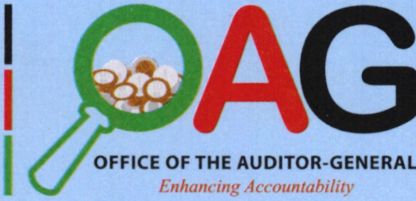
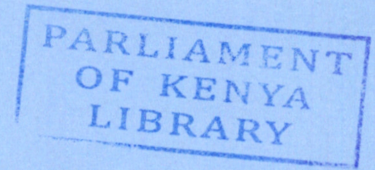


REPUBLIC OF KENYA



REPORT



OF


THE AUDITOR-GENERAL

ON

FINANCIAL REPORTING CENTRE

FOR THE YEAR ENDED

30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 DEC 2025	DAY: Wed
TABLED BY:	Deputy Leader of Majority Hon. Owen Bayo
CLERK-AT-THE-TABLE:	Halima Zuleiman



FINANCIAL REPORTING CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2025**

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Financial Reporting Centre (FRC) was established by the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA No.9 of 2009) and is a body corporate, with perpetual succession and a common seal. The Prevention of Terrorism Act (POTA) 2012 also mandates the FRC with the fight against financing of terrorism.

FRC became operational in April 2012 as Kenya's Financial Intelligence Unit whose objectives are as follows:

- Assist in the identification of the proceeds of crime;
- Combating money laundering and terrorism financing;
- Make information collected by it available to investigating authorities and other relevant bodies to facilitate enforcement of the laws of Kenya;
- Exchange information with similar bodies in other countries in other countries regarding money laundering activities and related offences;
- Ensure compliance with international standards and best practice in anti-money laundering measures.

The functions of the FRC include:

- ✓ Receipt, analysis and interpretation of information as prescribed by POCAMLA and POTA;
- ✓ Compilation and analysis of data (records and statistics) including making recommendations arising out of any information received and issuing guidelines;
- ✓ Dissemination of financial intelligence reports within and outside Kenya;
- ✓ Registration of reporting institutions;
- ✓ Setting anti money laundering policies and formulation of regulations;
- ✓ Designing and provision of AML related training;
- ✓ Creation and maintenance of a database of amongst others, reports of suspicious transactions and related Government information;
- ✓ Inspection of reporting entities for compliance;
- ✓ Public awareness.

(b) Key Management

The Financial Reporting Centre is Kenya's Financial Intelligence Unit and responsible for combating money laundering and terrorism financing. The FRC is administered through staff who carry out the day-to-day activities of Centre. The Centre's activities are executed through the Director General who is also the Centre's CEO assisted by heads of departments. The POCAMLA establishes the Anti-Money Laundering Advisory Board (AMLAB) under section 49 and sets out its functions under section 50, which include, advising the Centre generally on its functions and exercise of its powers under the Act. Under section 42 (3) of POCAMLA the AMLAB approves the financial estimates of the Centre.

(c) Fiduciary Management

During the financial year under focus, operations of the FRC were undertaken by the Centre's staff and administered by the Director General/Chief Executive Officer of the Centre. The Director General/Chief Executive Officer hereby submits the Annual Report of the Centre and the Financial Statements for the year ended 30 June 2025, which show the state of the Centre's affairs.

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

No.	Designation	Name
1	Director General/CEO	Saitoti K. Maika
2	Company Secretary & Director, Legal, Compliance & External Relations	James Manyonge
3	Director, Financial Analysis & Reporting	Ag. Thomas M. Kathuli
4	Director, Corporate Services	Emmy J. Kiptugen

Fiduciary Oversight Arrangements

The overall oversight of the Centre finances lies with the Parliamentary Public Accounts Committee. Pursuant to section 18 of the Government Financial Management Act, 2004 and section 9 (e) of the Legal Notice No. 168 (Legislative Supplement No. 51) of 22nd December 2006, the Centre's Auditor remains the Auditor General of the Government of Kenya.

(a) Entity Headquarters

Old Mutual Tower, Upper- Hill
P.O. Box Private Bag 00200
NAIROBI

(b) Entity Contacts

Telephone: 254-020-709858000
E-mail: info@frc.go.ke
Website: www.frc.go.ke

(c) Entity Bankers

Kenya Commercial Bank Ltd
KICC Branch
A/C No. 1211924076
P O Box 48400-00100
NAIROBI

(d) Independent Auditors

Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084, GPO 00100
NAIROBI





(e) Principal Legal Adviser

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

MEMBERS OF THE ANTI-MONEY LAUNDERING ADVISORY BOARD


No.	Name	Role & Representation
1.	Muthoni Joyce Wangai	Chairperson (Private Sector Representative)
2.	Lorian Mona Okongo (w.e.f 18 th October 2024)	Member (Private Sector Representative)
3.	Miriam Wambui Gaituri (Term ended 30 th July 2024)	Member (Private Sector Representative)
4.	Dorcias Agik Odhong Oduor	Member (Attorney General)
5.	Dr. Chris Kiptoo	Member (Principal Secretary, The National Treasury)
6.	Dr. Kamau Thugge C.B.S	Member (Governor, Central Bank of Kenya)
7.	Douglas Kanja Kirocho, MGH, CBS, OGW	Member (Inspector General of Police)
8.	Noordin Mohamed Haji, OGW, CBS	Director General, National Intelligence Service)
9.	Brig. Alice Mate	Member (Director, Asset Recovery Agency)
10.	John Gachora	Member (Chairman Kenya Bankers Association)
11.	CPA Dr. Grace Kamau	Member (Institute of Certified Public Accountants of Kenya)
12.	Saitoti Maika	Secretary / Director General/ Chief Executive Officer, Financial Reporting Centre

MANAGEMENT TEAM

		<p>Director General / Chief Executive Officer</p>
<p>Saitoti K. Maika MAIR.NSFP ,BA.IRD ,Dip.SSS</p>		<p>Corporation Secretary and Director, Legal, Compliance & External Relations</p>
<p>James Manyonge MBA; LLB; BSL; Dip. Law; CPS (K)</p>		<p>Ag. Director, Financial Intelligence Analysis and Reporting</p>
<p>Thomas M. Kathuli M.Arts & B.A Criminology & Social Order</p>		<p>Director, Corporate Services</p>
<p>Emmy J. Kiptugen MBA-SM, B.COM, Diploma-MIS, Diploma-CIB</p>		

 <p>CPA Ruth Bosibori Momanyi MSCI , MBA Finance, B.COM (Accounts Option), CPA(K)</p>	<p>Manager, Finance and Accounts</p>
 <p>Abednego Marube Mogire MSc Computer Science & BSc Engineering</p>	<p>Manager, Information Communication Technology</p>
 <p>Kennedy Pambo PhD Agri.& Applied Economics, MSc, BSc</p>	<p>Manager, Technical Capacity Building</p>
 <p>Ibtisam Mbarak Awadh MSc. HRM, BBA Accounts, CHRP (K)</p>	<p>Manager, Human Resources and Administration</p>
 <p>Eva N. Saiyuah FCCA,MSCI,MBA BCOM (Finance)</p>	<p>Manager, Compliance and Regulation</p>

**Financial Reporting Centre
Annual Reports and Financial Statements
For the year ended 30th June 2025**

 <p>Margaret N. Muthee MBA Finance, BA Economics</p>	<p>Manager, Strategy Monitoring & Evaluation</p>
 <p>Christa O. Riany FCCA, CPA(K), MBA, B.Com (Finance)</p>	<p>Principal Internal Auditor</p>
 <p>Roseanne K. Murungi MSc. PSM, BBA, Supply Chain, DSM, CIPS MKISM</p>	<p>Principal Supply Chain Management Officer</p>

REPORT OF THE CHIEF EXECUTIVE OFFICER

The Financial Reporting Centre (FRC) is established as Kenya's financial intelligence unit. This is pursuant to the UN Conventions and global frameworks that require every country to have a Central Agency for the receipt, analysis and dissemination of financial intelligence. Therefore, FRC existence and mandate draws from the obligations imposed on Kenya from the Global Community such as the Convention for the Suppression of the Financing of Terrorism (1999), the United Nations Convention against Transnational Organized Crime (2001), and the United Nations Convention against Corruption (2003).

