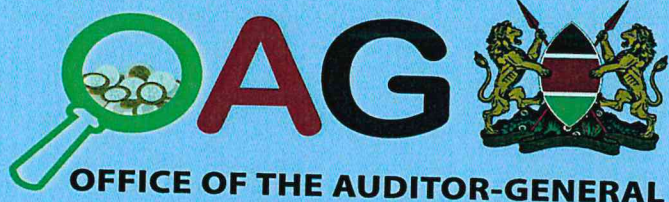


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

DATE: 22 FEB 2022

DAY

TUESDAY

**TABLED
BY:**

LDM

OF

**CLERK-AT
THE TABLE:**

MAINAH

WANJIKU

THE AUDITOR-GENERAL

ON

PUBLIC TRUSTEE OF KENYA

**FOR THE YEAR ENDED
30 JUNE, 2021**



PUBLIC TRUSTEE OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2021

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

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Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

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

b) Principal Activities

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

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

c) Key Management

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

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

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June, 2021 and who had direct fiduciary responsibility were:

NO	Designation	Name
1	Ag Head. Public Trustee	Concepta N. Wasilwa
2	The Chief State Counsel	Dorcas Nyalwidhe
3	The Chief State Counsel	Lucy W. Mugo
4	The Chief State Counsel	Philip Cheruiyot
5	The Chief State counsel	William Malombo
6	The Principal Accountant	Augustine K. Mburu

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

e) 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 as an entity, but also to protect the interests of its clients. The Office has put in place a Risk Management Plan and has established a Risk Management Committee. The Committee is responsible for monitoring risk assessment processes, controls and compliance with an internal risk control framework. The Public Trustee regularly reviews its risk management strategies and policies.

f) Public Trustee of Kenya Headquarters

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

2. KEY ENTITY INFORMATION AND MANAGEMENT

g) Public Trustee of Kenya Contacts

Telephone: (254) 2227461
E-mail: p.t@ag.go.ke
Website: www.attorney-general.go.ke

h) Public Trustee's Bankers

1. National Bank of Kenya,
Harambee Avenue Branch,
P. O. Box 60000-City Square 00200
Nairobi, Kenya.
2. Stanbic Bank,
Kenyatta Avenue Branch,
P. O. Box 30556-GPO, 00100
Nairobi, Kenya.

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

i) Independent Auditors

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

j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112 GPO, 00100
Nairobi, Kenya

3. MANAGEMENT TEAM

Name	Main area of responsibility
1. Concepta N. Wasilwa – LLB (Hons), Diploma in Law	Overall administration and co-ordination of Trustee Services, Estates and Trust funds.
2. Dorcas Nyalwidhe - LLB (Hons), Diploma in Law	Supervising Administration of Estates and Trusts
4. Lucy W. Mugo- LLB (Hons), Diploma in Law	Supervising Administration of Estates and Trusts
5. Philip Cheruiyot- LLB (Hons), Diploma in Law	Supervising Administration of Estates and Trusts
5. William Malombo— LLB (Hons), Diploma in Law	Supervising Administration of Estates and Trusts
6. Augustine Mburu – CPA(K), MBA	Overall Coordination of financial matters.

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

4. REPORT OF THE PUBLIC TRUSTEE

I have the pleasure of presenting the Public Trustee report for the financial year 2020/2021. This report covers the Public Trustee's financial, operational and governance performance in line with our vision and mission. The report reflects performance in Head Office and 12 Regional Offices covering the financial year starting 1st July 2020 to 30th June, 2021. The financial information presented is prepared in line with Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

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

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

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

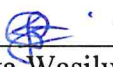
It is my pleasure to present the Annual Report for the year ended 30 June, 2021. Cash and cash equivalents in the year 2020/2021 is Kshs 4,035,072,000 while in the year 2019/2020 was Kshs. 4,783,109,000. This variance was caused by purchase of Treasury Bills towards the end of the

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

year under review. The Division achieved a surplus of Kshs. 205,960,000 for the financial year under review compared with a surplus of Kshs. 165,255,000, during the 2019/2020 financial year.

Factors contributing to the results were:

- Total revenue from activities increased marginally during the year under review.
- The interest provision to beneficiaries increased during the year.
- Corporate investments increased marginally during the year.
- Dedicated staff.



