

REPUBLIC OF KENYA

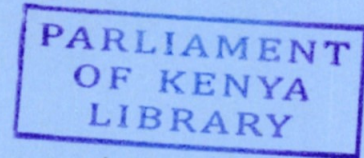
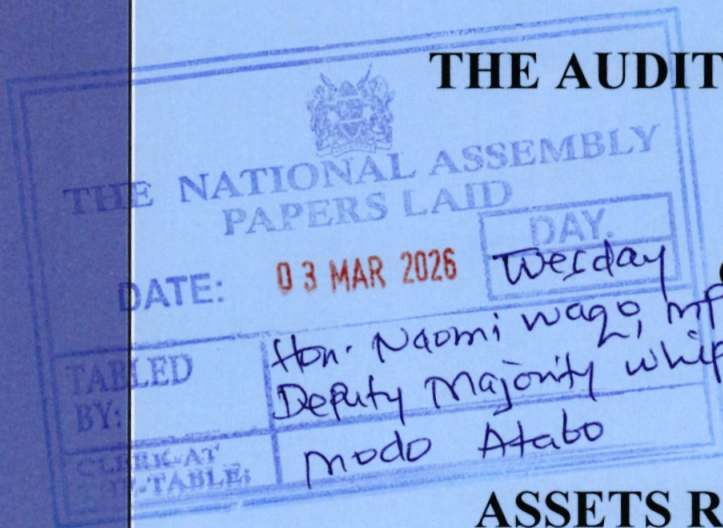


REPORT



OF

THE AUDITOR-GENERAL



ASSETS RECOVERY AGENCY

FOR THE YEAR ENDED  
30 JUNE, 2025



OFFICE OF THE AUDITOR GENERAL  
P.O. Box 30084 - 00100, NAIROBI  
RECORDS OFFICE

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ASSETS RECOVERY AGENCY

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# ASSETS RECOVERY AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2025

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

# ASSETS RECOVERY AGENCY

## Annual Report and Financial Statements for the year ended June 30, 2025.

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Table of Contents		Page
1.	Acronyms, Abbreviations and Glossary of Terms .....	iii
2.	Key Agency Information and Management.....	vi
3.	The Board of Directors/Council.....	xiii
4.	Key Management Team.....	xvii
5.	Chairman's Statement.....	xix
6.	Report of the Director General.....	xxi
7.	Statement of Performance against Predetermined Objectives for FY 2024/2025 .....	xxvii
8.	Corporate Governance Statement.....	xliv
9.	Management Discussion and Analysis .....	xlix
10.	Environmental and Sustainability Reporting.....	liii
11.	Report of the Management .....	lvii
12.	Statement of Management's Responsibilities .....	lviii
13.	Report of the Independent Auditor for the Financial Statements of the Agency .....	lx
14.	Statement of Financial Performance for the year ended 30 June 2025 .....	1
15.	Statement of Financial Position as at 30 June 2025 .....	2
16.	Statement of Changes in Net Assets for the year ended 30 June 2025.....	3
17.	Statement of Cash Flows for the year ended 30 June 2025.....	4
18.	Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025.....	5
19.	Notes to the Financial Statements .....	7
21.	Appendices .....	23

**1. Acronyms, Abbreviations and Glossary of Terms**

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**A: Acronyms and Abbreviations**

ARA	Assets Recovery Agency
CARF	Criminal Assets Recovery Fund
CBK	Central Bank of Kenya
CPF	Counter Proliferation Financing
CTF	Counter Terrorist Financing
ERP	Enterprise Resource Plan
GBP	Great Britain Pound
ICT	Information Communication Technology
IPSAS	International Public Sector Accounting Standards
Ksh.	Kenya Shillings
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
POCAMLA	Proceeds of Crime and Anti-Money Laundering Act
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
USD	United States Dollar
SC	State Corporations

**B: Glossary of Terms**

<b>Agency</b>	Assets Recovery Agency
<b>Assets</b>	Movable and immovable property, tangible and intangible, including immovable property, stores, equipment, land, buildings, animals, inventory, stock, natural resources, intellectual rights vested in the state or proprietary rights.
<b>Assets Recovery</b>	The process of identifying, tracing, freezing, seizure, confiscation, and forfeiture of proceeds of crime or properties which have been acquired from or constitute profits or benefits derived from crime or used for or intended for use in the commission of an offence.
<b>Criminal Assets Recovery Fund</b>	Means the Fund as provided under Section 109 of the Proceeds of Crime and Anti-Money Laundering Act, 2009
<b>Comparative Year</b>	Means the prior period.
<b>Confiscation Order</b>	An order issued by the High Court forfeiting, to the government, all or any of the property that is subject to the restraint order.
<b>Fiduciary Management</b>	Members of Management directly entrusted with the responsibility of financial resources of the organisation
<b>Forfeiture Order</b>	An order issued by the High Court forfeiting, to the government, all or any of the property that is subject to the preservation order.
<b>Performance Indicator</b>	A measurement that evaluates the success of an institution or of a particular activity (such as projects, programmes, products and other initiatives) in which it engages.
<b>Preservation Order</b>	An order issued by the High Court prohibiting any person, subject to such conditions and exceptions as may be specified in the order, from dealing in any manner with any property that is a proceed of crime or has been used or is intended for use in the commission of an offence.
<b>Proceeds of Crime</b>	Means any property or economic advantage derived or realized, directly or indirectly, as a result of or in connection with an offence irrespective of the identity of the offender and includes, on a proportional basis, property into which any property derived or realized directly from the offence was later successively converted, transformed or intermingled, as well as

income, capital or other economic gains or benefits derived or realized from such property from the time the offence was committed;

**Property**

Means all monetary instruments and all other real or personal property of every description, including things in action or other incorporeal or heritable property, whether situated in Kenya or elsewhere, whether tangible or intangible, and includes an interest in any such property and any such legal documents or instruments evidencing title to or interest in such property;

**Restraint Order**

An order issued by the High Court prohibiting any person, subject to such conditions and exceptions as may be specified in the order, from dealing in any manner with any property to which the order relates.

**Strategic Objective**

This is what the organization commits itself to accomplish in the long term; they establish performance levels to be achieved on priority issues and measures of success in fulfilling critical mission statement elements.

## 2. Key Agency Information and Management

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### (a) Background information

The Assets Recovery Agency is established under Section 53(1) of the Proceeds of Crime and Anti-Money Laundering Act, 2009 as a body corporate with the principal mandate of combating money laundering, terrorism financing, proliferation financing and other crimes through identifying, tracing, freezing and recovering properties/proceeds which have been acquired from or constitute profits or benefits derived from crime or used for or intended for use in the commission of an offence. The Agency is therefore a law enforcement agency with the sole mandate of recovering proceeds of crime and commenced its operations in the year 2016.

The Agency's clarion call is "Uhalifu Haulipi" which translates to "Crime does not pay" guided by the vision to be the Premier Assets Recovery Agency with a Mission to combat crime through recovery of proceeds of crime.

Establishment of the Agency was driven by the need to deprive an individual illicitly acquired properties/assets by confiscating or forfeiting them to the Government including taking away financial gains or prospects accruing from the commission of crime. The battle against transnational organized crimes and other crimes is inextricably linked to the fight against money laundering, since illicitly acquired properties are meaningless unless they are laundered through the financial system in a way that is obscure and does not raise suspicion.

Crimes generates illicit properties that need to find their way into the financial system and money laundering facilitates the 'how' by providing criminals with the means to cleanse and hide their illicit gains to evade detection. The Agency therefore works to deprive the criminals illicitly acquired properties and any financial gains or prospects accruing from the crime.

Kenya has signed and ratified all of the United Nations (UN) Conventions on combating Money Laundering and the Financing of Terrorism through the enactment of Proceeds of Crime and Anti-Money Laundering Act, 2009. POCAMLA was a significant step towards domestication and aligning Kenya to the global Anti-Money Laundering

(AML) and financial crime standards. The letter, spirit and purpose of the POCAMLA is to ensure that no one benefits from criminal conduct.

The Agency, established under POCAMLA is therefore among the integral institutions involved in combating transnational organized crimes and other crimes including money laundering, financial crimes, terrorist financing, proliferation financing with the objective of promoting and securing the integrity of Kenya's financial system.

This objective is achieved by recovering the illegally acquired properties through criminal confiscation and civil forfeiture proceedings. Therefore, the Agency ensures that criminals are prevented from enjoying proceeds of crime they commit in addition to removing from the hands of criminals the financial wherewithal to commit further crimes thereby ensuring that Crime Does Not Pay.

In execution of its mandate, the Agency is guided by the following core values; -

<b>Professionalism</b>	Upholding the highest standards of conduct, accountability and expertise in all aspects of asset recovery and management operations.
<b>Excellence</b>	Striving for the highest quality of service through continuous improvement, innovation, outstanding performance and results in every recovery and management effort achieving exceptional results.
<b>Integrity</b>	Acting with honesty, transparency, and strong ethical principles in all interactions and decisions related to asset recovery and management.
<b>Patriotism</b>	Demonstrating loyalty and commitment to the country's values and interests in the pursuit of recovering and management of assets for the greater good.

**(b) Principal Activities**

The Assets Recovery Agency undertakes the following principal activities; -

The Assets Recovery Agency undertakes the following principal activities; -

- i. Intelligence gathering on identification, tracing and recovery of proceeds of crime;
- ii. Conducting investigations to identify, trace, freeze, and recover proceeds of crime;
- iii. Institute court proceedings for preservation, and forfeiture proceeds of crime;
- iv. Manage preserved and forfeited/confiscated proceeds of crime;
- v. Cooperate with other law enforcement agencies in recovery of proceeds of crime;
- vi. Administer Criminal Assets Recovery Fund established under Section 109 of the Proceeds of Crime and Anti-Money Laundering Act, 2009; and
- vii. Engaging in international cooperation and collaboration with foreign counterparts, and international organizations to trace, freeze, seize, and repatriate illicitly acquired assets held abroad.

**(c) Key Management**

No.	Designation	Name
1.	Board of Directors	<ol style="list-style-type: none"> <li>1. Ms. Dorcas Oduor, SC, EBS, OGW</li> <li>2. Mr. Mohamed I. Amin, EBS, OGW, ndc (K)</li> <li>3. Mr. Noordin M. Haji, CBS</li> <li>4. Cpt (Rtd) Saitoti K. Maika, MBS</li> <li>5. Ms. Venna Omweri</li> <li>6. Mr. Matu Mugo</li> <li>7. Mr. Collins Kowuor</li> <li>8. FCPA Mary Koki Kimanzi</li> <li>9. Mr. Stephen Kibungei</li> <li>10. Mr. Mark M. Ogonji, EBS, OGW, 'ndc' (K)</li> </ol>
2.	Ag. Director General	Mr. Mark M. Ogonji, EBS, OGW, 'ndc' (K)
3.	Deputy Director Corporate Services	Mr. Timothy Nderitu
4.	Deputy Director Assets Management	Dr. Kennedy Ogwengo, PhD
5.	Assistant Director Legal Services	Ms. Esther Muchiri
6.	Principal Investigation Officer	Mr. Benard Gitonga
7.	Principal Accountant	Ms. Nasma Cheboi

**ASSETS RECOVERY AGENCY****Annual Report and Financial Statements for the year ended June 30, 2025.****(d) Fiduciary Management**