FRC receives reports on suspicious transactions and activities pursuant to Section 24(a) of the Proceeds of Crime and Anti-Money Laundering Act, (POCAMLA) 2009. In addition, it is empowered by law to receive reports of all cash transactions above Kshs. 1M (Section 44(6) POCAMLA) and cross border monetary declarations of a similar amount (Section 12(2) POCAMLA). This is a critical component of national security data. Further, Section 24(j) of POCAMLA mandates the FRC to maintain database of all STRs, related government information and other materials relevant to the mandate of the Centre.

The FRC effectiveness supports growth of the private sector investment not only in pursuit of new economic opportunities but also in ensuring integrity of investment funding to support the country financial stability. Furthermore, Kenya is preparing to undergo an AML/CFT assessment by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) from September 2023. To this end, the FRC has a primary responsibility of preventing the undesirable consequence of Kenya being blacklisted by international bodies such as IMF, World Bank, FATF. This calls for full implementation of all national AML/CFT and FRC programs that are components of the FRC budgeted activities.

Based on the FRC core mandate of identification of proceeds of crime and combating money laundering and terrorism financing that is an integral component of national security and is critical for the stability and integrity of the financial sector, the provision of adequate funding for the FRC operations is critical.

Key Achievements in the Financial Year 2024/2025

During the FY 2024/2025, the FRC key achievements included the following:

1. Compliance with International Standards:

- a) The FRC continued to provide critical expertise for compliance with international Anti-Money Laundering and Counter Financing of Terrorism and Proliferation standards that enabled Kenya to avert global sanctions and blacklisting from participating in the global financial system.
- b) Conducted numerous industry workshops and capacity building trainings to reporting entities to enhance their ability to combat illicit financial flows, and thereby increased efficiency in the fight against money laundering and terrorism financing.
- c) The FRC championed the implementation of global standards to counter Money Laundering (ML), Terrorism financing (TF) and Proliferation Financing (PF) through peer assessment of systems and processes, thereby strengthening the financial integrity of Kenya and regional states.

2. Financial Intelligence Analysis and Reporting

In 2024, the Financial Reporting Centre received 8,057 reports consisting of 5,454 STRs, 2,482 SARs and 114 STARs from reporting institutions and 28 reports from walk-ins / whistle blowers. This represents a twenty two percent (22%) increase as compared to the previous year where the Centre received 6,631 reports. Generally, the increased number of reports in 2024 is attributed to the training programmes that were rolled out to reporting institutions and enhancement of risk-based controls by reporting institutions following Kenya being designated as a jurisdiction under increased monitoring. 299 spontaneous disseminations to various Law enforcement agencies representing a 21% increase as compared to the previous year. This is attributed to the increased engagements with reporting entities for reporting excellence, technological upgrades, sectoral indicators development and efforts to align disseminations to the operational needs of the law enforcement agencies. Valued at Kshs 561,221,043 and obtained forfeiture orders of assets valued at approximately Kshs 266,159,119.

3. Combating Terrorism Financing:

- a) The FRC continues to promote Kenya's security interests in the regional counter financing of terrorism strategy, which has led to regional states' support to Kenya's efforts towards combating the financing of terrorist groups.
- b) The FRC continues to provide critical support to law enforcement agencies through the analysis and dissemination of vital financial intelligence relating to terrorism cases in the country thereby leading to the identification, arrest and prosecution of terrorist offenders and persons engaged in terrorism financing.
- c) The FRC has developed typologies for combating Terrorism Financing (TF), which has increased detection of TF activities leading to the disruption of funding to terrorist organizations and prosecution of terrorist offenders.
- d) The FRC has supported partner states in understanding and analyzing TF activities leading to joint regional efforts aimed at disruption of terror networks.
- e) The FRC contributed to a national policy shift by enhancing the use of financial intelligence in conducting parallel financial investigations of terrorist cases.

4. Suspicious Transaction Reports:

The increase in STRs is attributed to amongst others, increased awareness and compliance by reporting institutions following measures instituted by the FRC including, training of compliance officers, holding of sensitisation seminars with both reporting institutions and regulatory bodies and a partnership approach by the FRC in combating ML, TF and PF.

5. Increased Registration of Reporting Entities

FRC registered more entities from various designated sectors during this period to comply with recommendations gathered from both the Mutual Evaluation (2022) and the National Risk Assessment (2021). This exercise aimed to create an integrated approach in keeping all designated entities under the ambit of FRC supervision and thus mitigate the vulnerabilities inherent in the Kenyan financial system. In 2024/2025, FRC registered more than 1,589 entities up from 1,000 it had registered earlier. These include Designated Non-Financial Businesses and Professions (DNFBPs). Real Estate Sector, CBK licensees: (Foreign Exchange

Bureaus, PSPs and Money remittance providers, Life Insurance Companies & Intermediaries, Market Intermediaries (CMA licensees) Casinos MFIs, Banks, FXBs, MRPs, Telcos, Commercial Banks, MFIs, KRA, LSK, PSPs and NPOs

6. National Risk Assessment

The Cabinet Secretary for the National Treasury and Planning established a multi-agency Taskforce to undertake Kenya's National Risk Assessment on Money Laundering and Terrorism Financing (NRA) with the FRC and the Central Bank of Kenya leading the pack as the coordinator / secretariat. This culminated into legal reforms among other reforms that saw the revision and enactment of POCAMLA in September 2023. FRC also issued guidelines on High Risk jurisdictions and is currently rolling out guidelines and circulars to different regulated sectors on registration, reporting, Beneficial Ownership, Terrorist Financing Risk, High Risk Jurisdictions and NRA Risk understanding.

7. Achievements from the Mutual Evaluation (ME)

The mutual evaluation exercise noted that Kenya is exposed to money laundering threats from proceeds of crime through its financial system, legal sector, real estate sector, and cross-border transactions. FRC therefore rolled out the registration of all Forex Bureaus, all Casinos, practicing Accountants, Real Estate Agencies, Life Insurance Brokers and SACCOs to conform to the recommendations. To allow Kenya access intelligence from top Financial Intelligence Units globally, FRC has joined Egmont group of Financial Intelligence Units.

The FRC effectiveness supports growth of the private sector investment not only in pursuit of new economic opportunities but also in ensuring integrity of investment funding to support the **Government Agenda** in particular investment in **housing** to achieve the government target. It is imperative to note that the Estate Agents Registration Board is categorized as a supervisory body under the Proceeds of Crime and Money Laundering Act, which mandates the FRC to regulate the real estate sector for purposes of AML/CFT.



