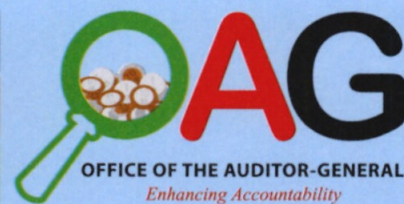


REPUBLIC OF KENYA



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THE AUDITOR-GENERAL

ON

PUBLIC TRUSTEE

**FOR THE YEAR ENDED
30 JUNE, 2025**



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P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE

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PUBLIC TRUSTEE OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2025

**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, 2025.**

Table of Contents.....	Page
1. Acronyms and Definition of Key Terms	iii
2. Key Entity Information and Management	iv
3. Key Management Team.....	vii
4. Public Trustee Statement	ix
5. Statement of Public Trustee Performance against Predetermined Objectives for FY 2024/2025	xi
6. Corporate Governance Statement	xiii
7. Management Discussion and Analysis	xv
9. Environmental and Sustainability Reporting.....	xix
10. Statement of Public Trustee Responsibilities	xx
11. Report of the Independent Auditor for the Financial Statements of Public Trustee of Kenya.....	xxii
12. Statement of Financial Performance for the year ended 30 June 2025	1
13. Statement of Financial Position as at 30 June 2025	2
14. Statement of Changes in Net Assets for the year ended 30 June 2025.....	3
15. Statement of Cash Flows for the year ended 30 June 2025.....	4
16. Notes to the Financial Statements	6
17. Appendices	17
Appendix 1- Implementation Status of Auditor-General's Recommendations.....	17

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
OAG & DOJ	Office of the Attorney General and State Department for Justice, Human Rights and Constitutional Affairs

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.

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.**

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:

No.	Designation	Name
1.	Deputy Public Trustee	Lucy Wambui Mugo
2.	Deputy Solicitor General	Dorcas Anyango Nyalwidhe
3.	Deputy Accountant General	Antony Murithi Gilbert

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Head, Public Trustee	Lucy Wambui Mugo
2.	Chief State Counsel	Dorcas Anyango Nyalwidhe
3.	Chief State Counsel	Philip K. Cheruiyot
4.	Chief State Counsel	William Mwangogo Malombo
5.	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

The Public Trustee
Sheria House, Harambee Avenue,
P. O. Box 49672-00100,
Nairobi.

(f) Entity Contacts

Telephone: (254) 2227461
E-mail: 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
- 2) Stanbic Bank,
Kenyatta Avenue Branch,
P. O. Box 30556- 00100
Nairobi, Kenya
- 3) KCB Bank Ltd,
KICC Branch,
P. O. Box 48400-00100,
Nairobi, Kenya

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.**

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
Office of the Attorney General &
State Department for Justice, Human
Rights and Constitutional Affairs Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.**

3. Key Management Team

	Management	Details
1.	 <p>Lucy Wambui Mugo {LLB (Hons), Diploma in Law}</p>	<p>Ms Lucy Mugo is an advocate of the High Court of Kenya. She has worked in the Office of the Attorney General and Department of Justice for the last 33 years. She was the head of Public Trustee Nyeri Office from 1995 to 2004.</p> <p>She heads the Public Trustee Department which has a mandate of Administration of estates of deceased persons and trusts.</p> <p>Ms Mugo has a wealth of experience in the Law of Succession, Trusts and mediation.</p> <p>She holds a bachelor of Laws Degree from the University of Nairobi and a Post Graduate Diploma from the Kenya School of Law.</p>
2.	 <p>Dorcas Anyango Nyalwidhe {LLB (Hons), Diploma in Law}</p>	<p>Dorcas Anyango Nyalwidhe is an Advocate of the High Court of Kenya and holder of Bachelor of Laws (LLB) University of Nairobi, an alumnus of Moi Girls High School, Eldoret and Ngiya Girls High School Siaya.</p> <p>She has served in the Office of the Attorney General and Department of Justice from May 1996 rising through the ranks to the position of Chief State Counsel. She has gained a wealth of experience in Family Law, Succession and Mediation and is currently serving as Deputy Public Trustee and overseeing Litigation Section in the Department of Public Trustee.</p>
3.	 <p>Philip K. Cheruiyot {LLB (Hons), Diploma in Law}</p>	<p>Mr. Cheruiyot is an advocate of the High court of Kenya. He has served in the Office of the Attorney General for over 20 years and has headed Public Trustee Eldoret and Nyeri Regional Office in his tenure. He has a wealth of experience in succession matters.</p>

