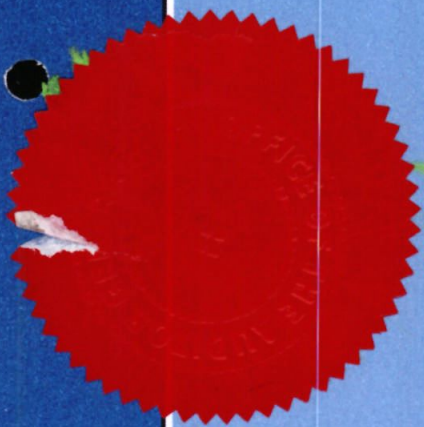




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<b>CLERK-AT THE-TABLE:</b>	P MUIGA 

**REPORT**

**OF**

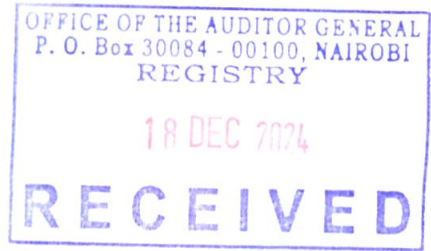
**THE AUDITOR-GENERAL**

**ON**

**PUBLIC TRUSTEE OF KENYA**

**FOR THE ENDED**

**30 JUNE, 2024**



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**PUBLIC TRUSTEE OF KENYA**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE, 2024**

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

**Public Trustee of Kenya  
Annual Report and Financial Statements  
for the year ended June 30, 2024.**

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**Public Trustee of Kenya  
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**1. Acronyms and Definition of Key Terms**

**A: Acronyms**

ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
ICT	Information Communications Technology
KCB	Kenya Commercial Bank
OAG & DOJ	Office of the Attorney General and Department of Justice

**B: Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization.

**Comparative Year-** Means the prior period.

## 2. 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 as the Department of the Public Trustee within the organizational framework of the Office of the Attorney-General and Department of Justice. The mission of the Public Trustee is to provide professional, efficient and effective trustee services in administration of estates and trusts. Principal activities include;

### (b) Principal Activities

- 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

### Key Management

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

1.	The Public Trustee	Lucy Wambui Mugo
2.	The Chief State Counsel	Philip K. Cheruiyot
3.	The Deputy Accountant General	Antony Murithi Gilbert

### (c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

1.	Head, Public Trustee	Lucy Wambui Mugo
2.	The Chief State Counsel	Dorcas Anyango Nyalwidhe
3.	The Chief State Counsel	Philip K. Cheruiyot
4.	The Chief State Counsel	William Mwangogo Malombo
5.	The Deputy Accountant General	Antony Murithi Gilbert

**Key Entity Information and Management (continued)**

**(d) Fiduciary Oversight Arrangements**

One of the major responsibilities of the Public Trustee is to manage risk, not only in the interest of the Public Trustee, but also to protect the interests of its clients. The Office has put in place a committee comprising senior management which is responsible for monitoring risk, assessing processes and controls in compliance with an internal risk control framework. The Public Trustee regularly reviews its risk management strategies and policies.

**(e) Entity Headquarters**

Office of the Attorney General & Department of Justice  
Sheria House, Harambee Avenue,  
P. O. Box 49672 – 00100,  
**Nairobi.**

**(f) Entity Contacts**

Telephone: (254) 2227461  
E-mail: [pt@ag.go.ke](mailto:pt@ag.go.ke)  
Website: <https://www.statelaw.go.ke/>

**(g) Entity Bankers**

- 1) National Bank of Kenya,  
Harambee Avenue Branch,  
P. O. Box 60000 - 00200  
**Nairobi, Kenya**

**Other Bank**

- 2) Stanbic Bank,  
Kenyatta Avenue Branch,  
P. O. Box 30556- 00100  
**Nairobi, Kenya**

**Key Entity Information and Management (continued)**

**(h) Independent Auditor**

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**Public Trustee of Kenya**  
**Annual Report and Financial Statements**  
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**3. Key Management Team**

1.	Lucy W Mugo – LLB ( Hons), Diploma in Law	Overall co-ordination of administration of Trustee Services, Estates and Trust funds.
2.	Dorcas Nyalwidhe - LLB ( Hons), Diploma in Law	Management of Administration of Estates and Trusts
3.	Philip Cheruiyot- LLB (Hons), Diploma in Law	Management of Administration of Estates and Trusts
4.	William Malombo— LLB (Hons), Diploma in Law	Management of Administration of Estates and Trusts
5.	Antony M Gilbert – BCOM,CPA(K)	Overall Coordination and management of financial matters

#### 4. Public Trustee Statement

I have the pleasure of presenting the Public Trustee report for the financial year 2023/2024. 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 13 Regional Offices covering the financial year starting 1<sup>st</sup> July 2023 to 30<sup>th</sup> June, 2024. The financial information presented is prepared in line with Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

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 13 counties, namely Kakamega, Kisumu, Kisii, Kericho, Uasin Gishu, Nakuru, Malindi, Mombasa, Garrissa, Machakos, Nyeri, Embu and Meru. The OAG&DOJ, in compliance with the requirement by the Constitution to make its services accessible to all Kenyans by decentralizing its services is at an advanced stage of operationalizing additional offices in the 33 remaining counties. This will ensure that Public Trustee services are available in the 47 Counties.

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. The automation of Public Trustee services and on-boarding of services on the e-citizen platform have been identified as key drivers towards achieving the following objectives;

- i.Reduction of time taken and cost of access to services
- ii.Strengthening of efficiency in service delivery resulting in enhanced customer satisfaction
- iii.Transparency and accuracy in recording of financial transactions in preparation of financial statement and accounts.
- iv.Easier access to services through the e-citizen portal

To undertake this very critical project, the Office has tapped into the expertise within the Ministry of Information Communication Technology and the Digital Economy to oversee the automation of Public Trustee business processes. A Team of officers drawn from the Ministry, ICT Department in OAG & DOJ and Department of Public Trustee is spearheading the process.