SAITOTI KIMEREI MAIKA

DIRECTOR GENERAL/CHIEF EXECUTIVE OFFICER

CORPORATE GOVERNANCE STATEMENT

The Anti-Money Laundering Advisory Board (AMLAB) is established under Section 49 of the Proceeds of Crime and Anti-Money Laundering Act, 2009 (POCAMLA). The membership of the AMLAB comprises eight ex-officio members, two private sector representatives who are independent members, and Director General / Chief Executive Officer of the FRC who is also the Secretary.

The functions of the AMLAB as set out in Section 50 of POCAMLA are to, on the request of the Cabinet Secretary of the National Treasury or on its own initiative, advise the Cabinet Secretary on policies, best practices and related activities to identify proceeds of crime or proceeds of unlawful activities, and to combat money laundering activities or the exercise of the powers conferred to the Cabinet Secretary under the Act.

The AMLAB also advises the Centre generally on its functions and the exercise of its powers under the POCAMLA; and acts as a forum in which the Financial Reporting Centre, associations representing categories of reporting institutions, state organs and supervisory bodies can consult one another on anti-money laundering developments, concerns and initiatives. The AMLAB may also perform any other duty as may be prescribed under the POCAMLA.

During the period under review, AMLAB held ordinary meetings and special meetings.

COMPOSITION OF THE AMLAB

During the period under review, the AMLAB was composed as follows:

1. Muthoni Joyce Wangai

FCCA Muthoni Wangai is a former Independent Electoral and Boundaries Commission (IEBC) Commissioner. She is a Fellow of the Institute of Certified Public Accountants (ICPAK) and formerly a long time serving member of the Public Policy and Governance Committee (PPG) of the Institute. She is also a former Chairperson of the Policy Holders Compensation Fund (PCF) among other leadership roles in both the private and public sectors.

She holds an MBA in Finance from the A university of Leicester and a B. Com degree from the University of Nairobi. She is currently a strategic management, finance and risk consultant.

2. Dorcas Agik Odhong Oduor - Attorney General

Dorcas Agik Odhong Oduor born 12 November 1965 is a Kenyan lawyer who in 2024 became the country's first female Attorney General. Dorcas Oduor has had a long career in law, working in the State Law Office and the Office of the Director of Public Prosecutions. She previously served as the Secretary of Public Prosecutions. In addition to her legal roles, she has also held various leadership positions.

She has an experience of over thirty years as a lawyer having served in the State Law Office and the Office of the Director of Public Prosecutions. Oduor until 2024 was the Secretary of Public Prosecutions, chairperson of the Board of Review on Mentally Insane (Criminal Psychiatric). Assisting Counsel in the Akiwumi Commission of Inquiry on Land Clashes, the Bosire Commission on the and Goldenberg Affair and the Kiruki Commission on the Artur Brothers, and also member of the National Task Force on Money Laundering and Terrorist Financing

3. Dr. Chris Kiptoo – Principal Secretary / National Treasury

Dr. Chris Kiptoo holds a Doctor of Philosophy Degree (PhD) in Finance (*International Macroeconomics Finance specialization*) from Nairobi University, as well as a Master of Science (Ag. Economics) and Bachelor of Science (Ag. Economics) degree from Egerton University. He is also an Accredited Fellow in Macroeconomic Management Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI).

Dr. Chris Kiptoo is the Principal Secretary, National Treasury. He was appointed Principal Secretary by President William Samoei Ruto on 1 December 2022. Dr. Kiptoo is the immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, and Trade & Cooperatives.

In his working career, Dr. Kiptoo has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he has served in various capacities. His expertise

especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy; financial sector matters including capital markets; national accounts/real sector and macroeconomic accounting, and modelling and forecasting.

Additionally, Dr. Kiptoo has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure development, institutional development of Government institutions and organizational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as Trade Mark East Africa. Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister.

4. Dr. Kamau Thugge, E.B.S., M.B.S., C.B.S - Governor, Central Bank of Kenya

Dr. Kamau Thugge, E.B.S., M.B.S., C.B.S., holds a Bachelor's Degree from Colorado College, and Master's and PhD Degrees in Economics from Johns Hopkins University in the United States he is the tenth Central Bank of Kenya (CBK) Governor.

Dr. Thugge has had a long and distinguished career in the international and Kenya as public service. He worked in the International Monetary Fund (IMF) in both policy- making and non-policy making departments. These include the Policy Review and Development Department and the Trade Policy Division. In these roles, Dr. Thugge helped to design the Highly Indebted Poor Countries Initiative (HIPC) as well as other policy initiatives. He also worked on various Article IV missions. Dr. Thugge also served as Mission Chief to Botswana and Lesotho in the wake of the Global Financial Crisis.

Dr. Thugge has held various senior roles in Kenya, including as the Head of the Fiscal and Monetary Affairs Department at the National Treasury, as Economic Secretary and as Senior Economic Advisor. Dr. Thugge also serviced as Principal Secretary at the National Treasury, and lately as Senior Advisory to the President and Head of Fiscal and Budget Affairs. Dr. Thugge helped to design and implement various laws including the Public Finance

Management Act, the Commission on Revenue Allocation Act, the Independent officers (Appointment) Act, the Public Procurement and Disposal of Assets Act, and many more.

In these roles, he also served on various boards including that of the Central Bank of Kenya, the Monetary Policy Advisory Committee (and later the Monetary Policy Committee), the Kenya Revenue Authority and the Capital Markets Authority. The Governor holds a Bachelor's Degree from Colorado College, and Master's and PhD Degrees in Economics from Johns Hopkins University in the United States.

5. Douglas Kanja Kirocho, MGH, CBS, OGW - Inspector General, National Police Service

Mr. Douglas Kanja assumed the position of Inspector General of Police on September 19, 2024, following his appointment by President William Ruto and subsequent vetting by the Senate and National Assembly. Prior to this appointment, he has served as the Commandant of the General Service Unit (GSU) since 2018. He has had a stellar career spanning nearly four decades in law enforcement, during which he rose through the ranks to the top command of the Service.

From 2018, Kanja served as the Commandant of the General Service Unit (GSU). Under his leadership, the GSU played a critical role in maintaining public order, responding to emergencies, and executing high-risk operations. According to his profile on the National Police Service Commission, Kanja's tenure as the director of Crime. His strategic initiatives and hands-on approach contributed to enhancing the efficiency and effectiveness of the DCI. As the Commandant of the Anti-Terrorism Police Unit (ATPU), Kanja was at the forefront of Kenya's fight against terrorism. His leadership in this unit was pivotal in countering terrorist activities and ensuring national security. In his capacity as the Director of Operations at the NPS, Kanja coordinated nationwide police operations, streamlined procedures, and improved response times to incidents. His strategic planning and operational oversight were crucial in maintaining law and order.

6. Noordin Mohamed Haji, OGW, CBS - Director General, National Intelligence Service

Noordin Mohamed Haji, OGW, CBS (born 3 July 1973) is a Kenyan advocate of the High Court of Kenya, a position he has held for the last 21 years and the current Director of Public Prosecutions, replacing Keriako Tobiko who resigned in 2018.

He is the second Director of Public Prosecutions after the promulgation of the Constitution of Kenya 2010, which made the Office an independent entity from the Attorney General's Office, which it had been previously under. He was in 2023 nominated by President William Ruto as next director-general of the National Intelligence Service (NIS) to replace Major-General (Rtd) Philip Kameru.