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

No.	Designation	Name
1.	Board of Directors/ Council	<ol style="list-style-type: none"><li>1. Ms. Dorcas Oduor, SC, EBS, OGW</li><li>2. Mr. Mohamed I. Amin, EBS, OGW, ndc (K)</li><li>3. Mr. Noordin M. Haji, CBS</li><li>4. Cpt (Rtd) Saitoti K. Maika, MBS</li><li>5. Ms. Venna Omweri</li><li>6. Mr. Matu Mugo</li><li>7. Mr. Collins Kowuor</li><li>8. FCPA Mary Koki Kimanzi</li><li>9. Mr. Stephen Kibungei</li><li>10. Mr. Mark M. Ogonji, EBS, OGW, 'ndc' (K)</li></ol>
2.	Ag. Director General	Mr. Mark M. Ogonji, EBS, OGW, 'ndc' (K)
3.	Deputy Director Corporate Services	Mr. Timothy Nderitu
4.	Deputy Director Assets Management	Dr. Kennedy Ogwengo, PhD
5.	Assistant Director Legal Services	Ms. Esther Muchiri
6.	Principal Investigation Officer	Mr. Benard Gitonga
7.	Principal Accountant	Ms. Nasma Cheboi

**(e) Fiduciary Oversight Arrangements**

The Agency remained under the overall oversight by the Attorney General. Additionally, the Agency had key fiduciary oversight arrangements covering:

- Budget Implementation Committee
- Public Finance Management Standing Committee
- Audit and Risk Committee
- Human Resource Training and Development Committee
- Ad hoc Procurement and Disposal Committees
- Job Description Analysis Committee
- Assets Disposal Committee
- ERP Implementation Committee
- Performance Management Committee
- Public Complaints Committee
- Productivity Mainstreaming Committee
- Digitization Committee
- Assets and Liabilities Management Committee

**(f) Entity Headquarters**

Assets Recovery Agency  
21<sup>st</sup> and 22<sup>nd</sup> Floor Old Mutual Tower  
Upper Hill, Nairobi, Kenya

**(g) Entity Contacts**

**Postal address:** P.O. Box 52420-00100, Nairobi, Kenya  
**Telephone:** +254202 021 009, +254 202 100 331, +254768 024 337  
**E-mail:** [info@assetsrecovery.go.ke](mailto:info@assetsrecovery.go.ke)  
**Website:** [www.assetsrecovery.go.ke](http://www.assetsrecovery.go.ke)

**(h) Entity Bankers**

Kenya Commercial Bank-KICC Branch  
KICC Building, Harambee Avenue  
P.O Box 46950-00100  
**NAIROBI, KENYA**

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**(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 Board of Directors/Council

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**Ms. Dorcas Oduor, SC, EBS, OGW**  
**Chairperson**

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**Mr. Noordin M. Haji, CBS**  
**Board Member**

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**Mr. Mohamed I. Amin, EBS, OGW, ndc (K)**  
**Board Member**

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**Cpt (Rtd) Saitoti K. Maika, MBS**  
**Board Member**

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**Mr. Matu Mugo**  
**Board Member**

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Mr. Mugo is the Acting Director, Bank Supervision at the Central Bank of Kenya (CBK). He is responsible for development and implementation of policies and frameworks to maintain the safety, soundness and integrity of institutions licensed and regulated by CBK.

He has held various positions in the Bank Supervision Department of CBK over the last 24 years. He holds First Class Bachelor of Commerce (Accounting) and MBA (Finance) degrees from the University of Nairobi and is a certified public accountant and certified executive and team coach.

Mr Mugo is an Alumni of the Fletcher School at Tufts University, USA, Financial Inclusion Leadership Program, IMD Switzerland, High Performance Boards Program, Harvard University, Advanced Digital Financial Services Program and the Strathmore Business School at Strathmore University, Kenya, Senior Management Leadership Program.

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**Ms. Venna Omweri**

**Board Member**

Ms. Vennah Omweri is a Chief Economist at the National Treasury with expertise in Economic Planning, Budgeting, Performance Contracting and Monitoring & Evaluation. She holds a master's degree in Economics from the University of Nairobi and a Bachelor's degree in Economics from Moi University. Ms. Vennah is a member of the Economists Society of Kenya. She is a member of both the Audit and Finance & General-Purpose Committee of the Assets Recovery Agency Advisory Board.



**Mr. Collins Kowuor**

**Board Member**

Collins Kowuor has Bachelors of B.A. Land Economics from University of Nairobi and M.A. Valuation and Property Management from same university. He holds International Diploma in Urban Land Administration from Lantmateriet in Sweden and Diploma in Project Management from Strathmore University.

He is a Full Member of Estate Agency Chapter, Valuation Chapter and Property Management Chapter of Institution of Surveyors of Kenya.

He is a Registered Estate Agent, Registered and Practicing Valuer and Licensed Property Manager

He has over 24 years' experience in valuation, property management, estate agency, land management and project management. He represents Estate Agents Registration Board in the Assets Recovery Agency Advisory Board and chairs the Technical Committee in addition to being a Member of the Finance and General-Purpose Committee.



**FCPA Mary Koki Kimanzi**

**Board Member**

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FCPA Mary Koki Kimanzi is a seasoned professional with over 20 years of experience in Public Finance Management. She has held key leadership roles, including serving as the Chief Accountant at the Agricultural Finance Corporation and as the County Executive Committee Member for Finance and Socio-Economic Planning.

FCPA Mary holds a Master of Business Administration (Finance) from the University of Nairobi and a Bachelor of Business Administration (Finance and Accounting) from Kenya Methodist University. She is a Certified Public Accountant, CPA (K), and an active member of the Institute of Certified Public Accountants of Kenya (ICPAK). Currently, she is furthering her expertise by pursuing a Master's degree in Public Policy and Management at Strathmore Business School.

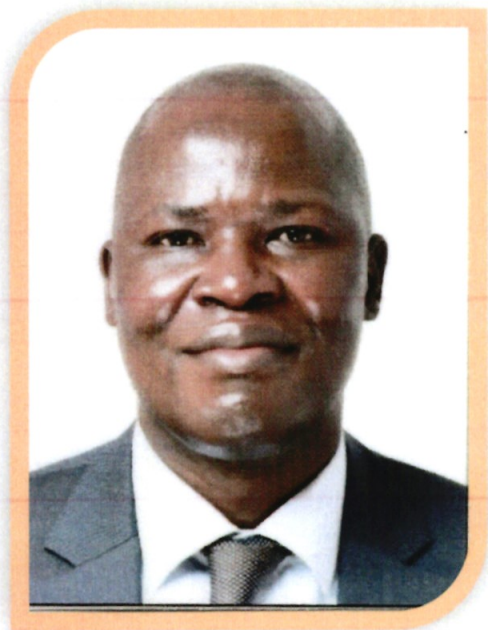
Appointed to the Board as a representative of ICPAK, FCPA Mary brings a wealth of knowledge and strategic insight. She serves as the Chairperson of the Finance and General-Purpose Committee and is also a member of the Technical Committee.

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**Mr. Stephen Kibungei**

**Board Member**

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**Mr. Mark M. Ogonji, EBS, OGW, 'ndc' (K)**

**EX-Official Member**

Mark M. Ogonji is the Ag. Director General Assets Recovery Agency (ARA), with thirty-five years of distinguished service in the public sector. He possesses extensive experience in financial crime enforcement, governance and national security.

Mr. Ogonji holds a Master's degree in Computer Science and another Master's degree in International Studies from the University of Nairobi. He is also a Certified Information Systems Security Professional (CISSP), with expertise in cyber security and information assurance.

He is responsible for tracing, freezing and recovering assets acquired using proceeds of crime. He provides strategic leadership in the prosecution of civil forfeiture cases and spearheads collaboration with local and international agencies to combat money laundering and illicit financial flows.

#### 4. Key Management Team

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**Mr. Mark M. Ogonji, EBS, OGW, 'ndc' (K)**

##### **Ag. Director General**

Mark M. Ogonji is the Ag. Director General Assets Recovery Agency (ARA), with thirty-five years of distinguished service in the public sector. He possesses extensive experience in financial crime enforcement, governance and national security.

Mr. Ogonji holds a Master's degree in Computer Science and another Master's degree in International Studies from the University of Nairobi. He is also a Certified Information Systems Security Professional (CISSP), with expertise in cyber security and information assurance.

He is responsible for tracing, freezing and recovering assets acquired using proceeds of crime. He provides strategic leadership in the prosecution of civil forfeiture cases and spearheads collaboration with local and international agencies to combat money laundering and illicit financial flows.



**Mr. Timothy Nderitu**

##### **Deputy Director Corporate Services**

Mr. Timothy Nderitu is the Deputy Director Corporate Services. He holds a Bachelor of Arts (Honors) Degree and a Master Degree in Public Policy Management from Strathmore University.

He holds a Post Graduate Diploma in Public Administration from the Kenya School of

Government. Mr. Nderitu a member  
Institute of Directors Kenya

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**Dr. Kennedy Ogwengo, PhD**  
**Deputy Director Assets Management**

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Mr. Ogwengo is a seasoned management practitioner with over a decade long experience of practice in fields of Security, law, order and justice sector establishments. He holds Master's Degree in Business Administration-Strategic Management. Diploma and certification in Assets Management. He is a member of the Kenya Institute of Management and Kenya Institute of Supplies Management. He is a certified forensic investigation professional.

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**Ms. Nasma Cheboi**  
**Principal Accountant**

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Ms. Cheboi holds an Msc. Finance from the University of Nairobi and a Bachelor's Degree in business management from Moi University. She is a Certified Public Accountant and a Member of the Institute of Certified Public Accountants of Kenya (ICPAK).

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## **5. Chairman's Statement**

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On behalf of the Assets Recovery Agency Advisory Board, I am pleased to present the Chairman's Statement for the financial year ended 30<sup>th</sup> June 2025. This year has been marked by significant progress in fulfilling our mandate to offer advisory services to the Agency in its mission to identify, trace, freeze, seize and recover proceeds and instrumentalities of crime and management of the assets thereof.

The Advisory Board, in its advisory capacity, has worked closely with the Agency's management to provide strategic guidance and policy direction in alignment with our statutory mandate.

During the year, the Board convened regularly to consider and review governance plans and advise on resource allocation in order to maximize impact in asset identification, tracing, preservation, and forfeiture. Strategic emphasis was placed on advising on capacity-building initiatives, including specialized training in emerging technologies such as virtual assets, block chain and artificial intelligence. Emphasis was also placed in supporting policy and legislative review to close procedural gaps and expedite the recovery efforts.

The Agency also facilitated capacity development through targeted Board training sessions on asset recovery frameworks, financial crime trends with key focus on money laundering and financing of terrorists, and governance best practices, enabling the Board to discharge its advisory role with greater depth and foresight.

The Board embraced digital transformation of Board operations through the acquisition and deployment of the e-Board platform, which will improve efficiency, secure documentation management, and streamlined Board decision-making processes.

The Board recognizes the persistent challenges that continue to affect the pace and scope of asset recovery, including protracted litigation, intricate money laundering schemes, and constraints in specialized human resources. Cross-border recoveries remain particularly demanding due to varied legal frameworks and mutual legal assistance procedures. The Board has therefore advised on measures to mitigate these constraints, including prioritizing legislative reforms, enhancing international cooperation frameworks, and advocating for sustainable funding to meet operational needs.

**ASSETS RECOVERY AGENCY**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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In the coming financial year, the Board will continue to provide high-level strategic advice to the Agency, with a focus on:

- i. Leverage technology and innovation through the adoption of advanced investigative analytics and digital tools.
- ii. Advising on proactive engagement with financial sector stakeholders among others to strengthen early detection of illicit financial flows.
- iii. Championing legislative amendments to streamline asset recovery timelines and protect recovered assets from dissipation.
- iv. Deepening public awareness campaigns to build societal support for the fight against illicit financial flows.
- v. Embedding sustainability principles in the management and disposal of recovered assets to ensure their long-term public benefit.

The Board remains steadfast in its belief that an effective asset recovery framework is both a deterrent to crime and a vital mechanism for national development. We are committed to ensuring that every shilling recovered is safeguarded for the benefit of the Kenyan people, and that the Agency remains a beacon of integrity, professionalism, and justice.