Concepta Wasilwa

Ag. Head Public Trustee

Date..29/01/2022

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

3. CORPORATE GOVERNANCE STATEMENT

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

Vision

To be the trustee of choice through service excellence

Mission

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

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 Division

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

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

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

The Public Trustee is committed to achieving and demonstrating the highest standards of corporate governance. During the year under review, the Division managed beneficiary's funds in the sum of Kenya Shillings 6,586,683,000.

The Management Team

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

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

Investment Committee

The Public Trustee manages beneficiary funds. It has established 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.

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

**4. STATEMENT OF PUBLIC TRUSTEE PERFORMANCE AGAINST
 PREDETERMINED OBJECTIVES FOR FY 2020/2021**

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 40 Sub Counties to sensitize them on their powers and legal obligations under law and sensitize them on the amended Public Trustee Act	No of meetings <i>ex-officio</i> agents	<ul style="list-style-type: none"> • Develop guidelines • Hold consultative forums • Benchmark with best practices 	40 meetings with <i>ex-officio</i> agents held
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"> • Conduct feasibility study • Establish functional offices in the counties with capacity to undertake all mandate areas of the OAG&DOJ. 	Office space allocated to Public Trustee in Kericho
Draw Public Trustee annual financial statement in	Compliance with statutory requirements	Annual Accounts drawn and submitted	<ul style="list-style-type: none"> • Draw Public Trustee annual 	Public Trustee annual financial statement

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

compliance with the Public Finance Management Act and submission of financial statement	Enhance accountability		financial statement in compliance with the Public Finance Management Act and submission of financial statement	prepared and submitted on 30 th September 2021
Raise revenue in the sum of Kshs. 60 Million	Enhance revenue collection	Amount of revenue collected	<ul style="list-style-type: none"> • Finalize estates and trusts • Monitor revenue collection by head office and regional offices • Monitor revenue collection and filing of returns by Ex-Officio agents of the Public Trustee 	Revenue collected in the sum of Kshs. 74.98 Million
Inspection, monitoring and evaluation of all regional offices namely: Malindi, Mombasa, Machakos, Embu, Nyeri, Nakuru,	Enhancement of good governance	No. of regional offices evaluated	Prepare a program for office inspection Develop and disseminate guidelines Undertake inspection, monitoring and evaluation of all	12 regional offices visited

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

Eldoret, Kakamega, Kisii, Kisumu, Garissa and Meru			Public Trustee regional offices	
Create awareness to Chiefs, Assistant County Commissioners and Deputy County Commissioners - on the law of succession and the role of the Public Trustee	Enhanced awareness on the law of succession and the role of the Public Trustee	Chiefs, Assistant County Commissioners and Deputy County Commissioners sensitized	Prepare a program for public awareness Develop and disseminate guidelines Undertake sensitization	43 agents trained

5. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Public Trustee is committed to environmental sustainability for inter and intergenerational equity and was involved in afforestation in Ngong Forest and Ol-kalau in Nyandarua county.

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

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

6. MANAGEMENT DISCUSSION AND ANALYSIS

Organization of the Division

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

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 Division has established regional offices in Kisumu, Malindi, Mombasa, Kakamega, Embu, Nyeri, Kisii, Machakos, Garissa, Meru, Eldoret and Nakuru with a staff strength of 215 Officers.

Sections

The Division 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 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; receives quarterly reports; and undertakes monitoring and evaluation of service delivery to inform recommendations for continual improvement.

Financial performance of the organization

In the 2019/2020 and 2020/21 financial years, the Office finalized administration of 3,758 and 3,366 Estates and Trusts and disbursed approximately Kshs 3.0 billion and 2.7 billion to widows, widowers and young persons whose trusts had matured respectively.

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

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

The Office has embraced Information Communications Technology (ICT) in order to continually improve service delivery and ultimately integrate with other Government Departments, Ministries and Agents. To achieve this objective and in line with e-government policy the Department has submitted a project proposal development of a Public Trustee Business Process Management System (PTBPMS) to replace manual operations in order to cope with increasing demand for accountability and efficiency by the public. It is expected that eventually the PTBMS will be web based to facilitate access to information by the Public through the web.

