for:			
Changes in receivables			
Changes in payables			
Adjustments during the year			
Net Cashflow from operating activities		-18240486	-6056234
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	8000000	0
Acquisition of Assets	7	990845	136480
		8990845	136480
Net Cashflows from investing activities		-9249641	-6192714
NET DECREASE IN CASH AND CASH EQUIVALENT			
		-11231331	-6192714
Cash and cash equivalent at the beginning of the year		438326315	444519029
Cash and cash equivalent at the end of the year		427094984	438326315

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31.05 2018 and signed by;


Official Receiver


Senior Accountant

SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the official receiver.

2. Recognition of revenue and expenses

The Official Receiver recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *entity*. In addition, the *entity* recognises all expenses when the event occurs and the related cash has actually been paid out by the Official Receiver.

3. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

5. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

THE STATE LAW OFFICE AND DEPARTMENT OF JUSTICE (OFFICIAL RECEIVER)
 Reports and Financial Statements
 For the year ended June30,2017(Kshs)

NOTES TO THE FINANCIAL STATEMENTS

1 REIMBURSEMENTS AND REFUNDS

2016-2017
Kshs

2015-2016

Reimbursements from individuals(loan repayments)

241018

0

241018

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

Building (Akamba Public Service)

4000000

0

Land (Akamba Public Service)

4000000

0

8000000

3 OTHER REVENUES

Interest received

20037406

15109245

Dividends

26970

0

Rents

5153193

4448482

Other receipts not classified elsewhere

6312485

2532427

31530054

22090154

4 COMPENSATION OF EMPLOYEES

Basic salaries

5041692

12393140

Pension benefits

151245

0

NSSF

370280

237170

NHIF

149140

196690

5712357

12827000

5 USE OF GOODS AND SERVICES

Domestic travel and subsistence

8719133

6716939

Insurance costs

54243

0

Office and general supplies and services

322832

0

Other operating expenses

2829789

6239947

Printing and advertising services

574240

0

Maintenance of vehicles and other equipment

40500

513200

12540737

13470086

6 TRANSFER TO OTHER GOVERNMENT UNITS-AIA

498371

266940

7 ACQUISITION OF ASSETS-Refurbishment (Nyakio)

990845

136480

8 OTHER PAYMENTS

Creditors

29071406

0

Tax paid

2188063

Dividends paid

930

582162

31260399

582162

9 BANK ACCOUNTS

NO	ACCOUNT NAME	2016/2017	2015/2016
1	Bankruptcy Estate Fund	6784810	69799001
2	Bankruptcy Contingency Fund	2466205	21256922
3	Bankruptcy Investment Income Fund	0	8455
4	Companies Liquidation	6509680	36555247
5	Companies Contingency Fund	2946138	23068080
6	Companies Investment Income Fund	61555	61656
7	Rural Urban Credit Finance	663832	783832
8	Continental Credit Finance Ltd	2427440	10796590
9	Capital Finance Ltd	100833	99149
10	Pioneer Building Society	4887	64351
11	Matatu Vehicles Owners Association	85557	1485557
12	Kenya National Assurance Co. Ltd	1284508	581202
13	E.A Bag & Cordage	28698	1218696
14	Kenya Project & Investment Ltd	6058	705075
15	Tropical Building society	45091	944090
16	Ken-Rem Chemicals&Fertilizers	3484881	82497286
17	Nyakio Investments Ltd	354168	27531067
	TOTAL	27254341	277456256

10 CASH EQUIVALENTS(SHORT-TERM DEPOSITS)

NO	ACCOUNT NAME	2016/2017	2015/2016
1	Bankruptcy Estate Fund	10085339	5579788
2	Bankruptcy Contingency Fund	18000098	850000
3	Bankruptcy Investment Income Fund	0	0
4	Companies Liquidation	39526894	0
5	Companies Contingency Fund	20111014	0
6	Companies Investment Income Fund	0	0
7	Rural Urban Credit Finance	0	1800000
8	Continental Credit Finance Ltd	0	3916975
9	Capital Finance Ltd	0	0
10	Pioneer Building Society	57008	0
11	Matatu Vehicles Owners Association	1425218	0
12	Kenya National Assurance Co. Ltd	18000000	23296453
13	E. A Bag & Cordage	1255993	0
14	Kenya Project & Investment Ltd	717710	0
15	Tropical Building society	948874	0
16	Ken-Ren Chemicals & Fertilizers	4275654	0
17	Nyakio Investments Ltd	0	0
	TOTAL	114403802	35443216

TREASURY BILLS

NO	ACCOUNT NAME	2016/2017	2015/2016
1	Bankruptcy Estate Fund	68000000	0
2	Continental Credit Finance Ltd	10000000	0
3	Ken-Ren Chemicals & Fertilizers	82000000	0
	Total	160000000	0

		2016/2017	2015/2016
11	RECEIVABLES		
	Others	125426843	125426843

12 ACCOUNTS PAYABLES

NIL

13	BALANCE BROUGHT FORWARD	2016/2017	2015/2016
	Bank accounts	27264339	277456256
	Cash equivalent	274403802	35443216
	Receivables	125426843	125426843
		427094984	438326315

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)
1	Inaccuracies in the financial statements.	Financial statements were erroneously captured being a typing error for F/Y 2014/2015	Acting Official Receiver	Resolved	-
2	Fixed Asset Register	Official Receiver prepares its account using cash basis of accounting method under IPSAS which do not present assets and liabilities, however official receiver is now part of Business Registration Service and intends to use accrual method in future.	Acting Official Receiver	Resolved	-

3	Payment for Unsubstantiated Legal Services	Official Receiver has for long been using legal services from D.Njogu and company Advocates which has a long history of cases under Official Receiver and has been successful in handling the cases. The basis used to scale legal fee is based on the advocates remuneration order. The current list of advocates handling matters for Official Receiver are: Wangai Nyuthe and advocates, D Njogu and company advocates and Oira and company advocates.	Acting Official Receiver	Unresolved awaiting to attend PAC meeting to resolve the matter	Waiting to attend PAC meeting.
4	Unsupported cash balances	A figure of 581, 202 was arrived by adding the cash book balance and bank balance of interest earned	Acting Official Receiver	Resolved.	-
5	Unexplained expenditure	There was an inter borrowing from several companies to enable official receiver pay partially interim fee note by D Njogu and company advocate in anticipation of recovery by Pioneer building society (in Liquidation) which is claiming Ksh.7.341 billion. Once the funds are recovered it shall be used to pay back the borrowed	Acting Official Receiver	Unresolved and to attend PAC meeting	Awaiting PAC meeting



6	Other matters – Internal controls	funds to the respective companies	Acting Official Receiver	Resolved	-
<p>Official Receiver is a department in State Law Office and Department of Justice. Administratively all the internal controls are covered through the internal audit function in the State Law Office and Department of Justice.</p>					

The accounting policies and explanatory notes to these financial statements form an integral part of the financial Statements. The entity financial statements were approved on 31.05 2018 and signed by;


Official Receiver


Senior Accountant