**Public Trustee of Kenya**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2024.**

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The payment module for administration of estates is at the user testing phase. A lot of progress has also been made in development of the administration of trusts and accident compensation proceeds payment module. In addition, the Department is working with the State Department for Immigration and E-Citizen Services to automate the front-end and backend processes which will be integrated with the payment module.

The Office is committed to maintaining 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<sup>th</sup> June, 2024. The Statement of financial position reflects cash and cash equivalents of Kshs. 3,013,435,149.00 for the year 2023/2024 while in the year 2022/2023 it was Kshs. 4,218,417,516.00. This variance was as a result of increased Investment on Treasury Bills the year under review. The Department achieved a surplus of Kshs. 293,875,704.00 for the financial year under review compared with a surplus of Kshs. 174,363,388.00 for the 2022/2023 financial year.

Factors contributing to the results were:

- Total revenue increased marginally during the year under review.
- The interest accrued on Treasury Bills increased during the year.
- Corporate investments increased marginally resulting to higher interest received during the year.

  
\_\_\_\_\_  
Lucy W. Mugo

Head, Public Trustee

Date: 16/12/2024

5. Statement of Public Trustee Performance against Predetermined Objectives for FY  
2023/2024

Strategic Pillar/theme /issue	Objective	Key performance indicators	Activities	Achievements
Improved collaboration and linkages with partners in administration of estates and trusts	Hold consultative and collaboration meetings with Ex-Officio agents in 42 Sub Counties to sensitize them on their powers and legal obligations under the law and sensitize them on the amended Public Trustee Act	No of meetings with ex-officio agents	<ul style="list-style-type: none"> <li>• Develop guidelines</li> <li>• Hold consultative forums</li> <li>• Benchmark for best practices</li> </ul>	42 meetings with ex-officio agents where Deputy County Commissioners were sensitised on the law of Succession Act and the Role of the Public Trustee and their duties and obligations under the Act.
Decentralization of services	Enhance access of services by the public in line with Article 6(3) of the Constitution	Increased access of Public Trustee services by the public	<ul style="list-style-type: none"> <li>• Conduct feasibility study</li> <li>• Establish functional Public Trustee Offices</li> </ul>	Feasibility study was conducted in all the 47 counties The OAG & DOJ is in the process of establishing Offices in 33 counties pursuant to a cabinet Memo issued on 27th June 2023.
Draw and submit Public Trustee annual financial statement in compliance with the Public Finance Management Act by 30 <sup>th</sup> September 2023	Compliance with statutory requirements  Enhance accountability	Preparation and Submission of the Annual Financial statement.	<ul style="list-style-type: none"> <li>• Draw and submit Public Trustee annual financial statement in compliance with the Public Finance</li> </ul>	Public Trustee annual financial statement prepared and submitted on 30 <sup>th</sup> September 2023

**Public Trustee of Kenya**  
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			Management Act by 30 <sup>th</sup> September 2023	
Raise revenue in the sum of Kshs. 60.5 Million	Enhance revenue collection	Amount of revenue collected	<ul style="list-style-type: none"> <li>• Finalize estates and trusts</li> <li>• Monitor revenue collection by Head Office and Regional Offices</li> <li>• Monitor revenue collection and filing of returns by Ex-Officio agents of the Public Trustee</li> </ul>	Revenue collected in the sum of Kshs. 73.9 Million
Undertake quality Assurance Audits of all regional offices namely: Malindi, Mombasa, Machakos, Embu, Nyeri, Nakuru, Eldoret, Kakamega, Kisii, Kisumu, Garissa and Meru	Enhancement of good governance	No. of regional offices evaluated	Prepare a program for office inspection Undertake quality Assurance Audits of all Public Trustee regional offices	7 regional offices evaluated, Namely; Garissa, Mombasa, Malindi, Meru, Kakamega, Nakuru, Machakos.

**Public Trustee of Kenya  
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<p>Create awareness - on the law of succession and the role of the Public Trustee in succession matters in 3 counties</p>	<p>Enhanced awareness on the law of succession and the role of the Public Trustee</p>	<p>Members of the public sensitised on the law of succession and the role of the Public Trustee in succession matters</p>	<p>Prepare a program for public awareness Develop and disseminate guidelines Undertake sensitization</p>	<p>Creation of awareness undertaken in 5 counties namely, Mombasa, Kisumu, Nakuru, Nairobi and Kiambu</p>
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## **6. Corporate Governance Statement**

The Office of the Public Trustee is established under the Public Trustee Act Cap 168 Laws of Kenya and operates as a Department in the Attorney General's Office. The Public Trustee offers services of a specialized nature which involve identification and collection of assets, identification of beneficiaries, management and subsequent transmission of both movable and immovable property either as an estate or a trust within the established legal framework. The Public Trustee also acts as the Registrar of Wills.

### **Vision**

To be the trustee of choice through service excellence.

### **Mission**

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

### **Values**

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

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

### **Mandate of the Department**

The Department'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) Custodian of property of missing persons;
- e) Acting as a Public Guardian or Conservator;
- f) Acting 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 Department managed beneficiary's funds in the sum of Kenya Shillings 6,655,730,447.00.

### **The Management Team**

The acting Public Trustee is assisted by four (4) Chief State Counsel and Deputy Accountant General 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 mediation, integrity and ethics; accountability; client care; problem solving; and decision making.

