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THE AUDITOR-GENERAL

ON

**ETHICS AND ANTI-CORRUPTION
COMMISSION**

**FOR THE YEAR ENDED
30 JUNE, 2024**



ETHICS AND ANTI - CORRUPTION COMMISSION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

Ethics & Anti-Corruption Commission
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for the year ended June 30, 2024

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1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
ODPP	Office of the Director of Public Prosecutions
PPE	Property, Plant and Equipment

B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period

The Act- Means the Ethics and Anti-corruption Act, 2011

2. Key Entity Information and Management

(a) Background information

The Ethics and Anti-Corruption Commission (EACC) was established under the Ethics and Anti-Corruption Act, 2011. The EACC is domiciled in Kenya and has Regional Offices in Western (Bungoma), North Rift (Eldoret), North Eastern (Garissa), Upper Eastern (Isiolo), South Nyanza (Kisii), Central Nyanza (Kisumu), Lower Eastern (Machakos), Upper Coast (Malindi), Lower Coast (Mombasa), South Rift (Nakuru), and Central (Nyeri).

The EACC is structured in an elaborate framework for performance of its functions as enumerated in the EACC Act, 2011. The Chairperson of Commission leads a team of Commissioners who are in charge of policy, oversight and strategy. The Commission Secretary who is also the Chief Executive Officer leads the Secretariat. The Secretariat functions are structured in to Directorates of Investigations; Legal Services and Asset recovery; Ethics and Leadership; Preventive Services; Corporate Services; Finance and Planning; and Field Services and Coordination. Each Directorate is headed by a director. Further, there are independent units such as Supply Chain, Internal Audit, and National Integrity Academy that report directly to the Chief Executive Officer.

(b) Principal Activities

The Principal Mandate of the Commission is to combat and prevent corruption, economic crimes and unethical conduct through law enforcement, prevention, public education and promotion of ethical standards and practices. The mandate is derived from Articles 79 and 252 of the Constitution; the EACC Act, No.22 of 2011; the Leadership and Integrity Act (LIA) Act No.19 of 2012; Public Officers Ethics Act, No. 4 of 2003; Anti-Corruption and Economics Crimes Act No. 4 of 2003; and the Bribery Act, No.47 of 2016 among other relevant laws and legislation.

Vision	:	An Integrity and Values -driven Kenyan Society.
Mission	:	To promote integrity and combat corruption through law enforcement, prevention and education.
Core Objectives	:	Law Enforcement; Promotion of Ethics and Integrity, Prevention of Corruption and Unethical Practices, Education, Training and Public Awareness and institutional enables.
Functions	:	Develop codes of ethics and promotion of standards and best practices in integrity and anti-corruption for State and public offices; investigate and recommend to the Office of the Director of Public Prosecutions the

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prosecution of any acts of corruption, bribery, economic crimes or violation of codes of ethics; oversee the enforcement of codes of ethics and recommend appropriate action to be taken against State Officers or Public Officers alleged to have engaged in unethical conduct; advise, on its own initiative, any person on any matter within its functions; Raise public awareness on ethical issues and educate the public on the dangers of corruption and enlist and foster public support in combating corruption; monitor the practices and procedures of public bodies to detect corrupt practices and to secure the revision of methods of work or procedures that may be conducive to corrupt practices; and institute and conduct proceedings in court for purposes of the recovery or protection of public property, or for the freeze or confiscation of proceeds of corruption or related to corruption, or the payment of compensation, or other punitive and disciplinary measures.

(c) Key Management

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

- Commissioners
- Accounting Officer/Secretary/CEO
- Executive Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Secretary/Chief Executive Officer	Mr. Twalib Mbarak, MGH, CBS
2.	Deputy Chief Executive Officer	Mr. Abdi A. Mohamud, MBS
3.	Director, Finance and Planning	CPA Joel I.Mukumu, OGW
4.	Director, Preventive Services	Mr. Vincent O.Okong'o, MBS, 'ndc' (K)
5.	Director, Investigations	Mr. Paschal K. Mweu, OGW
6.	Director, Legal Services & Asset Recovery	Mr. David K.Toos, OGW
7.	Director, Ethics and Leadership	FCCA John Lolkoloi, OGW
8.	Director, Field Services & Coordination	Mr. Jackson K. Mue, OGW
9.	Head, Human Resource Management	Ms. Ellyjoy G. Bundi, HSC
10.	Head, Supply Chain Management	Mr. Eddie Odhiambo

(e) Fiduciary Oversight Arrangements

Audit and Risk Committee

Audit and Risk Committee form a key element in the governance process by providing an independent expert assessment on the activities of top management, the quality of risk management, financial reporting, financial management and internal audit to the Commission.

Finance Planning and Supply Chain Management Committee

The Committee reviews and offers guidance on policies and reports related to the financial and Supply Chain Management functions.

Enforcement Committee

The Committee is tasked with the responsibility of reviewing, adjudicating and advising on investigations of corruption cases presented by a team of investigators and lawyers from the Directorates of: Investigations; Legal Services and Asset Recovery; Field Services and Coordination; and Ethics and Leadership.

Corruption Prevention, Education & Public Engagement Committee

The Committee is tasked with the responsibility of reviewing and advising on corruption prevention strategies and policies.

Support Services Committee

The Committee reviews and advises on strategies and policies touching on Human Resource Management, Corporate Affairs and Public Communication, Administration and ICT.

Parliamentary Oversight Committees

National Assembly Department of Justice and Legal Affairs Committee (JLAC) and Public Accounts Committee ensure transparency and openness of EACC activities; hold EACC accountable; provides financial accountability; and uphold the rule of law.

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Commission Committees	Members
Enforcement	Commissioner Col. (Rtd) Alfred Mshimba, MBS - Chairperson Commissioner Dr. Monica Muiru PhD, MBS
Corruption Prevention, Education and Public Engagement	Commissioner Dr. Cecilia Mutuku PhD, CHRP, CPS-K- Chairperson Commissioner CPA John Ogallo
Support Services	Commissioner Dr. Monica Muiru PhD, MBS - Chairperson Commissioner Dr. Cecilia Mutuku PhD, CHRP, CPS-K
Audit & Risk	Lawrence Nyalle - (Independent Chairperson) John Matagaro (Representative, National Treasury) Commissioner – CPA John Ogallo Commissioner Dr. Monica Muiru PhD, MBS Commissioner Dr. Cecilia Mutuku PhD, CHRP, CPS-K
Finance, Planning and Supply Chain Management	Commissioner CPA John Ogallo - Chairperson Commissioner Col. (Rtd) Alfred Mshimba, MBS

(f) Entity Headquarters

P.O. Box 61130-00200
Integrity Centre
Jakaya Kikwete/Valley Road Junction
Nairobi, Kenya

(g) Entity Contacts

Tel: (254) (020) 4997000
Mobile: 0709 781000; 0730 997000
Email address: eacc@integrity.go.ke
Website: www.eacc.go.ke

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(h) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Kenya Commercial Bank
Headquarters
P.O. Box 69695-00400
Nairobi, Kenya

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

3. The Commission




Ref	Commission Members	Details
1.	 <p>David Oginde, PhD, FCS</p> <p>Doctor of Philosophy in Organisational Leadership from Regent University USA, a Master of Arts in Leadership from PAC University, and a Bachelor of Architecture from the University of Nairobi.</p>	<p>Independent Chairperson</p> <p>Born in the year 1959; Appointed Chairperson of EACC on 29th April 2023 and assumed office on the 9th of May 2023.</p> <p>He is the Chairperson of the University Council of the Mama Ngina University College; the Evangelicals of Kenya and the Vice Chair of the Association of Evangelicals in Africa.</p> <p>He is a renowned and distinguished leader with specialization in leadership and governance. He has published several books and written articles in various leadership journals and is the founder of The CATALEAD Associates, a leadership development firm and runs the popular Leadership Forum on hope FM.</p>
2.	 <p>Dr. Monica Muiru PhD, MBS</p> <p>Doctor of Philosophy in Business & Management from Egerton University, Master Degree in Accounting and Finance, Bachelor of Commerce Degree in Business Administration from University of Nairobi.</p>	<p>Vice Chairperson and Independent Commissioner</p> <p>Born in the year 1965; She is a trained, experienced and internationally exposed professional and academic scholar with many years of experience in accounting, finance and management.</p> <p>She previously served as a lecturer at Egerton University and worked at Kenya Broadcasting Corporation (KBC), East African Standard, Mellon Bank in Pittsburgh USA and Motient Corporation, Reston, Virginia, USA.</p> <p>In addition, a fellow of the Chartered Institute of Marketing, a member of Zonta International and an Associate member of the American Chartered Institute of Accounting. She chairs the Support Services Committee.</p>

