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REPORT

THE NATIONAL ASSEMBLY	
DATE: 31 MAY 2022	DAY: TUESDAY
TABLED BY: OF	Majority Whip Hon E. Wangwe, MP
CLERK-AT-THE-TABLE:	Gertrude Chebet.

THE AUDITOR-GENERAL

ON

NATIONAL LAND COMMISSION

**FOR THE YEAR ENDED
30 JUNE, 2021**



NATIONAL LAND COMMISSION

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Land Commission (NLC) is an Independent Constitutional Commission established under Article 67 of the Constitution of Kenya, 2010. It was operationalized through Acts of Parliament that gave effect to Article 67 of the Constitution, namely; the National Land Commission Act, 2012; the Land Act, 2012 and the Land Registration Act, 2012, to carry out its mandate as outlined both in the Constitution and in the aforementioned legislations. The Commission is not subject to direction or control by any person or authority; it is subject only to the Constitution and the law as stated in Article 249 (2) of the Constitution of Kenya.

Our Vision

Excellent administration and management of land for sustainable development

Our Mission

To implement an efficient land administration and management system in order to ensure equity in access to land

Core Values

- Efficiency
- Transparency and Accountability
- Innovativeness
- Integrity
- Professionalism
- Rule of Law
- Independence

Motto

“Our Land, Our Wealth, Our Heritage”

“Ardhi Yetu, Mali Yetu, Urithi Wetu”

Mandate

National Land Commission derives its mandate from the Constitution of Kenya 2010, the National Land Policy (2009) and Acts of Parliament, namely the National Land Commission (NLC) Act, the Land Act and the Land Registration Act, all of 2012. The broad mandate of the National Land Commission can be categorized as provided for in the Constitution:

1. Manage Public land on behalf of the National and County governments, 67(2) a;
2. Recommend a National Land Policy to the National government, 67(2) b;
3. Advise the National government on a comprehensive program for the registration of title in land throughout Kenya, 67(2) c;

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4. Conduct research related to land and the use of natural resources, and make recommendations to appropriate authorities, 67(2) d;
5. Initiate investigations, on its own initiative or on a complaint, into present or historical land injustices, and recommend appropriate redress, 67(2) e;
6. Encourage the application of traditional dispute resolution mechanisms in land conflicts, 67(2) f;
7. Assess tax on land and premiums on immovable property in any area designated by law, 67(2) f;
8. Monitor and have oversight responsibilities over Land Use Planning throughout the country, 67(2) h; and
9. Perform any other functions prescribed by national legislation. 6(3)

Powers and functions

In line with the NLC's Act, 2012, the Commission is obligated to exercise all the powers necessary for the execution of its functions under the Constitution, the NLC Act 2012 and any other written law. This translates into exercising its powers in a variety of ways like:

1. Without prejudice to the generality of subsection (1), the Commission shall have powers to;
 - Gather, by such means as it considers appropriate, any relevant information including requisition of reports, records, documents or any information from any source, including any State organ, and to compel the production of such information where it considers necessary;
 - Hold inquiries for the purposes of performing its functions under the NLC Act;
 - Take any measures it considers necessary to ensure compliance with the principles of land policy set out in Article 60 (1) of the Constitution as depicted in box 1 below. These principles continue to guide the work of the Commission.

(b) Key Management

NLC day-to-day management is under the following key organs:

Nine (9) Commissioners comprising of the Chairman and Eight (8) Commissioners. The Commissioners were engaged on a full-time basis. The Commissioners assumed office in December 2019 after the first Commission ended in February 2019

The Ag heads the Secretariat. Secretary/Chief Executive Officer supported by eleven (11) Directors and County coordination offices across the 47 counties. The County coordinators head the County offices.

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Gershom Otachi B'wonamwa-Chairman

Commissioner Gershom Otachi is the Chairman of the National Land Commission and a graduate of the University of Nairobi (LLB, 1989). He was admitted to the Bar in 1990. He has been in Legal practice as an Advocate for 29 years, appearing before all levels of Courts and Specialized Tribunals in Civil, Criminal, Land and property, Succession and Election disputes besides practice in other aspects of Commercial law and Conveyancing. He has also simultaneously practiced law in international courts for a period of over twenty years. He has served as the Chairman in two State Corporations; Policy Holders' Compensation Fund (PHCF) and Geothermal Development Company (GDC) for a total of six years. He is a member of the Law Society of Kenya, East African Law Society, International Commission of Jurists (Kenya), International Criminal Bar (ICB), International Association of Defiance Lawyers (IADAD), Association of Defense Lawyers at the UNICTR (ADAD) of which he was Vice –Chairman for 6 years and is on the ICC list of Counsel.