### **Investment Committee**

The Public Trustee manages beneficiary funds. There is an Investment Committee which has responsibility over investment matters to ensure that appropriate investment decisions are made. The Public Trustee (Amendment) Act 2018 has however provided for establishment of a Public Trustee Investment Board. Members of the 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 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.

## **7. Management Discussion and Analysis**

### **Financial performance of the organization**

In the year 2023/2024 total revenues amounts to Kshs. 941,126,326.00 compared to Kshs. 731,976,993.00 for 2022/2023 financial year. In the year 2021//2022 total revenue was Kshs.671/029,808. The increase in revenue figure was attributed to interest received from investment in treasury bills which matured during the year under review. The Office finalized administration of 4,086 Estates and Trusts and disbursed Kshs 2.6 billion in 2023/24 financial year, while in the year 2022/2023, 3642 Estates and Trusts were finalised and Kshs 2.8 billion disbursed to the beneficiaries' who includes widows, widowers and young persons.

### **Major projects under implementation**

The Office of the Public Trustee is committed to continual improvement in service delivery. Towards this end, the Office is in the process of implementing the following major projects.

#### **Automation of Services**

The Office has embraced Information Communications Technology (ICT) and is in the process of automating services by way of developing a Business Process Management System to replace manual operations in order to cope with increasing demand for accountability and efficiency by the public. The development of the System is being undertaken in collaboration with the ICT Department in OAG & DOJ and Ministry of ICT and Digital Economy. It is expected that eventually; the System will be web-based to facilitate access to information by the Public through the internet.

To undertake this project, the Office requested for technical support from the Ministry of Information, Communication, Technology and the Digital Economy to oversee the automation of processes. A Technical Working Group with officers drawn from the Ministry, ICT Department in OAG & DOJ and Department of Public Trustee was constituted to spearhead the process. The automation of the payment module for administration of estates and Trusts is at an advanced stage. The front end and back end processes are being automated by a team from E-citizen services and once completed; it will be integrated with the payment modules.

## **Decentralization**

The Office of the Attorney General and Department of Justice has an obligation to ensure reasonable access to its services in all parts of the Republic as required by Article 6(3) of the Constitution. The administration of estates and trusts by its nature is public facing and trustee services are sought after across the Country.

The OAG & DoJ has decentralized Public Trustee services to 13 counties notably, Kisumu, Kakamega, Kisii, Kericho, Uasin Gishu- Eldoret, Nakuru, Machakos, Garissa, Mombasa, Malindi, Nyeri, Embu and Meru.

The Cabinet vide its memo Ref No. CAB/GEN 03/1/1 Vol. XX 74 dated 27<sup>th</sup> June, 2023 gave an approval for decentralization of Office of the Attorney General and Department of Justice services to 47 counties. The decentralized units will be accommodated in the County Commissioners' offices in a collaborative initiative with the Ministry of Interior and National Administration. The Attorney General has constituted a decentralization committee to implement the decentralization of Office of the Attorney General and Department of Justice services.

As the Office progresses in the implementation of its decentralisation agenda to all the 47 counties, the public will access Public Trustee Services through *ex-officio* agents of the Public Trustee, the Deputy County Commissioners in the Counties and Sub-Counties where Public Trustee Offices have not been established

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 taking cognizance of the social, economic and cultural realities affecting them.

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

## **Results**

Pursuant to the Public Finance Management Act and the Public Trustee Act, I hereby submit the Annual Report for the year ended June, 30, 2024.

**Public Trustee of Kenya  
Annual Report and Financial Statements  
for the year ended June 30, 2024.**

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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, 2024 are set out on page 1 through 16.

**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 and in particular the Honourable Attorney General and the Solicitor General.

The Public Trustee would also like to acknowledge our *ex-officio* agents and other stakeholders for their tremendous contribution in the discharge of the mandate of the Office.

**Challenges / risks facing the Public Trustee**

The Office of the Public Trustee has been discharging its mandate in accordance with the laid down legal framework and procedures. However, service delivery has been impeded by the following challenges;

1. **Limited access to Public Trustee services in the counties**-The 13 existing Public Trustee Offices in the counties serve a small fraction of the Kenyan population. Efforts to decentralize further have been hampered by lack of funds. Plans are however underway to decentralize services to the remaining 33 Counties;
2. **Inadequate Budgetary Allocation** – The Department has 14 Offices and a high volume of clients and high value base of assets. The budgetary allocation for Head Office and Regional Offices is inadequate;
3. **Shortage of Accountants and other cadre of staff**-The Department continues to lose Accountants through ministerial transfers and natural attrition without replacement. Currently Kisii, Eldoret, Kakamega, Machakos and Kericho Regional Offices have no Accountants. The Office relies heavily on Clerical Officers and Record Management Officers. Frequent Transfers of Clerks and Record Management Officers affects service delivery due to the nature of our services which are specialized in nature. Officers in this cadre have also retired or gone on transfer without replacement. The Office of the Attorney General is in the process of delinking the human resource management function from the

Public Service Commission and will soon be in a position to recruit its own Accountants, Clerical Officers and Record Management Officers;

4. **Inadequate storage for running files-** Currently, the Office is administering a total of 49,861 estates. The Public Trustee has no sufficient office space and equipment for storage of running files;
5. **Inadequate office furniture and equipment** – The office is experiencing a severe shortage of computers, scanners, laptops and chairs;
6. **Inadequate training opportunities for officers** -The training budget is so minimal that it can only cover training for promotional courses;
7. **Slow and unstable internet** -The internet speed is slow and unstable making it difficult for State Counsel to attend court through the online platform;
8. **Inadequate virtual court rooms for conducting court matters.**

## **9. Environmental and Sustainability Reporting**

The Public Trustee is committed to environmental sustainability for-intra and intergenerational equity and was involved in afforestation in Ngong Forest.