<p>3.</p>	 <p>Col. (Rtd) Alfred Mshimba, MBS</p> <p>Master of Business Administration in Strategic Management from the University of Nairobi and a Bachelor's Degree in Business Administration.</p>	<p>Independent Commissioner</p> <p>Born in the year 1959; and a retired career military officer with over 30 years' experience in leadership, administration, human resource management, procurement and diplomacy.</p> <p>In addition, Commissioner Col. (Rtd) Mshimba, has been recognized for his service and was honoured by receiving the Military Observer, United Nations Western Sahara Morocco (MINRUSO) Medal.</p> <p>He chairs the Enforcement Committee.</p>
<p>4.</p>	 <p>Dr. Cecilia Mutuku, PhD, CHRP, CPS -K</p> <p>Doctor of Philosophy and Masters in Business Administration, with a specialization in Human Resources Management (HRM), both from The University of Nairobi (UoN). In addition, a Certificate in Quality Management by the International Trade Centre (ITC). A member of the Institute of Human Resources (IHRM), Institute of Certified Secretaries (ICS) and The National Quality Institute (NQI). A member of the American Society for Quality (ASQ) and the Kenya Institute of Management (KIM).</p>	<p>Independent Commissioner</p> <p>Born in the year 1968 and holds extensive experience in Human Resource and Governance biased in policy development, leadership, organization behaviours and reforms, performance improvement, culture change and quality management.</p> <p>She has held senior positions at Kenya Bureau of Standard and National Quality Institute. She is passionate about excellence and quality especially within the public sector institutions and has been spearheading Training of Anti Bribery Management systems (ABMS) Standard in various forums.</p> <p>She chairs the Corruption Prevention, Education and Public Engagement Committee.</p>


<p>5.</p>	 <p>CPA John Ogallo</p> <p>Holds a Master of Business Administration (MBA) degree from the University of Sheffield (UK), and Post-Graduate Diploma in Public Financial Management from the University of London. In addition, Certified Public Accountant (CPA-K).</p>	<p>Independent Commissioner</p> <p>Born in the year 1956, and vast experience in Financial Management and Governance at World Bank. In addition, he has led teams in providing technical assistance to strengthen institutions on accountability; and undertake fiduciary due diligence, advisory services and analytics.</p> <p>He chairs Finance, Planning and Supply Chain Management Committee.</p>
<p>6.</p>	 <p>Twalib Mbarak, MGH, CBS</p> <p>Master of Arts Degree in Armed Conflict and Peace Studies (UoN) Bachelor of Arts (Political Science and Sociology (UoN)</p>	<p>Secretary to the Commission and Chief Executive Officer</p> <p>Born in the year 1965 and has served in high-ranking positions in the Military, Intelligence and Corporate Sectors for 39 years.</p> <p>Holds extensive experience in the fields of security and intelligence.</p>

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4. Key Management Team

Ref	Management	Details
1.	 <p>Mr. Twalib Mbarak, MGH, CBS Secretary/Chief Executive Officer</p> <p>Master of Arts in Armed Conflict & Peace Studies Bachelor of Arts (Political Science and Sociology)</p>	<p>He is the Accounting Officer and Secretary/Chief executive Officer of the Commission. He is charged with the day-to-day operations, providing strategic, financial and operational leadership.</p>
2.	 <p>Mr. Abdi A. Mohamud, MBS Deputy Chief Executive Officer</p> <p>Master of Science (Security and Risk Management), Bachelor of Laws (LLB) Postgraduate Diploma in law.</p>	<p>He deputizes the Chief Executive Officer (CEO) in the day to day operations of the Commission.</p>
3.	 <p>CPA Joel I. Mukumu, OGW Director, Finance and Planning</p> <p>Master of Business Administration (Finance), Bachelor of Commerce -Accounting Option. Certified Public Accountant of Kenya.</p>	<p>Provide Directorate's leadership in implementation of PFM, Act 2012, PFMA (Amendments), 2023, PFMA, Regulations, 2015 and policy formulation, implementation and coordination of the Finance, Planning and Budget functions of the Commission. In addition, lead overall management of the Directorate's functions and activities.</p>


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<p>4.</p>	 <p>Mr. Vincent O. Okong'o, MBS, 'ndc' (K) Director, Preventive Services</p> <p>Master of Arts (Economics & Social Studies) Master of Arts in Economic Policy Management.</p>	<p>Provide Directorate's leadership in policy formulation, implementation and advisory on Preventive measures including prevention, public awareness, training, research, central repository and overall management of the Directorate's functions and activities.</p>
<p>5.</p>	 <p>Mr. Paschal K. Mweu, OGW Director, Investigations</p> <p>Master Degree in Governance & Ethics Bachelor Degree in Philosophy.</p>	<p>Provide Directorate's leadership in policy, formulation, implementation and advisory investigative role in line with anti-corruption, economic and bribery laws and other laws implemented by the Commission, Further, manages the Directorates functions and activities.</p>
<p>6.</p>	 <p>Mr. David K. Too, OGW Director, Legal Services & Asset Recovery</p> <p>Master of Business Administration Bachelor of Laws (LLB), Diploma in Law.</p>	<p>Provide Directorate's leadership in policy formulation, implementation, and advisory on principal anti-corruption, economic and bribery laws (ACECA,2003; POEA, 2003, LIA,2012, Bribery Act, 2016,) and other relevant laws. In addition, lead asset recovery related to corruption and overall management of the Directorate's functions and activities.</p>

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7.	 <p>FCPA John Lolkoloi, OGW Director, Ethics & Leadership</p> <p>Master of Business Administration (Strategic Management), Bachelor of Commerce (Finance), Certified Public Accountant of Kenya.</p>	Provide Directorate's leadership in implementation of Chapter Six of the Constitution and LIA, Act 2012, development of ethical standards and practices in public service and overall management of the Directorate's functions and activities.
8.	 <p>Mr. Jackson K. Mue, OGW Director, Field Services & Coordination</p> <p>Master of Science in ICT Policy and Regulation, Bachelor of Science (Mathematics & Computer Science). Post Graduate Diploma in Computer Science.</p>	Provide Directorate's leadership in coordination of Commission functions at regional levels, partnerships, and support the office of Secretary/Chief Executive Officer in general administration and overall management of the Directorate's functions and activities.
9.	 <p>Ms. Ellyjoy G. Bundi, HSC Deputy Director, Human Resource Management</p> <p>Master of Business Administration (HRM) Bachelor of Education, Diploma in Human Resources Management.</p>	Provide Commission leadership in human capital management and relevant labour laws, implementation of key human resource aspect such as staff succession planning, development, retention, training, and overall management of the Commission staff related functions and activities.

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10.	 <p>Mr. Eddie Odhiambo Deputy Director, Supply Chain Management Master of Business Administration Bachelor of Science (Statistics & Computer Science), Diploma in Purchasing and Supplies Management Chartered International Procurement Professional.</p>	Provide leadership in implementation of Public Procurement and Disposal Act, 2015 and related regulations in supply chain management functions of the commission and overall management and supportive function of the Commission.
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5. Statement of the Chairperson



In the FY 2023/2024, the Ethics and Anti-Corruption Commission launched its Third Strategic Plan (2023-2028), which reflects a transformative approach to anti-corruption reforms. The Plan focuses on four key pillars: Law Enforcement; Promotion of Ethics and Integrity; Prevention of Corruption and Unethical Practices; and Education, Training, and Public Awareness.

The Plan outlines key institutional enablers, including; Human Capital, Infrastructure, Financial Resources, Partnerships, Technology, Communication, Branding, and Corporate Structures. The plan documents the strategies the Commission has prioritized to guide in the implementation of its mandate during the review period.

The Plan aligns interventions by EACC to the current government priorities under the Bottom-up Economic Transformation Agenda (BETA) and other blueprints. The Commission remains committed to improving public financial management and reporting on public expenditures. The Commission acknowledges the ongoing financial support from the Government of Kenya, which is essential for the continuation of its programs and activities.

The Commission has continued to forge strategic partnerships with state and non-state actors aimed at promoting good governance, rule law and strengthening the criminal justice system to enhance the fight against corruption.

A handwritten signature in black ink, appearing to read 'David Oginde', written over a horizontal line.

David Oginde, PhD, FCS
CHAIRPERSON

6. Report Of The Secretary/Chief Executive Officer



The Ethics and Anti-Corruption Commission presents the Annual Report and Financial Statements for the Financial Year 2023/2024. This Report is prepared in accordance with section 27 of the Ethics and Anti-Corruption Commission Act, 2011, and section 45 of the Leadership and Integrity Act, 2012.

The annual accounts are prepared, audited, and reported in line with the Public Audit Act, 2003, and the Public Finance Management Act, 2012, adhering to International Public Sector Accounting Standards (IPSAS) for prudent financial management and reporting. The Report includes comprehensive financial statements, such as the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, Statement of Cash Flows, and Statement of Comparison of Budget and Actual Amounts, along with other explanatory notes.

During the period under review, the Commission was allocated a recurrent budget ceiling of Kshs. 3.915 Billion and a development budget of Kshs. 68.14 Million for refurbishing the Integrity Centre and automating EACC processes. The Commission successfully absorbed Kshs. 3.76 Billion of the recurrent budget and Kshs. 59.57 Million of the development budget.

These financial resources enabled the Commission to effectively discharge its mandate, achieving significant milestones. These include concluding a higher number of high-impact investigations, recovering corruptly acquired assets and unexplained assets, disrupting corruption networks and improving the monitoring of anti-corruption prevention programs.

Additionally, the Commission strengthened its institutional capacity through continuous trainings to enhance skills and competencies. The Commission also expanded its investigation infrastructure by acquiring specialized equipment and tools.

The Commission remains committed to ensuring compliance with applicable laws in the management of public funds allocated for its operations.

A handwritten signature in black ink, consisting of a stylized 'T' followed by several loops and a long horizontal stroke.