Getrude Nduku Nguku - Vice-Chair

Gertrude Nduku Nguku is the Vice Chairperson of the National Land Commission. She is a Kenyan Advocate who was admitted to the bar in 1990. She holds a LLB degree from the University of Nairobi and a Master of Advanced Studies in Peace and Conflict Studies from the European University Centre for Peace Studies in Austria. She has researched and written extensively on administrative and management reforms of Kenya land law and policy to end conflict and structural marginalization. She is a recognized United Nations legal and judicial reform expert who has advised governments on issues of land management, adjudication, settlement, investigations and registration. She represented public and private clients during litigation and arbitration of land cases in Kenya and advised International Judge Panels during the investigations, trial and appeal of land, corruption and war crime cases. She managed a United Nations Operations land program as a Deputy Head to investigate, adjudicate and mediate on historical land injustices and illegal occupations in Kosovo, Serbia and Macedonia. As an Advisor of the United Nations Police Commissioner in Timor-Leste, she collaborated with development partners, national and municipality government authorities to spearhead the development of the first administrative and investigation policy of the police Vulnerable Persons Unit.

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Prof. James K. Tuitoek - Commissioner

Prof, James K Tuitoek joined the Commission in November, 2019 and brings on board over 35 years' wealth of experience from diverse backgrounds. A research specialist with a bias towards animal science, Prof Tuitoek holds a PhD from the University of Guelph, Canada, MSc in Animal Science, University of Manitoba Canada and a BSc in Agriculture from the University of Nairobi.

Prof Tuitoek has immense experience in the area of Management and Administration having served in various senior management roles at the Egerton University for a combined period of 19 years, half of which he was at the helm of the University as the Vice Chancellor. Prior to this, he also served as a Lecturer, Dean of Faculty (Agriculture) and Deputy Vice Chancellor (Administration and Finance). Prof. Tuitoek played a key role in the management of University Pension Plans, he was also instrumental in establishing favourable employee/ labor relations and corporate governance. Prof. Tuitoek is also the Chairman of the Audit & Risk Management Committee of the Commission and a member of other Commission Committees



Hon. Samwel Kazungu Kambi - Commissioner

Hon. Commissioner Samwel Kazungu Kambi holds a Master in Business Administration (MBA) from University of East Africa, Baraton and a Bachelor of Arts Degree in Development Studies from the same University. He worked as a Manager at Post Bank from 1990 to 1992. He started his political journey as a Member of Parliament for Kaloleni Constituency from 2007-2012. He served as an Assistant Minister for Medical Services from 2008 to 2013 under the Coalition Government.

In May 2013, Hon. Kazungu Kambi was nominated by President Uhuru Kenyatta as a Cabinet Secretary (CS) for the Ministry of Labor and Social Services, a position he held from 2013 to 2015. During his tenure he was instrumental in spearheading transition of staff from National to the 47 County governments. While at the helm as a Cabinet Secretary for Labor and Social Services, Hon. Kambi oversaw NSSF increase its revenue from Ksh 400m to Ksh. 1.2 billion by the time he was leaving. He revived National Industrial Training Authority (NITA), and was instrumental in the establishment of the

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National Employment Authority vide an Act of Parliament which seeks to connect job seekers with employers. He enhanced the growth of the National Cash Transfer Program, a support program for the elderly and the disabled from 1000 to over 7000 beneficiaries.

At the Child Welfare Association, he spearheaded establishment of the National Adoption Society and the National Emergency Response, Welfare and Rescue Organization for children through a legal notice No. 58 of 23/05/1955. He has served as the Chairman of Coast Development Authority and also as a Director at the Betting Control and Licensing Board. He is pursuing a Doctorate of Philosophy (PhD) in Finance and Management at Baraton University.



Hubbie Hussein Al-Haji - Commissioner

Commissioner Hubbie Hussein Al-haji was the County Executive Committee member in Garissa County having held two different departments for the period between 2013 and 2017. She was first in charge of Agriculture, Livestock, Fisheries and Irrigation for Garissa County, she later held the same position in the department of Health Services; this follows the devolution of service from a national government to a County government. During her tenure several policies have been passed and initiative taken to attain the objective of the ministry. Under the Health docket, Garissa County was ranked as the best County in Kenya in the area of maternal and new borne health, due to enhanced referral mechanism and the established.