Haji was appointed by H.E Uhuru Kenyatta, the President of the Republic of Kenya as the Director of Public Prosecutions (DPP) on March 28, 2018 following an interview by the Public Service Commission (PSC) and vetting by the National Assembly. During his vetting speech, he would come to outline his strategic focus of Re-casting, Re-tooling and Re-learning for the ODPP. The aim of this strategy is to inject accountability, transparency, public confidence and quality control at the ODPP, ensuring an Office that is more responsive to its citizen's needs. This has been done in conjunction with the expansion of the ODPP to all the 47 counties in Kenya and a restructuring of the organizational structure.

In his tenure as the DPP, Haji has made a number of high-profile charges that are geared towards enhancing the fight against corruption.

7. Brig. Alice Mate - Director, Assets Recovery Agency

Brig. Alice Mate is the Director, Assets Recovery Agency. She holds a holds Master of Laws in International Maritime Law from IMO International Maritime Law Institute in Malta, Bachelors of Laws degree from the University of Nairobi and a post-graduate Diploma in Law from the Kenya School of Law.

Brig. Mate served as a Legal Officer and Staff Officer II Legal at the Kenya Navy, Staff Officer Litigation Officer and rose to the position of Colonel in Charge of Litigation at the Kenya Defense Forces.

Brig. Mate appointed as the Director of Assets Recovery Agency in March 2021 and became a member of the Anti-Money Laundering Board in the same month.

8. Mr. John Gachora, Chairman, Kenya Bankers Association

Mr. John Gachora is the NCBA Bank Group Managing Director. He holds Bachelor of Science and Masters in Engineering degrees in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology, USA and an MBA degree from the Wharton School, University of Pennsylvania, USA. Mr. Gachora has several years of experience in executive management positions at various global companies in Corporate and Investment Banking, Structuring and Financial Engineering, Commercial Banking and Financial services. He is a Director of several other companies and previously served as a Managing Director at Bank of America Securities and as Managing Director, Corporate and Investment Banking at Barclays Africa prior to joining the NCBA Group.

9. Alternate to Chairman, Kenya Bankers Association: Dr. Habil Olaka

Dr. Olaka is the Chief Executive Officer of the Kenya Bankers Association and is responsible for the strategic direction of the Association under guidance from the KBA Governing Council. Previously he was the Director of Operations of the East African Development Bank (EADB) after serving as the Resident Manager in Kenya. He earlier served the Bank's as the Head of Risk Management and as the Chief Internal Auditor. Earlier, he was at Banque Indosuez as the Internal Auditor and at Price Waterhouse Coopers, Nairobi in the Audit and Business Advisory Services Division.

Dr. Olaka serves on a number of boards representing the KBA. These include the Kenya School of Monetary Studies, the Higher Education Loans Board, the Kenya Deposit Insurance Corporation, the National Research Fund, the Federation of Kenya Employers (FKE), and the National Task Force on Anti Money Laundering and Countering Financing of Terrorism. Dr.

Olaka holds a Doctorate of Business Administration from USIU-Africa, a First Class Honours BSc degree in Electrical Engineering from the University of Nairobi, and an MBA in Finance from the Manchester Business School in the UK. He is a member of the ICPAK and the CFA Institute.

10. CPA Dr. Grace Kamau - Chief Executive Officer, Institute of Certified Public Accountants of Kenya

Grace is a well-seasoned, all-rounded Finance, Strategy Governance and Research professional, experienced in impacting business direction and performance with successful leadership strategies, tactical decision making and forward-thinking approaches. With over 15 years proven history of improving operations and boosting financial health through strong leadership. She's a Strategic problem solver, change manager and visionary executive with success implementing plans to meet current and she was appointed to the position of Chief Manager, Finance and Strategy, to oversee the Institutes' critical functions of Financial Management, Strategic planning, implementation monitoring and reporting, ICT and facilities management. In addition, training on various Continuous Professional Development (CPD) programs carried out by the Institute both locally and internationally. Spearheading formulation and implementation of the Institute's Strategic Plan- 2022-2027, also mid-term and long term needs.

11. Private Sector Representative –Miriam Wambui Gaituri

Ms. Miriam Wambui Gaituri was appointed as a member of the Anti-Money Laundering Board on 30 May 2018. Ms. Gaituri holds a Master's Degree from the University of Nairobi and a Bachelor of Law Degree from the same institution. She is an Advocate of the High Court, a qualified arbitrator, a Certified Public Accountant of Kenya, a Certified Fraud Examiner and holds an international diploma in Anti-Money Laundering from the International Compliance Association.

Ms. Gaituri is a member of the Law Society of Kenya, Institute of Certified Public Accountants of Kenya, Association of Certified Fraud Examiners, and International Compliance Association and of Chartered Arbitrators.

AMLAB CHARTER:

The AMLAB has developed draft Rules of Procedure that set out the AMLAB's corporate governance policy and defines the respective roles, responsibilities, authorities, protocols, procedures, evaluation and culture of the Board and that of the Financial Reporting Centre. The Rules of Procedure are in addition to the Provisions as to the Conduct of Business and Affairs of the Board as set out in the fifth schedule of POCAMLA.

AMLAB SUB COMMITTEES

AMLAB has a number of Sub-Committees including:

- Finance and General Purpose Committee, which provides advice on financial matters including review of the budget of the Centre, human resources, among other administrative functions, and is chaired by Ms. Miriam Gaituri.
- Audit and Risk Committee that is advices on governance framework and risk management, among other assurance functions, and is chaired by CPA Grace Kamau.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Centre recognizes the importance of being a responsible corporate citizen. It is developing a framework that will guide its corporate social responsibility (CSR). The Centre did not undertake any CSR activities in the year under review.

AMLAB ALLOWANCES FOR THE PERIOD JULY 2024 TO JUNE 2025

<i>Name</i>	<i>Institution</i>	<i>Position</i>	<i>Chairman's Honoraria</i>	<i>Board Retainer Allowance</i>	<i>Sitting Allowance</i>	<i>Telephone Allowance</i>	<i>Lunch Allowances</i>	<i>Total</i>
Mrs. Muthoni Wangui	Private Sector Representative	Chairperson	960,000	840,000	60,000	84,000	10,000	1,954,000
Miriam Wambui	Private Sector Representative	Member	-	221,290	40,000	-	-	261,290
Lorian M Okongo	Private Sector Representative	Member	-	591,613	60,000	-	4,000	655,613
Matu Mugo	Governor, Central Bank of Kenya	Member	-	-	100,000	-	2,000	102,000
Fred Mwachi	Alternate to the Attorney General	Alternate	-	-	140,000	-	2,000	142,000
Abdallah Komesha	Alternate to Inspector General Of Police	Alternate	-	-	120,000	-	2,000	122,000
Brig. Alice Mate	Director, Asset Recovery Agency	Member	-	-	80,000	-	4,000	84,000
Nicolas Mutua	Director, Asset Recovery Agency	Member	-	-	60,000	-	6,000	66,000
CPA Grace Kamau	Chief Executive Officer, ICPAK	Member	-	-	100,000	-	-	100,000
Mr. Habil Olaka	Alternate to the Chairman, Kenya Bankers Association	Alternate	-	-	40,000	-	-	40,000
Raimond Molonje	CEO, Kenya Bankers Association, Alternate to Chairman KBA	Alternate	-	-	40,000	-	2,000	42,000
Agnes Shikuku	Alternate to the Director General, National Intelligence Service	Alternate	-	-	120,000	-	2,000	122,000
Grace Murungi	State Corporation advisory Committee(SCAC)	Co-opted	-	-	20,000	-	-	20,000
Eliud Kamau	Alternate to the Attorney General	Alternate	-	-	20,000	-	-	20,000

MANAGEMENT DISCUSSION AND ANALYSIS

The Financial Reporting Centre operates independently as mandated by the National Government Strategic Objectives and Policies. The Centre registers and maintains a register of reporting institutions, receives reports on suspicious financial transactions from reporting institutions, receives cash transaction reports that meet a given threshold from reporting institutions, and receives reports on cross-border conveyancing of monetary instruments. The Centre analyses the reports and disseminates financial intelligence to law enforcement agencies.