Twalib Mbarak, MGH, CBS
SECRETARY/CHIEF EXECUTIVE OFFICER

7. Statement of Performance Against Predetermined Objectives for FY 2023/2024

EACC has five strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023/2024. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Law Enforcement

Pillar/theme/issue 2: Promotion of Ethics and Integrity

Pillar/theme/issue 3: Prevention of Corruption and Unethical Practices

Pillar/theme/issue 4: Education, Training and Public Awareness

Pillar/theme/issue 5: Institutional Enablers

EACC develops its annual work plans based on the above five pillars/Themes/Issues. Assessment of the Commission's performance against its annual work plans is done on a quarterly basis. The EACC achieved its performance targets set for the FY 2023/24 period on its five strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1: Law Enforcement	To effectively deter and punish corruption and unethical practices;	Asset tracing guidelines developed and operationalized	Develop guidelines for tracing of unexplained wealth & for utilization of recovered assets	Not developed
		No. of high impact forensic investigations completed	Expedite completion for forensic and bribery investigations	94 against target 124
		No. of low impact investigations completed		72 against target 132
		No. of bribery investigations completed		99 against target 163
		No. of investigative warrants orders obtained	Optimize support for investigations	1,546 against target 850
		Value in millions of assets restituted	Restitute recovered assets to legitimate owners/victims	2,9 Billion against target 3,1 Billion
		Value in millions of loss averted	Increase disruption of corruption networks	2,9 Billion against target 7 Billion
Pillar/ theme/ issue 2: Promotion of Ethics and Integrity	To promote ethics and integrity	No. of ethical violations investigations completed	Increase investigations on unethical violations	56 against target 80

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		Value in millions of irregular obtained benefits		1.1 million against target 1.5million
		% compliance with requirements to submit bank accounts statements annually.	Expand scope of compliance by public officers with requirements for operating banks accounts outside Kenya	70%against target 100%
		No. of codes of conduct and ethics developed, reviewed, approved or gazetted.	Expedite development, review and approval of codes of conduct and ethics for remaining public institutions	1 code reviewed and approved against a target of 6
		No. of gifts, donations and conflict of interest registers operationalized	Support implementation of gifts, donations and conflict of interest registers	8 against target of 10
		% level of compliance on commitment by all appointed and elected state officers	Facilitate and monitor commitment to specific leadership and integrity codes by all appointed and elected state officers	All or 129 signing of and commitment of the Leadership and Integrity. 100% compliance
Pillar/ theme/ issue 3: Prevention of Corruption and Unethical Practices	To improve institutional accountability in public and private sectors	No. of institutions empowered	Empower public institutions to carryout own Corruption Risks Assessments	3 County Government entities empowered against a target of 7
		No. of system Review Reports produced	Conduct comprehensive systems in key/large programmes, projects, sectors and functional areas at national and county level.	6 System review Reports. Surpassed by 3 Reports
		No. of assessments reports	Increase the number of follow-ups to assess the implementation of system review recommendations	1 assessment Report against target 10
		No of research reports	Undertake research in new and emerging issues related to corruption and unethical conduct	2 Research Reports against a target of 2

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Pillar/ theme/ issue 4: Education, Training and Public Awareness	To increase public involvement in the fight against corruption and unethical practices	No. of targeted public outreach programmes implemented	Enlist public support through targeted public outreach programmes	12 public outreaches against 16
		No. of learning institutions reached	Mainstream value-based education in institutions of learning	371 learning institutions against 250
		No. of state and non-state institutions reached	Undertake sector-based awareness and sensitization programmes	132 state and non-state actors against target of 60
	Develop capacity for NIAca to deliver on its mandate	NIAca Strategic Plan developed and Operationalized	Develop and operationalize Strategic Plan for NIAca	Strategic Plan Developed (2024-2028)
Pillar/ theme/ issue 5: Institutional Enablers	To enhance cooperation, collaboration and coordination in the fight against corruption and unethical practices	No. of joint initiatives implemented	Carry out joint initiatives against corruption (Commemorations, Criminal justice sector engagements, NCAJ)	6 initiatives against target 10
		No. of KLIF partners committing to implement the KIP	Develop and implement collective action agreements among the KLIF partners	Kenya Integrity Plan (2023-2027) developed
	To improve organizational efficiency and effectiveness	Baseline study on staff culture change	Implement culture change programmes	Not undertaken
		Compliance in Departmental annual work plans	Link budget to annual work plans	100 %
		Primary, Secondary and Data Recovery Sites Uptime	Implement High Availability (HA) for Commission Systems and Services	99% availability
		Monthly media monitoring Report	Undertake daily media monitoring and analysis	12 Monthly Reports against 12

8. Corporate Governance Statement

The Ethics and Anti-Corruption Commission (EACC) is a Constitutional Commission created pursuant to Article 79 of the Constitution of Kenya 2010 and established under Section 3 of the Ethics and Anti-Corruption Commission Act No. 22 of 2011. The mandate of the Commission is to combat and prevent corruption, economic crimes and unethical conduct through law enforcement, prevention, public education and promotion of ethical standards and practices.

Size, Composition & Appointment of the Commission

The EACC Act provides for the functions and powers of the Commission, qualifications, and procedures for the appointment of the Chairperson and Members of the Commission, and for other related purposes. The Chairperson and Members of the Commission serve for a single term of six (6) years on a part-time basis. The Chief Executive Officer serves as the Secretary to the Commission for a single term of six (6) years. The Secretary is responsible for strategic, financial and operational leadership.

Oversight role of the Commission

Section 11 (6) of the EACC Act provides for the functions of Commissioners majorly threefold: policy, oversight, and strategy. That is, assist the Commission in policy formulation and ensure that its staff perform their duties to the highest standards; give strategic direction; establish and maintain strategic linkages and partnerships with other stakeholders in the rule of law and other governance sector.

Commission Committees and Responsibilities

The Commission meets as often as may be necessary for the discharge of its business. The proceedings of meetings of the Commission are governed by the Second Schedule of the Ethics and Anti-Corruption Act, No. 22 of 2011.

In order to fulfil its Fiduciary duties, the Commission has established **four (4)** Standing Committees namely; Finance and Supply Chain Management, Enforcement, Support Services, and Corruption Prevention for the effective discharge of the oversight function. A Commissioner chairs the Committees with members co-opted from heads of Directorates and Departments with relevant experience and skills.

Risk and Audit Committee; established in accordance with the Public Finance Management Act to support the Commission through monitoring and reviewing the risk, control and governance processes.

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Conflict of Interest

Commission members are obliged to disclose any real or potential conflict, whether direct or indirect. Where a member discloses the conflict of interest he or she is obligated to recuse himself/herself over the matter in question.

Code of Conduct and Ethics

Good Corporate Governance is engrained as a valuable contributor to the long-term success of the Commission. The Core Values; fidelity to the law, integrity, professionalism, courage, teamwork and innovation steer the decision-making processes. The Commission conducts its operations in compliance with relevant legal principles and high ethical standards. The Commission, Management and staff are required to observe the code and high standards of integrity, even when dealing with all stakeholders.

Accountability

The Commission is required by EACC Act Sect. 27 to prepare an Annual Report at the end of each financial year and submit to the President and the National Assembly. The report is an accountability tool detailing the activities of the Commission, achievements and any impediment that hinders the discharge of its mandate. The Commission also prepares Annual financial statements in accordance with the law and audited by the Office of the Auditor General.

9. Management Discussion and Analysis

9.1 Reports on Corruption Received by the Commission

Out of 5,171 reports received, 2,207 were relevant to the Commission's mandate and were recommended for investigation. This represented 42.7 percent of reports received an increase from 37 percent in the previous period as presented in Figure 1.

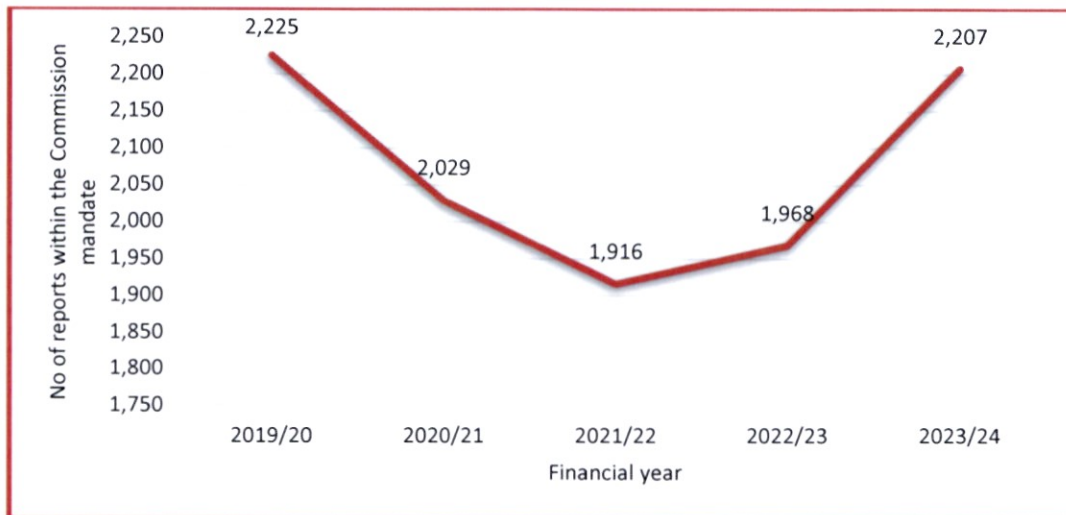


Figure 2.2: Trend of reports relevant to the Commission's mandate

9.2 Cases Forwarded to the Office of the Director of Public Prosecutions

Upon satisfying threshold for investigation and relevant evidence obtained, the completed files are submitted to the ODPP for determination. The independent review by ODPP results in either concurrence with EACC recommendation, return for further investigations, administration action and closure. The Commission has consistently achieved case concurrence rate of above 88% as indicated in Table 1.