On behalf of the Advisory Board, I commend the Agency's management and staff for their dedication, our partners for their unwavering collaboration, and the public for their trust in our work. Together, we will continue to make it unequivocally clear: crime will not pay.



.....  
**Ms. Dorcas Oduor, SC, EBS, OGW**  
**Chairperson**  
**Assets Recovery Agency Advisory Board**

## **6. Report of the Director General**

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It is with great honour and responsibility that I present the Director General's Report for the financial year 2024/2025. This year has been marked by a combination of significant progress, continued consolidation of institutional capacity, and the successful execution of strategic initiatives that have strengthened the Agency's ability to deliver on its mandate.

The Agency remains steadfast in its quest to identify, trace, freeze, seize, and recover proceeds of crime and assets/properties used for or intended for use in the commission of an offence. This has progressively ensured that criminals are stripped off their financial ability to commit more crimes and a deterrent to money laundering and other forms of economic crimes. Guided by the leadership of our Chairperson and the Advisory of the Board, our operations this year have reflected a careful balance between strategic planning and operational execution.

### **1. Key Operational Highlights**

#### **1.1 Asset Recovery and Case Management**

Over the year, the Agency has significantly advanced its portfolio of active cases. We initiated a record number of 110 new investigations into illicitly acquired assets and instrumentalities of crime, while also concluding several high-profile cases that resulted in substantial recoveries.

A key milestone has been the increased coordination between the Agency, investigative and intelligence agencies, Prosecution, and the Judiciary among others. This multi-agency collaboration has not only improved the quality of case files presented before courts but has also accelerated the recovery efforts.

#### **1.2 Institutional strengthening**

This year, we prioritized governance and institutional efficiency. During the successful induction of new Board members, the Agency rolled out a structured training session to equip them with a deep understanding of the asset recovery landscape. Additionally, the Board members were also trained in other courses touching on governance and executive realms with the penultimate objective of realizing efficiency in the provision of their services. The acquisition of the e-Board platform marked another significant step forward

to streamline Board processes, enhancing information security, and ensuring timely decision-making.

For our operational teams, targeted training in technical areas such as intelligence, investigations, litigation and asset management were prioritized which has been instrumental in equipping the Agency staff with the technical skills required to handle increasingly complex financial crime investigations.

### **1.3 enhancing the Agency's Regulatory framework**

The enactment of the Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Act, 2025 strengthened the Agency's institutional framework by elevating the position of Director to Director General, thereby reinforcing leadership authority and operational oversight. It removed conflicting provisions on the Board's conduct of business, ensuring greater clarity in governance, and introduced measures to enhance the Agency's investigative capabilities

### **1.4 Strategic Partnerships**

Recognizing that asset recovery is inherently a collaborative endeavour, the Agency has continued to strengthen partnerships with both domestic and international stakeholders. Locally, on his appointment, the acting Director General paid a courtesy call to key Agency stakeholders to affirm his commitment to collaborative efforts in the fight against money laundering and illicit financial flows.

In January 2025, INTERPOL launched a pilot aimed at testing the creation of a new Notice and Diffusion called the 'Silver Notice/Diffusion', which seeks to target criminal assets. The Pilot test for African Region was launched in Nairobi on 13-16 May 2025 with select participating Assets Recovery Agencies across the continent sending their representatives.

The Agency actively participated in several other high-profile international forums on asset recovery, where the Director General was not only a delegate but also honoured to deliver keynote addresses at select gatherings. These engagements provided an opportunity to share Kenya's experiences, showcase the Agency's successes, and contribute to global discourse on emerging trends, best practices, and collaborative strategies in the fight against illicit financial flows.

These international forums and collaborations have been critical in addressing the challenges posed by cross-jurisdictional asset concealment recovery efforts and in promoting best practices in asset recovery and management.

## **2. Financial Performance Overview**

The Agency operated within its approved budget of Ksh 267,380,000.00. However, during the Supplementary Estimates No. 2 for Financial Year 2024/2025, the Agency suffered a budget cut of Ksh. 50,000,000.00 bringing its budget for the year to Ksh 217,380,000.00.

The Agency operated within its revised approved budgetary framework for the year, with prudent resource allocation towards operational priorities. A key highlight was the effective use of allocated funds to enhance investigative capacity, expand technology infrastructure, and support legal processes.

During the year, the Agency secured substantial recoveries from which were remitted to the Criminal Assets Recovery Fund. While our operations are not revenue-generating in a traditional sense, the value of assets recovered underscores the direct fiscal benefit of the Agency's mandate to the people of Kenya in addition to dismantling criminal enterprises and the deterrence arising thereof.

## **4. Challenges and Mitigation**

### **4.1 Lengthy court processes**

Prolonged litigation especially for matters pending before the Court of Appeal continue to present a challenge in the timely conclusion of asset recovery cases. This leads to assets depreciation especially the automobiles.

### **4.2 Budgetary Constraints**

Despite the Agency's commendable progress during the year, operations continued to be constrained by budgetary limitations. The increasing complexity and volume of asset recovery cases many requiring specialised expertise, advanced forensic tools, and cross-border coordination has significantly outpaced the financial resources available.

### **4.3 The rise of decentralized finance (DeFi)**

Rapid advancements in technology have created new avenues for illicit asset movement and concealment. The rapid growth of decentralised finance (DeFi) platforms presents a significant challenge to asset recovery efforts. Unlike traditional financial systems that operate through regulated intermediaries, DeFi transactions are executed directly on blockchain networks without central oversight, often under conditions of anonymity or pseudonymity. This lack of a central authority complicates the tracing, freezing, and seizure of illicit assets, as funds can be moved instantly across jurisdictions and converted into multiple digital assets with minimal regulatory visibility.

### **4.4 Jurisdictional Complexities**

Jurisdictional complexities remain a significant obstacle to efficient asset recovery, particularly in cases involving cross-border illicit financial flows. Diversity in legal frameworks, evidentiary standards, and procedural requirements between countries often result in protracted timelines for securing mutual legal assistance or enforcing foreign court orders. In some instances, the absence of bilateral or multilateral agreements further limits cooperation, forcing reliance on lengthy diplomatic channels. These delays may lead to asset dissipation, currency fluctuations, or concealment through layered transactions, ultimately diminishing the value of recoveries.

### **4.5 Lack of Cooperation by some institutions**

The Agency continues to face setbacks arising from the lack of full cooperation by certain institutions, particularly some financial institutions, in enforcing preservation orders. In several instances, despite valid preservation/freezing court orders, suspects have been permitted to withdraw or transfer funds, thereby undermining the integrity of ongoing investigations and jeopardising potential recoveries.

### **4.6 Mitigation Measures**

To address these challenges, the Agency has intensified stakeholder engagement focusing on; -

- i. Strengthening compliance frameworks, enhancing training for financial sector staff, and enforcing penalties for violations remain critical to ensuring effective preservation of assets pending final determination.
- ii. Sustained international collaboration, cooperation and coordination frameworks and the establishment of expedited formal and informal assets recovery mechanisms between Kenya and other jurisdictions.
- iii. To address the funding constraints, the Agency is adopting a multi-pronged resource mobilisation strategy that balances fiscal prudence with operational innovation. Priority initiatives include engaging the National Treasury, pursuing partnerships with development partners to support capacity-building and technology acquisition, and exploring cost-sharing arrangements with other law enforcement agencies on joint operations.
- iv. To mitigate delays caused by lengthy court processes, the Agency is actively engaging with the Judiciary to prioritise asset recovery matters as we continue to advocate for the establishment of specialised divisions to handle such cases at the Court of Appeal.
- v. To counter the risks posed by decentralised finance (DeFi), the Agency is enhancing its technical capacity in blockchain analytics, cryptocurrency tracing, and digital forensics. In addition, the Agency has provided meaningful contribution to the regulatory reforms that seeks to bring virtual asset service providers within the ambit of Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) frameworks, ensuring that emerging digital financial ecosystems are not exploited for illicit purposes.

## **5. Outlook for Financial Year 2025/2026**

Looking ahead, the Agency will continue to pursue a strategy focused on efficiency, technology adoption, and stronger collaboration with both national and international partners. Our priorities will include:

- i. Expanding investigative and legal capacity for ease of handling complex and high-value cases.

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

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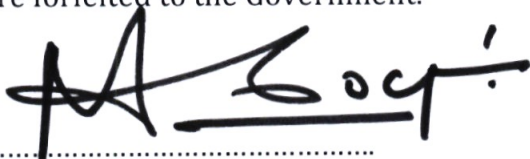
- ii. Greater integration of digital forensics and artificial intelligence tools in asset tracing and case management.
- iii. Advocating for legislative reforms that strengthen the asset recovery regime and close existing loopholes.
- iv. Enhancing public engagement to reinforce trust, transparency, and understanding of the asset recovery process.
- v. Enhancing its capacity through review of the existing legal and institutional framework.
- vi. Leveraging technology for enhanced data analysis, storage and security.
- vii. Expanding the existing physical and ICT infrastructure to improve ergonomics and workplace environment.

The Agency remains committed to the highest standards of integrity, accountability and professionalism, ensuring that our work continues to dismantle criminal enterprises and protecting our financial systems from being exploited by criminals by recovering their criminal proceeds.

**6. Appreciation**

On behalf of the Agency, I wish to express my sincere appreciation to the Chairperson and the Board for their invaluable guidance and oversight throughout the year. I also commend the dedication, professionalism, and resilience of our staff, whose tireless efforts have translated strategy into results. Our gratitude also extends to partner agencies, stakeholders, and members of the public who have supported our mission.

Together, we remain resolute in ensuring that crime does not pay, and that assets acquired from criminal activities or those used for or intended for use in the commission of a crime are forfeited to the Government.



.....  
Mark M. Ogonji, EBS, OGW, 'ndc' (K)

**Ag. Director General**

**7. Statement of Performance against Predetermined Objectives for Financial Year  
2024/2025**

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The Agency has Three Strategic Pillars within the current Strategic Plan Financial Year 2022-2027 that was launched on 31<sup>st</sup> May 2023. The strategic pillars are listed as follows;

- i. Assets Recovery
- ii. Assets Management
- iii. Institutional capacity

The Agency prepared the Financial Year 2024/2025 Performance Contract that was signed between the Hon Attorney General and the Director General in line with the 21<sup>st</sup> Cycle Performance Contracting Framework and the three strategic pillars of the strategic plan.

The Agency achieved its performance targets set for the Financial Year 2024/2025 period for its three strategic pillars as indicated in the table below;

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
Assets recovery	Identify and trace proceeds of crime	Value of suspected proceeds of crime traced and identified.	Undertake intelligence gathering and investigations.	<p>a) 100% of gathered intelligence was verified, reports developed, and action taken. Additionally, intelligence operations were undertaken which resulted into identification of concealed proceeds of crime.</p> <p>b) 110 cases were investigated for various offences such as money laundering, terrorist financing and other allied predicate offences generating proceeds of crime.</p> <p>c) The Agency filed and obtained 230 miscellaneous applications to investigate suspected proceeds of crime.</p>

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>d) An amount of Ksh. 182,955,752.30 suspected to be proceeds of crime was restricted in banks pending investigations.</p> <p>e) 604 Motor Vehicles were restricted pending investigations for being suspected of being proceeds of crime.</p> <p>f) 116 Parcels of land of varying sizes were caveated to prevent transfer of ownership as investigations were carried out.</p>
	Obtain Preservation Orders	Values of preserved assets	Institute preservation proceeding	a) 29 preservation Suits were filed in court and Preservation orders obtained preserving the following assets:

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<ul style="list-style-type: none"> <li>i. 44 motor Vehicles, 1 Trailer and 3 Motorbikes.</li> <li>ii. Residential house, and 13 parcels of land, 2 undeveloped parcels of land, and 3 Apartments</li> <li>iii. Ksh. 42,372,062.30, 1,000 Sudanese Pound, 2,000 Ethiopian Birr and USD 1,031,887.31 in cash.</li> </ul>
	Obtain Forfeiture Orders	Values of forfeited assets	Institute forfeiture proceeding	<ul style="list-style-type: none"> <li>a) 29 Forfeiture suits were filed in respect to 44 motor vehicles, 4 apartments, 3 residential flats, 28 parcels of land, USD 3,719,872.56 and Ksh 41,159,501.70.</li> <li>b) Forfeiture judgements were issued in favour of the Agency</li> </ul>

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>forfeiting to the Government the following assets:</p> <ul style="list-style-type: none"> <li>i. 23 motor Vehicles, 3 tractors, 5 Motorcycles, 2 Residential houses, 1 Commercial building and 22 parcels of land.</li> <li>ii. Cash forfeited to the Government was Ksh.1 43,316,666.00 and USD 640,183.24</li> <li>iii. 7 Appeals were filed</li> </ul>
Assets Management	Manage and dispose preserved and forfeited assets.	Value of assets under preservation and forfeiture managed and disposed	Undertake assets management activities and formulate assets management policy	<ul style="list-style-type: none"> <li>a) All seized, preserved, forfeited/confiscated assets were effectively managed.</li> <li>b) The Agency initiated the transfer of ownership of 24 forfeited motor vehicles</li> </ul>

**ASSETS RECOVERY AGENCY**

Annual Report and Financial Statements for the year ended June 30, 2025.

