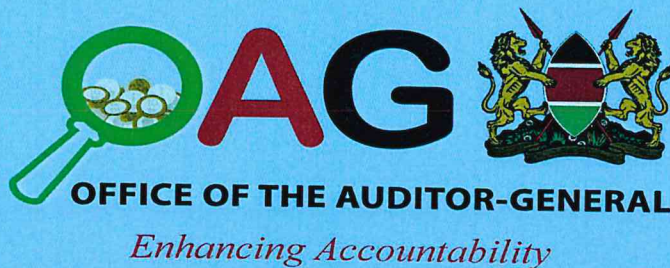


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
REPORT
DATE: 15 OCT 2020 DAY: THURSDAY
TABLED BY: LEADER OF THE MAJORITY
CLERK-AT-THE-TABLE: R. K. TIAMPATI

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**



STATE LAW OFFICE AND DEPARTMENT OF JUSTICE
OFFICIAL RECEIVER

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

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

Reports and Financial Statements

For the year ended June 30, 2019

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

Reports and Financial Statements

For the year ended June 30, 2019

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Principal Activities

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

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

Whereas Section 230 of the Companies Act states;

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

The Core functions of the Official Receiver includes

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

The Official Receiver is answerable to the court.

Vision of the State Law Office

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

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE
OFFICIAL RECEIVER
Reports and Financial Statements
For the year ended June 30, 2019

Mission of the State Law Office

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

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

Vision of the Registrar General Department

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

Mission of the Registrar General Department

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

Core Values

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

Professionalism

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

Quality Service Delivery

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

Integrity and professional ethics

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

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

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE
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- Enhanced Decision Making
- Increased automation to improve operational efficiency

Teamwork and Respect for Diversity

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

Strategic Priorities

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

(c) Key Management

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

No	Designation	Name
1	Solicitor General	Mr. Ken Ogeto
2	Board Of Directors	Business Registration Service
3	Ag. Official Receiver	Mr. Mark Gakuru
4	Ag. Director General BRS	Mr. Kenneth Gathuma
5	Head of Section –Legal	Miss Judy Mugo
6	Head of Section –Accounts and Investment	Mr. Erastus K. Mbalu

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

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

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility

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

**Reports and Financial Statements
For the year ended June 30, 2019**

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

(e) Official Receiver Headquarters

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

(g) Official Receiver Contacts

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

(h) Official Receiver Bankers

1. National Bank of Kenya
Harambee Avenue
P.O. Box 41862 - 00100
Nairobi, Kenya
2. Central Bank of Kenya
Headquarters
P O Box 60000 - 00200
Nairobi, Kenya

**STATE LAW OFFICE AND DEPARTMENT OF JUSTICE -
OFFICIAL RECEIVER**
Reports and Financial Statements
For the year ended June 30, 2019

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE
OFFICIAL RECEIVER
Reports and Financial Statements
For the year ended June 30, 2019

II. STATEMENT OF OFFICIAL RECEIVER RESPONSIBILITIES

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

The Official Receiver in charge of the Office is responsible for the preparation and presentation of the Official Receiver's financial statements, which give a true and fair view of the state of affairs of the Official Receiver for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Official Receiver; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Official Receiver; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Official Receiver in charge of the Office accepts responsibility for the Official Receiver's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Official Receiver is of the opinion that the Official Receiver's financial statements give a true and fair view of the state of Official Receiver's transactions during the financial year ended June 30, 2019, and of the Official Receiver's financial position as at that date. The Official Receiver further confirms the completeness of the accounting records maintained for the Official Receiver, which have been relied upon in the preparation of the Official Receiver's financial statements as well as the adequacy of the systems of internal financial control.

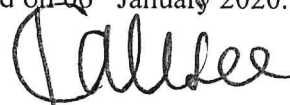
The Official Receiver confirms that the office has complied fully with applicable Government Regulations and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Official Receiver confirms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

Approval of the financial statements

The Official Receiver's financial statements were approved and signed on 06th January 2020.