The Centre also receives annual compliance reports from the registered institutions and works with respective industry regulators to ensure compliance by reporting institutions with the provisions of the POCAMLA. The Centre collaborates with, and exchanges intelligence relating to money laundering and terrorism financing with Financial Intelligence Units (FIUs) in other jurisdictions.

FRC complies with Section 13 of the Public Finance Management Act, 2012 and Section 83(6) of the State Corporations Act, which require the Director General to prepare financial statements in respect of that Centre, which give a true and fair view of the state of affairs of the Centre at the end of the financial year/period and the operating results of the Centre for the year / period.

The Director General ensures that the Centre keeps proper accounting records that disclose with reasonable accuracy the financial position of the Centre. The Director General is also responsible for safeguarding the assets of the Centre.

The entity's overview of performance includes the following key performance indicators and observations with respect to the financial statements, profits, earnings and cash flows that may be indicative of future results:

1. Expenses vs. Budget

A budget is an estimation of revenue and expenses over a specified future period and is usually compiled and re-evaluated on a periodic basis. At the organization, a budget is an internal tool used by management. Comparison assisted the FRC to understand where and how some budgeted spending went off track, to budget more effectively going forward. An expense vs. Budget was a primary factor of the Budget Variance that helped the institution in its business operations and finances.

2. Operating Cash Flow

The objective of a cash projection is to be able to determine when a cash shortage or excess will occur during the year so that we know when amount required at any given time. Rather than waiting until the accounting staff realize that there is not enough cash to cover that week's checks that shall be issued, a cash projection gives management the ability to anticipate this need so that we are prepared to transfer funds in a timely manner.

Monitoring and analyzing of Operating Cash Flow enabled the entity to ensure there is ability to pay for deliveries and routine operating expenses. The analysis revealed whether or not the institution's operations were generating sufficient cash for support of capital investments. The analysis also assisted the institution ratio of operating cash flow compared to institution total capital employed that gave a deeper insight into the institution's financial health, when making capital investment decisions.

3. Working capital

Working capital serves as a metric for how efficiently organization is operating and how financially stable it is in the short-term. The working capital ratio, which divides current assets by current liabilities, indicates whether a company has adequate cash flow to cover short-term debts and expenses. Cash that is immediately available was "working capital", calculated by summing up institution Working Capital by subtracting our institution existing liabilities from its existing assets, Cash on hand, accounts receivable. This informed the institution in terms of

its available operating funds, by showing the extent of available assets that can cover short-term financial liabilities.

4. Current Ratio

Current Ratio measures the ability of the organization to pay all of its financial obligations in one year. This ratio accounts for current assets, such as accounts receivable, and the current liabilities, such as accounts payable, to help understand the solvency of the institution. The Working Capital above subtracts liabilities from assets, divided by the total assets gave the institution an understanding of the solvency-i.e., how well the institution was positioned to meet its financial obligations consistently on time and to maintain a level of credit rating that is required to order to grow and sustain the operations of FRC.

REPORT OF ANTI-MONEY LAUNDERING ADVISORY BOARD MEMBERS (AMLAB)

The members of the Board who served during the year are shown on Page V. In accordance with section 43 of the Proceeds of Crime and Anti-Money Laundering Act 2009 (POCAMLA), the Director General of the Centre is required to prepare financial statements for each financial year/period, which give a true and fair view of the state of affairs of the Centre as at the end of the financial year and of its operating results for that year. The Director General is also required to safeguard the assets of the Centre.

The Director General of the Centre accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the Centre's financial regulations and generally accepted accounting principles.

Principal Activities

- a) The Institution receives and analyses reports of unusual or suspicious financial transactions made by reporting institutions pursuant to Section 11 of POCAMLA and all reports made pursuant to Section 44 of the said Act, and shall make information collected by it available to investigating authorities, supervisory bodies and any other bodies relevant to facilitate the administration and enforcement of the laws of Kenya;
- b) Exchange information with similar bodies in other countries regarding money laundering activities and related offences regarding illicit financial flows;
- c) Ensure compliance with international standards and best practice in anti-money laundering measures.
- d) Creation and maintenance of a database of amongst others, reports of suspicious transactions and related Government information;
- e) Registration of reporting institutions and Inspection of reporting entities for compliance.

Financial Reporting Centre
Annual Reports and Financial Statements
For the year ended 30th June 2025

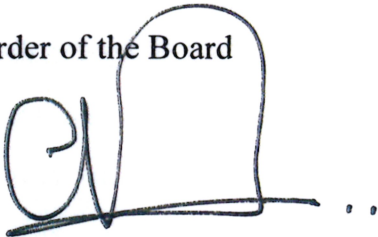
Results

The results of the entity for the financial year ended June 30, 2025 are set out on page 1-5.

Auditors

The Auditor General is responsible for the statutory audit of the *Financial Reporting Centre* in accordance with the Section 13 of the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Board



James Manyonge

Corporation Secretary

Nairobi

Date

31/07/2025

**STATEMENT OF ANTI-MONEY LAUNDERING ADVISORY BOARD MEMBER
RESPONSIBILITIES**

The Director General is responsible for the preparation and presentation of the *Centre's* financial statements, which give a true and fair view of the state of affairs of the *Centre* for and as at the end of the financial year (period) ended on June 30, 2025. 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 *Centre*; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Director General accepts responsibility for the *Centre's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Director General is of the opinion that the *Centre's* financial statements give a true and fair view of the state of the *Centre's* transactions during the financial year/period ended June 30, 2025, and of the *Centre's* financial position as at that date. The Director General further confirms the completeness of the accounting records maintained for the *Centre*, which have been relied upon in the preparation of the *Centre's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *Centre's* financial statements were approved by the Director General

On 31/07/25



Director General/CEO

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 FINANCIAL REPORTING CENTRE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 Financial Reporting Centre set out on pages 1 to 20 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 Financial Reporting Centre as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Public Finance Management Act, 2012 and the Proceeds of Crime and Anti-Money Laundering Act, 2009.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Financial Reporting Centre 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted and actual receipts of Kshs.673,587,804 and Kshs.583,414,040 respectively resulting in an under-collection of Kshs.90,173,764 or 13% of the budget. Similarly, the statement reflects budgeted expenditure and actual on comparable basis of Kshs.673,587,804 and Kshs.717,670,505 respectively resulting in an over expenditure of Kshs.44,082,700.

The under collection implies that some planned programs were not funded due to shortfall in revenue.