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.**

<p>4.</p>	 <p>William Mwangogo Malombo – {LLB (Hons), Diploma in Law}</p>	<p>Mr. William Malombo joined the Office of the Attorney General in 1993 as a State Counsel II.</p> <p>William has risen through the ranks to the position of Chief State Counsel. He has a wealth of experience in succession matters as a head of station in Public Trustee Machakos Office and Public Trustee Nairobi Office where he heads the Conveyancing Division.</p> <p>He holds an LLB Degree from the University of Nairobi and a Post Graduate Diploma from the Kenya School of Law.</p>
<p>5.</p>	 <p>Antony M Gilbert {BCOM, CPA(K)}</p>	<p>Mr. Murithi joined the Civil Service in 1991. He has worked in several Ministries as an Accountant. He is currently heading the Accounts docket in the Office of the Public Trustee, holding the title of Deputy Accountant General.</p> <p>He holds a Bachelor of Commerce degree from the Kenya College of Accountancy (KCA) University. He is a Certified Public Accountant (CPA-K). He is a member of Institute of Certified Public Accountants of Kenya.</p>

4. Public Trustee Statement

I have the pleasure of presenting the Public Trustee Report for the financial year 2024/2025. 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 1st July, 2024 to 30th June, 2025. The financial information presented is prepared in line with Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

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. The Office also discharges duties relating to custodianship of wills and management of income generating properties where the Public Trustee is an administrator of the estate of a deceased person.

Timely distribution of assets by this Office empowers beneficiaries and enables them to participate in economic development and wealth creation. In uplifting the lives of children, widows and widowers who are poor, weak and vulnerable, the Office participates in the realization of the government's development agenda of guaranteeing a prosperous nation with high a quality of life.

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, Garissa, 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.

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 Public Trustee has made considerable progress in the automation of the payment system and on-boarding Public Trustee Services on the e-citizen platform.

The automation of administration of estates and administration of trusts processes has been done and uploaded on the server and user testing is ongoing. This will go a long way in;

- (i) Enhanced revenue collection;

Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.

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

In the 2024/2025 financial year, the Office finalized administration of 4,508 estates and trusts and disbursed approximately Kshs.2.4 billion to widows and widowers. The Office further paid one thousand beneficiaries, over Kshs.10 million on the crystallization of matured trusts to the youth, thereby facilitating advancement of higher education, entry into entrepreneurship and establishment of business ventures.

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 continue enhancing our client-centric journey and working towards realising our vision of being a trustee of choice.

It is my pleasure to present the Annual Report for the year ended 30th June, 2025. The Statement of financial position reflects cash and cash equivalents of Kshs.2,633,536,933.00 for the year 2024/2025 while in the year 2023/2024 it was Kshs.3,013,435,149.00. This variance was as a result of increased Investment in Treasury Bills during the year under review. The Department achieved a surplus of Kshs.383,943,167.00 for the financial year under review compared with a surplus of Kshs. 293,875,704.00 for the 2023/2024 financial year.

Factors contributing to the results were marginal increase in total revenue during the year under review and increased Investment in Treasury Bills resulting to higher interest received during the year.



Lucy W. Mugo

Head, Public Trustee

Date: 26/11/2025

Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.

5. Statement of Public Trustee Performance against Predetermined Objectives for FY 2024/2025

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 Sub Counties to sensitize them on their powers and legal obligations under the law and sensitize them on the Public Trustee Act	No of meetings with ex-officio agents	<ul style="list-style-type: none"> • Develop guidelines • Hold consultative forums • Benchmark for best practices 	Guidelines developed and designated. 12 meetings held with ex-officio agents where Deputy County Commissioners were sensitised on the law of Succession Act and the Role of Ex-officio Agents, their duties and obligations under the Act.
Draw and submit Public Trustee annual financial statement in compliance with the Public Finance Management Act by 31 st August, 2025	Compliance with statutory requirements Enhance accountability	Preparation and Submission of the Annual Financial statement.	<ul style="list-style-type: none"> • Draw and submit Public Trustee annual financial statement in compliance with the Public Finance Management Act by 31st August 2025 	Public Trustee annual financial statement prepared and submitted on 31 st August, 2025
Raise revenue in the sum of Kshs. 60.5 million	Enhance revenue collection	Amount of revenue collected	<ul style="list-style-type: none"> • Finalize estates and trusts • Monitor revenue 	Revenue collected in the sum of Kshs. 77.7 million

Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.