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>c) The agency collected Ksh. 36,872,363 as rental income.</p> <p>d) A total of 40 vehicles were valued, 3 motor vehicles and a motorcycle was transferred to different Agencies while 2 motor vehicles were sold through public auction.</p> <p>e) A total of 25 properties were valued and rental value determined.</p> <p>f) 20 motor vehicles were tape-lifted and their details forwarded to the National Transport and Safety Authority (NTSA) for re-registration to the Agency.</p>

**ASSETS RECOVERY AGENCY**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
Institutional capacity	To strengthen the human resource and governance capacity of the Agency	Agency's Advisory Board operationalized	<ul style="list-style-type: none"> <li>▪ Operationalization of the Assets Recovery Agency Advisory Board</li> <li>▪ Board induction and training</li> </ul>	a) The Agency operationalized the Advisory Board, constituted the Board Committees and conducted Board induction and trainings during the period under review.
	Strengthen the Agency's Financial reporting	Financial reporting of the Agency strengthened	<ul style="list-style-type: none"> <li>▪ Conduct a workshop for enhancing</li> </ul>	<p>a) Workshop on Enhancing the Agency Criminal Assets Recovery Fund (CARF) Financial Reports and Statements</p> <p>b) The Agency, in collaboration with technical experts from the Public Sector Accounting Standards Board (PSASB) and the National Treasury, sought guidance on the standards and reporting of financial statements for the</p>

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>Criminal Assets Recovery Fund (CARF) to align with the Agency’s mandate. The team developed reporting templates and is awaiting feedback from the PSASB on recommendations for implementation</p>
	<p>Strengthening Agency’s Legal Framework</p>	<p>Agency Legal framework strengthened</p>	<p>Review of the Agency’s legislative framework</p>	<p>a) The enactment of the Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Act, 2025 strengthened the Agency’s institutional framework by elevating the position of Director to Director General.</p> <p>b) The amendment to Section 53A among others also introduced</p>

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>measures to enhance the Agency's investigative capabilities</p> <p>c) The amendment to 55G of POCAMLA removed conflicting provisions on the Agency's Advisory Board conduct of business, ensuring greater clarity in governance.</p> <p>d) To strengthen its legislative framework and capabilities in the recovery of proceeds and instrumentalities of crime, the Agency appeared before the National Assembly Legal Affairs Committee to defend its amendments to the asset recovery laws through the Anti-Money</p>

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2025.
	Compliance with Agency's oversight mechanisms	Appearance before Committees of Parliament	Meetings held with various Parliamentary Committees	<ul style="list-style-type: none"> <li>a) Appearance before the Senate Standing Committee on Labour and Social Welfare, September 2024.</li> <li>b) Appearance at the National Assembly to Report on Budget Implementation Status.</li> <li>c) Budget implementation monitoring for the FY 2023/2024 appearance with the National Assembly Departmental Committee on Justice and Legal Affairs</li> </ul>

**ASSETS RECOVERY AGENCY**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
	Strengthening collaboration with other LEAs, partners and stakeholders	Collaborative engagement held	<p>Receipt of STR dissemination from FRC.</p> <p>Receipt of duplicate files and information from other law enforcement agencies to pursue proceeds of crime/ undertake parallel financial investigations</p> <p>Multi-agency investigations</p> <p>Joint trainings, meetings, seminars etc..</p>	<p>a) Receipt of STR reports from FRC as well as information from other Law Enforcement Agencies and stakeholders.</p> <p>b) Conducted sectoral money laundering risk assessments of the Designated Non-Financial Businesses and Professions (DNFBPs) jointly with other AML/CFT implementing agencies, August 2024.</p> <p>c) Receipt of STR reports from FRC as well as information from other Law Enforcement Agencies and stakeholders.</p>

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
	Strengthening International Cooperation	Participation in International forums and engagement.	Participation in international and regional meetings, conferences, workshops, seminars, trainings and other caucuses.	<p>a) Planning and participation in the ESAAMLG (Eastern and Southern Africa Anti-Money Laundering Group) 48<sup>th</sup> Task Force of Senior Officials, 24<sup>th</sup> Council of Ministers &amp; 7<sup>th</sup> Public-Private Sector Dialogue (PPSD) Meetings, and ESAAMLG Silver Jubilee Celebrations that took place at Diamond Leisure Beach and Golf Resort, Diani between 23<sup>rd</sup> – 31<sup>st</sup> August 2024.</p> <p>b) ARINSA Consultative Workshop on Asset Management, 22<sup>nd</sup> - 24<sup>th</sup> October 2024, Nairobi, Kenya.</p> <p>c) Representation of the Country at the ARINSA Annual General</p>

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>Meeting (AGM) 4<sup>th</sup> – 6<sup>th</sup> December 2024.</p> <p>d) Participation at the International Expert Meeting on Asset Return and Sustainable Development “Addis 4”, 11<sup>th</sup> - 13<sup>th</sup> December 2024, Addis Ababa, Ethiopia. The Agency successfully sensitized a visiting delegation from the South Sudan Financial Intelligence Unit (FIU) on key aspects of asset recovery, including legal frameworks, investigative processes, and international cooperation. Through interactive sessions and case studies, the delegation gained insights into Kenya’s best practices in tracing,</p>

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>freezing, and recovering illicit assets. This initiative highlights the Agency's commitment to regional collaboration and capacity building in the fight against money laundering and other illicit financial flows.</p> <p>e) The Agency was represented at a Regional Workshop held to deliberate on Assets Recovery and Illicit Financial Flows in Gaberone, Cameroon.</p> <p>f) The Agency participated at the UNODC 34<sup>th</sup> Session of the Commission of Crime, Prevention and Criminal Justice held at Vienna, Austria, 19<sup>th</sup> – 23<sup>rd</sup> May 2025.</p>

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>g) The Agency participated in the INTERPOL Regional Forum during the launch of the INTERPOL Silver Notice/Diffusion which is a unique tool for member countries to: Locate assets; Identify assets; Obtain information about assets; and discreetly and/or continuously monitor criminal assets. The Forum was held from 13 - 16 May 2025, at Ole Sereni Hotel, Nairobi</p>
	<p>Strengthen the human resource capacity of the Agency</p>	<p>Human capacity strengthened</p>	<p>Build capacity of staff Manage performance of employees Enhance knowledge management.</p>	<p>a) Training of 2 Staff Members as ESAAMLG Assessors b) All staff were appraised on their performance</p>

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				<p>c) During the period under review the Agency provided both individual and group trainings of 21 and 112 staff members respectively to enhance their skills and competencies in career and professional growth in addition to strengthening the Agency's institutional capacity to implement its core mandate.</p>
	Strengthen institutional systems and processes.	Institutional processed and systems strengthened	Automate systems	<p>a) ERP installation and implementation was carried out throughout the financial year.</p> <p>b) Training of Staff Trainers (ToTs) on the Agency's Enterprise Resource Planning (ERP) System</p>

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				c) The Agency aims to finalize the project during the Financial Year 2025/2026
	Strengthening employee welfare	Employee welfare strengthened	Employee welfare programme	d) The Agency conducted an employee welfare programme to mark the mental awareness month where the Agency staff benefited from health screening, mental health counselling and a mental health awareness talk.
	Mitigation against climate change	Climate change mitigation strategy implemented	Complying with Presidential Directive on tree growing and restoration campaigns	e) The Agency conducted a tree growing and restoration exercise at Lenana Block where approximately 2000 trees were planted in collaboration with the Agency Board Members, Kenya Forest Service Nairobi Region and

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

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Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
				the area Community Forest Association (CFA).

## **8. Corporate Governance Statement**

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### **1. Introduction**

The Assets Recovery Agency Advisory Board (ARAAB) is committed to the highest standards of corporate governance, consistent with the principles of professionalism, accountability, transparency, integrity and efficiency. The Board recognises that sound governance is fundamental to the effective delivery of the Agency's statutory mandate, strategic objectives, and the national interest. This statement outlines the Board's governance framework, activities and performance during the year under review.

### **2. Appointment of Board Members**

The appointment of Advisory Board members is governed by the Proceeds of Crime and Anti-Money Laundering Act, 2009 (POCAMLA). In the Financial Year 2021/2022, the Agency proposed and initiated amendments to POCAMLA that established the Assets Recovery Agency Advisory Board under Section 55A.

There was, however, need for further amendments to enhance the mandate and independence of the Board. Consequently, further amendments were made through the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2023 which was assented to by His Excellency the President on 8<sup>th</sup> September, 2023.

The Board comprises of the following members; -

- (a) the Attorney-General, who is the Chairperson;
- (b) the Principal Secretary in the Ministry responsible for finance;
- (c) the Governor of the Central Bank of Kenya;
- (d) the Director General of the National Intelligence Service;
- (e) the Director of the Directorate of Criminal Investigations;
- (f) the Director General of the Financial Reporting Centre;
- (g) a representative of the Institute of Certified Public Accountants of Kenya;
- (h) a representative of the Law Society of Kenya;

## **ASSETS RECOVERY AGENCY**

### **Annual Report and Financial Statements for the year ended June 30, 2025.**

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- (i) a representative of the Estate Agents Registration Board;
- (j) the Agency Director, who shall be an ex-officio member of the Advisory Board.

The representatives from the Institute of Certified Public Accountants of Kenya, the Law Society of Kenya and the Estate Agents Registration Board were appointed by the Cabinet Secretary responsible National Treasury and Economic Planning. The process of their appointment is merit-based, transparent, and designed to ensure a balance of skills, experience, and independence. Members may be removed in accordance with the enabling legislation on grounds such as misconduct, incapacity, or violation of the Leadership and Integrity Act. The Board reflects gender diversity and a balance in age profiles, in line with constitutional requirements.

## **2. Roles and Functions of the Board**

The functions of the Advisory Board as provided for under Section 55B of POCAMLA are as follows; -

- (1) The Advisory Board shall be responsible for—
  - (a) advising the Agency on the exercise of its powers and performance
  - (b) advising the Agency on asset recovery policies and strategic priorities of the Agency;
  - (c) advising the Agency with respect to the administration of the Agency;
  - (d) approving the annual budget of the Agency;
  - (e) approving the annual reports and financial statements of the Agency; and
  - (f) the expenditure of the Agency.

## **3. Induction, training, and development**

Upon appointment, all Board members underwent a formal induction programme covering the Agency's mandate, operations, governance framework, and the roles and responsibilities of the Board. During the year, members participated in continuous professional development by undertaking various Board governance and leadership courses.