Decentralization

The OAD&DOJ as a national institution 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 has a public phasing and trustee services are sought after across the Country. The Department in compliance with the requirement by the Constitution to make its services accessible to all Kenyans by decentralising its services to all counties is in the process of opening three offices in Kericho, Bungoma and Murang'a in the next three years. As the Office progresses in the implementation of the decentralisation project, the public will access trustee services through *ex-officio* agents of the Public Trustee notably; County Commissioners/Deputy County Commissioners in the Counties and Sub-Counties where no Public Trustee Offices have not been established.

2.2 Challenges / risks facing the Public Trustee

The effective service delivery has been impeded by the following challenges;

1. **Limited access to Public Trustee services in the counties.** The few 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 sufficient funds.
2. **Inadequate Budgetary Allocation** – The Department has 13 Offices and a high volume of clients and high value base of assets. The budgetary allocation particularly for Regional Offices barely meets their requirements.

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

3. **Lack of digitization of records and inadequate ICT infrastructure** –Public Trustee records are still manual posing a security threat to documents and information. Handling of manual records causes inefficiencies and delays.
4. **Shortage of Accountants** - The Accountant General is the administrator of the scheme of service for accountants and therefore manages recruitment, deployment and transfers. The Department continues to lose accountants through ministerial transfers and natural attrition without replacements. Consequently, accounting services over a long period of time have been adversely affected.
5. **Review of the Public Trustee Rules**

On 23rd March 2015, the Attorney General constituted a taskforce to oversee the review of the Public Trustee Act. The taskforce commenced its work on 27th March 2015. The task force undertook a comprehensive review of the Public Trustee Act culminating in the enactment of the Public Trustee (Amendment) Act No. 6 Of 2018. Before the Act could be fully operationalised, it was declared unconstitutional by the High Court together with 22 other Acts of Parliament on 29th October 2020. The 23 Acts were declared unconstitutional on the application the Senate on the grounds that the National Assembly in passing the Acts had contravened article 110 of the Constitution which requires all Bills concerning powers and functions of County Governments must be referred to the Senate for consideration.

The National Assembly appealed against the decision of the High Court. The matter is still ongoing in court.

7. REPORT OF THE PUBLIC TRUSTEE

The Public Trustee submits this report together with the financial statements for the year ended June 30, 2021 showing the performance and financial status of the Public Trustee.

PRINCIPAL ACTIVITIES

Through administration of estates and trusts, the Public Trustee discharges a constitutional mandate of addressing the needs of children, orphans, widows and widowers identified by the Constitution as vulnerable, weak and marginalized by taking cognizance of the social, economic and cultural realities affecting them.

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

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 PFM Act and the Public Trustee Act, I hereby submit the Annual Report for the year ended June, 30, 2021.

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, 2021 are set out on pages 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 Public Trustee would also like to acknowledge the tremendous contribution of our *ex-officio* agents and other stakeholders in the discharge of her mandate.

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.

8. STATEMENT OF PUBLIC TRUSTEE'S RESPONSIBILITIES

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

In this regard, the Public Trustee is responsible for;

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

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


The Public Trustee accepts responsibility for the entity's financial statements, which have been prepared on the Accrual Basis method of Financial Reporting, using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in accordance with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act. The Public Trustee is of the opinion that the entity's financial statements give a true and fair view of the state of its transactions during the financial year ended June 30, 2021, and of its financial position as at that date.

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


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

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Public Trustee on 28th September, 2021 and signed by:



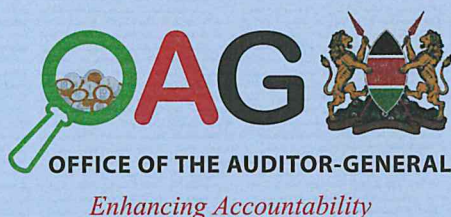
Concepta Wasilwa
Ag. Head Public Trustee
Date.. 25/01/2022



Principal Accountant
CPA Augustine K. Mburu
ICPAK NO. 10823

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 2021

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

- A. Report on the 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 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 government achieves value for money and that such funds are applied for intended purpose.
- 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, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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, 2021 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, 2021, 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. Cash and Cash Equivalents

As disclosed in Note 11 to the financial statements, the statement of financial position as at 30 June, 2021 reflects cash and cash equivalents balance of Kshs.4,035,072,000. However, a review of bank reconciliation statements for the Public Trustee Administration bank accounts held at the Headquarters and various stations across the country revealed payments in cash book not in bank statement (unpresented cheques) amounting to Kshs.14,973,831.