			<p>collection by Head Office and Regional Offices</p> <ul style="list-style-type: none"> • Monitor revenue collection and filing of returns by Ex-Officio agents of the Public Trustee 	
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.
Create awareness - on the law of succession and the role of the Public Trustee in succession matters in 3 counties	Enhanced awareness on the law of succession and the role of the Public Trustee	Members of the public sensitised on the law of succession and the role of the Public Trustee in succession matters	Prepare a program for public awareness Develop and disseminate guidelines Undertake sensitization	Creation of awareness undertaken in 5 counties namely, Mombasa, Kisumu, Nakuru, Nairobi and Kiambu

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.

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.**

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 Kshs. 6,656,694,439.00.

The Management Team

The 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 of 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 2024/2025 total revenue amounts to Kshs.1,036,422,744.00 compared to Kshs.941,126,326.00 for 2023/2024 financial year. In the year 2022//2023 total revenue was Kshs.731,976,993.00. 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 4,508 Estates and Trusts and disbursed Kshs2.4 billion in 2024/25 financial year, while in the year 2023/2024, 4,086 Estates and Trusts were finalised and Kshs2.6 billion disbursed to the beneficiaries who include 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.

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. It is expected that the system will be web-based to facilitate access of information and Public Trustee services by the public,

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 27th June, 2023 gave an approval for decentralization of Office of the Attorney General and Department of Justice services to 47 counties. The Attorney General has constituted a decentralization committee to implement the decentralization of services of Office of the Attorney General and State Department of Justice Human Rights and Constitutional Affairs.

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, namely, County Commissioners, Deputy County Commissioners in the Counties and Sub-Counties where Public Trustee Offices have not been established. The jurisdiction of *ex-officio* agents is estates with a gross value of Ksh.100,000.00 and below.

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

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.**

Results

Pursuant to the Public Finance Management Act and the Public Trustee Act, I hereby submit the Annual Report for the year ended June 30th, 2025.

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 30th, 2025 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

Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.

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.

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** – Officers require training to enable them carry out their duties in the office of the Public Trustee. 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. Inadequate archival space
10. Illiteracy by members of the public making it difficult for them to adequately follow-up on their matters especially where court processes are involved

Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.

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. Other sensitization engagements were undertaken in churches and other social media forums.

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 30th June, 2025, 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.

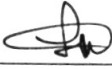
Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30th, 2025.

Approval of the Financial Statements

The Public Trustee financial statements were approved and signed by the Public Trustee on 26/11/2025, 2025.



Lucy W. Mugo
Head, Public Trustee
Date: 26/11/2025



CPA Irene M. Mbogo
Senior Deputy Acc. General,
ICPAK. M/NO: 6867
Date: 26/11/2025

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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, 2025

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 20, which comprise of the statement of financial position as at 30 June, 2025, 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 possible 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, 2025, 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.70,981,817 as disclosed in Note 15 to the financial statements. This amount is held at Imperial Bank, which was placed under receivership by the Central Bank of Kenya on 13 October, 2015 and the Kenya Deposit Insurance Corporation appointed as receiver.

However, 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, only Kshs.1,018,183 out of Kshs.4,072,732 was remitted to the Public Trustee of Kenya as at 30 June, 2025, leaving a balance of Kshs.3,054,549. Therefore, the 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.70,981,817 could not be confirmed.

2. Uncleared Payments in the Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.2,633,536,933 as disclosed in Note 12 to the financial statements. However, review of the cashbook, bank statements and other financial records held at the Headquarters and various stations revealed that uncollected National Bank of Kenya cheques amounted to Kshs.6,170,401, while unrepresented cheques for Public Trustee Estates account amounted to Kshs.4,049,477 and unrepresented cheques of Kshs.21,292,905 from Public Trustee Administration Account.