Ms. Hubbie is a former Executive Director, and a founding member of Womankind Kenya (WOKIKE). It was founded in 1989 as a welfare society by local Somali pastoral women who were committed to improving the living standards and the level of decision making of their fellow pastoral women and the girls in the North Eastern province. Through her work at the organization, she has been instrumental in helping the community develop and institutionalize unique, innovative approaches to eradicate poverty, human rights abuse and empower women to foster community sustainability.

Ms. Hubbie is also a former member of the Pay Review Board of the Kenya Armed Forces (Kenya Defence Forces) for the year 2009 to 2012. The major responsibility had to continuously review and assess the work condition of the Kenya military personnel and recommend favourable working conditions.

Ms. Hubbie is also a former member of the famous Bomas of Kenya delegates for the Constitution Review; she was an active member of the legal committee, which was then chaired by Prof. Kivutha Kibwana (Current Governor of Makeni County). She played a critical role in looking in to a devolved governance system, the major focus by then was federalism.

In 2006, she was awarded the Ralph Stone Memorial Award in recognition of her leadership in difficult circumstances and exemplary performance. In 2010 the President of Kenya awarded her with the prestigious award of the Order of the Moran of the Burning Spear (MBS) and also the UN Human Rights

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Office recognised her efforts along with the two other people in Kenya for their outstanding performance in Human Rights advocacy. Ms Hubbie is an expert in Sustainable Development, Livelihood and food security as well as Gender and Human Right.



Alister Murimi Mutugi - Commissioner

Commissioner Alister Murimi joined National Land Commission in November 2019. He holds a Bachelor of Science Degree in Land Economics from University of Nairobi, Kenya. He is honoured with a Master of Science Degree in Business Administration, Construction and Real Estate at Henley School of Business from University of Reading, in the United Kingdom. Murimi, obtained a Post Graduate Diploma in Project Management in 2006 from Royal Institute of Chartered Surveyors (RICS). He also acquired several Diplomas and Certificates related to planning and management

Murimi is a career Real Estate and Construction expert with over seventeen (17) years' experience gained in diverse and dynamic Real Estate and Construction sectors. He has been in charge of management of various commercial, industrial and residential property portfolios both in Kenya, Tanzania and other major consultancy projects within the region.

He is a Registered Estate Agent (2004), Registered Valuer (2003) and a Full Member of the Institution of Surveyors of Kenya.

Having worked in diverse fields in real estate, Commissioner Murimi brings a wealth of knowledge to the Commission in matters related to land economics, valuation and sustainable development in the land sector.



Reginald Okumu - Commissioner

Commissioner Reginald Okumu- is a seasoned professional with 20 (+) years of experience leading both profit and non-profit organizations including being Chairman of the Institution of Surveyors Kenya and Board Member, National Housing Corporation. He has served in various capacities including Chief Operating Officer, Director, Senior Valuer, Real Estate Development Advisor and Commercial Negotiator in different private sector organizations and professional services/consultancy firms. Commissioner Okumu is a Full Member of the Institution of Surveyors of Kenya, Practicing Valuer and

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Estate Agent by profession. He holds a Master's Degree in Business Administration from Strathmore Business School, a Bachelor's Degree in Land Economics from the University of Nairobi, a Post Graduate Diploma in Valuation and Estate Management Surveying from the Institution of Surveyors of Kenya and Certificate in Land Administration in Africa Searching for Land Tenure Security from the World Bank Institute. Commissioner Okumu is well conversant with the land estate sector, having specific expertise on land use and hands on experience in acquisition, development, valuation, management and disposal. Commissioner Okumu professional background, education and experience have contributed to equip him with relevant knowledge and well-rounded skills including negotiations, strategic planning, building teamwork, communication and stakeholder engagement.



Hon. Tiyah Galgalo - Commissioner

Hon. Tiyah Galgalo is a Commissioner at National Land Commission. She is a former legislator, a seasoned public administrator, an educationist and is passionate about mentoring pastoralist girls.

She has vast experience in Consultancy work in Research, Governance, and Education among others. In addition to that, a champion for Disaster Risk Reduction (DRR), Governance & Gender, Monitoring & Evaluation and Resource Mobilization.

Hon. Tiyah Galgalo holds a Bachelors in Education from Kenyatta University and a Masters in Educational Administration and Planning from the University of Nairobi and previously served as the Women Representative for Isiolo County from 2013-2017.

In 2009-2011, Hon. Galgalo served as a Commissioner at Interim Independent Electoral Commission (IIEC) Kenya. 2004-2009 a member of the National Commission on Gender and Development. 2017-2019 a County Executive Committee member (CECM), in charge of public service & county administration, Tourism, Wildlife, Trade Cooperative, Industrialization and Enterprise Development.