Table 1: Reports to ODPP with Recommendation to Prosecute

Year	No. of Reports	Accepted	Not Accepted	Concurrence rate (%)
2019/20	43	40	3	93
2020/21	70	68	2	97
2021/22	97	80	17	82
2022/23	74	68	6	92
2023/24	104	90	14	87

Table 2 presents the results of reports to DPP with recommendation for administrative action. On average, 89 percent concurrence rate is observed over the period.

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Table: 2 Reports to DPP with Recommendation for Administrative Action

Year	No. of Reports	Accepted	Not Accepted	Concurrence rate (%)
2019/20	10	9	1	90
2020/21	15	12	3	80
2021/22	9	9	0	100
2022/23	1	1	0	100
2023/24	8	4	4	50

Table 3. shows reports to DPP with recommendation for closure for the Five-Year period. The Commission has achieved a concurrence rate of 88 percent.

Table 3: Reports to DPP with Recommendation for Closure

Year	No. of Reports	Accepted	Not Accepted	Concurrence rate (%)
2019/20	19	17	2	89
2020/21	19	18	1	95
2021/22	48	38	10	79
2022/23	22	18	4	82
2023/24	14	14	0	100

9.3 Outcome of Cases Finalized in Court

The cases that are scrutinized by ODPP and determined for prosecution in court and Table 4 provides outcome of cases in finalized showing a 46 percent conviction rate.

Table 4: Outcome of cases finalized in Court

Year	No of cases finalized	Conviction	Acquittal	Discharge	Conviction rate (%)
2019/20	55	23	28	4	42
2020/21	31	23	5	3	74
2021/22	60	30	27	3	50
2022/23	75	27	16	34	36
2023/24	46	12	9	24	26
Average Conviction rate					46

The Commission recovers assets acquired out of corruption and economic crime as deterrent measure. Table 5 presents the estimated value of assets recovered in the period FY 2019/20 to FY 2023/2024.

Table 5: Assets Recovered

Assets Recovered (2019/20-2023/24)					
Year	2019/20	2020/21	2021/22	2022/23	2023/24
Value in (million) of public assets recovered	12,120	6,500	940	3,800	2,994

9.4 Loss averted through Disruption of Corruption Networks

The Commission averted possible loss of the public funds in intelligence gathering strategy. The results are shown in Figure 2.

Public loss averted (2019/20-2023/24)					
Year	2019/20	2020/21	2021/22	2022/23	2023/24
Value in (million) of public funds loss averted	10,000	8,000	4,000	4,740	2,900

9.5 Financial Performance

The Commission is committed to comply with Public Finance Management Act, 2012 in execution of its mandate. The Government through The National Treasury funds the Commission programmes and activities. The Commission has consistently utilized allocated budget at above 96% absorption rate as recorded in five-year period.

Table: Financial Absorption rate

	2019/20	2020/21	2021/22	2022/23	2023/24	Average
% Absorption rate	97	99	99	94.60	96	97.1

9.6 Commission's key projects or investments decision implemented or ongoing

The Commission is undertaking refurbishment of the EACC Headquarters to create available work space and improve the aesthetic of the building. The refurbishment is projected to be completed in FY 2024/25.

9.7 Major risks facing the Commission

Operational risks	
1.	Inadequate number of Staff
2.	Breakdown of Commission motor vehicles
3.	Inadequate equipment's in ICT, survey and valuation
4.	Gaps in integrity laws to support investigation on ethical breaches
Financial risks	
5.	Inadequate funding of Commission's operations
6.	Delayed Exchequer disbursements
Compliance Risks	
7.	Failure by state organs to implement preventive recommendations
Reputational risk	
8.	Inaccurate media information

9.8 EACC's compliance with statutory requirements

The EACC sticks to the provision of the EACC Act, 2011 on the appointment of the Commission, which comprise of a Chairperson and four other Members. They are appointed in accordance with the provisions of the Constitution and the Act. The Chairperson and Members of the Commission serve for a single term of six (6) years on a part-time basis. The Chief Executive Officer serves as the Secretary to the Commission.

9.9 Review of the economy and GJLO Sector

Kenya's real GDP growth accelerated to 5.2% in 2023, surpassing the previous year's growth of 4.8% in 2022. The growth in 2023 growth was driven by the recovery of the agriculture sector, following improved weather conditions, and the services sector, with tourism and financial services contributing the most. GDP growth over the medium term is expected to remain at around 5.2 percent, broadly in line with the macro-economic indicators and Kenya's estimated potential GDP growth rate. Real per capita incomes are expected to grow at around 3 percent in the medium term, and poverty is expected to resume its pre-pandemic downward trend.

The Commission is classified under Governance Justice law Order (GJLO) Sector which contributes directly and indirectly to the Gross Domestic Product (GDP). Its direct contribution includes revenue generation in terms of court fees, court fines, and fees incidental to provision of services. The indirect contribution to GDP is through creating a secure and conducive business environment to enhance the productivity of other sectors.

10. Environmental and Sustainability Reporting

i) Sustainability Strategy and Profile FY 2023/2024

a) Strengthening Anti-Corruption Legal framework

The Commission contributed to the strengthening of policy and legal anti-corruption framework in the country. These include Statute Law (Miscellaneous Amendment) Act No. 19 of 2023; Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2023; and Development of Anti-Corruption Law and Policy-Conflict of Interest Bill, 2023. The Bill is expected to enhance collaboration, synergies and efficiencies between oversight agencies, increase the level of transparency and disclosures on private interests/wealth of public officials, and establish robust mechanisms for managing conflicts of interest.

b) Strategic Plan 2023-2028

On 26th September 2023, the Commission launched its Strategic Plan (2023-2028) that is supported by four (4) key pillars, which are derived from the Commission's mandate. The pillars include: Law Enforcement; Promotion of Ethics and Integrity; Prevention of Corruption and Unethical Practices; and Education, Training and Public Awareness.

The pillars provide a framework for transformation of the Commission into a vibrant, efficient and effective institution in the fight against corruption and unethical practices.

The key institutional enablers for this transformation framework include; Human Capital and Infrastructure; Financial Resources; Partnerships, Collaborations and Coordination; Technology; Communication and Branding; and Corporate Structures, Policies and Procedures

c) Partnerships, Collaborations and Coordination

In FY 2023/2024, the Commission continued its partnerships, collaborations and coordination with international peer agencies such as; the Federal Bureau of Investigation (FBI) which was culminated into a high level visit by the Director of FBI. During the visit, collaboration initiatives for effective modern law enforcement, including countering transnational corruption and economic crimes were explored. The meeting also explored ways of leveraging on exchange of information to support tracing and recovery of corruptly acquired assets stashed abroad.

The Commission also continued to engage development partners including; GIZ and the European Union/United Nations Office on Drugs and Crime (EU/UNODC) under the Programme for Legal Empowerment and Aid Delivery in Kenya, Phase II (PLEAD II) in order to enhance capacity in the fight against corruption.

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The Commission held several meetings with Excellency Ambassadors and peer agencies to explore areas of collaboration on capacity building and information sharing.

d) Achievements

EACC completed 126 cases and files forwarded to the Director of Public Prosecutions (DPP) with appropriate recommendations. 45 cases on corruption, economic crimes and bribery were finalized in court; resulting in 12 convictions, 9 acquittals and 24 withdrawals.

In addition, EACC also undertook 11 proactive investigations resulting into disruption of corruption networks and averting public loss of approximately Kshs. 2.9 Billion. Further, the Commission recovered unexplained and corruptly acquired assets valued at approximately Kshs. 2.9 Billion.

The Commission finalized three Examination Reports covering systems, policies, procedures and practices, besides finalized Eight Corruption Risk Assessments Corruption Reports in various public institutions aimed at identifying and mitigating corruption loopholes. In additions, provided 166 advisories to Ministries, Departments and Agencies (MDAs) on prevention of Bribery and Corruption.

The Commission conducted 34 media programmes that included, three television programmes, 14 electronic and 17 print media articles reaching approximately 14 million citizens. In addition, sensitized 13 education stakeholders on ethics and integrity from 371 institutions of learning with 142,493 learners being reached.

ii) Environmental performance

In order to embrace sustainable waste disposal, the Commission has a service level agreement with a supplier to provide cleaning, collection and disposal of various categories of waste generated in the Commission premises. In addition waste Bins are equally positioned strategically in various locations of Commission premises in order to ensure clean environment. The Commission Corporate Social Responsibility Programme targets conservation of the environment through improvement of forest cover through tree planting at owned and standalone offices.

iii) Employee welfare

The EACC has a Corporate Services Policies and Procedures Manual which comply with the constitutional requirements of handling employees. Specifically, the Corporate Services Policies and

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Procedures Manual advocates for non-discrimination directly or indirectly against an employee or prospective employee on the basis of race, colour, gender, age, language, religion, conscience, belief, culture, dress, birth, disability, political affiliation or other opinion, nationality, ethnic or social origin, marital status, marriage, pregnancy or health status.