Further review, indicated that Kshs.1,376,855,743 held in Administration Account from where beneficiaries are paid, had unrepresented cheques amounting to Kshs.21,441,240 drawn between January and June, 2025

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.2,633,536,933 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 prior year's audit report, 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. Review of the status during the audit of the Public Trustee in Financial Year 2024/2025 revealed that the following six (6) issues remained unresolved:

S/No.	Financial Year	Issue
1	2023/2024	Long Outstanding Deposits
2	2023/2024	Failure to Automate Beneficiaries' Financial Records
3	2023/2024	Understaffing of Key Staff Positions
4	2023/2024	Lack of an Operational and Approved Enterprise Risk Management Strategy
5	2023/2024	Management of the Public Trustee Agents' Activities

Other Information

The Management is responsible for the Other Information set out on pages iv to xxi 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else 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

1. Unclaimed Estates Beneficiary Fund

The Public Trustee has not opened an Unclaimed Estates Account where funds for untraceable beneficiaries would be placed under observation for seven (7) years and if they remained unclaimed, they would be transferred to the Consolidated Fund. This is contrary to Section 12(5) of the Public Trustee Act, which requires that estates be distributable by the Public Trustee according to the ordinary rules of law within a period not exceeding twelve (12) years computed from the date of the completion of the account; and on the expiry of that period all estates or portions thereof in respect of which no claim has been lodged with the Public Trustee to lapse or be surrendered to the Government.

In the circumstances, the management is in breach of the law.

2. Failure to Establish an Investment Board

The statement of financial position reflects investments balance of Kshs.210,413,748 as disclosed in Note 16 to the financial statements. However, it was noted that the Public Trustee has been operating without a Public Trustee Investment Board, contrary to Section 5(e)(1) of the Public Trustee (Amendment) Act, 2018, which established the Public Trustee Investment Board, comprise of the Solicitor-General as the Chairperson, the person for the time being in charge of public investment and portfolio management at The National Treasury or a designated representative, and one advocate having at least ten years' experience nominated by the Law Society of Kenya.

In the circumstances, the effectiveness of the investment decisions could not be confirmed and Management was in breach of the law.

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 THE 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 manually with over 50,000 ledgers and an average annual disbursement of Kshs.3,000,000,000 to beneficiaries in the Headquarters and twelve (12) Regional offices. Despite reasonable precautions to guard against damage, the records have deteriorated over time and the task of updating them remains challenging.

In the circumstances, failure to perform periodic risk assessments may lead to losses, inefficient management and delays in processing beneficiaries' financial transactions.

2. Unconfirmed Beneficiaries Funds

The statement of financial position reflects total non-current liabilities balance of Kshs.7,122,663,050 as disclosed in Note 17 to the financial statements, which includes an amount of Kshs.6,656,694,439 relating to beneficiaries' funds. However, the analysis and disclosure Note indicate that the beneficiaries' fund contains unallocated funds amounting to Kshs.4,369,503 received in the bank for which the beneficiaries' details had not been identified.

In the circumstances, the effectiveness and control of identifying beneficiaries' funds deposited in the Public Trustee's account could not be confirmed.

3. 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 staffing requirements revealed that the Headquarters has two (2) accountants against the required number of five (5) accountants. Further, four Regional offices of Kakamega, Kericho, Kisii and Meru did not have accountants, while in the Nakuru Regional office, the Accountant was set to retire by December, 2025 without evidence of a succession plan.

In the circumstances, the lack of effective internal control measures poses the risk of error and misstatements in the accounting records.

4. 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. This was contrary to 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 mechanisms and a system of risk management and internal control that builds 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.

5. 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 into the revenue collection account of the State Law Office. However, no appointment letters were issued to collectors of revenue from the Receiver of Revenue. This was contrary to Regulation 63 (1) of the Public Finance Management (National Government) Regulations, 2015, which states that the Receiver of Revenue shall authorize a public officer or any National Government entity to act as a collector of revenue for the national government, for the collection of and accounting of such revenue items as the Receiver of Revenue may specify.