The Office of the Public Trustee is by its own existence 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 the 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. During the period under review, the Public Trustee gave free legal advice to members of the Public in Kiambu, Nyeri, Nakuru and Machakos on their inheritance rights.

The Office of the Public Trustee is established under the Public Trustee Act Chapter 168 of the Laws of Kenya and operates under the Office of the Attorney-General and Department of Justice.

The Department has established regional offices in Kisumu, Malindi, Mombasa, Kakamega, Embu, Nyeri, Kisii, Machakos, Garissa, Meru, Eldoret and Nakuru and Kericho with a staff strength of 168 officers.

The Department is divided into 7 core Sections, notably, Administration of Estates, Litigation, Conveyancing, Administration of Trusts, Finalization of estates, Accounts and Property Management to discharge its mandate effectively.

County and Deputy County Commissioners administer estates of deceased persons whose gross value is Kshs 100,000/= and below as *ex-officio* agents of the Public Trustee as provided for by the Public Trustee Act cap 168 laws of Kenya. The Public Trustee plays an oversight role as the principal to reduce the risk of exposure to liabilities.

The Office trains the *ex-officio* agents; issues them with guidelines and instructions from time to time; and undertakes monitoring and evaluation of service delivery to inform recommendations for continual improvement.

## 10. Statement of Public Trustee 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 estates and trusts assets.

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;
- (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 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 financial statements give a true and fair view of the state of its transactions during the financial year ended 30<sup>th</sup> June, 2024, 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.

**Public Trustee of Kenya  
Annual Report and Financial Statements  
for the year ended June 30, 2024.**

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**Approval of the Financial Statements**

The Public Trustee financial statements were approved and signed by the Public Trustee on  
...16/12/..... 2024

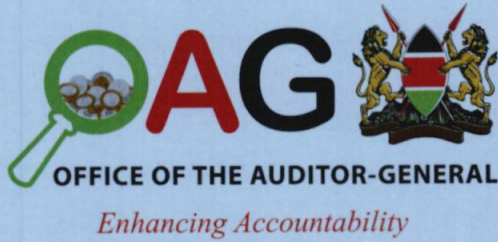
  
\_\_\_\_\_

Lucy W. Mugo  
Head, Public Trustee  
Date: .....

  
\_\_\_\_\_

CPA, Antony M Gilbert  
Deputy Acc. General,  
ICPAK M/ NO.8251  
Date: ...16.12.2024

# REPUBLIC OF KENYA



Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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, 2024

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### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of the Public Trustee of Kenya as set out on pages 1 to 17, which comprise the statement of financial position as at

30 June, 2024, and the statement of financial performance, statement of changes in net assets and 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 my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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, 2024, 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. Long Outstanding Deposits**

As previously reported, the statement of financial position reflects deposits balance of Kshs.108,381,817 as disclosed in Note 15 to the financial statements. Included in the balance is an amount of Kshs.70,231,817 held at Imperial Bank Limited. The bank was placed under receivership by the Central Bank of Kenya on 13 October, 2015 and the Kenya Deposit Insurance Corporation appointed as receivers.

However, as previously reported, Imperial Bank Limited (In Receivership) informed the Public Trustee of Kenya through a letter dated 07 July, 2021 that an amount of Kshs.4,072,732 had been transferred to the Kenya Commercial Bank for transmission to the Public Trustee of Kenya leaving a balance of Kshs.67,927,268 held at Imperial Bank Limited. Although, the transfer was confirmed by the Kenya Deposit Insurance Corporation, the amount of Kshs.4,072,732 had not been remitted to the Public Trustee of Kenya as at 30 June, 2024. Therefore, recoverability of the balance of Kshs.67,927,268 held at Imperial Bank Limited remains doubtful.

In the circumstances, the accuracy and existence of the deposits balance of Kshs.108,381,817 could not be confirmed.

### **2. Doubtful Investments**

As reported in the previous year, the statement of financial position reflects an investments balance of Kshs.240,107,686 as disclosed in Note 16 to the financial statements. Included in this amount is Kshs.152,045,283 described as deposits in financial institutions under the management of the Kenya Deposit Insurance Corporation (KDIC) and the Official Receiver. However, no sufficient explanation was provided for failure to seek refund of the dormant deposits.

Further, the dormant deposits of Kshs.152,045,283 includes investments totaling Kshs.29,693,938 held in two (2) financial institutions as detailed below:

<b>Institution</b>	<b>Managing Institution</b>	<b>Investment Balance (Kshs.)</b>
Central Finance Kenya Limited	Kenya Deposit Insurance Corporation (KDIC)	22,750,356
Allied Credit Limited	Kenya Deposit Insurance Corporation	6,943,582
	<b>Total</b>	<b>29,693,938</b>

The two (2) financial institutions were placed in liquidation on 19 May, 1993 and 19 August, 1993, respectively when the Central Bank of Kenya appointed the Deposit Protection Fund Board as the liquidator. Subsequently, the liquidator applied for release due to lack of funds but since no objection had been raised at the expiry of 21 days' notice inviting the creditors to inspect the final accounts, the process of winding up continued.

The winding up and dissolution of the Central Finance Kenya Limited and the Allied Credit Limited was completed on 13 September, 2012 and 15 November, 2007, respectively when the Court ordered for the release of the Liquidator and a certificate of release was granted. The Kenya Deposit Insurance Corporation communicated this decision to the Public Trustee on 8 April, 2019 stating that the balances held in their account could not be paid since the institutions had been dissolved indicating doubt in its recoverability and therefore loss of funds.