#### **4. Board and Members' Performance**

The Board conducts an annual self-assessment and peer review to evaluate its effectiveness, strategic oversight, decision-making quality and compliance with the prevailing Government circulars. During the period under review the Board operated effectively, with members demonstrating commitment, diligence, and adherence to ethical standards.

#### **5. Board meetings and attendance**

During the financial year, the Board held two (2) ordinary meetings and one (1) special meeting. The overall attendance rate was 99% demonstrating a high level of engagement.

#### **6. Succession plan**

The Board has adopted a formal succession planning framework to ensure continuity in leadership, retention of institutional knowledge, and smooth transitions. This includes proactive identification of skills gaps and recommending qualified individuals for appointment.

#### **7. Policy to manage conflicts of interest**

The Board maintains a conflict-of-interest register. Members are required to declare any personal or professional interests that may conflict with their duties, at the start of each meeting or as soon as such interest arises. All disclosures are recorded in the Conflict-of-Interest Register.

#### **8. Board remuneration**

Remuneration for Board members is determined in accordance with the guidelines of the Salaries and Remuneration Commission (SRC). The package comprises sitting allowances, reimbursement of reasonable expenses, and other benefits as approved by law. No performance bonuses are paid to Board members.

## **9. Ethics and Conduct**

All members are bound by the Chapter 6 of the Constitution of Kenya 2010, Article 10 on National Values and Principles of Governance, Article 232 on Principles of Public Service, Leadership and Integrity Act, 2012, the Public Officer Ethics Act, and the Board Charter. The Board promotes a culture of honesty, fairness, accountability, and zero tolerance for corruption.

## **10. Terms of reference of committees**

The Board has established committees to enhance its effectiveness. Each committee operates under approved Terms of Reference (TORs) outlining their mandate and scope. The committees include:

- i. **Technical Committee** – Providing advisory on execution of core mandate of the Agency.
- ii. **Finance and General-Purpose Committee** – Providing advisory on financial planning, budgeting and strategic initiatives, governance practices and human resource policies.
- iii. **Audit Committee** – Providing advisory on financial reporting, compliance with legal requirements, and risk management practices.

## **11. Conclusion**

The Advisory Board remains committed to ensuring that the Assets Recovery Agency continues to operate with efficiency and in compliance with good corporate governance principles, thereby enhancing public confidence.

## 9. Management Discussion and Analysis

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This Management Discussion and Analysis (MD&A) report provides a comprehensive review of the operational and financial performance of the Assets Recovery Agency over the past three years. The report covers key projects and investment decisions, compliance with statutory requirements, major risks facing the Agency, material arrears in statutory and other financial obligations, a review of the economy and the sector, future developments, and any other information deemed relevant to the users of the financial statements. To enhance clarity, the information on financial performance is presented using graphs and other descriptive tools.

Over the past three years, Assets Recovery Agency has made significant strides in both operational and financial performance. Operationally, the total assets recovered have shown a steady increase, with the number of cases handled and the percentage of successful recoveries showing a notable increase. This reflects the effectiveness of the operations and collaborative initiatives. By leveraging advanced investigative techniques and fostering partnerships with law enforcement agencies, the Agency achieved successful asset recoveries and disrupted money laundering schemes and related illegal activities.

In terms of financial performance, the Agency maintained fiscal discipline and prudent resource management. Expenditures were closely monitored to ensure efficient utilization of resources without compromising operational effectiveness.

The Agency has undertaken projects aimed at enhancing operational efficiency and effectiveness two of such projects are outlined as follow; -

- 1. Enterprise Resource Planning** - The implementation of Enterprise Resource Planning system has streamlined operations, leading to improved efficiency and operational effectiveness of the Agency in asset recovery processes. This project is currently ongoing and is expected to be completed.
- 2. Technology Upgrade** - The Agency has invested in upgrading its technology infrastructure by investing in ICT equipment, data and cyber security. This ongoing

investment is aimed at increasing operational efficiency of the Agency and enhancing data security.

On compliance with statutory instruments, the Agency remains committed to full compliance with statutory requirements by strictly adhering to the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS) and ensures the timely submission of financial statements and other relevant financial and asset reporting instruments to relevant authorities. Additionally, complied with other regulatory requirements including undertaking regular audits and compliance checks by internal auditor and audit and risk committee.

The agency faces several risks that could impact its operations which includes but not limited to; -

**1. Operational Risks** - Criminals are becoming increasingly sophisticated, employing complex schemes to hide their illicit gains. Perpetrators of money laundering and other frauds often as well use complex financial structures, offshore accounts, shell companies, and other mechanisms which provide a veil of secrecy to hide assets, making them difficult to trace and recover.

Rapid advancements in technology provide both opportunities and challenges to the Agency. While technology aids in tracking assets, criminals also use sophisticated technologies such as cryptocurrency, blockchain and other virtual assets platforms to hide their financial activities and illegally acquired assets. This complicates identification, tracing and recovery of the assets that requires the Agency to continuously evolve and adopt new strategies and technologies.

The Agency also faces legal risks. POCAMLA prescribes very strict timelines within which to undertake and conclude investigations and institute recovery proceedings in court such as filing: miscellaneous applications to freeze and restrict debits in suspected accounts; preservation suits; and forfeiture suits. Moreover, majority of the asset recovery cases are met with protracted litigations and appeals.

**2. Financial Risks** – The Agency is faced with the risk of fluctuations in currency of the preserved and confiscated/ forfeited assets.

## **ASSETS RECOVERY AGENCY**

### **Annual Report and Financial Statements for the year ended June 30, 2025.**

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The Agency faces the risk of budgetary constraints and funding cuts of the allocated funds. Cognizant of the aforementioned risks, the Agency has put in place contingency measures and mitigation strategies for each of the identified risks.

On material arrears in statutory and other financial obligations, the Agency does not have any material arrears in financial obligations and thus its financial health is quite in good shape.

On review of the Sector the Agency postulates that the fight against money laundering, financing of terrorism, proliferation financing, financial crimes and other crimes particularly those which generate proceeds has shown robust performance over the past few years, with increased counter measures and enhanced legal frameworks supporting the efforts. The Agency's performance has been on top in this sector courtesy of enhanced efforts to recover proceeds of crime.

The Agency places a strong emphasis on stakeholder engagement, including efforts to engage with other law enforcement agencies, government bodies, the public, and international partners. Feedback from stakeholders is actively sought and acted upon to improve our operations. Additionally, the Agency is committed to corporate social responsibility (CSR) initiatives, contributing positively to the community.

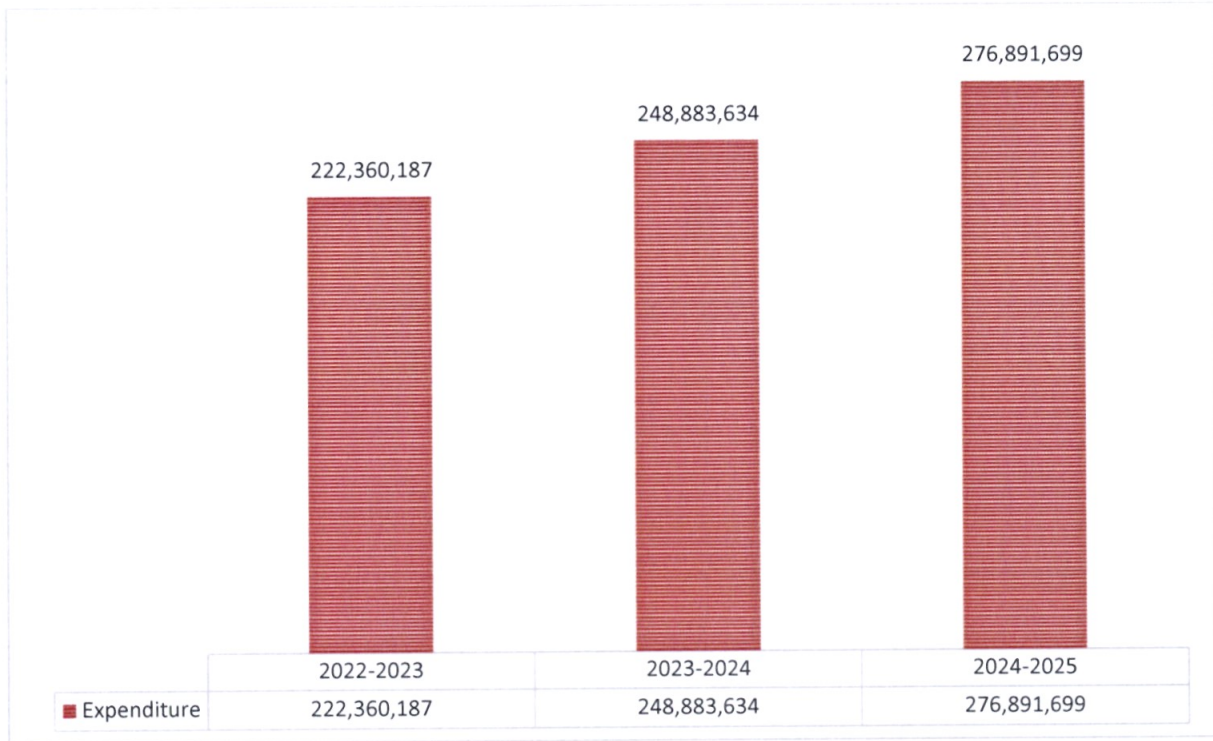
**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Transfers from other Government entities in the last 3 years:



Total Expenditures in the last 3 years:



## **10. Environmental and Sustainability Reporting**

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### **i) Sustainability strategy and profile**

During the year the Agency reinforced its commitment to sustainability, embedding it within the strategic and operational framework. This dedication is evident through the Agency comprehensive policies and initiatives aimed at promoting sustainable practices. The sustainability strategy has been centered on enhancing the assets recovery operations which plays a key role in achieving the government's National Development agenda, as expressed in its Third Medium Term Plan (MTP III), 2018/2019 – 2022/2023 under Vision 2030 and other government programs aligned to Bottom- up Economic Transformation Agenda (BeTA) initiatives and the Sector Performance Standards (SPS).

The government initiative ensures that recovered assets are utilized in the programs and activities that improve the livelihood of Kenyans. The Agency has recovered and continues to recover proceeds of crime, and this has been a crime deterrent to ensure economic growth and sustainable development.

### **ii) Environmental performance**

The Agency premises at Old Mutual Tower under the property management has complied with the environmental guidelines as provided for by the relevant government institutions regulating biodiversity and waste management. Through these efforts, we are dedicated to continuously improving our environmental performance and minimizing our ecological footprint.

### **iii) Employee welfare**

During the financial year the Agency has prioritized employee welfare, guided by Human Resource Policy and Procedures Manual, staff Career Guidelines and approved Staff Establishment.

The efforts to improve skills and manage careers have been substantial, with continuous professional development programs, and comprehensive appraisal systems designed to recognize and encourage excellence. The Agency maintains strict adherence to the Occupational Safety and Health Act of 2007 (OSHA) ensures a safe and compliant working environment for all employees. These initiatives reflect our commitment to fostering a supportive and equitable workplace that values the growth and well-being of every team member.

**iv) Market place practices**

**a. Responsible competition practice.**

The Agency upheld exemplary marketplace practices, ensuring responsible competition and adherence to ethical standard and accordance of free and fair chances to the vendors through providing equal opportunities and same ground level for competition. Bidders are invited and bids evaluated based on pre-determined parameters through fair, accountable, and regulatory complied processes. Awards and opportunities are accorded to the most responsive bidders through the fair processes. All related activities remain transparent and open except for our security and intelligence projects whose disclosure is restricted to vetted venders only.