Further, surrenders of revenue collected, the returns on the value of the estate administered and balances in the books of accounts were not provided to the Public Trustee regularly.

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

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 the 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, CBS
AUDITOR-GENERAL

Nairobi

2 December, 2025

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

12. Statement of Financial Performance for the year ended 30 June 2025

	Note	2024/2025	2023/2024
		KSHS	KSHS
Revenue			
Income From Non-Exchange Services			
Public Trustee Fees	5(a)	77,745,419	75,027,482
Income From Exchange Services			
Finance income- External Investments			
Interest earned from investment in Treasury Bills & Deposits	6(a)	623,248,624	318,786,617
Interest received on current Account	7	109,512,837	200,576,367
Other income	8	2,052,867	1,627,734
Finance income- outstanding receivables			
Accrued interest on Treasury bills & Deposits	9	223,862,996	345,108,126
Total revenue		1,036,422,744	941,126,326
Expenses			
Administrative Expenses	10	25,825,430	21,935,969
General Expenses	1,009,021 11	906,897	555,465
Total Expenses		26,732,327	22,491,434
Surplus/(Deficit)before appropriation			918,634,892
Public Trustee Fees		77,745,419	75,027,482
Interest paid Less of Provision	6(c)	82,033,221	17,273,270
Provision for interest due to beneficiaries	18	465,968,611	532,458,435
Surplus/(Deficit) after appropriation		383,943,167	293,875,704

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: 26/11/2025

.....


CPA Irene M. Mbogo
Senior Deputy Acc. General
ICPAK. M/NO: 6867
Date: 26/11/2025

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**


13. Statement of Financial Position as at 30th June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents			
Bank Balances	12	2,633,536,933	3,013,435,149
Receivable from Non Exchange Transactions			
Treasury Bills	13	7,633,363,193	6,748,874,065
Interest Receivable	14	226,028,486	345,108,126
Total Current Assets		10,492,928,612	10,107,417,340
Non-Current Assets			
Deposits	15	70,981,817	108,381,817
Investments	16	210,413,748	240,107,686
Total Non-Current Assets		281,395,565	348,489,503
Total Assets		10,774,324,177	10,455,906,843
Non-Current Liabilities			
Beneficiaries Fund	17(a)	6,656,694,439	6,655,730,447
Interest provision due to beneficiaries	18	465,968,611	532,458,435
Beneficiaries Fund		7,122,663,050	7,188,188,883
Total Non-Current Liabilities		7,122,663,050	7,188,188,883
Other Assets			
Accumulated Surplus		3,267,717,960	2,973,842,256
Surplus/(Deficit)for the Year		383,943,167	293,875,704
Total Net Assets		3,651,661,127	3,267,717,960
Total Net Assets and Liabilities		10,774,324,177	10,455,906,843

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

.....

 Lucy W. Mugo
 Head, Public Trustee
 Date: 26/11/2025

.....

 CPA Irene M. Mbogo
 Senior Deputy Acc. General
 ICPAK. M/NO: 6867
 Date: 26/11/2025

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

14. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Retained earnings
	Kshs
As at July 1, 2023	2,964,439,489
Prior Year Adjustments	9,402,767
Surplus/(Deficit)for the year	293,875,704
As at June 30,2024	3,267,717,960
As at July 1, 2024	3,267,717,960
Prior year adjustment	0
Surplus/(Deficit)for the year	383,943,167
As at June 30,2025	3,651,661,127