Further, various bank reconciliation statements reflected receipts in bank statements not recorded in cash book totalling Kshs.25,431,528 and payments in bank statements not in cashbook totalling Kshs.38,146 whose clearance status as at the time of audit was not provided for audit verification.

Under the circumstances the accuracy and validity of cash and cash equivalents balance of Kshs.4,035,072,000 as at 30 June, 2021 could not be confirmed.

2. Deposits

As previously reported, the statement of financial position reflects a balance of Kshs.109,400,000 under deposits which, as disclosed in Note 14 to the financial statements, includes an amount of Kshs.72,000,000 held in 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, Imperial Bank Limited (In Receivership) informed the Public Trustee of Kenya through a letter dated 7 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 by the time of the audit. Consequently, recoverability of the balance of Kshs.67,927,268 held at Imperial Bank Limited remains doubtful.

Under the circumstances, the accuracy and existence of deposits balance of Kshs.109,400,000 as at 30 June, 2021 could not be confirmed.

3. Investments

As reported in the previous year, the statement of financial position reflects a balance of Kshs.232,160,000 under investments which, as disclosed in Note 15 to the financial statement, includes an amount of Kshs.144,098,000 described as deposits in financial institutions under the management of the Kenya Deposit Insurance Corporation (KDIC) and the Official Receiver. However, no explanation was provided for failure to seek refund of the dormant deposits.

Further, the dormant deposits of Kshs.144,098,000 includes investments totalling Kshs.29,694,000 held in two (2) financial institutions as detailed below:

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

The two 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 irrecoverability and therefore loss of funds.

Under the circumstances the accuracy and existence of the balance of Kshs.232,160,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Public Trustee of Kenya Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Internal Controls, Risk Management and Governance, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Failure to Automate Beneficiaries Financial Records

A review of financial records revealed that the Public Trustee of Kenya maintained its records in a manual form and had over 50,000 ledgers for beneficiaries in thirteen (13) 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.

Consequently, Public Trustee did not perform periodic risk assessments in relation to beneficiaries' financial records so as 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

A review of staffing in thirteen (13) Regional Offices revealed that six (6) Regional Offices which include Malindi, Kakamega, Kisumu, Kisii, Meru and Embu did not have accountants in service. Further, four posts of records management staff were vacant. This compromised maintenance of effective internal control measures and posed the risk of errors and misstatements in the accounting records.

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee of Kenya's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Public Trustee to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Public Trustee of Kenya to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

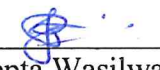
20 January, 2022


Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

**10. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30TH JUNE 2021**

		2020/2021	2019/2020
	<i>Note</i>	KSHS	KSHS
Revenue			
Income From Exchange Services			
Public Trustee Fee	4	74,988,000	75,606,000
Income From Non-Exchange Services			
Finance income- External Investments			
Interest received on Treasury Bills & Deposits	5(a)	160,787,000	204,881,000
Interest received on current Account	6	291,647,000	258,619,000
Other income	7	2,365,000	2,049,000
Finance income- outstanding receivables			
Accrued interest on Treasury bills & Deposits	8	147,527,000	88,703,000
Total revenue		677,314,000	629,858,000
Expenses			
Administrative Expenses	9	13,948,000	1,318,000
General Expenses	10	4,068,000	510,000
Total Expenses		18,016,000	1,828,000
Surplus/(Deficit) before appropriation		659,298,000	628,030,000
Public Trustee Fees Account		74,988,000	75,606,000
Interest paid Less of Provision	5(c)	(23,650,000)	41,169,000
Provision for interest due to beneficiaries	17	402,000,000	346,000,000
Surplus/(Deficit) after appropriation		205,960,000	165,255,000

The notes set out on pages 6 to 16 form an integral part of the Financial Statements