2. Financial Performance

During the year under review, the Centre registered a deficit of Kshs.134,256,465 (2023/2024 deficit-Kshs.43,563,889). The deficit resulted to depletion of revenue reserves from Kshs.889,802,259 as at 1 July, 2024 to Kshs.750,885,744 (net of a prior year adjustment of Kshs.4,660,050) as at 30 June, 2025.

The loss-making trend is not desirable and could impact negatively on the Centre's ability to achieve its mandate as envisaged in the Proceeds of Crime and Anti-Money Laundering Act.

My opinion is not modified in respect of these matters.

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 Information

Management is responsible for the Other Information set out on page ii to xxvii, which comprise of Key Entity Information and Management, Members of the Anti-Money Laundering Advisory Board, Management Team, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis and Report of Anti-Money Laundering Advisory Board Members. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Un-approved Budget Over -Expenditure

As previously reported, the statement of comparison of budget and actual amounts reflects budgeted expenditure and actual on comparable basis of Kshs.663,913,060 and Kshs.717,670,505 respectively, resulting in an over-expenditure of Kshs.53,757,445 or 8% of the budget without approval contrary to Regulation 54(1) of the Public Finance Management (National Government) Regulations, 2015 which states that except as provided for in the Act and these Regulations, an Accounting Officer of an entity may not authorize payment to be made out of funds earmarked for specific activities other than those activities.

In the circumstances, Management was in breach of the law.

2. Non-payment of Fringe Benefit Tax

During the year under review, Management did not deduct and remit to Kenya Revenue Authority (KRA) fringe benefit tax accruing from staff who benefitted from the Staff Car Loan Scheme and Staff Mortgage Scheme contrary to Section 12B of the Income Tax Act, Cap 470 which requires employers to account for fringe benefit tax on the deemed interest arising from loans provided to employees at interest rates lower than the prevailing market rate. Although Management has demonstrated

compliance with effect from September, 2025, it is not clear whether there was an understanding between the entity and KRA on the fringe benefit tax arrears for prior periods.

In the circumstances, Management was in breach of the law.

3. Opening of Mortgage Account Without National Treasury's Authority

Review of the Centre's bank accounts indicate that one account was opened without prior authority from The National Treasury. Although Management has indicated that the account was opened by the Bank as an internal account to support the operationalization of the Scheme and that the account has since been closed, no correspondences have been provided to confirm closure of the bank account. This was contrary to Section 28(1) of the Public Finance Management Act, 2012, which requires The National Treasury to authorize opening, operating and closing of bank accounts.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Advisory Board

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

In preparing the financial statements, Management is responsible for assessing the Centre'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.

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

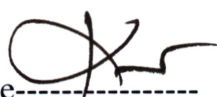
Nairobi

21 November, 2025

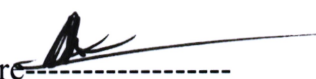
**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2024-2025 Kshs	2023-2024 Kshs
Revenue from non-exchange transactions			Restated
Internally Generated	5,17	13,059,040	4,684,494 - R
Government Grants for Recurrent	5	570,355,000	819,966,236
Total revenue from non-exchange transactions		583,414,040	824,650,730
Personal Emoluments	6	308,443,035	317,664,626
Board Members Expenses	7	4,206,113	11,049,380
Operative & Administrative	8	265,897,198	373,678,848
Depreciation and amortization expense	9	67,122,421	84,594,356
Repairs & Maintenance	10	72,001,737	81,227,408
Total Expenses		717,670,505	868,214,619
Surplus/Deficit for the Year		(134,256,465)	(43,563,889)

The notes set out on pages 6 to 20 forms an integral part of the Financial Statements.

Signature 
Accounting Officer
Name: Saitoti K. Maika

Date: 31/07/25

Signature 
Head of Finance
Name: CPA Ruth Momanyi
ICPAK 5572
Date: 31/07/25

*Financial Reporting Centre
Annual Reports and Financial Statements
For the year ended 30th June 2025*

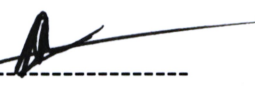
**STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2025**

	Note	2024-2025 Kshs	2023-2024 Kshs Restated
Assets			
Current assets			
Cash and cash equivalents	11(a)	105,860,145	180,362,592
Receivables	11(b)	5,014,694	-
Total Current Assets		110,874,839	180,362,592
Non-current Assets			
Net property, plant and equipment	12	211,845,717	231,846,509
Net intangible assets	13	188,486,504	235,608,129
Investments	14	250,000,000	250,000,000
Total Assets		761,207,060	897,817,229
Liabilities			
Current liabilities			
Trade and Other Payable	15,17	1,095,878	5,755,928
Non-current liabilities Provisions			
Contracted Staff Gratuity	16	9,225,456	6,919,092
Total liabilities		10,321,334	12,675,020
Reserves			
Accumulated Reserves		885,142,209	928,706,098
Reserves for the year		(134,256,465)	(43,563,888) -R
Total Net Assets		750,885,744	885,142,209
Net Assets & liabilities		761,207,060	885,142,209

The Financial Statements set out on pages 1 to 20 were signed on behalf of the AMLB Advisory
By:

Signature: 
Accounting Officer
Name: Saitoti K. Maika

Date: 31/07/25

Signature: 
Head of Finance
Name: CPA Ruth Momanyi
ICPAK 5572
Date: 31/07/25

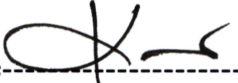
**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2025**

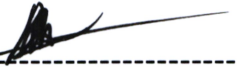
	Revenue Reserve	Capital Reserve	Total
	Kshs	Kshs	Kshs
Balance as at 1st July 2023	928,706,098	00	928,706,098
Surplus/ (deficit) for the Year	(38,903,839)	00	(38,903,839)
Balance as at 30th June 2024	889,802,259	00	889,802,259
Prior year Adjustment	(4,660,050)		(4,660,050)
Surplus/ (deficit) for the Year	(134,256,465)	00	(134,256,465)
Balance as at 30th June 2025	750,885,744	00	750,885,744

*Financial Reporting Centre
Annual Reports and Financial Statements
For the year ended 30th June 2025*

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2024-2025 Kshs	2023-2024 Kshs Restated
Cash flows from operating activities			
Receipts			
Internally Generated	5, 17	13,059,040	4,684,494 -R
Government Grants for Recurrent	5	570,355,000	819,966,236
Total Recurrent Revenue		583,414,040	824,650,730
Payments			
Personal Emoluments	6	308,443,035	317,664,626
Board Members Expenses	7	4,206,113	11,049,380
Operative & Administrative	8	265,897,198	373,678,848
Repair & maintenance	10	72,001,737	81,227,408
Totals Payments		650,548,083	783,620,262
Net cash flows from operating activities		(67,134,043)	41,030,470
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	12,13	(00)	(29,918,084)
Investments (Car & Mortgage Schemes)		00	00
Net cash flows used in investing activities		(00)	(29,918,084)
Cash flows from financing activities			
Decrease in payables	15,17	(4,660,050)	4,353,464
Increase in Receivables		(5,014,694)	00
Gratuity for contracted Staff	16	2,306,364	2,306,364
Net cash flows used in financing activities		(7,368,380)	6,659,828
Net increase/(decrease)in cash and cash equivalents		(74,502,423)	17,772,213
Cash and cash equivalent as at 1st July, 2024	11(a)	180,362,592	162,590,359
Cash and cash equivalent as at 30th June, 2025	11(a)	105,860,145	180,362,592