In addition, the Commission's recruitment policy takes measures to promote affirmative action to ensure diversity in the workplace. The Commission also strives to ensure that the one third (1/3) gender constitutional requirement is observed in employment. Further, the Commission's Shortlisting and Interview Guidelines are designed to promote regional and gender balance. The percentage gender distribution is 39.3% female and 60.7% male as at August 2023. A total of 30 ethnic communities are represented out the 46 existing communities as per 2019 census report.

iv) Market place practices

a) Responsible competition practice

Honouring Contracts: The Legal Directorate drafts clear, fair, and mutually beneficial contracts outlining the rights and responsibilities of all parties. Continuous open and transparent communication with suppliers throughout the contract lifecycle ensures mutual understanding and alignment. Strict adherence to contract terms, including delivery schedules, quality standards, and performance metrics, is monitored and evaluated. Flexibility and good faith negotiations are employed when unforeseen circumstances arise.

Respecting Payment Practices: Contracts and purchase orders state reasonable payment terms fair to both parties, considering suppliers' financial needs. Timely payments are ensured to help suppliers maintain cash flow and financial stability. An automated invoice-processing system (IFMIS) streamlines payment processes, reduces errors and ensures timely payments.

b) Responsible Supply chain and supplier relations

Honouring Contracts: The Legal Directorate drafts clear, fair, and mutually beneficial contracts outlining the rights and responsibilities of all parties. Continuous open and transparent communication with suppliers throughout the contract lifecycle ensures mutual understanding and alignment. Strict adherence to contract terms, including delivery schedules, quality standards, and performance metrics, is monitored and evaluated. Flexibility and good faith negotiations are employed when unforeseen circumstances arise.

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maintain cash flow and financial stability. An automated invoice-processing system (IFMIS) streamlines payment processes, reduces errors, and ensures timely payments.

c) *Responsible marketing and advertisement*

The Commission maintains ethical marketing practices through continuous monitoring and evaluation, adhering to ethical guidelines, training, education, and feedback mechanisms to build trust with suppliers and stakeholders. Transparency and honesty in dealings, ethical content, and encouragement of fair competition, accountability, continuous improvement, and utmost social responsibility are emphasized.

d) *Product stewardship*

Efforts to safeguard consumer rights and interests include transparent procurement processes with open tendering and clear criteria, ethical supplier selection through due diligence and conflict of interest policies, and maintaining accountability and oversight with audit trails, regular audits, and whistleblower protection. The Commission ensures fair and equitable treatment through non-discrimination and feedback mechanisms, complies with legal and ethical standards via regulatory adherence and ethics training, and prioritizes consumer protection and public interest by emphasizing value for money, transparency in contracting, and stakeholder engagement. Additionally, sustainable and ethical procurement practices are upheld, incorporating environmental considerations, social responsibility, and anti-corruption clauses in contracts.

v) *Corporate Social Responsibility / Community Engagements*

The Ethics and Anti-Corruption Commission bases its Corporate Social Responsibility (CSR) on the fact that, as part of the Kenyan society, we have responsibilities that go beyond our legal and financial obligations for the benefit of the larger society. The Commission's CSR entails community engagement, supporting community activities, responding to emerging challenges such as drought and floods, donating to charities, helping the needy, applying ethical conduct, and participating in matters of topical national interest within Kenya. Our CSR strategy involves building relationships and partnerships, and working together with organizations that we believe advance the well-being of Kenyans. The Commission makes its CSR decisions in the best interest of the society.

Regarding community engagement, the Commission strives to maintain strong values for relationships with the community that will endure the test of time.

In FY 2023/24, EACC did not engage in CSR or community engagement activities. The Commission had a few planned activities, but due to lack of funds, it was unable to carry them out.

11. Report of The Commission

The Commission submits its report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Commission's affairs.

i) Principal activities

The principal activities of the Commission are to investigate corruption and economic crimes, recover lost public property and obtain compensation for damaged public property, prevent corruption, conduct public education on the dangers of corruption and promote ethics and integrity.

ii) Results

The results of the entity for the year ended June 30, 2024 are set out on pages 1 to 23.

iii) Commissioners

The Commission members who served during the year under review, are shown on pages ix to xi.

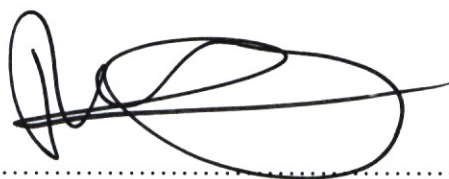
iv) Surplus remission

The entity did not make any surplus during the year 2023/2024 and hence no remittance to the consolidated fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of Ethics and Anti-Corruption Commission for the year ended June 30, 2024 in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015 and the Ethics and Anti-Corruption Commission Act, 2011.

By Order of the Commission



.....
TWALIB MBARAK, MGH, CBS
SECRETARY/CHIEF EXECUTIVE OFFICER

12. Statement of Commission's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 26 of the Ethics and Anti-Corruption Commission Act, require the Management to prepare Financial Statements in respect of EACC, which give a true and fair view of the state of affairs of the EACC at the end of the financial year and the operating results of the EACC for the period 2023/2024. The Commission is also required to ensure that proper accounting records are kept which disclose with reasonable accuracy the financial position. The Commission is also required to safeguard its assets.

The Commission is responsible for the preparation and presentation of the EACC's Financial Statements, which give a true and fair view of the state of affairs of the EACC as at the end of the financial year ended on June 30, 2024. 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 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 EACC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commission accepts responsibility for the EACC's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act and the Ethics and Anti-Corruption Commission Act, 2011. The Commission is of the opinion that the EACC's financial statements give a true and fair view of the state of EACC's transactions during the financial year ended June 30, 2024 and of the EACC's financial position as at that date. The Commission further confirms the completeness of the accounting records maintained for EACC, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Commission to indicate that the EACC will not remain a going concern for at least the next twelve months from the date of this statement.

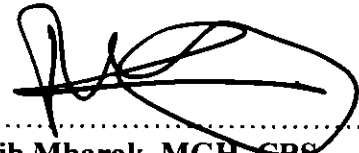
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Approval of the Financial Statements

The EACC's Financial Statements were approved by the Commission on 13th September, 2024 and signed on its behalf by:



.....
David Ogiode, PhD, FCS
Chairperson



.....
Twalib Mbarak, MGH, CBS
Secretary/Chief Executive Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or 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

Opinion

I have audited the accompanying financial statements of Ethics and Anti-Corruption Commission set out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and

actual amounts 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, the financial statements present fairly, in all material respects, the financial position of the Ethics and Anti-Corruption Commission as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Ethics and Anti-Corruption Commission Act, 2011 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Ethics and Anti-Corruption Commission Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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 opinion.

Emphasis of Matter

Poor Financial Performance

During the year under review, the Commission reported a deficit of Kshs.61,273,032 compared with Kshs.181,860,262 in 2022/2023. Management has disclosed in Notes 6 and 28 to the financial statements that the deficit was mainly caused by depreciation and amortization expense amounting to Kshs.122,124,148 which is a non-cash expense and accrued trade and other payables balances of Kshs.45,218,753 as at 30 June, 2024. Management has attributed this situation to the underfunding by The National Treasury, which, if not addressed, may negatively impact on the implementation of the Commission's planned activities.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.45,218,753 as disclosed in Note 22 to the financial statements, which was not settled during the financial year 2023/2024 but was carried forward to the 2024/2025 financial year. Management attributed non-payment of trade and other payables to a lack

of Exchequer issues from The National Treasury. Failure to settle payables during the year to which they relate, adversely effects the budgets for the following year.

Other Information

The Commissioners are responsible for the other information set out on page xvi to xxxii, which comprises the Statement of the Chairperson, Report of the Secretary/Chief Executive Officer, the Corporate Governance Statement, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis, Environmental and Sustainability Reporting and the Statement of Commissioners' Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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 ISSAIs 3000 and 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and 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 the Management and Commissioners

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

In preparing the financial statements, the Management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 October, 2024

Ethics and Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Financial Performance for the Year Ended 30 June 2024

	Notes	2023-2024 Kshs	2022-2023 Kshs
Revenue from non-exchange transactions			
Transfers from Other Government Entities	6	3,740,883,810	3,305,886,892
Revenue from exchange transactions			
Sale of goods	7	273,540	-
Other Income	8	1,188,371	2,582,719
Total Revenue		3,742,345,721	3,308,469,611
Expenses			
Employee costs	9	2,758,798,166	2,544,913,807
Commissioners Expenses	10	19,692,770	21,859,414
Depreciation and amortization expense	11	122,124,148	99,186,101
Repairs and maintenance	12	35,455,269	40,486,316
Use of goods and services	13	870,462,784	784,524,078
Total Expenses		3,806,533,137	3,490,969,716
Other gains/Losses			
Gain /Loss on sale of assets	14	2,914,384	639,843
Surplus(deficit) before tax		(61,273,032)	(181,860,262)
Taxation			
Deficit for the period/year		(61,273,032)	(181,860,262)
Deficit for the year		(61,273,032)	(181,860,262)

The notes set out on pages 8 to 21 form an integral part of these financial statements.