Concepta Wasilwa
Ag. Head Public Trustee
Date.. 25/01/2022



Principal Accountant
CPA Augustine K. Mburu
ICPAK.NO: 10823
Date.. 25/01/2022


Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

11. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

		2020/2021		2019/2020
		KSHS		KSHS
Current Assets				
Cash and Cash Equivalents	11	4,035,072,000		4,783,109,000
Receivable from Non Exchange Transactions				
Treasury Bills	12	5,165,334,000		4,512,450,000
Interest Receivable	13	148,789,000		89,966,000
Total Current Assets		9,349,195,000		9,385,524,000
Non-Current Assets				
Deposits	14	109,400,000		109,400,000
Investments	15	232,160,000		232,160,000
Total Non-Current Assets		341,560,000		341,560,000
Total Assets		<u>9,690,755,000</u>		<u>9,727,084,000</u>
Non-Current Liabilities				
Beneficiaries Fund	16(a)	6,586,683,000		6,884,972,000
Interest provision due to beneficiaries	17	402,000,000		346,000,000
Beneficiaries Fund		6,988,683,000		7,230,972,000
Total Liabilities		<u>6,988,683,000</u>		<u>7,230,972,000</u>
Net Assets				
Accumulated Surplus		2,496,112,000		2,330,857,000
Surplus/(Deficit) for the Year		205,960,000		165,255,000
Total Net Assets		2,702,072,000		2,496,112,000
Total Net Assets and Liabilities		<u>9,690,755,000</u>		<u>9,727,084,000</u>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Public Trustee by:



 Concepta Wasilwa
 Ag. Head Public Trustee
 Date: 25/01/2022


 Principal Accountant
 CPA Augustine K. Mburu
 ICPAK NO: 10823
 Date: 25/01/2022

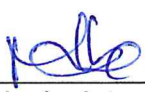
Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

**12. STATEMENT OF CHANGE IN NET ASSETS FOR YEAR ENDED
30TH JUNE 2021**

	2020/2021		2019/2020
	KSHS		KSHS
<i>Balance as at 1st July 2020</i>	2,496,112,000		2,330,857,000
<i>Surplus/(Deficit)for the period</i>	205,960,000		165,255,000
<i>Transfer to/From Accumulated Surplus</i>			
<i>Balance as at 30th June 2021</i>	<u>2,702,072,000</u>		<u>2,496,112,000</u>



Concepta Wasilwa
Ag. Head Public Trustee
Date..25/01/2022



Principal Accountant
CPA Augustine K. Mburu
ICPAK.NO: 10823
Date..25/01/2022

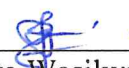
Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021


13. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2021

		2020/2021	2019/2020
	<i>Notes</i>	Kshs.	Kshs.
<i>Cash Flow From Operating Activities</i>			
<i>Receipts</i>			
<i>Other Income</i>	7	2,365,000	2,049,000
<i>Total Receipts</i>		2,365,000	2,049,000
<i>Payments</i>			
<i>Administrative Expenses</i>	9	13,948,000	1,318,000
<i>General Expenses</i>	10	4,068,000	510,000
<i>Total Payments</i>		18,016,000	1,828,000
<i>Net cash flow from operating activities</i>		(15,651,000)	221,000
<i>Cash Flow From Investing Activities</i>			
<i>Receipts</i>			
<i>Interest received from treasury bills& deposits</i>	5(b)	249,490,000	392,677,000
<i>Interest received from current accounts</i>	6	291,647,000	258,619,000
<i>Increase/(Decrease) in treasury bills</i>	12	(652,884,000)	1,200,000,000
<i>Increase/(Decrease) in Deposits</i>			13,000,000
<i>Net Cash flow from investing activities</i>		(111,747,000)	1,864,296,000
<i>Cash flow from financing activities</i>			
<i>Receipts</i>			
<i>Receipts from administration account</i>	16(b)	2,280,787,000	2,133,713,000
<i>Receipts from trust account</i>	16(b)	118,160,000	90,155,000
<i>Total receipts from financing activities</i>		2,398,947,000	2,223,868,000
<i>Payments</i>			

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

<i>Advances and final dues administration account</i>	<i>16(c)</i>	2,599,224,000	2,837,677,000
<i>Advances and final dues trust account</i>	<i>16(c)</i>	98,012,000	144,923,000
<i>Interest paid</i>	<i>16(d)</i>	322,350,000	274,169,000
<i>Total payments</i>		3,019,586,000	3,256,769,000
<i>Net cash inflows from financing activities</i>		(620,639,000)	(1,032,901,000)
<i>Net increase(decrease) in cash and cash equivalents</i>		(748,037,000)	831,616,000
<i>Cash and cash equivalents as at 1st July 2020</i>		4,783,109,000	3,951,492,000
<i>Cash and cash equivalents as at 30th June 2021</i>		4,035,072,000	4,783,109,000