The Agency is apolitical. Any involvement is guided by existing government policies that prevent undue influence, promotes fair competition by adhering to regulations that prevent monopolistic practices and by respecting through ethical and professional engagements. These efforts collectively reinforce dedication to integrity, fairness, professionalism and ethical conduct in the marketplace.

**b. Responsible Supply chain and supplier relations**

The Agency has remained committed to maintaining a responsible supply chain management service that fosters a strong supplier relation, guided by principles of accountability, transparency, integrity and fairness. Good business practices are prioritized by ensuring that all contracts are honoured, and payment terms are respected, fostering trust and reliability with the suppliers through regular

communication and collaboration with suppliers to ensure mutual understanding and alignment within ethical standards.

#### **Responsible marketing and advertisement**

The Agency has upheld a strong commitment to responsible marketing and advertisement, ensuring that all communications are conducted with integrity and transparency. Adherence to ethical marketing practices is enhanced by providing accurate, truthful information in all public statements and promotional materials. The marketing efforts are guided by clear ethical standards that emphasize respect for the audience and compliance with legal and regulatory requirements.

#### **Product stewardship**

The above subject matter stands as one of the key priorities for the Agency especially being a **Law Enforcement Agency**. In meeting this important objective, the Agency has enforced that for non-sophisticated buys; the domestic market must be promoted through purchase of locally manufactured goods, materials and labour. **“Buy Kenya Build Kenya”**.

The Agency considered marketplace opportunities to the vulnerable business members of the society (**Youth, Women & Persons Living with Disabilities**) who absorb at least 40% of the Agency procurement opportunities. Achieving this comprehensive observance of the Agency consumer rights and interest is regarded as economic and democratic growth.

#### **c. Corporate Social Responsibility / Community Engagements**

The Agency actively engaged in several Corporate Social Responsibility (CSR) activities, making a significant impact on society. We invested in Corporate Social Investment projects such as environmental conservation initiatives demonstrating our commitment to enhancing community well-being.

During the period under review The Agency conducted an employee welfare programme to mark the mental awareness month where the Agency staff and employees of other institutions within the Old Mutual Tower and benefited from free health screening, mental health counselling and a mental health awareness talk.

## **ASSETS RECOVERY AGENCY**

### **Annual Report and Financial Statements for the year ended June 30, 2025.**

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In addition to initiatives to mitigate against negative effects of climate change and in compliance with the Presidential Directive on trees growing and restoration campaign, the Agency staff and the Board planted over two thousand trees at the Kenya Forest Service Regional headquarters Lenana Block in liaison with the State Department of Forestry and the area Community Forest Association (CFA).

To realize the Corporate Social Responsibility (CSR) activities, and making a significant impact on society efforts, the Agency promoted local community groups through buying of the seedlings especially those planted at KFS headquarters. Moreover, the Agency engaged the local population especially the youths and women in weeding and digging holes for planting the seedlings.

The impact of these CSR activities has been profound to both the community and environment since our environmental initiatives have helped protect biodiversity and promote sustainability, ensuring a healthier planet for future generations.

In conclusion, the Assets Recovery Agency's CSR and community engagement efforts over the past year have made a tangible difference in the lives of many individuals and communities. Our sustained commitment to promoting local community groups hustles, corporate social investments, and active community involvement underscores our dedication to fostering positive social change and building a better future for all.

## **11. Report of the Management**

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The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Agency's affairs.

**i) Principal activities**

The principal activities of the Agency are outlined on page (iv) and (v).

**ii) Results**

The results of the Entity for the year ended June 30, 2024, are set out on page 1 to page 5.

**iii) Directors**

The members of the Board of Directors who served during the year are shown on page xiii to xv.

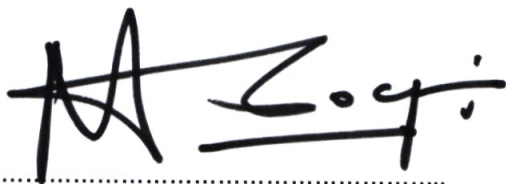
**iv) Surplus remission**

In accordance with section 54A (6) of POCAMLA, the Agency is authorized to retain the balance of its funding at the close of each financial year to ensure continuity of its function due to the sensitivity and strategic nature of the Agency's work. Additionally, Section 45(2) of the Public Financial Management Act, 2012 allow the Agency to retain the unspent surplus for smooth operation of its activity.

**v) Auditors**

The office of the Auditor General is responsible for the statutory audit of the Assets Recovery Agency in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 which empowers Auditor General to carry out the audit of the Assets Recovery Agency for the year ended 30<sup>th</sup> June, 2025.

By Order of the Board



.....  
Mark M. Ogonji, EBS, OGW, 'ndc' (K)  
**Ag. Director General**

## **12. Statement of Management's Responsibilities**

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Section 81 of the Public Finance Management Act, 2012 and Section 54D (2) of the Proceeds of Crime and Anti Money Laundering Act, require the Directors to prepare financial statements in respect of that Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year/period and the operating results of the Agency for that year/period. The management of the Agency is also required to ensure that proper accounting records which disclose with reasonable accuracy the financial position of the Agency are kept. The Agency management is also responsible for safeguarding the assets of the Agency.

The Director is responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year (period) 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 Agency;
- 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 Agency;
- V. Selecting and applying appropriate accounting policies; and
- VI. Making accounting estimates that are reasonable in the circumstances.

The Director accept responsibility for the Agency'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 PFM Act, 2012 and

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**


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the Proceeds of Crime and Anti Money Laundering Act, 2009. The Director is of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2024, and of the Agency's financial position as at that date. The Director further confirms the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Agency 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 Agency's financial statements were approved by the Board on 25/11 2025 and signed on its behalf by:

  
.....  
Ms. Dorcas Oduor, EBS, OGW, SC  
Chairperson of the Board  
Date: 25/11/2025

  
.....  
Mark M. Ogonji, EBS, OGW, 'ndc' (K)  
Ag. Director General  
Date: 25/11/2025

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON ASSETS RECOVERY AGENCY FOR THE YEAR ENDED 30 JUNE, 2025**

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### **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 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 Assets Recovery Agency set out on pages 1 to 27, 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 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 Assets Recovery Agency 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 the Proceeds of Crime and Anti-Money Laundering Act, 2009 and the Public Finance Management Act, 2012.

**Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Assets Recovery Agency 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.

**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**

**Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under Emphasis of Matter and the Report on Effectiveness of Internal Controls, Risk Management, and Governance. Review of the status during the audit of the Agency in the financial year 2024/2025 revealed that the following four (4) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Budgetary Control and Performance (Over-Funding and Under-Expenditure)
2	2023/2024	Failure to Register Lease Agreements with the Land Registrar
3	2023/2024	Failure to Implement Human Resource Instruments
4	2023/2024	Enhancement of Governance Systems for Security-Related Expenditures

## **Other Information**

The Management is responsible for the Other Information set out on pages vi to lix which comprise of Key Agency Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Director-General, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Management and the Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Agency'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 thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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**

#### **Non-Compliance with Capacity Building Levy Requirements**

Review of expenditure records revealed that the Agency withheld Capacity Building Levy at the rate of zero point zero three per cent (0.03%) on all procurement contracts, nor remitted the amounts to the Public Procurement Regulatory Authority via e-Citizen, effective 1 September 2024. Further, there was no evidence that monthly returns were filed by the 20<sup>th</sup> of the following month. This was contrary to Paragraphs 3(1) and 3(3) of the Public Procurement Capacity Building Levy Order, 2023, which require all entities to withhold and remit the Capacity Building Levy and to file the relevant returns.

In the circumstances, Management was in breach of The Levy Order.

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 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, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Inadequate Audit Committee Meetings**

The audit revealed that during the financial year under review, the Audit Committee convened once, on 23 April, 2025, instead of the required minimum of four meetings during the financial year. Further, the Audit Committee minutes were not signed by the Chairperson and Secretary of the Audit Committee.

In the circumstances, the occasional meeting may result in ineffective assurance on internal controls and oversight by the Committee.

#### **2. Lack of an Approved Strategic Plan**

Review of the Agency's mandate and strategic goals revealed that the Agency does not have an approved strategic plan. Although Management indicated that a draft strategic plan for the period 2022 to 2027 had been developed, it had not been approved as at the time of audit in October, 2025.

In the circumstances, the Agency lacks clear strategic direction, defined objectives, guidelines for annual work plans, or a basis for assessing management performance.

#### **3. Enhancement of Governance Systems for Security Related Expenditures**

During the year under review, the Agency incurred some expenditures on confidential security operations. Certificates of confidential expenditure were issued, supported by declarations from the Accounting Officer affirming proper use of funds in compliance with Regulation 101(5) of the Public Finance Management (National Government) Regulations, 2015.

As previously reported, there is need to enhance accountability of confidential expenditures, which have increased over the years, through review of the Regulations to clearly define entities eligible for confidential security related expenditures and to specify what constitutes security related operations. Further, entities should establish internal oversight mechanisms and processes that include detailed budget projections and post-operation financial summaries to address risks and ensure responsible use and accountability of the funds, beyond the certificate.

The measures are aimed at strengthening governance, fostering trust, and ensuring funds are utilised responsibly without compromising State security. However, as at the time of the audit in November 2025, no action had been taken to implement the audit recommendations.

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 the Management and 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 Agency'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 Agency'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**

**10 December, 2025**

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

**14. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue</b>			
<b>Revenue from Non-Exchange Transactions</b>			
Transfers from Other Governments entities	6	217,380,000	272,780,000
<b>Revenue from Exchange Transactions</b>			
Other Income	7	13,653,247	9,000,917
<b>Total Revenue</b>		<b>231,033,247</b>	<b>281,780,917</b>
<b>Expenses</b>			
Use of Goods and Services	8	108,062,419	93,222,829
Employees Costs	9	100,533,102	106,421,199
Other Expenditure	10	19,000,000	20,000,000
Board Expenses	11	3,496,465	-
Depreciation and Amortization Expense	12	24,985,502	14,489,164
Repairs and Maintenance	13	14,277,246	5,118,102
<b>Total Expenses</b>		<b>270,354,735</b>	<b>239,251,293</b>
<b>Other Gain/(Losses)</b>			
Impairment Loss		-	(5,913,093)
<b>Total Gain or Losses</b>		<b>-</b>	<b>(5,913,093)</b>
<b>Surplus/Deficit before Tax</b>		<b>(39,321,488)</b>	<b>36,616,531</b>
Taxation	14	2,003,287	1,346,498
<b>Surplus/Deficit for the Year</b>		<b>(41,324,775)</b>	<b>35,270,033</b>

The notes set out on pages 6 to 18 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors

by:




Mark M. Ogonji, EBS, OGW, 'ndc' (K)  
Ag. Director General

Date: 25/11/2025



Nasma Cheboi  
Principal Accountant  
ICPAK M/No:1611

Date: 25/11/2025



Ms. Dorcas Oduor, EBS, OGW, SC  
Chairperson of the Board

Date: 25/11/2025


**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**


**15. Statement of Financial Position as at 30 June 2025**


	Notes	2024-2025	2023-2024
Assets		Kshs	Kshs
<b>Current Assets</b>			
Cash and Cash Equivalents	15	177,313,140	221,621,592
		<b>177,313,140</b>	<b>221,621,592</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	16	135,405,438	135,718,243
Intangible asset	19	12,134,291	7,287,808
<b>Total Non-Current Assets</b>		<b>147,539,729</b>	<b>143,006,051</b>
<b>Total Assets</b>		<b>324,852,868</b>	<b>364,627,643</b>
<b>Current Liabilities</b>			
Trade and Other Payables	17	1,550,000	-
Provision	18	580,000	580,000
<b>Total Liabilities</b>		<b>2,130,000</b>	<b>580,000</b>
<b>Net Assets</b>		<b>322,722,868</b>	<b>364,047,643</b>
<b>Represented By:</b>			
Accumulated Surplus		301,165,497	328,001,108
Revaluation Reserve		21,557,371	36,046,535
<b>Net Assets</b>		<b>322,722,868</b>	<b>364,047,643</b>