During the period of 2008-2009 she served as a Commissioner of Poverty Eradication Commission from. In addition, she was an Emergency Educational Officer and Head of Kisumu Field Office (UNICEF: Kenya County Office) 2008-2009, a Program Officer (Pastoralist Development Network) 2005-2009, also served as the Principal Isiolo Girls High School from 1992-2004. She is a founder member of Foundation for Pastoralists Women (FOPOWA) and patron of Baliti FM Community Radio (Isiolo).

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Hon. Esther M. Mathenge - Commissioner

Hon. Esther Murugi Mathenge EGH is currently a Commissioner with the National Land Commission. She has vast experience on matters of land administration and Valuation and Estate Agents.

She serves as a Council Member to the University of Tangaza. Tangaza University is a constituent college of Catholic University of East Africa (CUEA) working towards a charter. She was appointed in February 2020. The role of the Council is to direct the affairs of the University.

Hon. Esther M. Mathenge is the current chair of the University Council's Corporate Affairs Committee. The role of the Committee is amongst others to oversee the University's compensation and benefits policies, evaluate senior executive performance, oversee succession planning for the senior management and to review and to recommend to the University Council corporate governance guidelines and the Code of Conduct for the University. She is also a trustee of the Nairobi Hospital.

Hon. Esther M. Mathenge has a Master's degree from the UNIVESITA CATTOLICA DEL SACRO CUORE in Global Business and Sustainability in Social Entrepreneurship.

She holds a BA in Land Economics from the University of Nairobi, and is a registered member of the Institute of Surveyors in the Valuation and Estate Agents' Chapter and Land Management Chapter.

Hon. Esther M. Mathenge worked with Government of Kenya as Land Administrator and several real estate companies.

Hon. Esther M. Mathenge has been a member of parliament representing Nyeri Town Constituency from 2008- 2017. As a Member of Parliament, her job was to represent the people; legislate and oversight both the executive and judiciary.

Hon. Esther M. Mathenge has had opportunity to serve as a Minister (currently referred to as Cabinet Secretaries) for two ministries. She was the minister for Gender, Children and Social Affairs. This involved the formulation for the care of children and most vulnerable in society i.e. Elderly and persons with disability (2008-2010).

She also served as the Minister of Special Programmes. The appointment entailed dealing with disasters both manmade and natural. Her responsibilities also required her to formulate disaster management and HIV policies (2010-2013)

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Hon. Esther M. Mathenge has a love for women and encourages them to step up and aim high. She has in the past worked very closely with international organization SORPTIMIST INTERNATIONAL Kenyan Chapter. This organization worked with women to improve their social economic and education standards. She served as the Chairperson of the Kenya Chapter in (1998-2001)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

1	Ag. Secretary/Chief Executive Officer (CEO)	Kabale Tache Arero (Mrs)
2	Director, Geo Information Management (GIM)	Prof. David Ndegwa Kuria
3	Director Land Use Planning (DLUP)	Dr. Herbert Luka Musoga
4	Ag. Director Research	Dr.Mary Macharia Wandia
5	Ag. Director Finance & Planning (DFP)	Mr. Bernard Kibet Cherutich
6	Ag. Director Valuation & Taxation (DVT)	Mr.Fidelis Mburu
7	Director Land Administration (DLA)	Ms. Mercy Muthoni Njamwea
8	Ag. Director Legal Affairs & Enforcement (DLAE)	Mr. Edmond Gichuru
9	Ag. Director Human Resource and Administration (DHRA)	Mr. Ben Bett Tuwai
10	Head Supply Chain Management (HSCM)	Mr. Mohamed Farah
11	Head Audit & Risk Management (HARM)	Mr.Peter Ochuodho Ouma
12	Head, Information & Communication Technology (HICT)	Mr. Amos Parletuan Kasaine
13	Ag. Head Communication, Corporate Affairs & Advocacy	Mr.Elijah Letangule

(d) Fiduciary Oversight Arrangements

Audit and Risk Management Committee

The Committee is guided by the Audit Committee Charter that outlines its mandate and powers. The main responsibilities include review of financial information, ensuring adherence to and/or compliance with various legislations, professional standards and Commission policies while maintaining oversight on internal control systems. The Committee also reviews, advises and makes recommendations regarding the Commission's risk management. The members of this Committee during the quarter under review were:

Commissioner	Prof.James Tuitoek	-Chairman
Commissioner	Reginald Okumu	-Member
Commissioner	Gertrude N. Nguku	-Member
Commissioner	Hon.Tiyah Galgalo	-Member
Ag. HARM,	Mr. Peter Ochuodho	-Secretary

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Finance & Planning, SCM, ICT Corporate Communication and Advocacy

The functions of this Committee include guiding on policy, processes and procedures on financial management in the Commission; sourcing for funds to the Commission budget; oversight over the management of funds of the Commission including procurement; and guidance on ICT issues of the Commission including provision of conducive working environment and working tools. The members of this Committee during the quarter under review were:

Commissioner	Hon.Kazungu Kambi	-Chairman
Commissioner	Alister Murimi	-Member
Commissioner	Hubbie Hussein Al -Haji	-Member
Commissioner	Hon.Tiyah Galgalo	-Member
HICT,	Mr. Amos Parletuan Kasaine	-Secretariat
Ag. DFP	Mr Bernard Kibet Cherutich	-Secretariat
Ag. HICT	Mr.Elijah Letangule	-Secretariat
Deputy Director	Mr. Samuel Okenyi Odari	-Secretariat
SCM	Mohamed Farah	-Secretariat

Human Resource and Administration Committee

The functions of this Committee include guiding on policy, processes and procedures on staff management in the Commission; oversight over the management of human capital of the Commission including guidance on human resource management policy, staff recruitment, staff development and remuneration. The members of this Committee during the quarter under review were:

Commissioner	Hubbie Hussein	-Chairlady
Commissioner	Kazungu Kambi	-Member
Commissioner	Alister Murimi	-Member
Commissioner	Hon.Tiyah Galgalo	-Member
Ag.DHRM,	Mr Ben Bett	-Secretariat

Land Administration Natural Resources, GIM and Research Committee

The functions of this Committee are to advise the Commission on the natural resources and research aspects for sustainable land management; resolve natural resource and land use conflicts among stakeholders; ensure that sustainable land management is achieved by all state agencies responsible for its management; determine the capacity needs of the Commission in achieving its sustainable land management; review policies, guidelines, procedures and processes necessary for the Commission to achieve its mandate in natural resources; determine necessary interventions, at policy and operational levels required for the Commission to realize its oversight roles in natural resources management; determine the types of research necessary to achieve sustainable land management as provided for in the COK Article 67 (2) (d); and ensure that there is adequate communications to the citizens of Kenya on the Commission's mandate in the management of land and land resources.

The Committee discharges some of the most vital functions of the Commission including approval of applications for change of user; approval of applications for allocation of public land; approval of extension of leases; approval of applications for setting apart of trust land; approval of applications for renewal of leases; approval of applications by County Governments for land exchange with individuals for public good; and discharge of approvals relating to or incidental to the functions of the Commission.

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The members of this Committee during the quarter under review were:

Commissioner	Reginald Okumu	-Chairman
Commissioner	Hubbie Hussein Al Haji	-Member
Commissioner	Ester M.Mathenge	-Member
DNLIMS,	Prof. David Ndegwa Kuria	-Secretariat
Deputy DLA,	Ms. Edith Sandara Olando	-Secretariat
Deputy DLA,	Mr Daniel Rukunga Kithunka	-Secretariat
Ag.Director Research,	Mary Macharia	-Secretariat

Land Valuation & Taxation and Land Use Planning Committee

The Constitutional mandate of this Committee is assessment of tax on land and premiums on immovable property in any area designated by law (Article 67(2) (g). The Committee sets policy direction and formulates rules, regulations and guidelines in respect to assesment of ground rents and stand premiums of new allocations; acquisition and compensation for public rights of way and wayleave as provided in the Land Act 2012 Sections 142-150; change of user and extension of user; lease renewals and extensions; sub-division of land; assesment and collection of rents, royalties and payments in respect to leases or licences; compulsory acquisition of land both at National and CountyGovernment levels. The Committee also provides oversight and guidance on key legal matters affecting the Commission including legal interpretations on the position of the Commission in regard to various cases at hand. The Committee is involved in the prioritisation of the inherited court cases and also any new cases arising out of land transactions. The Committee also guides on alternative dispute resolution methods with the aim of reducing the number of court cases to a bare minimum. Where and when necessary, the Committee seeks clarity from the courts and the Attorney General's office on any grey areas in the written law. The Committee also guides and reviews on investigations related to land matters touching on the Commission. The members of this Committee during the quarter under review were:

Commissioner	Alister Murimi	-Chairman
Commissioner	Gertrude N.Nguku	-Member
Commissioner	Ester M.Mathenge	-Member
Commissioner	Hon.Kazungu Kambi	-Member
Ag.DVT	Mr. Fidelis Mburu	-Secretariat
DLUP, Dr.	Herbert Luka Musoga	-Secretariat
DLA,	Ms Mercy Muthoni Njamwea	-Secretariat
Deputy DLUP,	Rose Chelagat Kitur	-Secretariat
Deputy Director Survey,	Sospeter Oduor Ohanya	-Secretariat

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Legal Affairs & Regulatory Committee

The Committee provides oversight and guidance on key legal matters affecting the Commission including legal interpretations on the position of the Commission in regard to various cases at hand. The Committee is involved in the prioritisation of the inherited court cases and also any new cases arising out of land transactions. The Committee also guides on alternative dispute resolution methods with the aim of reducing the number of court cases to a bare minimum. Where and when necessary, the Committee seeks clarity from the courts and the Attorney General's office on any grey areas in the written law. The Committee also guides and reviews on investigations related to land matters touching on the Commission. The members of this Committee during the quarter under review were:

Commissioner	Gertrude N.Nguku	-Chairlady
Commissioner	Alister Murimi	-Member
Commissioner	Prof.James Tuitoek	-Member
Commissioner	Ester M.Mathenge	-Member
Ag. DLAE,	Mr. Brian Adungo Ikol	-Secretariat
Deputy DLAE,	Mr. Edmond Kiplagat Gichuru	-Secretariat
Deputy DLAE,	Mr. Antipas O.A Nyanjwa	-Secretariat

Other Oversight Activities

NLC has regular liaison with the Parliamentary Committee on land to ensure that issues of land are properly addressed and legislated. Similarly, Parliamentary Committee on Budgetary Appropriations and the National Treasury has oversight on the Commission's budgetary requirements, allocations and utilisation.

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(e) Entity information

National Land Commission Headquarters

Ardhi House
1stNgong Avenue
Nairobi, Kenya.

National Land Commission Contacts

P.O. Box 44417 - 00100, Nairobi
Telephone: 020 2187505
E-mail: info@landcommission.go.ke
Website: www.landCommission.go.ke

National Land Commission Bankers

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

National Bank Ltd
Upper Hill Branch
NHIF Building
P O Box 45219
GPO 00100
Nairobi, Kenya

Independent Auditors

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

Principal Legal Adviser

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

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FORWARD BY THE SECRETARY / CHIEF EXECUTIVE OFFICER

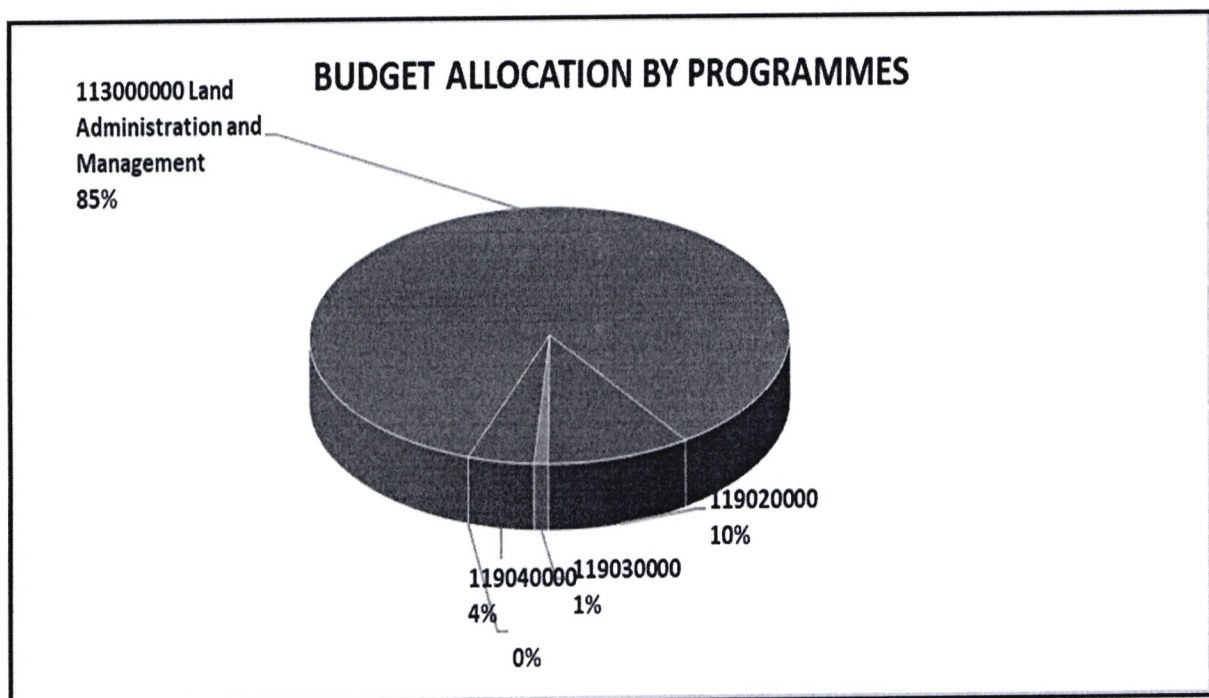
I am pleased to present the financial statements of the Commission for the Financial Year (FY) 2020/21 that ended on 30th June 2021. National Land Commission (NLC) is one of the ten Independent Constitutional Commissions listed under Article 248(2) of the Constitution of Kenya (COK) and is established under Article 67 of the same Constitution. On top of COK, the Commission draws its mandate from various Acts of Parliament but mainly the National Land Commission Act 2012, the Land Act 2012 and the Land Registration Act 2012. The Commission’s budget is fully funded through exchequer funds by the National Treasury.