In the circumstances, the accuracy and existence of the balance of Kshs. 240,107,686 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 the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit 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 judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had neither resolved the issues nor implemented the recommendations.

## **Other Information**

Management is responsible for the other information set out on pages iv to xx which comprise of Key Entity Information and Management, Key Management Team, Public Trustee Statement, Statement of Public Trustee Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Public Trustee Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of the Public Trustee's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 3000 and ISSAI 4000. The standards require 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 comply 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, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Failure to Automate Beneficiaries Financial Records**

As previously reported, review of financial records and business processes revealed that the Public Trustee of Kenya maintained its records in a manual form and had over 50,000 ledgers and average annual disbursement of Kshs.3,000,000,000 to beneficiaries in the Headquarters and twelve (12) regional offices. However, the records had aged over the years despite reasonable precautions to guard against damage and the task of updating them was challenging.

In the circumstances, the Public Trustee did not perform periodic risk assessments in relation to beneficiaries' financial records to identify threats, assess vulnerability, and design automated systems that could help in keeping up to date beneficiaries' financial records.

### **2. Understaffing of Key Staff Positions**

As previously reported, the Public Trustee of Kenya has its operation at the headquarters and thirteen (13) regional offices with operational bank accounts and other accounting records for estates. However, review of the staffing revealed that the Headquarters has two (2) accountants against the required number of five (5) accountants and nine (9) regional offices, which includes Nyeri, Meru, Kisumu, Garissa, Embu, Malindi, Mombasa, Nakuru and Eldoret, have accountants in service while the other four (4) regions did not have accountants after the previous ones exited from service without replacement.

This compromised maintenance of effective internal control measures and posted the risk of error and misstatements in the accounting records.

### **3. Lack of an Operational and Approved Enterprise Risk Management Strategy**

As previously reported, the audit observed that Management did not have an operational and approved enterprise risk management strategy contrary to the provisions of Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015, which requires heads of public institutions to develop risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that build robust business operations.

In the circumstances, the policies, strategies and procedures put in place to assess, identify, measure, prioritize and mitigate risks in the Public Trustee of Kenya could not be confirmed.

### **4. Management of the Public Trustee Agents Activities**

As previously reported, review of Public Trustee records revealed that fees collected by the ex-official agents were deposited directly to the revenue collection account of State Law Office. However, surrenders of revenue collected were not provided to the Public Trustee. Further, the returns on the value of estate administered and balances in the books of accounts were not provided to the Public Trustee of Kenya regularly.

In the circumstances, failure to account for revenue collected affects planning and follow-up on the ex-official agents of the Public Trustee of Kenya.

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 controls, 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 controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Public Trustee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 Public Trustee's financial reporting process, reviewing the effectiveness of how Management 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, SBS  
AUDITOR-GENERAL

Nairobi

20 December, 2024

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12. Statement of Financial Performance for the year ended 30 June 2024

<b>Revenue</b>			
<b>Income From Non-Exchange Services</b>			
Public Trustee Fees	5(a)	75,027,482	71,555,419
<b>Income From Exchange Services</b>			
Finance income- External Investments			
Interest earned from investment in Treasury Bills & Deposits	6(a)	318,786,617	171,275,009
Interest received on current Account	7	200,576,367	267,500,848
Other income	8	1,627,734	1,648,886
<b>Finance income- outstanding receivables</b>			
Accrued interest on Treasury bills & Deposits	9	345,108,126	219,996,831
<b>Total revenue</b>		941,126,326	731,976,993
<b>Expenses</b>			
Administrative Expenses	10	21,935,969	24,314,523
General Expenses	11	555,465	6,779,045
<b>Total Expenses</b>		22,491,434	31,093,568
Surplus/(Deficit) before appropriation		918,634,892	700,883,425
Public Trustee Fees		75,027,482	71,555,419
Interest paid Less of Provision	6(c)	17,273,270	(85,404,129)
Provision for interest due to beneficiaries	18	532,458,436	540,368,746
Surplus/(Deficit) after appropriation		293,875,704	174,363,388

The notes set out on pages 6 to 16 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 2 were signed by:

.....

Lucy W. Mugo  
Head, Public Trustee  
Date: 16/12/2024

.....

CPA Antony M Gilbert  
Deputy Acc. General  
ICPAK M/NO: 8251  
Date: 16-12-2024

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13. Statement of Financial Position as at 30 June 2024

<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents			
Bank Balances	12	3,013,435,149	4,218,417,516
Receivable from Non Exchange Transactions			
Treasury Bills	13	6,748,874,065	5,481,916,475
Interest Receivable	14	345,108,126	219,996,831
<b>Total Current Assets</b>		10,107,417,340	9,920,330,822
<b>Non-Current Assets</b>			
Deposits	15	108,381,817	108,381,817
Investments	16	240,107,686	230,704,509
<b>Total Non-Current Assets</b>		348,489,503	339,086,326
<b>Total Assets</b>		<b><u>10,455,906,843</u></b>	<b><u>10,259,417,148</u></b>
<b>Non-Current Liabilities</b>			
Beneficiaries Fund	17(a)	6,655,730,447	6,754,609,324
Interest provision due to beneficiaries	18	532,458,436	540,368,746
<b>Beneficiaries Fund</b>		7,188,188,883	7,294,978,070
<b>Total Liabilities</b>		<b>7,188,188,883</b>	<b>7,294,978,070</b>
<b>Other Assets</b>		<b>3,267,717,960</b>	<b>2,964,439,078</b>
Accumulated Surplus		2,973,842,256	2,790,075,691
Surplus/(Deficit)for the Year		293,875,704	174,363,388
<b>Total Net Assets</b>		<b>3,267,717,960</b>	<b>2,964,439,079</b>
<b>Total Net Assets and Liabilities</b>		<b><u>10,455,906,843</u></b>	<b><u>10,259,417,148</u></b>

The financial statements set out on pages 1 to 2 were signed by:

.....  