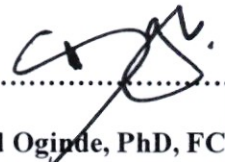
The Financial Statements set out on pages 1 to 7 were signed on behalf of the Commission by:



Twalib Mbarak, MGH, CBS
Secretary/Chief Executive Officer



CPA Joel I. Mukumu, OGW
Director, Finance & Planning
ICPAK Member No: 5917



David Oginde, PhD, FCS
Chairperson

Date: 3/10/2024

Date: 2/15/2024

Date: 03/10/2024

15. Statement of Financial Position as at 30 June 2024

	Notes	2023-2024 Kshs	2022-2023 Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	31,661,055	27,559,671
Receivables from non-exchange transactions	16	27,277,179	30,360,910
Inventories	17	5,952,914	213,669
Total Current Assets		64,891,148	58,134,250
Non-Current Assets			
Property, Plant and Equipment	18	1,789,335,300	1,805,627,847
Asset recovery Bank Account	19	650,753,361	437,381,144
Intangible Assets	20	20,642,565	9,576,325
Long term receivables from exchange (Gratuity bank/ investment)	21	27,383,571	42,559,147
Total Non-Current Assets		2,488,114,797	2,295,144,463
Total Assets		2,553,005,945	2,353,278,713
Liabilities			
Current Liabilities			
Trade and other payables	22	45,218,753	99,106,066
Current portion of borrowings (Accrued audit fees)	23	696,000	696,000
Total Current Liabilities		45,914,753	99,802,066
Non-Current Liabilities			
Non-Current provisions (Asset recovery account)	24	650,763,361	437,431,144
Non-current employee benefit obligation (Gratuity fund)	25	28,503,315	45,278,633
Total Non-Current Liabilities		679,266,676	482,709,777
Total Liabilities		725,181,429	582,511,843
Net Assets		1,827,824,516	1,770,766,870

Ethics & Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2024

	Notes	2023-2024 Kshs	2022-2023 Kshs
Represented by:			
Acquisition Development fund	26	1,543,382,916	1,543,382,916
Revenue Reserves	27	105,919,451	44,423,306
Accumulated Fund/Capital fund	28	178,522,149	182,960,648
Net Assets		1,827,824,516	1,770,766,870

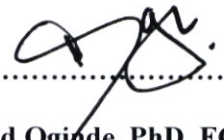
The Financial Statements set out on pages 1 to 7 were signed on behalf of the Commission by.



Twalib Mbarak, MGH, CBS
Secretary/Chief Executive Officer



CPA Joel I. Mukumu, OGW
Director, Finance & Planning
ICPAK Member No: 5917



David Oginde, PhD, FCS
Chairperson

Date: 3/10/2024

Date: 2/10/2024

Date: 03/10/2024

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

	Capital Reserve	Acquisition Development Fund	Revenue reserve	Total
	Kshs	Kshs	Kshs	Kshs
As at June 30, 2022	228,000,556	1,518,000,000	189,066,296	1,935,066,852
Surplus for the period	-	-	(181,860,26)	(181,860,262)
Transfer of unspent exchequer to N. Treasury	-	-	(36,585,913)	(36,585,913)
Transfer of depreciation/Amortization on capital fund to retained earnings	(99,186,101)	-	99,186,101	-
Development grant	54,146,193	-	-	54,146,193
Development grant- Acquisition of Integrity Centre	-	25,382,916	(25,382,916)	-
As at June 30, 2023	182,960,648	1,543,382,916	44,423,306	1,770,766,870
Surplus for the period	-	-	(61,273,032)	(61,273,032)
Transfer of unspent exchequer to N. Treasury	-	-	(50,971)	(50,971)
Creditors written back-Audit fees	-	-	696,000	696,000
Donated Assets	14,128,160	-	-	14,128,160
Transfer of depreciation/Amortization on capital fund to retained earnings	(122,124,148)	-	122,124,148	-
Development grant	103,557,489	-	-	103,557,489
As at June 30, 2024	178,522,149	1,543,382,916	105,919,451	1,827,824,516

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

	Notes	Kshs 2023-2024	Kshs 2022-2023
Cash flows From Operating Activities			
Receipts			
Transfers from other Government entities		3,740,883,810	3,305,886,892
Other income		1,461,911	2,582,719
Total receipts		3,742,345,721	3,308,469,611
Payments			
Employee costs		2,758,798,166	2,544,913,807
Commissioners expenses		19,692,770	21,859,414
Repairs and maintenance		35,455,269	40,486,316
Use of goods and services		870,462,784	784,524,078
		3,684,408,989	3,391,783,615
Net cash flows from operating activities	33	1,393,905	(36,576,112)
Cash flows from Investing Activities			
Purchase of property, plant and equipment		(99,862,713)	(54,146,193)
Transfer of unspent exchequer to Treasury		(50,971)	(36,585,913)
Purchase of Intangible Assets		(17,822,936)	-
Asset recovery		213,332,217	108,210,174
Proceeds from disposal of PPE		3,702,192	1,188,628
Gratuity Fund		(16,775,318)	12,296,968
Net cash flows from investing activities		82,522,471	30,963,664

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Cash flows from Financing Activities

Fixed Assets Capital Funds	117,685,649	54,146,193
Creditors written back	696,000	-
Asset recovery	(213,372,217)	(108,160,174)
Gratuity Fund	15,175,576	(11,603,921)
Net cash flows from financing activities	(79,814,992)	(65,617,902)
Net increase in cash and cash equivalents	4,101,384	(71,230,350)
Cash and Cash equivalents at 1 st July 2023	27,559,671	98,790,021
 Cash & Cash equivalents at 30th June 2024	31,661,055	27,559,671

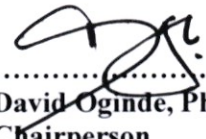
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 Director, Finance & Planning
 ICPAK Member No: 5917



.....
David Oginde, PhD, FCS
 Chairperson

Date: 3/10/2024

Date: 2/10/2024

Date: 03/10/2024

18. Statement of Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of Utilization
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Government grants and subsidies	3,823,620,000	92,000,000	3,915,620,000	3,681,317,093	234,302,907	94%
Other Income	-	-	-	1,461,911	(1,461,911)	
Gain/Loss on Disposal	-	-	-	2,914,384	(2,914,384)	
Development Expenditure-Grants and subsidies	68,140,000	-	68,140,000	59,566,717	8,573,283	87%
Total income	3,891,760,000	92,000,000	3,983,760,000	3,745,260,105	238,499,895	94%
Expenses						
Use of Goods and services	986,229,717	14,972,688	1,001,202,405	870,462,784	190,306,338	87%
Employee Cost	2,770,150,783	86,655,559	2,856,806,342	2,758,798,166	98,008,176	97%
Commissioners' expenses	22,260,000	(6,623,552)	15,636,448	19,692,770	(4,056,322)	126%
Depreciation and Amortization cost			-	122,124,148	(122,124,148)	
Repairs and maintenance cost	44,979,500	(3,004,695)	41,974,805	35,455,269	6,519,536	84%
Staff Loan						
Total expenditure	3,823,620,000	92,000,000	3,915,620,000	3,806,533,137	109,086,863	97%
Surplus for the period				(61,273,032)	61,273,032	
Development Expenditure	68,140,000	-	68,140,000	59,566,717	8,573,283	87%

- i. The difference between original and final budget is due to supplementary budget adjustments (Supplementary I (130,000,000 and Supplementary II (220,000,000)
- ii. The 87% utilization under use of goods and services was mainly caused by rescheduling of payment of security licences of forensic lab equipment and BKMS Reporting license to FY2024/2025
- iii. Utilization of 84% under repairs and maintenance was mainly caused by deferment of maintenance costs of forensic lab to the following Financial Year
- iv. The 87% Utilization on Development Expenditure was mainly caused by the Contractor only submitting payment certificates worth 87% of the budgeted amount for FY 2023/2024
- v. The percentage absorption of 126% on Commissioners expenses is due to the airtime and travelling allowances which was budgeted on a separate category and not under board expenses

19. Notes to the Financial Statements

1. General Information

The Ethics and Anti-Corruption Commission (EACC) was established under the Ethics and Anti-Corruption Act, 2011. The EACC is domiciled in Kenya and has Regional Offices in Western (Bungoma), North Rift (Eldoret), North Eastern (Garissa), Upper Eastern (Isiolo), South Nyanza (Kisii), Central Nyanza (Kisumu), Lower Eastern (Machakos), Upper Coast (Malindi), Lower Coast (Mombasa), South Rift (Nakuru), and Central (Nyeri).

2. Statement of Compliance and Basis of Preparation

The Commission's 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 Commission. 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 indirect method. The Financial Statements are prepared on accrual basis of accounting.

3. Adoption of New and Revised Standards

i) New and amended standard and interpretations in issue effective in the year ended 30 June 2024.

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Income is recognized in the period in which it is received. Government and donor funding is only recognized on receipt. Income is not accrued if its recoverability is considered doubtful.

Interest income is recognized on time in proportion basis using the effective interest rate method.

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 the Commission and can be measured reliably.

ii) Revenue from exchange transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Commission.