BUDGET ALLOCATION

In the financial year, 2020/21 The National Land Commission had a gross budget of **Ksh. 1,112,325,815.00** Which is 100% recurrent

The National Land Commission was to spend the gross budget of **Ksh. 1,112,325,815.00** under the following programmes:

Programmes	Approved Budget Allocation	Actual Payments	Variance
	KShs	KShs	KShs
General Administration	1,053,684,248	1,056,150,628	(2,466,380)
Land Administration	37,433,628	34,868,485	2,565,143
Public Land Information System	4,096,910	3,874,278	222,632
Conflicts and Resolutions	17,111,029	16,463,143	647,886
113000000 Land Administration and Management	1,112,325,815	1,111,356,534	969,282



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I. Programme: Land Administration and Management

This programme was allocated **Ksh. 1,112,325,815.00** representing 100% of the budget. A total of **Ksh. 1,112,325,815.00** was spent under this programme.

Compensation Fund

Under the Land Act 2012, NLC is mandated to undertake compensation on compulsory acquisition of land for development by either the National Government or the County Governments. This is done in collaboration with the acquiring Government bodies that provide the compensation monies.

During the current FY 2020/21, the Compensation Fund received **Ksh. 23,368,906,644**

In addition, brought forward funds from FY 2019/2020 of **Ksh. 12,522,264,334** making a total of **Ksh. 35,901,232,330** available for payments.

In the same financial year, FY 2020/21 **Ksh. 20,760,665,076** was paid out to the project affected persons (PAPs) in relation to various Government projects being implemented in different parts of the Country.

These payments relate to flagship projects geared towards achievement of Government goals under Vision 2030 blue print, Jubilee government priority projects etc. These projects among others are in the areas of national roads network, seaports, water dams and reservoirs, national electricity transmission lines and the standard gauge railway.

During the FY 2020-21 NLC continued to engage various stakeholders on various matters that are critical to successful delivery of services for the people of Kenya, including civil society organizations (CSOs), the community and other Government institutions.

The Commission has worked with key Organizations namely Food Agriculture Organization (FAO), Action Aid Kenya, Kenya Land Alliance, Reconcile, Haki Jamii, Pamoja Trust, Kituo Cha Sheria, Muhuri, Haki Yetu, Ujamaa, World Vision Kenya, World Wide Fund for Nature (WWF), Shule Yangu, International Livestock Research Institute (ILRI) Association of Professional Societies of East Africa (APSEA), Kenya Forest Service (KFS), Kenya Wildlife Service (KWS), Geothermal Development Corporation (GDC), National Environment Management Authority (NEMA), GROOTS Kenya, among other stakeholders.

Key area of focus has been community sensitization on various land laws and land transaction processes and resolution of various conflicts. Lot of focus has also been capacity building to the devolved units of the Commission to enhance service delivery at the County level.

