

MINISTRY OF FINANCE AND PLANNING



THE TREASURY  
P.O. Box 30007  
NAIROBI

Ref. DGIPE/A/1/10

TREASURY CIRCULAR NO. 12/2002

29<sup>th</sup> November 2002

To: All Accounting Officers  
All Chief Executives of the State Corporations

*SEC*  
*To include*  
*CRMs*  
*and*  
*staff*  
*28/11*

**FINANCIAL MANAGEMENT OF STATE CORPORATIONS:  
INVESTMENT OF SURPLUS FUNDS IN TREASURY BILLS AND  
TREASURY BONDS**

It is noted with concern that some State Corporations have not been complying with the requirements of the Treasury Circular No.10 issued on the 15<sup>th</sup> July 1992 detailing the directions of the Cabinet for strengthening financial management and control in the State Corporations. This has occasioned in some cases losses of funds by these Corporations to some commercial banks.

It is therefore reiterated that all State Corporations must continue investing their surplus funds in Treasury Bills and Treasury Bonds and seek Treasury approval to invest in commercial banks and financial institutions. However, take note that the returns on all balances held in Treasury Bills/Bonds, commercial banks, financial institutions and all other institutions should from now onwards be submitted to the Treasury on a quarterly basis.

This circular is a reminder of the circular issued on 15<sup>th</sup> July 1992 whose instructions should continue to be adhered to.

JOSEPH K. KINYUA  
PERMANENT SECRETARY  
MINISTRY OF FINANCE AND PLANNING