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 method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if their recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major

inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The Commissions policy is to depreciate assets on straight line basis at the following rates, Buildings 2%, Motor vehicles 16.67 %, Furniture and fittings 12.5%, Computer equipment 30%, Security equipment 12.5%, Plant and equipment 12.5%.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful life of the intangible assets is assessed as either finite or indefinite. The Commissions policy is to depreciate Software at the rate of 20%.

f) Research and development costs

The Commission expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Commission can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

Provisions are recognized when the Commission has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. A reliable estimate can be made of the amount of the obligation.

Where the Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Contingent liabilities

The Commission does not recognize a contingent liability, 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.

j) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

k) 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 or less, 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.

l) Comparative figures

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Commission's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- (a) The condition of the asset based on the assessment of experts employed by the Entity
- (b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- (c) The nature of the processes in which the asset is deployed
- (d) Availability of funding to replace the asset

6. Transfers from Other Government Entities

	2023-2024	2022-2023
	Kshs	Kshs
Unconditional grants		
Operational Grant		
Quarter 1	696,423,515	625,698,386
Quarter 2	1,024,587,062	987,796,446
Quarter 3	923,592,053	538,912,360
Quarter 4	1,140,271,952	1,161,060,193
Development Exchequer	59,566,717	46,565,700
Total	3,844,441,299	3,360,033,085
Less		
Exchequer used for other Assets Acquisition	85,734,553	54,146,193
Exchequer used for Intangibles Acquisition	17,822,936	-
Total transfers from other Government Entities	103,557,489	54,146,193
Net Exchequer for operations	<u>3,740,883,810</u>	<u>3,305,886,892</u>

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7. Sale of Goods	2023-2024	2022-2023
	Kshs	Kshs
Sale of bonded items	273,540	-
Total revenue from sale of goods	273,540	-
8. Other Income	2023-2024	2022-2023
	Kshs	Kshs
Insurance Compensation & Sponsorships	1,188,371	2,582,719
Total other income	1,188,371	2,582,719
9. Employee costs	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	1,509,469,984	1,465,638,922
Employee related costs	381,632,542	310,181,299
Travel, Motor car, Accommodation and Subsistence	282,105,189	215,767,923
Housing Benefits and Allowances	585,590,451	553,325,663
Total Employee Costs	2,758,798,166	2,544,913,807
10. Commissioners Expenses	2023-2024	2022-2023
	Kshs	Kshs
Commissioners travelling facilitation	3,772,945	4,624,414
Commissioners sitting Allowances	15,679,825	16,890,000
Commissioners Airtime Allowances	240,000	345,000
Total Commissioners Expenses	19,692,770	21,859,414
11. Depreciation and Amortization costs	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	115,367,452	95,993,993
Intangible Assets	6,756,696	3,192,108
Total depreciation and Amortization Costs	122,124,148	99,186,101
12. Repairs and maintenance	2023-2024	2022-2023
	Kshs	Kshs
Property	1,883,381	1,429,279
Equipment	10,377,444	2,479,103
Vehicles	22,557,428	22,494,452
Other-Computers, software & networks	637,016	14,083,482
Total Repairs & Maintenance	35,455,269	40,486,316

13. Use of goods and services	2023-2024	2022-2023
	Kshs	Kshs
Advertising, Publishing and Printing	20,271,179	14,211,892
Audit fees	696,000	696,000
Conferences and delegations	38,964,571	39,394,811
Consulting fees	3,208,805	3,259,253
Consumables	22,989,486	18,185,085
Electricity	17,220,366	15,111,080
Fuel and Oil	41,118,506	32,851,409
Insurance	264,358,822	254,468,748
Legal Expenses	2,079,085	3,595,861
Licences and permits	34,498,824	37,861,521
Specialised materials	15,414	2,815,690
Postage	4,882,449	4,812,650
Rental	85,044,103	76,767,851
Confidential Expenses	158,470,900	145,578,595
Sewerage and water costs	2,411,824	1,315,265
Research and Development	7,331,200	5,641,217
Telecommunication	42,243,255	24,404,414
Training	95,253,196	71,470,302
Refurbishment of Non-Residential buildings	96,270	3,810,678
Bank charges	594,266	344,156
Other Expenses	28,714,263	27,927,600
Total use of goods and services	870,462,784	784,524,078
14. Gain on Sale of Assets	2023-2024	2022-2023
	Kshs	Kshs
Gain on Sale of Assets	2,914,384	639,843
Total Gain on Sale of Assets	2,914,384	639,843
15. Cash and Cash Equivalent	2023-2024	2022-2023
	Kshs	Kshs
Current bank Accounts	31,660,640	27,559,256
Cash on hand and in transit	415	415
Total cash and cash equivalents	31,661,055	27,559,671

16. Receivables from non-exchange contracts

Current receivables	2023-2024	2022-2023
	Kshs	Kshs
Staff Imprest	2,937,681	3,863,172
Staff Advances	169,078	78,131
Rent Deposit and Prepayments	24,170,420	26,419,607
Total current receivables	27,277,179	30,360,910

17. Inventories

	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	8,876,834	3,137,589
Provision for loss of inventory	(2,923,920)	(2,923,920)
Total inventories at the lower of cost and net realizable value	5,952,914	213,669

18. Property Plant and Equipment - Refer to the PPE schedule Pages 19 & 20

19. Asset Recovery Bank Account

	2023-2024	2022-2024
	Kshs	Kshs
Balance brought forward	437,381,144	329,220,970
Funds recovered in the year	293,017,314	108,161,239
Payments	(79,645,097)	(1,065)
Total Asset recovery bank account	650,753,361	437,381,144

20. Intangible assets-software

Cost	2023-2024	2022-2023
	Kshs	Kshs
As At July 2023	196,067,587	196,067,587
Additions during the year	17,822,936	-
As At July 2024	213,890,523	196,067,587
Additions during the year		
As at June 2024	213,890,523	196,067,587

Amortization and Impairment

As at July 2023	186,491,262	183,299,154
Charge for the year	6,756,696	3,192,108
As at June 2024	193,247,958	186,491,262

Net Book Value 2024	20,642,565	9,576,325
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21. Gratuity Fund Bank Account	2023-2024	2022-2023
	Kshs	Kshs
Balance brought forward	18,559,147	5,955,226
Additions	145,321,831	166,656,377
Payments	(162,497,407)	(154,052,456)
Sub Total	1,383,571	18,559,147
Short Deposit Investment	26,000,000	24,000,000
Total gratuity fund bank account	27,383,571	42,559,147

22. Trade and other payables from exchange transactions	2023-2024	2022-2023
	Kshs	Kshs
Creditors	38,829,256	86,768,886
Refundable Deposits	349,766	6,441,972
Treasury advances	4,598,919	4,598,919
Payroll payables	1,440,812	1,193,794
Unpaid Over Expenditure	-	102,495
Total trade and other payables	45,218,753	99,106,066

23. Accrued liabilities and charges	2023-2024	2022-2023
	Kshs	Kshs
Accrued audit fees	696,000	696,000
Total accrued liabilities and charges	696,000	696,000

24. Asset Recovery Fund Account	2023-2024	2022-2023
	Kshs	Kshs
Balance brought forward	437,431,144	329,220,970
Funds recovered in the year	292,977,314	108,211,239
Payments	(79,645,097)	(1,065)
Total asset recovery fund account	650,763,361	437,431,144

25. Gratuity Fund Account	2023-2024	2022-2023
	Kshs	Kshs
Balance brought forward	45,278,633	32,981,665
Additions	62,530,580	32,860,914
Payments	(79,305,898)	(20,563,946)
Total gratuity fund account	28,503,315	45,278,633

26. Acquisition fund	2023-2024	2022-2023
	Kshs	Kshs
Balance brought forward	1,543,382,916	1,518,000,000
Development grant- Acquisition of Integrity Centre	-	25,382,916
Total acquisition fund	1,543,382,916	1,543,382,916

27. Revenue Reserve	2023-2024	2022-2023
	Kshs	Kshs
Balance brought forward	44,423,306	189,066,296
Recovery of unspent exchequer to N. Treasury	(50,971)	(36,585,913)
Transfer of depreciation/Amortisation on capital fund to retained earnings	122,124,148	99,186,101
Creditors written back-Audit fees	696,000	
Deficit for the year	(61,273,032)	(181,860,262)
Development grant- Acquisition of Integrity Centre	-	(25,382,916)
Total revenue reserves	105,919,451	44,423,306

28. Capital Fund	2023-2024	2022-2023
	Kshs	Kshs
Balance brought forward	182,960,648	228,000,556
Transfer of depreciation/Amortisation on capital fund to retained earnings	(122,124,148)	(99,186,101)
Donated Asset	14,128,160	-
Development grant	103,557,489	54,146,193
Total capital fund	178,522,149	182,960,648

29. Events after the reporting period

There were no material adjusting and non-adjusting events after the reporting period

30. Currency

The Financial Statements are presented in Kenya Shillings (Kshs)

31. Acquisition Development fund

These were funds received for acquisition of Integrity Centre

32. Proceeds from disposal of assets	2023-2024	2022-2023
	Kshs	Kshs
Total Proceeds from disposal of assets	3,702,192	1,188,628

Ethics and Anti-Corruption Commission Annual Report and Financial Statements for the year ended June 30, 2024