✓ 
 Concepta Wasilwa
 Ag. Head Public Trustee
 Date...25/01/2022


 Principal Accountant
 CPA Augustine K. Mburu
 ICPAK.NO: 10823
 Date...25/01/2022

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

14. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

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

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. Summary of Significant Accounting Policies

a) Revenue Recognition

(i) Revenue from Non-Exchange Transactions

- **Public Trustee Fees**

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

- **Transfers from other Government Entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

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. The entity also earns interest from current account and fixed deposits.

b) Taxes

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

c) Financial instruments

(i) Financial assets

- **Treasury Bills**

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

- **Deposits**

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

d) Provisions for Interest due to beneficiaries

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

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

e) Contingent Liabilities

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

f) Contingent Assets

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

g) Nature and Purpose of Reserves

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

h) Changes in Accounting Policies and Estimates

Public Trustee has recognized the effects of changes in accounting policy retrospectively. We have therefore adopted the accrual basis of accounting for the year ended June 30th 2021 as well as the preceding financial year (year ended June 30th 2020) for comparative purposes.

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

i) Cash and cash equivalents

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

j) Subsequent events

There have been no events subsequent to the end of the financial year with a significant impact on the financial statements for the year ended June 30th, 2021.

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

4. Public Trustee Fees

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

Summary of revenue raised as per table below

STATION	2020/2021	2019/2020
	Kshs	Kshs
<i>Administration- Nairobi</i>	8,364,000	7,638,000
<i>Trust Estates-Nairobi</i>	10,048,000	10,940,000
<i>Nakuru- Administration</i>	7,079,000	6,747,000
<i>Nyeri- Administration</i>	5,913,000	4,405,000
<i>Machako-Administration</i>	8,536,000	6,095,000
<i>Malindi- Administration</i>	1,331,000	267,000
<i>Mombasa- Administration</i>	5,153,000	5,214,000
<i>Embu- Administration</i>	2,331,000	3,200,000
<i>Eldoret- Administration</i>	6,486,000	6,037,000
<i>Kakamega- Administration</i>	8,596,000	13,484,000
<i>Kisii- Administration</i>	5,001,000	4,097,000
<i>Kisumu- Administration</i>	3,976,000	5,484,000
<i>Garissa- Administration</i>	553,000	734,000
<i>Meru- Administration</i>	1,621,000	1,264,000
Total	74,988,000	75,606,000

5.

a) Interest Received on Treasury Bills & Deposits

Account	2020/2021	2019/2020
	Kshs	Kshs
<i>Public Trustee Administration Account</i>	179,958,000	272,663,000
<i>Public Trustee Trust Estates</i>	17,733,000	38,989,000
<i>Public Trustee Investment</i>	29,177,000	60,676,000
<i>Public Trustee Sundry</i>	19,867,000	17,595,000
<i>Interest on Deposit</i>	2,755,000	2,754,000
Total	249,490,000	392,677,000
<i>Less: Receivable</i>	88,703,000	187,796,000
Total	160,787,000	204,881,000

b) Interest Received on Treasury Bills and Deposits

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

Account	2020/2021	2019/2020
	Kshs	Kshs
<i>Public Trustee Administration Account</i>	179,958,000	272,663,000
<i>Public Trustee Trust Estates</i>	17,733,000	38,989,000
<i>Public Trustee Investment</i>	29,177,000	60,676,000
<i>Public Trustee Sundry</i>	19,867,000	17,595,000
Sub total	246,735,000	389,923,000
<i>Interest on Deposit</i>	2,755,000	2,754,000
Total	249,490,000	392,677,000

c) Interest Paid Less of provision

Details	2020/2021	2019/2020
	Kshs	Kshs
<i>Interest Paid</i>	322,350,000	274,169,000
<i>Interest Provision to Beneficiaries Fy 2019/2020</i>	346,000,000	233,000,000
Total	(23,650,000)	41,169,000