Ag. Official Receiver



Principal Accountant

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR GENERAL ON STATE LAW OFFICE AND DEPARTMENT OF JUSTICE- OFFICIAL RECEIVER FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of State Law Office and Department of Justice - Official Receiver set out on pages 8 to 17, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments 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, the financial position of the State Law Office and Department of Justice - Official Receiver as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Receivables

The statement of assets and liabilities reflects receivables balance of Kshs.127,726,843 as at 30 June, 2019 which includes a balance of Kshs.41,082,583 due from Deposit Protection Board whose analysis was not availed for audit verification.

In the circumstances, the accuracy, validity and completeness of the receivables balance of Kshs.127,726,843 as at 30 June, 2019 could not be confirmed.

2. Unconfirmed Short-term Deposits and Treasury Bills

The statement of assets and liabilities reflects short term deposits and treasury bills balance of Kshs.339,686,292 as at 30 June, 2019, made up of short-term deposits totalling Kshs.185,273,300 and treasury bills amounting to Kshs.154,412,992. The short term deposits balance of Kshs.185,273,300 was held in seventeen (17) bank accounts

as disclosed in Note 7(a) to the financial statements while the treasury bills balance of Kshs.154,412,992 was in two (2) accounts as disclosed in Note 7(b) to the financial statements. Management did not however, avail bank confirmation certificates for the seventeen (17) short term deposits accounts and the two (2) treasury bills accounts.

In the circumstances, the accuracy and validity of short-term deposits and treasury bills balance of Kshs.339,686,292 as at 30 June, 2019 could not be confirmed.

3. Unsupported Other Revenues

Included in other revenues balance of Kshs.72,102,161 are other receipts not classified elsewhere totalling Kshs.58,532,994 out of which only Kshs.53,658,278 has been supported leaving a balance of Kshs.4,874,716 as unsupported.

In the circumstances, the accuracy, validity and completeness of other revenues balance of Kshs.72,102,161 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of State Law Office and Department of Justice-Official Receiver 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.

Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing Receiver'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 Official Receiver or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Official Receiver's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Official Receiver to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Official Receiver to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

06 October, 2020

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE-
OFFICIAL RECEIVER

Reports and Financial Statements

For the year ended June 30,2019

Statement of Receipts and Payments			
For the year ended June 30,2019			
	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Other Revenues	1	<u>72,102,161</u>	<u>43,357,736</u>
TOTAL REVENUES			
PAYMENTS			
Compensation of Employees	2	4,270,829	4,431,165
Use of goods and services	3	44,280,241	7,818,898
Transfer to other Government Units/CBK	4	3,136,443	3,331,298
Other payments	5	2,304,433	<u>2,318,264</u>
TOTAL PAYMENTS		<u>53,991,946</u>	<u>17,899,626</u>
SUPPLUS/DEFICIT		18,110,215	25,458,109

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 06th January 2020 and signed by;



Ag. Official Receiver



Principal Accountant
ICPAK NO.6469

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE-
OFFICIAL RECEIVER

Reports and Financial Statements

For the year ended June 30,2019

STATEMENT OF ASSETS AND LIABILITIES			
As at June 30,2019			
	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and cash Equivalents			
Bank Balances	6	3,250,173	57,187,049
Short term deposits & Treasury bills	7(a)(b)	339,686,292	269,939,201
Current Assets			
Receivables	8	<u>127,726,843</u>	<u>125,426,843</u>
TOTAL FINANCIAL ASSETS		<u>470,663,308</u>	<u>452,553,093</u>
NET FINANCIAL ASSETS		<u>470,663,308</u>	<u>452,553,093</u>
REPRESENTED BY			
Fund balance	9	452,553,093	427,094,984
Surplus/Deficit for the year		18,110,215	25,458,109
NET FINANCIAL POSITION		<u>470,663,308</u>	<u>452,553,093</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial Statements. The entity financial statements were approved on 06th January 2020 and signed by;