Lucy W. Mugo  
Head, Public Trustee  
Date: 16/12/2024

.....  


CPA Antony M Gilbert  
Deputy Acc. General  
ICPAK M/NO: 8251  
Date: 16.12.2024

14. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Retained earnings
	Kshs
As at July 1, 2022	2,790,176,101
Prior Year Adjustments	-100,410
Surplus/(Deficit)for the year	174,363,388
As at June 30,2023	2,964,439,489
As at July 1, 2023	2,964,439,489
Prior year adjustment	9,403,177
Surplus/(Deficit)for the year	293,875,704
As at June 30,2024	<u>3,267,717,960</u>

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15. Statement of Cash Flows for the year ended 30 June 2024

	Notes	KSHS.	KSHS.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Other Income	8	1,627,734	1,648,886
<b>Total Receipts</b>		1,627,734	1,648,886
<b>Payments</b>			
Administrative Expenses	10	21,935,969	24,314,523
General Expenses	11	555,465	6,779,045
<b>Total Payments</b>		22,491,434	31,093,568
<b>Net cash flow from operating activities</b>		<u>(20,863,700)</u>	<u>(29,444,682)</u>
<b>Cash Flow From Investing Activities</b>			
<b>Receipts</b>			
Interest received from investment in treasury bills & deposits	6(b)	538,783,448	341,061,084
Interest received from current accounts	7	200,576,367	267,500,848
Increase/(Decrease) in treasury bills	13	(1,266,957,590)	(701,749,375)
Increase/(Decrease) in investments	16	0	354,725
Increase/(Decrease) in Deposits	15	0	1,018,183
<b>Net Cash flow from investing activities</b>		<u>(527,597,775)</u>	<u>(91,814,536)</u>
<b>Cash flow from financing activities</b>			
<b>Receipts</b>			
Receipts from administration account	17(b)	2,197,229,416	2,777,112,457
Receipts from trust account	17(b)	285,777,416	216,190,904
<b>Total receipts from financing activities</b>		<u>2,483,006,832</u>	<u>2,993,303,361</u>
<b>Payments</b>			
Advances and final dues administration account	17(c)	2,432,274,611	2,667,742,338
Advances and final dues trust account	17(c)	149,611,098	153,454,900
Interest paid	17(d)	557,642,016	441,196,128
<b>Total payments</b>		<u>3,139,527,725</u>	<u>3,262,393,365</u>
<b>Net cash inflows from financing activities</b>		<u>(656,520,893)</u>	<u>(269,090,005)</u>
<b>Net increase(decrease) in cash and cash equivalents</b>		<u>(1,204,982,368)</u>	<u>(390,349,222)</u>

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<b>Cash and cash equivalents as at 1st July 2023</b>		<b>4,218,417,516</b>	<b>4,608,766,739</b>
<b>Cash and cash equivalents as at 30th June 2024</b>		<b>3,013,435,148</b>	<b>4,218,417,517</b>

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**16. Notes to the Financial Statements**

**1. General Information**

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

**2. 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.

**3. Adoption of New and Revised Standards**

*i New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There were no new and amended standards issued in the financial year.

**4. Summary of Significant Accounting Policies**

**a) Revenue Recognition**

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

**• Public Trustee Fees**

Public Trustee recognizes revenues from fees upon and after finalization of estates and termination of trusts and also after 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

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the entity and can be measured reliably. However, during the year, Public Trustee did not have such revenue.

**(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. Public Trustee 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 Assets**

**• Treasury Bills**

Public Trustee invests 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.

Deposits held in financial institutions under the management of Kenya Deposit Insurance Corporation include institution under liquidation and also those wound-up awaiting approvals to write off the unrecoverable amount.

**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 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 eight point five percent. The interest distributed in the year was at eight 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.

**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 its control 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> 2024 as well as the preceding financial year (year ended June 30<sup>th</sup> 2023) 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) Comparative Figures**

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

**k) 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>,2024.

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**5. (a) Public Trustee Fees**

Public Trustee fees are a statutory charge for the administration of Estates and Trusts Estates. Public trustee Fees is charged on finalized Estates and Trusts, and remitted to the State Law office revenue account. Below is the Summary of revenue raised during the financial year:

Details	2023/2024	2022/2023
	Kshs	Kshs
Administration- Nairobi	12,501,427	7,438,865
Trust Estates-Nairobi	15,198,003	11,320,915
Nakuru- Administration	5,074,344	6,518,968
Nyeri- Administration	4,124,578	5,779,398
Machakos-Administration	6,468,027	9,053,073
Malindi- Administration	1,183,999	1,294,295
Mombasa- Administration	4,901,697	4,934,407
Embu- Administration	2,425,978	1,999,052
Eldoret- Administration	5,263,124	3,488,634
Kakamega- Administration	4,920,074	7,235,699
Kisii- Administration	4,609,715	5,775,614
Kisumu- Administration	3,194,209	5,964,011
Garissa- Administration	210,257	453,345
Meru- Administration	4,952,052	299,153
<b>Total</b>	<b>75,027,482</b>	<b>71,555,419</b>

**5.(b). Public Trustee fee –Ex officio Agents**

Public Trustee fees collected by Deputy County Commissioners and deposited directly to State Law Office revenue collection account at KCB Bank was ksh 872,299.60