The financial statements set out on pages 1 to 5 were signed on behalf of the Agency by:

  
 .....  
 Mark M. Ogonji, EBS, OGW, 'ndc' (K)  
 Ag. Director General

Date: 25/11/2025

  
 .....  
 Nasma Cheboi  
 Principal Accountant  
 ICPAK M/No:1611  
 Date: 25/11/2025

  
 .....  
 Ms. Dorcas Oduor, EBS, OGW, SC  
 Chairperson of the Board  
 Date 25/11/2025

**ASSETS RECOVERY AGENCY****Annual Report and Financial Statements for the year ended June 30, 2025.****16. Statement of Changes in Net Assets for the year ended 30 June 2025**

	Retained Earnings	Revaluation Reserve	Total
As at July 1,2023	280,727,129	-	280,727,129
Surplus for the Year	35,270,033	-	35,270,033
Revaluation Reserve	-	48,050,481	48,050,481
Transfer to Revaluation Reserve	12,003,946	(12,003,946)	-
<b>As at June 30,2024</b>	<b>328,001,108</b>	<b>36,046,535</b>	<b>364,047,643</b>
As at July 1,2024	328,001,108	36,046,535	364,047,643
Deficit for the Year	(41,324,775)	-	(41,324,775)
Transfer to Revaluation Reserve	14,489,164	(14,489,164)	-
<b>As at June 30,2025</b>	<b>301,165,497</b>	<b>21,557,371</b>	<b>322,722,868</b>

**ASSETS RECOVERY AGENCY**
**Annual Report and Financial Statements for the year ended June 30, 2025.**
**17. Statement of Cash Flows for the year ended 30 June 2025**

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Transfer from Other Governments	6	217,380,000	272,780,000
Other Income	7	13,653,247	9,000,917
<b>Total</b>		<b>231,033,247</b>	<b>281,780,917</b>
<b>Payments</b>			
Use of Goods and Services	8	108,062,419	93,222,829
Employees Costs	9	100,533,102	106,421,199
Other Expenditure	10	19,000,000	20,000,000
Board Expenses	11	3,496,465	-
Repairs and Maintenance	13	14,277,246	5,118,102
Tax Paid	14	2,003,287	1,346,498
<b>Total Payments</b>		<b>247,372,519</b>	<b>226,108,628</b>
<b>Cash Flows from Operating Activities</b>		<b>(16,339,272)</b>	<b>55,672,290</b>
<b>Effects of working capital changes</b>			
Increase/(Decrease) in Payables		1,550,000	(4,315,000)
<b>Net change in working capital</b>		<b>1,550,000</b>	<b>(4,315,000)</b>
<b>Net Cash Flows from Operating Activities</b>	20	<b>(14,789,272)</b>	<b>(51,357,290)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant & Equipment	16	(24,672,697)	(40,865,891)
Purchase of Intangible Asset	19	(4,846,483)	(7,287,808)
<b>Net Flows from Investing Activities</b>		<b>(29,519,180)</b>	<b>(48,153,699)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(44,308,452)</b>	<b>3,203,591</b>
Cash and Cash Equivalents as at 1 July	15	221,621,592	218,418,001
Cash and Cash Equivalents as at 30 June	15	177,313,140	221,621,592

**ASSETS RECOVERY AGENCY**
**Annual Report and Financial Statements for the year ended June 30, 2025.**
**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Transfers from Other Governments entities	267,380,000	(50,000,000)	217,380,000	217,380,000	0	100%
Other Income	-	-	-	15,203,247	(15,203,247)	-100%
Budget carry overs				221,621,592		
<b>Total Income</b>	<b>267,380,000</b>	<b>(50,000,000)</b>	<b>217,380,000</b>	<b>454,204,838</b>	<b>(15,203,247)</b>	
<b>Expenses</b>						
Use of Goods and Services	132,599,300	(37,099,300)	95,500,000	137,581,599	(42,081,599)	142%
Employee costs	91,280,700	(6,270,700)	85,010,000	100,533,102	(15,523,102)	118%
Repairs and Maintenance	5,500,000	7,870,000	13,370,000	14,277,246	(907,246)	107%
confidential Expenditure	20,000,000	-	20,000,000	19,000,000	1,000,000	95%
Board Expenses	18,000,000	(14,500,000)	3,500,000	3,496,465	3,535	100%
Tax Paid	-	-	-	2,003,287	(2,003,287)	-100%
<b>Total Expenditure</b>	<b>267,380,000</b>	<b>(50,000,000)</b>	<b>217,380,000</b>	<b>276,891,699</b>	<b>(59,511,700)</b>	<b>127%</b>
<b>Surplus/Deficit for the period</b>	<b>-</b>			<b>177,313,140</b>		

**Budget Notes:**

- I. The difference between original and final budget of Ksh. (50,000,000) is as a result of budget revision during the Supplementary I budget.
- II. Budget carryovers is surplus that the Agency is not legally required to remitted to the Exchequer as in accordance with section 54A (6) of POCAMLA

18.(a) Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	177,313,140
Reason for differences	-
<b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b>	<b>177,313,140</b>

## **19. Notes to the Financial Statements**

### **1. General Information**

The Assets Recovery Agency is established under Section 53(1) of the Proceeds of Crime and Anti-Money Laundering Act, 2009 as a body corporate with the principal mandate of combating money laundering, terrorism financing, proliferation financing and other crimes through identifying, tracing, freezing and recovering properties/proceeds which have been acquired from or constitute profits or benefits derived from crime or used for or intended for use in the commission of an offence.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Agency. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Proceeds of Crime and Anti-Money Laundering Act, 2009, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

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

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The management is in the process of assessing impact of this standard.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The management is in the process of assessing impact of this standard.</p>

**ASSETS RECOVERY AGENCY****Annual Report and Financial Statements for the year ended June 30, 2025.**

IPSAS 45- Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The management is in the process of assessing impact of this standard.</p>
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"><li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li><li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li><li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li></ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The management is in the process of assessing impact of this standard</p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users</p>

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

	<p>of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>The management is in the process of assessing impact of this standard</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>The management is in the process of assessing impact of this standard</p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>The management is in the process of assessing impact of this standard</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p>The management is in the process of assessing impact of this standard</p>

iii. *Early adoption of standards*

The Agency did not adopt any new or amended standards in the financial year 2024/2025.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**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 Agency and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Interest Income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**b) Budget information**

The original budget for the Current FY was approved by the National Assembly on July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the

Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Agency recorded a reduction in appropriations of Ksh.50,000,000 on the 2024/2025 budget following parliamentary budget cuts.

The Agency budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in page 1 of these financial statements.

**c) 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 Entity 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

## ASSETS RECOVERY AGENCY

### Annual Report and Financial Statements for the year ended June 30, 2025.

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consideration the asset is initially measured at its fair value. Assets are depreciated on a yearly basis and their values recorded at net book values at the end of the financial year. Depreciation is applied on a reducing balance basis.

The assets are depreciated using the following rates:

Motor vehicles	25%
Furniture and Fittings	12.5%
Computer and ICT Equipment	33.3%
Other Assets	20%
Office Equipment	12.5%

#### d) 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. 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. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

#### e) Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

#### f) Provisions

Provisions are recognized when the Agency 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 Agency 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.

**g) 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. 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.

**h) Comparative figures**

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

**i) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Agency 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. State all judgements, estimates and assumptions made.

**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 period, are described below. The Agency based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

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due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

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

**ASSETS RECOVERY AGENCY**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**6. Transfers from Other Government entities**

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfer from Other Governments entities	217,380,000	272,780,000
<b>Total</b>	<b>217,380,000</b>	<b>272,780,000</b>

**7. Other Income**

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest Income	13,355,247	9,000,917
Sale of Tender	298,000	-
<b>Total</b>	<b>13,653,247</b>	<b>9,000,917</b>

**8. Use of Goods and services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Refined Fuel, Oil and Lubricants	8,099,342	6,538,843
Water and Sewerage	709,683	272,475
Training	7,002,529	6,584,859
Audit Fees	580,000	580,000
Advertising and Publicity	3,798,186	6,110,167
Rent and Rates	44,695,015	27,704,880
Electricity	513,995	581,104
Subscriptions	-	133,500
Communication Supplies & Services	5,286,349	5,284,928
Bank Charges	259,012	185,436
Contracted Services	6,250,717	4,490,439
Conferences and Delegations	7,808,380	12,155,705
Sanitary and Cleaning Services	2,569,594	1,566,220
Consumables	871,473	1,298,189
General Expenses	19,618,144	19,736,189
<b>Total Expenses</b>	<b>108,062,419</b>	<b>93,222,829</b>

**ASSETS RECOVERY AGENCY**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**9. Employee Costs**

Description	2024-2025	2023-2024
	Kshs	KShs
Travel, accommodation, Subsistence and other Allowance	99,265,095	104,748,384
Salaries and wages-Stipends	1,268,007	1,672,815
<b>TOTAL</b>	<b>100,533,102</b>	<b>106,421,199</b>

**10. Other Expenditures**

Description	2024-2025	2023-2024
	Kshs	Kshs
Other Expenditures	19,000,000	20,000,000
<b>Total</b>	<b>19,000,000</b>	<b>20,000,000</b>

**11. Board Expenses**

Description	2024-2025	2023-2024
	Kshs	KShs
Chairman Honoraria		-
Sitting Allowances	1,238,000	-
Medical Insurance	-	-
Induction and Training	224,879	-
Travel and Accommodation	2,033,586	-
<b>TOTAL</b>	<b>3,496,465</b>	<b>-</b>

**ASSETS RECOVERY AGENCY****Annual Report and Financial Statements for the year ended June 30, 2025.****12. Depreciation and amortization Expense**

Description	2024-2025	2023-2024
	KShs	KShs
Property, Plant and Equipment	24,985,502	14,489,164
		-
<b>Total</b>	<b>24,985,502</b>	<b>14,489,164</b>

**13. Repairs and Maintenance**

Description	2024-2025	2023-2024
	KShs	KShs
Equipment	250,514	495,160
Motor Vehicles	14,026,732	4,622,942
<b>Total</b>	<b>14,277,246</b>	<b>5,118,102</b>

**14. Taxation**

Description	2024-2025	2023-2024
	KShs	KShs
Tax on Interest Income	2,003,287	1,346,498
<b>Total</b>	<b>2,003,287</b>	<b>1,346,498</b>

**15. Cash and Cash Equivalent**

Description	2024-2025	2023-2024
Description	Kshs.	Ksh.
Current accounts	177,313,140	221,621,592
<b>Total</b>	<b>177,313,140</b>	<b>221,621,592</b>

**ASSETS RECOVERY AGENCY**

Annual Report and Financial Statements for the year ended June 30, 2025.