Signature 
Accounting Officer
Name: Saitoti K. Maika
Date: 31/07/25

Signature 
Head of Finance
Name: CPA Ruth Momanyi
ICPAK: 5572
Date: 31/07/25

Financial Reporting Centre
Annual Reports and Financial Statements
For the year ended 30th June 2025

Statement of Comparison of Budget and Actual Amounts
For The Year Ended 30th June 2025

	Original budget 2024-2025 Kshs	Adjustment 2024-2025 Kshs	Final budget 2024-2025 Kshs	Actual on comparable 2024-2025 Kshs	Deviation Difference 2024-2025 Kshs	Deviation % 2024-2025
Revenue						
Internally Generated	-	13,059,040	13,059,040	13,059,040	-	NIL
Government Grants for Recurrent	1,477,661,068	1,303,965,448	660,528,764	570,355,000	90,173,764	14%
Total income	1,477,661,068	1,317,024,488	673,587,804	583,414,040	90,173,764	13%
Expenses						
Personal Emoluments	474,145,968	474,145,968	317,000,000	308,443,035	8,556,965	3%
Board Members Expenses	28,100,000	10,750,000	7,200,000	4,206,113	2,993,887	42%
Operative & Administrative Depreciation and amortization expense	813,868,000	713,393,630	275,386,067	265,897,198	9,488,869	3%
Repairs & Maintenance	-	-	-	67,122,421	(67,122,421)	N/A
Total expenditure	1,477,661,068	1,317,024,488	673,587,804	717,670,505	(44,082,700)	(7)%
Surplus for the period	NIL	NIL	NIL	(134,256,465)	134,256,464	

NOTES ON SIGNIFICANT VARIANCES BETWEEN BUDGET AND ACTUAL

Major variances in this context refer to expenditure items, which vary from the budget by more/less than 10%

a) Personnel Emoluments- Kes 317 Million (Budget- Kes 474 Million)

Resource constraints: The budgeted amount for personnel emoluments was not fully utilized due to vacancies that remain unfilled during the period. Thus, the Centre could not enhanced its staff complement through recruitment as per the approved establishment of 105 members of staff; this resulted to deviation of 35% on the final budget vs actual in projected optimum expenditure on overall Personnel Emoluments. There was under absorption between final budgeted and actual.

b) Board Expenses- Kes 4 Million (Budget- Kes 10Million)

During the reporting period, Board expenses recorded an under-expenditure variance of 0.4% below the approved budget, primarily due to underfunding, which led to below the 10% threshold for major variances. The shortfall in funding affected the full implementation of planned Board activities release of allocated for Board operations due to inadequate funds that led to budget constraints, Prioritization of core operational areas, resulting in the scaling down of Board-related activities such as retreats, training, and benchmarking visits. Budget ceilings imposed after initial budget approval, leading to reduced provision for Board engagements.

c) Operative & Administrative - Kes 267 Million (Budget Kes 700 Million)

Stakeholder regional sensitization meetings and workshops conducted industry workshops and capacity building trainings to reporting entities to enhance their ability to combat illicit financial flows, and thereby increase efficiency in the fight against money laundering and terrorism financing. In the financial year 2024/2025 actual incurred decreased from the previous year due underfunding to facilitate inspections and registration of entities, the National Risk Assessment (NRA) action plan was not implemented on course as planned. Variances between budget and actual financial performance occurred due to working within constraint budget for operating &Administration expenses.

d) Repair & Maintenance – Kes118 million (Budget Kes 74 million)

Payment for Utilities, Service charge and Electricity, Upkeep of the space occupied and software, plant &Equipment maintance. Government spending cuts were experienced strategic steps were under- taken to address immediate fiscal imbalances by curbing excessive spending .Overall total expenditure had a deviation of a negative due to depreciation and amortization expenses that had not been factored on budget allocation on fixed assets.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Financial Reporting Centre is established by and derives its authority and accountability from Section 21 of the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA) (No.9 of 2009). The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to assist in the identification of the proceeds of crime and to combat money laundering and terrorism financing. It provides for the identification, tracing, freezing, seizure and confiscation of the proceeds of crime.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The financial statements have been prepared based on historical cost, unless stated otherwise, except for the measurement at re-valued amounts of certain items of property, plant and equipment, and other impaired assets at their estimated recoverable amounts. The cash flow statement was prepared using the direct method and the financial statements were prepared on accrual basis. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity and the accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Impact
IPSAS 39: Employee Benefits amended	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee Benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2017

Standard	Effective date and impact:
	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions, which are covered purely under Public Sector combinations as amalgamations.

iii. Early adoption of standards

The entity did not earlier adopt any new or amended standards in year 2018.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. 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). The transfer is free from conditions from other government and it is the economic benefit or service potential related to the asset that will flow to the entity, and can be measured reliably.

b. Budget Information – IPSAS 24

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. Because 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 – IPSAS 16

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 the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 40-year period at a rate of 2.5% on a reducing balance method.

d. Property, Plant and Equipment – IPSAS 17

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. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. 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.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly on reducing balance method as below:

Land & Building	0.00%
Computer & Other related Equipment	33.33%
Motor Vehicles	25.00%
Office Equipment	12.50%
Furniture, partitions & Fitting	12.50%

e. Intangible Assets – IPSAS 31

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. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred amortised at 20% on reducing balance method.

The useful life of the intangible assets is assessed as either finite or indefinite.

f. Research and Development Costs

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

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 – IPSAS 12

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.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

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 – IPSAS 19

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

Where the Entity 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 Entity 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. Contingent Assets

The Entity does not recognize a contingent asset, but discloses in the notes to the financial statements the details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

If it has become virtually certain that, an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k. Nature and Purpose of Reserves

The Entity creates and maintains reserves in terms of specific requirements. The Entity states the reserves maintained and the appropriate policies adopted.

l. Changes in Accounting Policies and Estimates – IPSAS 3

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

m. Employee Benefits – IPSAS 25

Retirement Benefit Plans

The Entity provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments. The contributions and lump sum payments reduce the post-employment benefit obligation.

n. Foreign Currency Transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of Creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o. Borrowing Costs – IPSAS 5

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions, which were not surrendered or accounted for at the end of the financial year.

q. Comparative Figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation to be disclosed as events after reporting period.

r. Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1

The preparation of the Entity'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.

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
- e) Changes in the market in relation to the asset

The increase in the rehabilitation provision due to passage of time is recognized as finance cost in the statement of financial performance. The cost of ongoing programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.

s. Subsequent Events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June30, 2019. However, assets acquired from Central Bank of Kenya in a non-exchange transaction for Nil or nominal consideration shall be valued using a recognition criteria and its carrying amount shall be capitalised in FRC books of accounts.