**6. a). Interest Earned from investment in Treasury Bills & Deposits**

Account	2023/2024	2022/2023
	Kshs	Kshs
Public Trustee Administration Account	391,415,990	239,378,700
Public Trustee Trust Estates	56,899,850	44,176,200
Public Trustee Investment	28,066,320	32,255,800
Public Trustee Sundry	59,077,125	19,788,000
Interest on Deposit	3,324,163	5,462,384
<b>Total</b>	<b>538,783,448</b>	<b>341,061,084</b>
Less: Receivable	219,996,831	169,786,075
<b>Total</b>	<b>318,786,617</b>	<b>171,275,009</b>

**b). Interest Received from investment in Treasury Bills and Deposits**

Accounts	2023/2024	2022/2023
	Kshs	Kshs
Public Trustee Administration Account	391,415,990	239,378,700
Public Trustee Trust Estates	56,899,850	44,176,200
Public Trustee Investment	28,066,320	32,255,800
Public Trustee Sundry	59,077,125	19,788,000
<b>Sub total</b>	<b>535,459,285</b>	<b>335,598,700</b>
Interest on Deposit	3,324,163	5,462,384
<b>Total</b>	<b>538,783,448</b>	<b>341,061,084</b>

**c). Interest Paid Less of provision**

Details	2023/2024	2022/2023
	Kshs	Kshs
Interest Paid	557,642,016	441,196,127
Interest Provision to Beneficiaries Fy 2022/2023	540,368,746	526,600,255
<b>Total</b>	<b>17,273,270</b>	<b>(85,404,129)</b>

**7. Interest Received on Current Account**

Accounts	2023/2024	2022/2023
	Kshs	Kshs
Public Trustee Administration Accounts	141,210,903	199,607,720
Public Trustee Trust Estate Account	54,486,440	61,152,084
Public Trustee Investment Income Account	2,896,165	3,573,413
Public Trustee Sundry Expenses Account	1,982,859	3,167,630
<b>Total</b>	<b>200,576,367</b>	<b>267,500,848</b>

**8. Other Income**

Details	2023/2024	2022/2023
	Kshs	Kshs
Public Trustee Administration account	1,262,434	1,326,485
Public Trustee Trust account	365,300	322,400
<b>Total</b>	<b>1,627,734</b>	<b>1,648,886</b>

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9. Accrued Interest on Treasury Bills and deposits

	2023/2024	2022/2023
Details	Kshs	Kshs
Interest receivable on deposits	1,316,124	921,248
Interest receivable on treasury bills	343,792,001	219,075,583
<b>Total</b>	<b><u>345,108,125</u></b>	<b><u>168,113,075</u></b>

10. Administrative Expenses

	2023/2024	2022/2023
Details	KSHS	KSHS
Daily Subsistence Allowance	14,071,430	9,268,560
Community sensitization	0	7,486,120
Field services	7,709,500	6,959,700
<b>Sub total</b>	<b>21,780,930</b>	<b>23,714,380</b>
Financial Cost	155,039	600,143
<b>Total</b>	<b><u>21,935,969</u></b>	<b><u>24,314,523</u></b>

11. General Expenses

	2023/2024	2022/2023
Details	Kshs	Kshs
Hospitality Supplies and Services	61,550	5,584,040
Repairs and Maintenance	17,035	0
Printing, Postages, and courier	476,880	1,195,005
<b>Total</b>	<b><u>555,465</u></b>	<b><u>6,779,045</u></b>

**12. Cash and cash Equivalents**

Accounts	2023/2024	2022/2023
	Kshs	Kshs
Public Trustee Administration- Account	1,453,930,556	3,005,659,356
Public Trustee Trust Estates	636,990,275	907,201,012
Public Trustee Investment Account	711,008,707	162,262,739
Public Trustee Sundry Expenses Account	211,505,611	143,294,409
<b>Total</b>	<b>3,013,435,149</b>	<b>4,218,417,516</b>

**13. Treasury Bills**

Accounts	2023/2024	2022/2023
	Kshs	Kshs
Public Trustee Administration- Account	5,098,186,825	3,957,149,950
Public Trustee Investment Account	987,658,050	190,743,500
Public Trustee Trust Account	0	643,100,150
Public Trustee Sundry Expenses Account	663,029,190	690,922,875
<b>Total</b>	<b>6,748,874,065</b>	<b>5,481,916,475</b>

**14. Interest receivable**

Details	2023/2024	2022/2023
	Kshs	Kshs
Interest receivable on deposits	1,316,125	921,248
Interest receivable on treasury bills	343,792,001	219,075,583
<b>Total</b>	<b>345,108,126</b>	<b>169,786,075</b>

**15. Deposits**

Details	2023/2024	2022/2023
	Kshs	Kshs
Public Trustee Administration Account	32,750,000	32,750,000
Public Trustee Investment Income Account	70,231,817	70,231,817
Public Trustee Trust Estates Account	5,400,000	5,400,000
<b>Total</b>	<b>108,381,817</b>	<b>108,381,817</b>

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16. Investment

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.

	2023/2024	2022/2023
Details	Kshs	Kshs
Consolidated bank of Kenya Ltd 2,420,000 4% non-cumulative preference shares of Kshs 20@	48,400,000	48,400,000
Consolidated bank of Kenya Ltd 660,000 ordinary shares of Kshs 20@	13,200,000	13,200,000
Kingdom bank Ltd 25,126 ordinary shares of Ksh 1,000@	25,126,000	25,126,000
Trust Bank Ltd 415,761 ordinary shares of Kshs 5@ at a discounted rate of Kshs 4	1,336,403	1,336,403
<b>Sub-total</b>	<b><u>88,062,403</u></b>	<b><u>88,062,403</u></b>
Deposits- financial institutions under the management of Kenya Deposit, Insurance Corporation and Official Receiver.	152,045,283	142,642,106
Liquidation of Deposits- Thabiti Finance Co. Ltd (Note 18)	-	-
<b>Total</b>	<b><u>240,107,686</u></b>	<b><u>230,704,509</u></b>

The deposits held in institutions under the management of Kenya Deposits, insurance Corporation and official Receiver increased by ksh.9,403,177 due increase of deposits at trade bank(In Liquidation),creditors category not included earlier.