33. Cash generated from operations	2023-2024	2022-2023
	Kshs	Kshs
Deficit for the year before tax	(61,273,032)	(181,860,262)
Adjusted for :		
Depreciation	115,367,452	95,993,993
Amortization	6,756,696	3,192,108
Gains and losses on disposal of assets	(2,914,384)	(639,843)
Working capital adjustments		
Decrease / Increase in inventories	(5,739,245)	714,136
Increase/Decrease in receivables & prepayments	3,083,731	(2,545,978)
Increase/Decrease Trade & other payables from exchange transactions	(53,887,313)	48,569,734
Net cash flow from operating activities	1,393,905	(36,576,112)

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18. Property, Plant and Equipment									
	Land	Building	Motor vehicles	Furniture, Fixture & fitting	Computer Equipment	Security Equipment	Plant and Equipment	Library Books	Total
Cost or Valuation:	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Estimated Useful Life (years)	-	50	6	8	3	8	8	8	
Depreciation Rates	-	2%	16.67%	12.50%	30.00%	12.50%	12.50%	12.50%	
As at 1st July 2022	795,483,750	773,438,327	529,191,601	91,147,376	290,510,851	166,104,667	102,404,823	11,610,157	2,759,891,552
Additions		20,816,154	8,598,489	2,324,000	21,979,800	48,000	379,750		54,146,193
Disposals			(5,143,909)	(936,059)	(2,475,149)				(8,555,117)
Transfers/adjustments	-								-
Land Improvements	-	-							-
As at 30th June 2023	795,483,750	794,254,481	532,646,181	92,535,317	310,015,502	166,152,667	102,784,573	11,610,157	2,805,482,628
Additions	-	31,733,850	-	130,000	60,313,443	665,397	7,020,023	-	99,862,713
Disposals			(10,743,938)		(9,877,212)		(70,000)		(20,691,150)
Transfers/adjustments									-
Land Improvements									-
As at 30th June 2024	795,483,750	825,988,331	521,902,243	92,665,317	360,451,733	166,818,064	109,734,596	11,610,157	2,884,654,191
Depreciation and impairment									
At 1 July 2022	-	51,886,733	402,836,066	55,591,442	227,215,632	103,727,867	67,888,250	2,721,131	911,867,120
Disposals	-	-	(5,051,904)	(721,783)	(2,232,645)				(8,006,332)
Depreciation	-	15,141,866	26,685,787	5,339,308	33,661,791	8,916,972	4,978,408	1,269,861	95,993,993

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18. Property, Plant and Equipment <i>Continued</i>.....									
At 30 June 2023	-	67,028,599	424,469,949	60,208,967	258,644,778	112,644,839	72,866,658	3,990,992	999,854,782
Disposals			(10,269,923)		(9,570,503)		(62,916)		(19,903,342)
Depreciation	-	15,776,543	26,567,284	5,355,559	51,543,329	9,000,146	5,854,730	1,269,861	115,367,452
As at 30 June 2024	-	82,805,142	440,767,310	65,564,526	300,617,604	121,644,985	78,658,472	5,260,853	1,095,318,891
Net book values									
At 30 June 2024	795,483,750	743,183,189	81,134,933	27,100,791	59,834,129	45,173,079	31,076,124	6,349,304	1,789,335,300
At 30 June 2023	795,483,750	727,225,882	108,176,232	32,326,351	51,370,724	53,507,828	29,917,915	7,619,165	1,805,627,847

34. Contingency Liabilities

The Commission has given no guarantees to third parties. In the ordinary course of business, the Commission has been sued in various cases with potential exposure estimated at **Kshs 168,980,773**. The Commission is a defendant or co-defendant in various litigations and claims. The outcomes of these litigations and claims are yet to be determined; hence, the Commission has not made any provisions in these accounts towards contingent liabilities.

Contingent Liabilities

Description	2023-2024	2022-2023
	Kshs	Kshs
Court cases against the Commission	168,980,773	204,236,911

35. The deficit is mainly caused by depreciation.

36. Detail Analysis of Cash and Cash equivalents

Financial Institution	Account Number	2023-2024	2022-2023
		Kshs	Kshs
KCB - Main A/C	1103253387	8,240,815	14,716,141.35
KCB - Mombasa	1106512073	2,000,000	70,990
KCB - Kisumu	1121427499	2,000,000	872,790.60
KCB - Garissa	1128655223	2,000,000	1,870,704.40
KCB - Nyeri	1128743523	2,000,000	1,372,710
KCB - Eldoret	1131040244	2,000,000	983,899.35
KCB - Malindi	1167493583	2,000,000	1,227,808
KCB - Isiolo	1167596226	2,000,000	1,209,940
KCB - Machakos	1167286790	2,000,000	865,620
KCB - Nakuru	1167708466	2,000,000	452,895
KCB - Kisii	1178636070	2,000,000	513,280
KCB - Bungoma	1249057019	2,000,000	1,934,070
Central Bank of Kenya	1000181141	2,386	50,970.50
CBK - GIZ Project	1000227959	700	700
CBK Development A/C	1000182059	1,416,738	1,416,736.50
Cash - Head Office		416	415.30
Total		31,661,055	27,559,671

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Appendix.1 Transfers from other Government Entities

A. Recurrent Account

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/ Development/ Others	Total Amount Kshs	Where Recorded/recognized		
	as per bank statement			Statement of Financial Performance	Capital Fund	Total Transfers during the Year
The National Treasury	01.08.2023	Recurrent	198,893,214	198,893,214		198,893,214
The National Treasury	08.09.2023	Recurrent	100,000,000	100,000,000		100,000,000
The National Treasury	08.09.2023	Recurrent	204,515,098	204,515,098		204,515,098
The National Treasury	22.09.2023	Recurrent	93,015,203	93,015,203		93,015,203
The National Treasury	26.09.2023	Recurrent	100,000,000	100,000,000		100,000,000
The National Treasury	03.10.2023	Recurrent	204,472,445	204,472,445		204,472,445
The National Treasury	09.11.2023	Recurrent	205,573,341	205,573,341		205,573,341
The National Treasury	21.11.2023	Recurrent	54,202,869.85	54,202,870		54,202,870
The National Treasury	04.12.2023	Recurrent	223,493,827	223,493,827		223,493,827
The National Treasury	18.12.2023	Recurrent	120,647,867.65	120,647,868		120,647,868
The National Treasury	29.12.2023	Recurrent	216,196,711.70	216,196,712		216,196,712
The National Treasury	16.01.2024	Recurrent	82,002,674	82,002,674		82,002,674
The National Treasury	22.01.2024	Recurrent	317,959,733	317,959,733		317,959,733
The National Treasury	06.02.2024	Recurrent	205,020,827.3	205,020,827		205,020,827
The National Treasury	01.03.2024	Recurrent	203,106,087	203,106,087		203,106,087
The National Treasury	14.03.2024	Recurrent	115,502,732	115,502,732		115,502,732

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The National Treasury	08.04.2024	Recurrent	215,459,652	215,459,652		215,459,652
The National Treasury	19.04.2024	Recurrent	100,000,000	100,000,000		100,000,000
The National Treasury	02.05.2024	Recurrent	207,837,100	207,837,100		207,837,100
The National Treasury	22.05.2024	Recurrent	100,000,000	100,000,000		100,000,000
The National Treasury	07.06.2024	Recurrent	204,301,830	204,301,830		204,301,830
The National Treasury	18.06.2024	Recurrent	100,000,000	100,000,000		100,000,000
The National Treasury	26.06.2024	Recurrent	212,673,370	212,673,370		212,673,370
Total			3,784,874,582	3,784,874,582		3,784,874,582

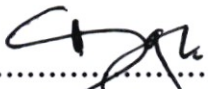
B. Development Account

Name of the MDA/Donor Transferring the funds	Date Received as per Bank Statement	Nature: Recurrent Development Others	Total Amount Kshs	Statement of Financial Performance	Where Recorded/Recognized	
					Capital Fund	Total Transfers during the Year
The National Treasury	18.12.2023	Development	26,329,933		26,329,933	26,329,933
The National Treasury	23.02.2024	Development	22,041,963		22,041,963	22,041,963
The National Treasury	30.06.2024	Development	11,194,821		11,194,821	11,194,821
Total			59,566,717		59,566,717	59,566,717
Grand Total			3,844,441,299		3,844,441,299	3,844,441,299

Appendix 2: 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 timeframe within which we expect the issues to be resolved.

Ref. No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe
1	The Commission reported a deficit of Kshs 61,647,104 (2020/2021- Kshs 64,475,692). The persistent under-funding might affect the full implementation of the Commission's planned activities in the future.	The deficit arose mainly due to depreciation and amortization expenses.	Mr Joel I Mukumu, OGW Director Finance and Planning	Awaiting Public Accounts Committee Report	None
2.	The Commission reported a deficit of Kshs 181,860,262 (2021/2022-Kshs 61,647,104. Payables increased from Kshs 23,761,416 in prior year to Kshs 99,106,066 in the FY 2022/2023.	The deficit was attributed to depreciation and amortization which is a non-cash expense. The increase in payables was attributed to underfunding by the Exchequer.	CPA Joel I. Mukumu, OGW Director Finance and Planning	Not Resolved	Awaiting Presentation to Public Accounts Committee (PAC) of the National Assembly.



David Oginde, PhD, FCS
Chairperson



Twalib Mbarak, MGH, CBS
Secretary/Chief Executive Officer