5. Revenue From Non-Exchange Transactions	2024-2025 Kshs	2023-2024 Kshs
Internally Generated	13,059,040	4,684,494-R
Government Grants For recurrent	570,355,000	819,966,236
Total revenue from non-exchange transactions	583,414,040	824,650,730

6. Personal Emoluments	2024-2025 Kshs	2023-2024 Kshs
Salaries & wages ,Housing benefits and allowances	270,235,353	280,716,240
Employer related costs-contributions to pensions	33,950,838	33,632,222
Gratuities for Contract staff	2,306,364	2,306,364
NSSF Employer Contributions	1,950,480	1,009,800
Total Personal Emoluments	308,443,035	317,664,626

7. Board Members Expenses	2024-2025 Kshs	2023-2024 Kshs
Directors Fees & Allowances	3,830,903	5,778,000
Director Travelling Expenses	00	788,560
Directors Training & Workshops	375,210	4,482,820
Total Board Members Expenses	4,206,113	11,049,380

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8. Operative & Administration Expenses

	2024-2025	2023-2024
	Kshs	Kshs
Medical Benefit Scheme/Insurance	31,991,665	31,518,699
Workshops, Local Courses & Seminars	5,751,930	36,369,422
Overseas Courses, Study Tours ,Seminars etc.	48,873,899	46,125,042
Staff Retreat Expenses sport & Recreation	00	200,370
Communication to Stakeholder/Public	52,729,790	64,787,505
Travelling & Accommodation on Duty	9,782,017	10,395,915
Running & Maintenance of Motor Vehicles	10,022,323	7,677,836
Hire of Transport	00	62,700
Office General Supplies	12,259,554	45,240,268
Rent of Office Premises	63,502,356	63,502,355
Computer Stationery	2,830,000	29,077,600
Official Entertainment	9,181,383	9,753,312
Quarterly Reviews & Annual Reports	1,000,000	1,000,000
Office Forms & Printing Documents	70,902	6,858,250
Postal & Courier Services & Telephone , Facsimile-Fax, Internet etc.	7,767,226	6,314,900
Library, Newspaper & Periodicals	1,383,901	1,837,593
Books & Binding Expenses	00	3,402,500
Corporate Social Responsibility	45,200	222,400
Consultancy & Recruitment Expenses	208,525	2,390,453
Subscriptions & Contributions to Professional Institution	225,059	1,513,163
Subscription to Monitoring Services (Reuters/Bloomberg Etc.)	7,873,939	4,815,293
Uniform & other Protective Gear	00	00
Banking Expenses	397,529	613,271
Total Operative & Administration Expenses	265,897,198	373,678,848

*Financial Reporting Centre
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9. Depreciation and amortization expense	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	20,000,795	25,692,323
Intangible assets	47,121,626	58,902,032
Total Depreciation and Amortization	67,122,421	84,594,356

10. Repairs and Maintenance	2024-2025	2023-2024
	Kshs	Kshs
Water conservancy and Electricity	23,828,893	21,611,875
Upkeep of Property & Cleaning Service	8,994,247	7,013,860
Property Renovation/Partitioning	00	19,167,210
Security of Premises	945,000	1,701,410
Software , Plant & Equipment Maintenance	38,233,597	31,733,053
Other Plant and Equipment Maintenance	00	00
Total repairs and maintenance	72,001,737	81,227,408

11(a). Cash and cash equivalents	2024-2025	2023-2024
	Kshs	Kshs
Kenya Commercial Bank(KCB	105,360,145	179,862,592
Petty Cash	500,000	500,000
Total cash and equivalents	105,860,145	180,362,592

11 (b). Receivables	2024-2025	2023-2024
	Kshs	Kshs
Receivables	5,014,694	-
Total Receivables	5,014,694	-

*Financial Reporting Centre
Annual Reports and Financial Statements
For the year ended 30th June 2025*

12. Property, Plant and Equipment	Land and Building	Computers & other Equipment	Motor-vehicles	Furniture and Fittings	Total
Cost		Kshs	Kshs		Kshs
At 1 July 2024	121,160,000	48,114,374	96,085,303	115,965,501	381,325,178
Additions :	-	-	-	-	-
-Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30 June 2025	121,160,000	48,114,374	96,085,303	115,965,501	381,325,178
Depreciation and Impairment					
At 1 July 2024	-	35,867,066	67,174,368	46,437,232	149,478,667
Depreciation Charge 2024/2025	-	4,082,028	7,227,734	8,691,033	20,000,795
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30 June 2025	-	39,949,094	74,402,102	55,128,265	169,479,462
Net book values					
At 30 June 2025	121,160,000	8,165,280	21,683,201	60,837,235	211,845,717
At 30 June 2024	121,160,000	12,247,307	28,910,934	69,528,268	231,846,509

13. Intangible Assets	Kshs
Cost	
As At 1 st July 2024	456,083,919
Additions–internal development	00
Transfer/adjustment	00
At 30th June 2025	456,083,919
Amortization and impairment	
At 1 st July 2024	(220,475,790)
Amortization 2024/2025	(47,121,626)
At 30th June 2025	(267,597,415)
Netbook values	
At 30 th June 2025	188,486,504
At 30 th June 2024	235,608,129

14. Investments	2024-2025	2023-2024
	Kshs	Kshs
Car Staff Loan	100,000,000	100,000,000
Staff House Mortgage	150,000,000	150,000,000
Total Investments	250,000,000	250,000,000

15. Current Liability	2024-2025	2023-2024
	Kshs	Kshs
Trade and Other Payable	1,095,878	1,095,878
Total Current Liability	1,095,878	1,095,878

16. NON-CURRENT PROVISIONS

Description	Long service leave	Gratuity	Pension Contribution	Total
	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	00	6,919,092	00	6,919,092
Additional Provisions 2024/2025	00	2,306,364	00	2,306,364
Provision utilised	(00)	(00)	(00)	(00)
Change due to discount and time value for money	00	00	00	00
Less: Current portion	(00)	(00)	(00)	(00)
Total	00	9,225,456	00	9,225,456

17. Prior Year Adjustment JV Passed On Erroneously Recognised As Revenue

The prior year adjustment arose as a result a reversed payment of Kshs 4,660,050 recognized as revenue in the year 2023-2024. .

Correction undertaken

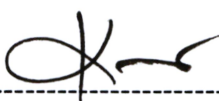
- The adjustment has been recorded in accordance with the relevant accounting standards, specifically (IPSAS 3), to ensure fair presentation of the financial statements.
- Comparative figures for the prior year have been restated to reflect the correct balances of internally generated.

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

There were no issues raised by the external auditor that were given reference no. on the external audit report.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Title deed for the centre's property not registered	Not Registered	Registered	James Manyonge Corporation Secretary and Director, Legal, Compliance & External Relations James Manyonge	Resolved	
Lack of an approved internal Audit charter	Not approved	Approved	James Manyonge Corporation Secretary and Director, Legal, Compliance & External Relations James Manyonge	Resolved	
Un-approved budget over funding expenditure	Underfunding	underfunding	The National Treasury	Not yet resolved	

Director General/C.E. O/M. D (Financial Reporting Centre) Secretary to the Board

Signature-----

Date-----31/07/25-----

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

There were no projects implemented during the period.

APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:	FINANCAIL REPORTING CENTRE		
	Break down of Transfers from the State Department of the National Treasury			
	FY24/25			
	a. Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
1	The National Treasury	14/08/2024	40,000.00	2023/2024
2	The National Treasury	14/08/2024	105,078,750.00	2024/2025
3	The National Treasury	12/12/2024	105,078,750.00	2024/2025
4	The National Treasury	13/02/2025	105,078,750.00	2024/2025
5	The National Treasury	29/04/2025	255,078,750.00	2023/2025
		Total	570,355,000.00	
	b. Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		
	c. Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		
	d. Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		Total		
		Grand Total	570,355,000.00	