17. (a) Beneficiary Fund

Analysis	2023/2024	2022/2023
	Kshs	Kshs
Public Trustee Trust estate account	1,195,516,173	1,060,109,578
Add: Provision for the Year	95,641,294	84,808,766
<b>Trust Estates Total Beneficiary fund</b>	<b><u>1,291,157,467</u></b>	<b><u>1,144,918,344</u></b>
Public trustee Administration Account	5,460,214,274	5,694,499,746
Add: Provision for the year	436,817,142	455,559,980
<b>Administration Total Beneficiary fund</b>	<b><u>5,897,031,416</u></b>	<b><u>6,150,059,726</u></b>
<b>Total Beneficiary Fund</b>	<b>7,188,188,882</b>	<b>7,294,978,070</b>
Less: Provision for the year	532,458,435	540,368,746
<b>Beneficiary Fund</b>	<b><u>6,655,730,447</u></b>	<b><u>6,754,609,324</u></b>

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The beneficiary fund of ksh. 6,655,730,447.00 includes funds received in bank amounting to ksh.27,915,018 whose beneficiaries details were yet to be received by the Public trustee.

17.(b) Beneficiary Fund Receipts

	2023/2024	2022/2023
Receipts	Kshs.	Kshs.
Trust Estates	285,777,416	216,190,904
Administration Estates	2,197,229,415	2,777,112,456
<b>TOTAL RECEIPTS</b>	<b>2,483,006,831</b>	<b>2,993,303,360</b>

17.(c) Beneficiary Receipts and Payments

Details	2023/2024	2022/2023
	Kshs.	Kshs.
Opening Balance	6,754,609,324	6,582,503,201
Add: Total Receipt	2,483,006,831	2,993,302,360
<b>Subtotal</b>	<b>9,237,616,155</b>	<b>9,575,806,561</b>
Less Total Payments		
Advances and Final-Trust Estates	149,611,098	153,454,900
Advances and Final dues-Administration Estates	2,432,274,611	2,667,742,338
<b>Sub Total</b>	<b>2,581,885,709</b>	<b>2,821,197,238</b>
Closing Balance	6,655,730,446	6,754,608,324

17.(d) Interest Paid to Estates

MONTH	2023/2024	2022/2023
	Kshs.	Kshs.
July 2022	7,278,942	0
August 2022	24,887,621	619,786
September 2022	5,682,334	6,090,980
October 2022	21,467,357	6,636,881
November 2022	22,434,066	9,961,217
December 2022	3,665,166	6,927,384
January 2023	6,772,200	46,625,301
February 2023	39,545,441	6,819,393
March 2023	275,819,673	170,688,555
April 2023	80,949,018	31,109,205
May 2023	12,945,218	4,873,929
June 2023	56,194,980	150,843,496
<b>TOTAL</b>	<b>557,642,016</b>	<b>441,196,127</b>

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**18. Provision due to beneficiaries –Interest**

<b>Details</b>	<b>2023/2024</b>	<b>2022/2023</b>
	Kshs	Kshs
Public Trustee Administration Estates	436,817,141	455,559,980
Public Trustee Trust Estates	95,641,294	84,808,766
<b>Total</b>	<b><u>532,458,435</u></b>	<b><u>540,368,746</u></b>

The above provision of interest due to beneficiaries results from the interest earned from treasury bills 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 for the interest to beneficiaries was at the rate of eight percent.

**19. Prior Year Adjustment**

This relates to the deposits balance held at Trade Bank (In Liquidation) under creditors category not included in the previous year report.

**20. Currency**

The financial statements are presented in Kenya Shillings (kshs) rounded to the nearest kshs.

**21. Immovable Properties**

Public Trustee does not own immovable properties.

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17. Appendices

Appendix I: Implementation Status of Auditor – General’s Recommendations

The following is the summary of issues raised by the external auditor and management comments that were provided to the auditor. Public Trustee is following up various issues raised with a view to having them 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 appeared before the Parliamentary Accounts Committee and the recommendation was that management should seek approval to write off the deposit as a loss since its unrecoverable after the dissolution and winding up of Central Finance Kenya Ltd and Allied Credit Ltd on 13th September 2012 and 15 <sup>th</sup> November 2007 respectively. A loss report for the balance of was prepared and the request has been forwarded to the National Treasury now awaiting treasury approval to write off the unrecoverable amount.	SOLICITOR GENERAL AND PUBLIC TRUSTEE	PARTIALLY RESOLVED	ON GOING
534	Deposits-Imperial Bank	The Public Trustee held deposits in the sum of Kshs. 85 Million in Imperial Bank (in liquidation). A sum of Kshs. 13 Million was paid through NIC bank on 28th December 2018 leaving an outstanding balance of Kshs. 72 Million. By a letter dated 7th July 2021, Imperial Bank (in receivership) confirmed that it had transferred a sum of Kshs. 4,072,732.10 to KCB payable to the Public Trustee as part payment as at 20th June 2020 after KCB Ltd assumed certain assets and liabilities of Imperial Bank Ltd. Out of a sum of Kshs. 4,072,732, KCB deposited Kshs. 1,018,183 to the Public Trustee Bank Account on 27th February 2023. The Office has written to KCB requesting for payment of the balance of Kshs.3,054,549.00.	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.

  
Lucy W. Mugo

Head, Public Trustee

Date: 16/12/2024