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

15. Statement of Cash Flows for the year ended 30th June 2025

		2024/2025	2023/2024
	Notes	KSHS.	KSHS.
Cash flows from operating activities			
Receipts			
Other Income	8	2,052,867	1,627,734
Total Receipts		2,052,867	1,627,734
Payments			
Administrative Expenses	10	25,825,430	21,935,969
General Expenses	11	906,897	555,465
Total Payments		26,732,327	22,491,434
		(24,679,460)	(20,863,700)
Net cash flow from operating activities			
Cash Flow From Investing Activities			
Receipts			
Interest received from investment in treasury bills & deposits	6(b)	966,191,260	538,783,448
Interest received from current accounts	7	109,512,837	200,576,367
Increase/(Decrease) in treasury bills	13	(884,489,128)	(1,266,957,590)
Increase/(Decrease) in investments	16	29,693,938	0
Increase/(Decrease) in Deposits	15	37,400,000	0
Net Cash flow from investing activities		258,308,909	(527,597,775)
Cash flow from financing activities			
Receipts			
Receipts from administration account	17(b)	2,231,498,804	2,197,229,416
Receipts from trust account	17(b)	229,227,063	285,777,416
Total receipts from financing activities		2,460,725,867	2,483,006,832
Payments			
Advances and final dues administration account	17(c)	2,262,042,403	2,432,274,611
Advances and final dues trust account	17(c)	197,719,470	149,611,098
Interest paid	17(d)	614,491,657	557,642,016
Total payments		3,074,253,530	3,139,527,725
Net cash inflows from financing activities		(613,527,663)	(656,520,893)

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

		2024/2025	2023/2024
Net increase(decrease) in cash and cash equivalents		(379,898,214)	(1,204,982,368)
Cash and cash equivalents as at 1st July 2024		3,013,435,148	4,218,417,516
Cash and cash equivalents as at 30th June 2025		2,633,536,933	3,013,435,148

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 30th June, 2025.

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

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

(Notes to the Financial Statements continued)

transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. However, during the year, Public Trustee did not have such revenue.

(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.

(Notes to the Financial Statements continued)

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 30th 2025 as well as the preceding financial year (year ended June 30th 2024) for comparative purposes.

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

(Notes to the Financial Statements continued)

In order to make the financial statements more concise and clearer, 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 30th, 2025.

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

(Notes to the Financial Statements continued)

5. Public Trustee Fee

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	2024/2025	2023/2024
	Kshs	Kshs
Administration- Nairobi	12,080,822	12,501,427
Trust Estates-Nairobi	18,329,071	15,198,003
Nakuru- Administration	5,161,536	5,074,344
Nyeri- Administration	8,327,318	4,124,578
Machakos-Administration	7,959,914	6,468,027
Malindi- Administration	911,486	1,183,999
Mombasa- Administration	4,135,478	4,901,697
Embu- Administration	2,044,221	2,425,978
Eldoret- Administration	6,980,018	5,263,124
Kakamega- Administration	4,594,072	4,920,074
Kisii- Administration	2,278,169	4,609,715
Kisumu- Administration	2,733,195	3,194,209
Garissa- Administration	31,868	210,257
Meru- Administration	1,625,513	4,952,052
Kericho-Administration	552,738	0
Total	77,745,419	75,027,483

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.2,611,364.00

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

Account	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Administration Account	708,374,615	391,415,990
Public Trustee Trust Estates	138,188,410	56,899,850
Public Trustee Investment	32,657,425	28,066,320
Public Trustee Sundry	86,970,810	59,077,125
Interest on Deposit	2,165,490	3,324,163
Total	968,356,750	538,783,448
Less: Receivable	345,108,126	219,996,831
Total	623,248,624	318,786,617

Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

(Notes to the Financial Statements continued)

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

Accounts	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Administration Account	708,374,615	391,415,990
Public Trustee Trust Estates	138,188,410	56,899,850
Public Trustee Investment	32,657,425	28,066,320
Public Trustee Sundry	86,970,810	59,077,125
Sub total	966,191,260	535,459,285
Interest on Deposit	0	3,324,163
Total	966,191,260	538,783,448

c). Interest Paid Less of provision

Details	2024/2025	2023/2024
	Kshs	Kshs
Interest Paid	614,491,657	557,642,016
Interest Provision to Beneficiaries FY 2023/2024	532,458,435	540,368,746
Total	82,033,222	17,273,270

7. Interest Received on Current Account

Accounts	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Administration Accounts	67,339,481	141,210,903
Public Trustee Trust Estate Account	38,017,466	54,486,440
Public Trustee Investment Income Account	2,975,341	2,896,165
Public Trustee Sundry Expenses Account	1,180,549	1,982,859
Total	109,512,837	200,576,367

8. Other Income

Details	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Administration account	2,011,267	1,262,434
Public Trustee Trust account	41,600	365,300
Total	2,052,867	1,627,734

Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

(Notes to the Financial Statements continued)

9. Accrued Interest on Treasury Bills and deposits

	2024/2025	2023/2024
Details	Kshs	Kshs
Interest receivable on deposits	0	1,316,124
Interest receivable on treasury bills	223,862,996	343,792,001
Total	223,862,996	345,108,125

10. Administrative Expenses

Details	2024/2025	2023/2024
	Kshs	Kshs
Daily Subsistence Allowance	16,874,200	14,071,430
Field services	8,853,050	7,709,500
Sub total	25,727,250	21,780,930
Financial Cost	98,180	155,039
Total	25,825,430	21,935,969

11. General Expenses

Details	2024/2025	2023/2024
	Kshs	Kshs
Hospitality Supplies and Services	42,699	61,550
Repairs and Maintenance	169,000	17,035
Printing, Postages, and courier	695,198	476,880
Total	906,897	555,465

Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.

(Notes to the Financial Statements continued)

12. Cash and cash Equivalents

Accounts	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Administration- Account	1,376,855,743	1,453,930,556
Public Trustee Trust Estates	713,704,373	636,990,275
Public Trustee Investment Account	286,820,723	711,008,707
Public Trustee Sundry Expenses Account	256,156,094	211,505,611
Total	2,633,536,933	3,013,435,149

13. Treasury Bills

Accounts	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Administration- Account	5,410,822,775	5,098,186,825
Public Trustee Investment Account	480,635,300	987,658,050
Public Trustee Trust Account	1,059,161,750	0
Public Trustee Sundry Expenses Account	682,743,368	663,029,190
Total	7,633,363,193	6,748,874,065

14. Interest receivable

Details	2024/2025	2023/2024
	Kshs	Kshs
Interest receivable on deposits	2,165,490	1,316,125
Interest receivable on treasury bills	223,862,996	343,792,001
Total	226,028,486	345,108,126

15. Deposits

Details	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Administration Account	3,981,817	32,750,000
Public Trustee Investment Income Account	62,000,000	70,231,817
Public Trustee Trust Estates Account	5,000,000	5,400,000
Total	70,981,817	108,381,817

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

(Notes to the Financial Statements continued)

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.		
	2024/2025	2023/2024
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 Kshs.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
Sub-total	88,062,403	88,062,403
Deposits- financial institutions under the management of Kenya Deposit, Insurance Corporation and Official Receiver.	122,351,345	142,642,106
Liquidation of Deposits- Thabiti Finance Co. Ltd (Note 18)	-	-
Total	210,413,748	230,704,509

The deposits held in institutions under the management of Kenya Deposits, insurance Corporation and official Receiver increased by Ksh.9,403,177.00 due increase of deposits at trade bank (In Liquidation), creditors category not included earlier.

17. (a) Beneficiary Fund

Analysis	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Trust estate account	1,266,163,149	1,195,516,173
Add: Provision for the Year	88,631,420	95,641,294
Trust Estates Total Beneficiary fund	1,354,794,569	1,291,157,467
Public trustee Administration Account	5,390,531,290	5,460,214,274
Add: Provision for the year	377,337,190	436,817,142
Administration Total Beneficiary fund	5,767,868,480	5,897,031,416
Total Beneficiary Fund	7,122,663,050	7,188,188,882
Less: Provision for the year	465,968,611	532,458,435
Beneficiary Fund	6,656,694,439	6,655,730,447

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

(Notes to the Financial Statements continued)

The beneficiary fund of Kshs.6,657,378,317.00 includes funds received in bank amounting to Ksh.4,369,503.00 whose beneficiaries' details were yet to be received by the Public trustee.