Ag. Official Receiver



Principal
Accountant

ICPAK NO.6469

STATE LAW OFFICE AND DEPARTMENT OF JUSTICE
OFFICIAL RECEIVER

Reports and Financial Statements

For the year ended June30,2019

STATEMENT OF CASH FLOW

For the year ended June30,2019


	Note	2018-2019	2017-2018
		Kshs	Kshs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Reimbursements and Refunds		-	-
Other Revenues	1	<u>72,102,161</u>	43,357,736
		<u>72,102,161</u>	<u>43,357,736</u>
Payments for operating expenses			
Compensation of Employees	2	4,270,829	4,431,165
Use of goods and services	3	44,280,241	7,818,898
Transfer to other Government Units	4	3,136,443	3,331,298
Other expenses	5	<u>2,304,433</u>	<u>2,318,264</u>
		<u>53,991,946</u>	<u>17,899,626</u>
Adjusted for:			
Net Cash flow from operating activities		18,110,215	25,458,110
NET DECREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at the beginning of the year		452,553,093	427,094,984
Cash and cash equivalent at the end of the year		470,663,308	452,553,093

The accounting policies and explanatory notes to these financial statements form an integral part of the financial

Statements. The entity financial statements were approved on 06th January 2020 and signed by;



Ag. Official Receiver



Principal Accountant
ICPAK NO.6469

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

Reports and Financial Statements

For the year ended June 30,2019

SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3 Cash and cash equivalents

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

4 Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

**STATE LAW OFFICE AND DEPARTMENT OF JUSTICE-
OFFICIAL RECEIVER
Reports and Financial Statements
For the year ended June 30,2019
NOTES TO THE FINANCIAL STATEMENTS**

	2018- 2019 Kshs	2017-2018 Kshs
1 OTHER REVENUES		
Interest received	13,502,024	15,640,981
Dividends	67,143	65,000
Rents	-	-
Other receipts not classified elsewhere	<u>58,532,994</u>	<u>27,651,755</u>
	<u>72,102,161</u>	<u>43,357,736</u>
2 COMPENSATION OF EMPLOYEES		
Basic salaries	3,903,029	4,033,745
Pension benefits	-	-
NSSF	259,200	279,720
NHIF	<u>108,600</u>	<u>117,700</u>
	<u>4,270,829</u>	<u>4,431,165</u>
3 USE OF GOODS AND SERVICES		
Discharged Files	24,824,257	-
Travel and subsistence	14,495,932	5,131,125
Insurance costs	54,243	54,243
Contracted Services	2,253,619	1,150,256
Office and general supplies and services	187,200	183,150
Hospitality	346,500	-
Refurbishment	1,380,992	-
Other operating expenses	560,976	876,566
Printing and advertising services	83,520	382,559
Maintenance of vehicles and other equipment	<u>93,002</u>	<u>41,000</u>
	<u>44,280,241</u>	<u>7,818,899</u>
4 TRANSFER TO OTHER GOVERNMENT UNITS/CBK	3,136,443	3,331,298
5 OTHER PAYMENTS		
Creditors	196,800	345,027
Tax paid	2,027,642	1,880,903
Dividends paid	-	21,015
Bank charges	<u>79,991</u>	<u>71,319</u>
	<u>2,304,433</u>	<u>2,318,264</u>

BANK ACCOUNTS

NO	ACCOUNT NAME	2018/2019	2017/2018
1	Bankruptcy Estate Fund	951,603	2,380,316
2	Bankruptcy Contingency Fund	437,565	15,304,527
3	Bankruptcy Investment Income Fund	0	0
4	Companies Liquidation	239,232	21,723,285
5	Companies Contingency Fund	264,355	7,002,590
6	Companies Investment Income Fund	47,122	55,034
7	Rural Urban Credit Finance	415,558	405,227
8	Continental Credit Finance Ltd	120,629	71,145
9	Capital Finance Ltd	6,907	94,590
10	Pioneer Building Society	2,211	110,066
11	Matatu Vehicles Owners Association	9,823	93,800
12	Kenya National Assurance Co. Ltd	2,387	3,129,832
13	E.A Bag & Cordage	5,765	1,380,068
14	Kenya Project & Investment Ltd	10,948	6,925
15	Tropical Building society	6,285	10,116
16	Ken-Ren Chemicals Fertilizers	11,563	4,868,883
17	Nyakio Investments Ltd	8,716	8,716
18	Bankruptcy Estate Fund(M)	314,445	169,734
19	Bankruptcy Estate Fund (K)	387,055	190,612
20	Company Liquidation (M)	8,004	181,583
	TOTAL	3,250,173	57,187,049