6. Interest Received on Current Account

	2020/2021	2019/2020
	Kshs	Kshs
<i>Public Trustee Administration Account</i>	221,783,000	194,059,000
<i>Public Trustee Trust Estate Account</i>	57,939,000	52,042,000
<i>Public Trustee Investment Income Account</i>	3,744,000	5,998,000
<i>Public Trustee Sundry Expenses Account</i>	3,937,000	3,545,000
<i>Regional Offices</i>	4,244,000	2,975,000
Total	291,647,000	258,619,000

7. Other Income

Details	2020/2021	2019/2020
	Kshs	Kshs
<i>Regional Offices</i>	1,774,000	1,364,000
<i>Nairobi</i>	591,000	685,000
Total	<u>2,365,000</u>	<u>2,049,000</u>

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

8. Accrued Interest on Treasury Bills and deposits

	2020/2021	2019/2020
	Kshs	Kshs
<i>Interest receivable on deposits</i>	411,000	73,000
<i>Interest receivable on treasury bills</i>	147,116,000	88,630,000
Total	<u>147,527,000</u>	<u>88,703,000</u>

9. Administrative Expenses

	2020/2021	2019/2020
	KSHS	KSHS
<i>Daily Subsistence Allowance</i>	4,744,000	319,000
<i>Community sensitization</i>	5,410,000	562,000
<i>Field services</i>	3,501,000	376,000
Sub total	13,655,000	1,257,000
<i>Financial Cost</i>	293,000	61,000
Total	<u>13,948,000</u>	<u>1,318,000</u>

10. General Expenses

	2020/2021	2019/2020
	Kshs	Kshs
<i>Hospitality Supplies and Services</i>	823,000	84,000
<i>Repairs and Maintenance</i>	1,511,000	194,000
<i>Printing, Postages, and courier</i>	1,734,000	232,000
Total	<u>4,068,000</u>	<u>510,000</u>

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

11. Cash and cash equivalents

STATION	2020/2021	2019/2020
	Kshs	Kshs
<i>Public Trustee Administration- Account</i>	2,905,428,000	3,477,636,000
<i>Public Trustee Trust Estates</i>	780,507,000	779,589,000
<i>Public Trustee Investment Account</i>	91,069,000	276,967,000
<i>Public Trustee Sundry Expenses Account</i>	258,068,000	248,916,000
Total	4,035,072,000	4,783,108,000

12. Treasury Bills

	2020/2021	2019/2020
	Kshs	Kshs
<i>Public Trustee Administration- Account</i>	3,234,004,000	2,500,000,000
<i>Public Trustee Investment Account</i>	774,658,000	900,000,000
<i>Public Trustee Trust Account</i>	580,628,000	512,450,000
<i>Public Trustee Sundry Expenses Account</i>	576,000,000	600,000,000
Total	5,165,334,000	4,512,450,000

13. Interest receivable

	2020/2021	2019/2020
	Kshs	Kshs
<i>Interest receivable on deposits</i>	1,673,000	1,336,000
<i>Interest receivable on treasury bills</i>	147,116,000	88,630,000
Total	148,789,000	89,966,000

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

14. Deposits

	2020/2021	2019/2020
	Kshs	Kshs
<i>Public Trustee Administration Account</i>	32,750,000	32,750,000
<i>Public Trustee Investment Income Account</i>	71,250,000	71,250,000
<i>Public Trustee Trust Estates Account</i>	5,400,000	5,400,000
Total	109,400,000	109,400,000

15. Investment

<i>Investments refers to deposits held with various financial institutions which were converted into non-cumulative preference shares, ordinary shares and deposits with financial institutions under the management of the Kenya Deposit, Insurance Corporation and The Official Receiver.</i>		
	2020/2021	2019/2020
Details	Kshs	Kshs
<i>Consolidated bank of Kenya Ltd 2,420,005 4% non-cumulative preference shares of Kshs 20@</i>	48,400,000	48,400,000
<i>Consolidated bank of Kenya Ltd 660,000 ordinary shares of Kshs 20@</i>	13,200,000	13,200,000
<i>Kingdom bank Ltd 25,126 ordinary shares of Ksh 1,000@</i>	25,126,000	25,126,000
<i>Trust Bank Ltd 415,761 ordinary shares of Kshs 5@ at a discounted rate of Kshs 4</i>	1,336,000	1,336,000
Sub-total	<u>88,062,000</u>	<u>88,062,000</u>
<i>Deposits- financial institutions under the management of Kenya Deposit, Insurance Corporation and Official Receiver.</i>	144,098,000	144,098,000
Total	<u>232,160,000</u>	<u>232,160,000</u>