17.(b) Beneficiary Fund Receipts

	2024/2025	2023/2024
	Kshs.	Kshs.
Receipts		
Trust Estates	229,227,063	285,777,416
Administration Estates	2,231,498,804	2,197,229,415
TOTAL RECEIPTS	2,460,725,867	2,483,006,831

17.(c). Beneficiary Receipts and Payments

Details	2024/2025	2023/2024
	Kshs.	Kshs.
Opening Balance	6,655,730,446	6,754,609,324
Add: Total Receipt	2,460,725,867	2,483,006,831
Subtotal	9,116,456,313	9,237,616,155
Less Total Payments		
Advances and Final-Trust Estates	197,719,770	149,611,098
Advances and Final Dues-Administration Estates	2,262,042,404	2,432,274,611
Sub Total	2,459,761,874	2,581,885,709
Closing Balance	6,656,694,439	6,655,730,446

17.(d). Interest Paid to Estates

MONTH	2024/2025	2023/2024
	Kshs.	Kshs.
July 2024	6,749,983	7,278,942
August 2024	28,737,943	24,887,621
September 2024	2,502,352	5,682,334
October 2024	10,429,732	21,467,357
November 2024	33,173,191	22,434,066
December 2024	9,988,647	3,665,166
January 2025	39,797,377	6,772,200
February 2025	5,201,988	39,545,441
March 2025	176,417,837	275,819,673
April 2025	262,968,663	80,949,018
May 2025	29,980,783	12,945,218
June 2025	8,543,161	56,194,980
TOTAL	614,491,657	557,642,016

(Notes to the Financial Statements continued)

18. Provision due to beneficiaries –Interest

Details	2024/2025	2023/2024
	Kshs	Kshs
Public Trustee Administration Estates	377,337,190	436,817,141
Public Trustee Trust Estates	88,631,421	95,641,294
Total	465,968,611	532,458,435

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

There was no prior year adjustment for the 2024/2025 financial year report.

20. Currency

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

21. Immovable Properties

Public Trustee does not own immovable properties. However, Public Trustee is holding a total of three and sixty (360) documents of ownership of property which are in the names of deceased persons. The documents are held awaiting transfer of assets upon completion of legal processes.

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

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)
1800. Deposits	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 th November 2007 respectively. The National treasury granted approval for the write-off vide letter ref: AG.3/77 VOL.9 (84)	SOLICITOR GENERAL AND PUBLIC TRUSTEE	RESOLVED	Date: 12 th November , 2024
1800. Deposits	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 28 th December, 2018 leaving an outstanding balance of Kshs. 72 million. By a letter dated 7 th 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	SOLICITOR GENERAL AND PUBLIC TRUSTEE	PARTIALLY RESOLVED	ON GOING

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

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)
		Trustee as part payment as at 20 th June, 2020 after KCB Ltd assumed certain assets and liabilities of Imperial Bank Ltd. Out of a sum of Kshs. 4,072,732.00 KCB deposited Kshs. 1,018,183 to the Public Trustee Bank Account on 27 th February 2023. The Office has written to KCB requesting for payment of the balance of Kshs. 3,054,549.00.			
1803. Failure to Automate Beneficiaries Financial records.	The Committee recommends that the Accounting Officer roll out full automation within three (3) months of adoption of this report.	<p>The Public Trustee is in the process of automating the payment system and on-boarding Public Trustee Services on the e-citizen platform.</p> <p>The automation of administration of estates and administration of trusts processes has been done and uploaded on the server for piloting. It can be accessed through http://publictrustee.ecitizen.go.ke</p> <p>Development of frontend and backend Public Trustee business processes by Officers from e-citizen is 95% complete.</p> <p>Once the development of the remaining 5 % of frontend and backend business processes is completed and integrated</p>	SOLICITOR GENERAL AND PUBLIC TRUSTEE	NOT RESOLVED	ON GOING

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

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)
		with the estates and trusts processes, the system will go live.			
1805. Lack of an Operational and Approved Enterprise Risk Management Strategy.	The Committee recommends that the Accounting Officer ensures operationalization of the Enterprise Risk Management Strategy within (3) months of adoption of this report.	It is true the office did not have an approved Enterprise risk management Strategy at the time of audit. The office has established the Enterprise Management Committee which is currently formulating the Enterprise Risk Management Policy. Heads of Departments have been sensitized on risk management and Risk Champions have been nominated from the Departments to steer the process. Risk registers and a draft Risk Enterprise Policy have been prepared and are awaiting validation. The process of formulating the Enterprise Risk Management Strategy is ongoing.	SOLICITOR GENERAL AND PUBLIC TRUSTEE	NOT 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;

**Public Trustee of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2025.**

(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: 26/11/2025