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7 (a) CASH EQUIVALENTS(SHORT-TERM DEPOSITS)

NO	ACCOUNT NAME	2018/2019	2017/2018
1	Bankruptcy Estate Fund	13,000,000	0
2	Bankruptcy Contingency Fund	15,000,000	5,000,000
3	Bankruptcy Investment Income Fund	0	0
4	Companies Liquidation	82,894,300	0
5	Companies Contingency Fund	3,420,000	0
6	Companies Investment Income Fund	0	0
7	Rural Urban Credit Finance	1,400,000	1,000,000
8	Continental Credit Finance Ltd	4,643,000	0
9	Capital Finance Ltd	80,000	0
10	Pioneer Building Society	100,000	0
11	Matatu Vehicles Owners Association	1,620,000	1,500,000
12	Kenya National Assurance Co. Ltd	1,500,000	0
13	E.A Bag & Cordage	1,400,000	0
14	Kenya Project & Investment Ltd	780,000	770,000
15	Tropical Building society	1,070,000	1,050,000
16	Ken-Ren Chemicals & Fertilizers	46,500,000	10,000,000
17	Nyakio Investments Ltd	0	0
18	Bankruptcy Estate Fund(M)	656,000	1,000,000
19	Bankruptcy Estate Fund (K)	9,000,000	8,000,000
20	Company Liquidation (M)	2,210,000	2,000,000
	TOTAL	185,273,300	30,320,000

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(b)TREASURY BILLS

NO	ACCOUNT NAME	2018/2019	2017/2018
1	Bankruptcy Estate Fund	81,951,772	91,287,115
2	Continental Credit Finance Ltd	72,461,220	23,511,611
3	Ken-Ren Chemicals & Fertilizers	0	124,820,474
	Total	154,412,992	239,619,200

8 RECEIVABLES

		2018/2019	2017/2018
	Consolidated bank (Shares)	86,644,260	77,144,260
	Deposit Protection Board	41,082,583	48,282,583
	Total	<u>127,726,843</u>	<u>125,426,843</u>

9 FUND BALANCE

		2018/2019	2017/2018
	Bank accounts	3,250,173	57,187,049
	Cash equivalent	339,686,292	269,939,201
	Receivables	<u>127,726,843</u>	<u>125,426,843</u>
		<u>470,663,308</u>	<u>452,553,093</u>

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue Observations from Auditor	Management Comments	Focal point person to resolve the issue (Name and Designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Comparative figures	The Financial statements of the official receiver for the year ending 30 TH June 2018 did not overstate the figures in the financial statements since the certificates of bank balances of bankruptcy estate and company liquidation had been availed to the auditors for scrutiny in the comparative year.	Principal Accountant	The issue has been discussed in Public Accounts Committee level	-
1.2	Casting Error	It is true there was a casting error of Kshs. 500 in the financial statement for the period but the financial statements has now been adjusted accordingly.	Principal Accountant	The explanation given to the auditors	-
1.3	Statement of Cash flow	The Financial statements of the official receiver for the year ending 30 TH June 2018 did not overstate the figure of receivables hence the accuracy was not compromised	Principal Accountant	Resolved	.
2	Receivables	The Financial statements of the official receiver for the year ending 30 TH June 2018 did not overstate the figure of receivables.	Acting Official Receiver	The current certificate of confirmation has been obtained and current status correctly stated.	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial Statements. The entity financial statements were approved on **06th January 2020** and signed by;

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end, positioned above a horizontal line.

Ag. Official Receiver

A handwritten signature in black ink, appearing to read 'Fahim', positioned above a horizontal line.

Principal Accountant

ICPAK NO.6469