**Detailed Analysis of Cash and Cash Equivalent**

		2024-2025	2023-2024
Financial institution	Account number	Kshs.	Ksh.
<b>Current account</b>			
Kenya Commercial Bank (Recurrent)	1210028794	173,799,782	219,286,250
Kenya Commercial Bank (Confidential)	1248074947	3,513,357	2,335,342
<b>Total</b>		<b>177,313,140</b>	<b>221,621,592</b>

**ASSETS RECOVERY AGENCY**
**Annual Report and Financial Statements for the year ended June 30, 2025.**
**16. Property, Plant and Equipment**

	Motor vehicles	Furniture and fittings	Computers	other assets	Capital work in progress	Total
	25%	12.50%	33.30%	20.00%		
	Kshs	Kshs	Kshs			Kshs
<b>As at 1st July (2023)</b>	<b>37,836,350</b>	<b>38,193,059</b>	<b>49,705,649</b>	<b>1,048,800</b>	<b>43,104,819</b>	<b>169,888,677</b>
Additions	-	83,970,711	-	-	-	<b>83,970,711</b>
Transfer/Adjustments	(37,836,351)	(18,506,749)	(45,712,170)	(629,280)	(43,104,819)	(145,789,369)
Revaluation	47,877,000	(2,787,290)	(3,125,803)	173,480		42,137,387
<b>As at 30<sup>th</sup> June (2024)</b>	<b>47,877,000</b>	<b>100,869,731</b>	<b>867,676</b>	<b>593,000</b>	<b>-</b>	<b>150,207,407</b>
<b>As at 1st July 2024</b>	<b>47,877,000</b>	<b>100,869,731</b>	<b>867,676</b>	<b>593,000</b>	<b>-</b>	<b>150,207,407</b>
Additions	17,490,889	1,921,129	3,899,550	1,361,129		24,672,697
<b>As at 30<sup>th</sup> June (2025)</b>	<b>65,367,889</b>	<b>102,790,860</b>	<b>4,767,226</b>	<b>1,954,129</b>	<b>-</b>	<b>174,880,104</b>
<b>At as 1st July 2023</b>	<b>37,836,351</b>	<b>18,506,749</b>	<b>45,712,170</b>	<b>629,280</b>	<b>-</b>	<b>102,684,549</b>
Transfer/Adjustments	(37,836,351)	(18,506,749)	(45,712,170)	(629,280)		(102,684,550)
Depreciation	11,969,250	2,112,378	288,666	118,600	-	14,489,164
<b>As at 30<sup>th</sup> June (2024)</b>	<b>11,969,250</b>	<b>2,112,378</b>	<b>288,936</b>	<b>118,600</b>	<b>-</b>	<b>14,489,164</b>
Depreciation for Revaluation	11,969,250	-	-	34,696		12,003,946
<b>At as 1st July 2024</b>	<b>11,969,250</b>	<b>2,112,378</b>	<b>288,936</b>	<b>118,600</b>	<b>-</b>	<b>14,489,164</b>
Depreciation	11,969,250	12,608,716	288,936	118,600	-	24,985,502
<b>As at 30<sup>th</sup> June (2025)</b>	<b>23,938,500</b>	<b>14,721,094</b>	<b>577,872</b>	<b>237,200</b>	<b>-</b>	<b>39,474,666</b>
Depreciation for Revaluation	11,969,250	2,112,378	288,666	118,600	-	14,489,164
<b>As at 30<sup>th</sup> June (2024)</b>	<b>35,907,750</b>	<b>98,757,354</b>	<b>578,740</b>	<b>474,400</b>	<b>-</b>	<b>135,718,243</b>
<b>As at 30<sup>th</sup> June (2025)</b>	<b>41,429,389</b>	<b>88,069,766</b>	<b>4,189,354</b>	<b>1,716,929</b>	<b>-</b>	<b>135,405,438</b>

**ASSETS RECOVERY AGENCY**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Notes to the Financial Statements (Continued)**

**17. Trade and other Payables**

Description	2024-2025	2023-2024
	Kshs	Kshs
Retention	-	-
Sale of Motor Vehicle	1,550,000	-
<b>Total trade and other payables</b>	<b>1,550,000</b>	<b>-</b>

**18. Provisions**

Description	2024-2025	2023-2024
	Kshs	Kshs
Audit Fees	580,000	580,000
<b>Total Provision</b>	<b>580,000</b>	<b>580,000</b>

**19. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
		-
<b>Cost at the beginning of the Year</b>	<b>7,287,808</b>	<b>-</b>
Additions:		
ERP	-	6,928,796
Firewall		359,012
IBM I2 System	4,846,483	
<b>Cost at the end of the Year</b>	<b>12,134,291</b>	<b>7,287,808</b>
Amortization and impairment at the beginning of the Year	-	-
Amortization and impairment at the end of the Year		
Impairment Loss	-	-
<b>NBV</b>	<b>12,134,291</b>	<b>7,287,808</b>

**ASSETS RECOVERY AGENCY**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**20. Cash Generated from Operations**

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	(39,321,488)	36,616,531
Adjusted for:		
Depreciation	24,985,502	14,489,164
Taxation	(2,003,287)	(1,346,498)
Impairment	-	5,913,093
<b>Working capital adjustments:</b>		
Increase in payables	1,550,000	(4,315,000)
<b>Net Cash Flow from Operations</b>	<b>(14,789,272)</b>	<b>51,375,290</b>

**21. Events after the Reporting Period**

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

**22. Ultimate and Holding Entity**

The Entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Office of the Attorney General and State Department for Justice. Its ultimate parent is the Government of Kenya.

**23. Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

**21. Appendices**

**Appendix I: Implementation Status of Auditor-General's Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1 Budgetary control and performance	<p>The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.272,780,000 and Kshs.281,485,866 respectively, resulting to an over-funding of Kshs.8,705,866 or 3% of the budget. However, the Agency spent a balance of Kshs.248,883,634 against actual receipts of Kshs.281,485,866, resulting in an under-utilization of Kshs.32,602,232 or 12% of actual receipts.</p>	<p>During the financial year 2023/2024 the Agency received a total of Kshs Kshs.272,780,000 from government grants. Further the Agency earned interest income of Kshs 9,000,917 from the Agency operations Account and the Agency expenditure account held at Kenya Commercial Bank, KICC Branch. The total amount receipts were therefore Kshs 281,780,917.</p> <p>During the FY 2023/2024 Agency had budgeted for the acquisition of a motor vehicle to support the operations of intelligence gathering and tracing of suspected proceeds of crime. However, the lengthy process of procurement and obtaining approvals from requisite government departments occasioned the non-acquisition of the said motor vehicle resulting to a non-absorption of 6.39% earmarked for the motor vehicle.</p> <p>In addition, the Agency had planned for the for the supply, installation, configuration and commissioning of the Agency data center at a cost of Ksh 5,811,982 and finalization of the</p>	Awaiting parliamentary clearance for the period 2023/2024	30 <sup>th</sup> June 2026

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>implementation of the ERP at a cost of Ksh 9,000,000.</p> <p>The procurement of the Agency data center was terminated since lowest bidder had quoted way below the market price. The second-best bidder had a quote which was way above the market value and the budgetary allocation for the procurement. The budget allocation This occasioned the non-implementation of the Agency data center.</p> <p>In addition, Agency did not finalize the installation, configuration and commissioning of the ERP resulting to the unspent allocation budgeted for the same.</p> <p>From the foregoing circumstances the Agency was unable to procure the goods and services as outlined above thereby occasioning the low absorption of the stated 12%.</p>		
2.unresolved prior year matters	As Disclosed in Appendix 1 on the implementation status of Auditor-General's recommendations, several issues raised in the previous year's had not been resolved as at 30 <sup>th</sup> June,2024.	The Agency appeared before the National Assembly Special Funds Accounts Committee on 7 <sup>th</sup> august 2025 on examination of the reports of the Auditor-General on the financial statements of the Criminal Assets Recovery Fund (CARF) for the financial years 2018/2019 to 2023/2024 to resolve the matters.	Awaiting parliamentary clearance for the period 2023/2024	30 <sup>th</sup> June 2026

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.Failure to register lease agreements with the land registrar	Lease agreement between Assets Recovery Agency and the landlord for 21 <sup>st</sup> Floor Old Mutual towers were not registered by land registrar	The Agency notes the query and wishes to clarify that the lease agreement was duly registered with the land registrar.	Awaiting parliamentary clearance for the period 2023/2024	30 <sup>th</sup> June 2026
4.Failure to Implement Human Resource Instruments	Failure to recruit Agency's own staff	<p>The Agency has not fully delinked from the Office of the Attorney General and Department of Justice. In addition, during the Financial Year Agency under review lacked budgetary allocation for Personal Emoluments and Compensation to Employees (PE).</p> <p>Currently there is an RRI that has been launched by the Public Service Commission (PSC) has initiated an accelerated Rapid Results Initiative (RRI) to fast-track the review of the human resources instruments across public service. During the first quarter the Agency has initiated the review of its human resources instruments for onward transmission to the Public Service Commission (PSC)for approval. Once the process with the PSC and the Salaries Remuneration Commission (SRC) is finalized the Agency Advisory Board</p>	Awaiting parliamentary clearance for the period 2023/2024	30 <sup>th</sup> June 2026

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		(ARAAB) will be in a position to implement human resource instruments.		
5.Enhancement of Governance Systems for Security Related Expenditures	<p>During the year under review, the Agency incurred expenditures on confidential security operations. Certificates of confidential expenditure were issued, supported by a declaration from the Accounting Officer affirming proper use of funds in compliance with Regulation 101(5) of the Public Finance Management (National Government) Regulations, 2015.</p> <p>However, there is need to enhance accountability of confidential expenditures through review of the Regulations to clearly define entities eligible for confidential security-related expenditures and to specify what constitutes security-related operations. Further, entities should establish internal oversight mechanisms and processes that include detailed budget projections and post-operation financial summaries to address risks and</p>	Currently the Agency has put in measures to strengthen governance systems for security-related expenditures and the documents are available for verification	Awaiting parliamentary clearance for the period 2023/2024	30 <sup>th</sup> June 2026

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	ensure responsible use and accountability of the funds, beyond the certificate. The measures will strengthen governance, foster trust, and ensure funds are utilized responsibly without compromising State security.			



.....  
 Mark M. Ogonji, EBS, OGW, 'ndc' (K)  
 Ag. Director General

**ASSETS RECOVERY AGENCY**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Appendix II: Inter Entity Confirmation Letter**

**Confirmation of amounts received by Assets Recovery Agency as at 30<sup>th</sup> June 2025**

Serial Number	Date Disbursed	Amounts Received by SC (KShs) as at 30th June 2025				Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 <sup>th</sup> June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
1	06.08.2024	19,606,666	NIL	NIL	19,606,666	NIL	19,606,666	
2	30.08.2024	19,606,666	NIL	NIL	19,606,666	NIL	19,606,666	
3	02.10.2024	19,606,666	NIL	NIL	19,606,666	NIL	19,606,666	
4	31.10.2024	35,656,670	NIL	NIL	35,656,670	NIL	35,656,670	
5	29.11.2024	19,606,666	NIL	NIL	19,606,666	NIL	19,606,666	
6	03.01.2025	19,606,666	NIL	NIL	19,606,666	NIL	19,606,666	
7	07.02.2025	22,281,666	NIL	NIL	22,281,666	NIL	22,281,666	
8	13.03.2025	22,281,666	NIL	NIL	22,281,666	NIL	22,281,666	
9	08.04.2025	22,281,666	NIL	NIL	22,281,666	NIL	22,281,666	
10	29.04.2025	5,615,001	NIL	NIL	5,615,001	NIL	5,615,001	
11	09.06.2025	5,615,001	NIL	NIL	5,615,001	NIL	5,615,001	
12	06.08.2024	5,615,001	NIL	NIL	5,615,001	NIL	5,615,001	
<b>Total</b>		<b>217,380,000</b>			<b>217,380,000</b>		<b>217,380,000</b>	

In confirm that the amounts shown above are correct as of the date indicated.

**Head of Accountants Department of beneficiary Entity:**

Name ..... NASMA CHIBOI Sign ..... [Signature] Date 25/11/2025

**ASSETS RECOVERY AGENCY**

**Annual Report and Financial Statements for the year ended June 30, 2025.**

**Annex V: Reporting of Climate Relevant Expenditures**

Project name	Project Description	Project activities					Source of Funds	Implementing Partners
			Q1	Q2	Q3	Q4		
Tree growing and restoration campaign	Compliance with the presidential directive on tree growing and restoration campaign to mitigate against the effects negative effects of climate change	Tree Growing Tree Planting	-	-	-	567,000	Recurrent Exchequer	State department for Forestry -Kenya Forest Service Nairobi Region  Lenana community Forest Association (CFA)