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16. (a) Beneficiary Fund

	2020/2021	2019/2020
	Kshs	Kshs
<i>Public Trustee Trust estate account</i>	1,037,420,000	1,022,939,000
<i>Add: Provision for the Year</i>	62,000,000	51,000,000
<i>Trust Estates Total Beneficiary fund</i>	<u>1,099,420,000</u>	<u>1,073,939,000</u>
<i>Public trustee Administration Account</i>	5,549,263,000	5,862,033,000
<i>Add: Provision for the year</i>	340,000,000	295,000,000
<i>Administration Total Beneficiary fund</i>	<u>5,889,263,000</u>	<u>6,157,033,000</u>
<i>Total</i>	<u>6,988,683,000</u>	<u>7,230,972,000</u>
<i>Less: Provision for the year</i>	402,000,000	346,000,000
<i>Beneficiary Fund</i>	<u>6,586,683,000</u>	<u>6,884,972,000</u>

16.(b)

BENEFICIARY FUND RECEIPTS		
	2020/2021	2019/2020
	Kshs.	Kshs.
<i>RECEIPTS: Trust Estates</i>	118,160,000	90,155,000
<i>Administration Estates</i>	2,280,787,000	2,133,713,000
TOTAL RECEIPTS	<u>2,398,947,000</u>	<u>2,223,868,000</u>

16.(c).

BENEFICIARY FUND PAYMENTS		
	2020/2021	2019/2020
	Kshs.	Kshs.
<i>Opening Balance</i>	6,884,972,000	7,643,704,000
<i>Add: Total Receipt</i>	2,398,947,000	2,223,868,000
<i>Subtotal</i>	<u>9,283,919,000</u>	<u>9,867,572,000</u>
<i>Less Payments:</i>		
<i>Trust Estates</i>	98,012,000	144,923,000
<i>Administration Estates</i>	2,599,224,000	2,837,677,000
<i>Sub Total</i>	<u>2,697,236,000</u>	<u>2,982,600,000</u>
<i>Closing Balance</i>	<u>6,586,683,000</u>	<u>6,884,972,000</u>

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16.(d).

INTEREST PAID TO ESTATES		
MONTH	2020/2021	2019/2020
	<i>Kshs.</i>	<i>Kshs.</i>
<i>July</i>		13,131,000
<i>August</i>	3,393,000	5,142,000
<i>September</i>	3,536,000	3,322,000
<i>October</i>	9,794,000	8,650,000
<i>November</i>	4,071,000	7,270,000
<i>December</i>	7,172,000	16,312,000
<i>January</i>	47,460,000	7,066,000
<i>February</i>	2,426,000	7,956,000
<i>March</i>	67,967,000	3,870,000
<i>April</i>	48,645,000	66,305,000
<i>May</i>	9,737,000	3,537,000
<i>June</i>	118,148,000	131,608,000
TOTAL	322,350,000	274,169,000

17. Provision due to beneficiaries -Interest

<i>Details</i>	2020/2021	2019/2020
	<i>Kshs</i>	<i>Kshs</i>
<i>Public Trustee Administration Estates</i>	340,000,000	295,000,000
<i>Public Trustee Trust Estates</i>	62,000,000	51,000,000
Total	<u>402,000,000</u>	<u>346,000,000</u>


The above provision for interests to beneficiaries results from the average 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 was based on six percent interest rate.

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18. Immovable Properties

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

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



✓ Concepta Wasilwa
Ag. Head Public Trustee
Date...25/01/2022



Principal Accountant
CPA Augustine K. Mburu
ICPAK.NO: 10823
Date...25/01/2022

Public Trustee of Kenya
Annual Report and Financial Statements for Financial Year Ended 30th June, 2021

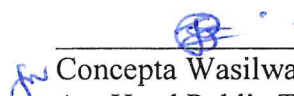
APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

Guidance Notes:

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


 Concepta Wasilwa
 Ag. Head Public Trustee
 Date: 25/01/2022