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Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2021 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

Financial Performance Summary

Actual Performance against Budget for Year to 30th June 2021

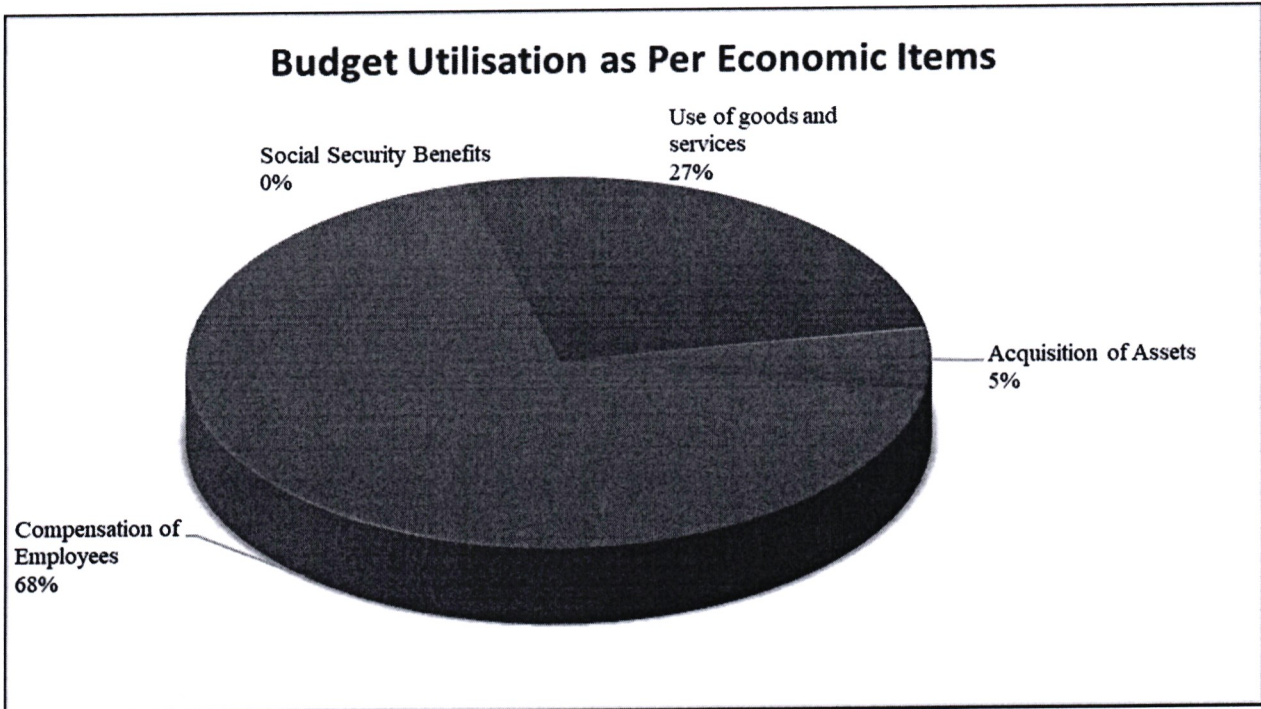
Financial Performance	Printed Estimates	Actual	Variance	%
	KShs	KShs	KShs	Utilisation Variance
Total Receipts	1,112,325,815	1,111,509,326	816,489	100%
Total Payments	1,112,325,815	1,111,356,534	969,281	100%
Surplus for the Year		152,792		

Actual receipts by the NLC stood at 100% that is 100% utilisation while actual payments were 100% that is also 100% utilisation.

Budget Utilisation

The National Land Commission spent **Ksh. 1,111,356,534** against an approved budget of **Ksh. 1,112,325,815** representing absorption of **100%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget Allocation	Actual Payments	Variance
Compensation of Employees	907,000,000	895,675,066	11,324,934
Use of goods and services	186,620,406	181,495,370	5,125,036
Acquisition of Assets	18,705,409	19,975,970	(1,270,561)
Board Expenses	-	14,210,129	(14,210,129)
Total Payments	1,112,325,815	1,111,356,534	969,281



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It is noted that 82% of the National Land Commission's budget was used on compensation of employees, 16% on use of goods and services ,2% utilised in Acquisition of assets less than 1% on board expenses.

Current Year Performance against Prior Year

Total Receipts	24,911,384,567	16,559,509,546	8,351,875,021	40%
Total Payments	21,872,021,610	16,654,611,332	5,217,410,279	31%
Surplus for the Year	3,039,362,956	(95,101,786)	3,134,464,742	(3296%)

Total receipts Increased by 50% due to increased funding mainly through exchequer releases and from other Government entities while there was an increase of 31% in payments attributed to the compensation for affected persons.

Receipts

The National Land Commission's receipts mainly comprise of exchequer releases from the National Treasury and Transfers from other government entities to the compensation fund. Other receipt sources include interest earned from compensation fund.

The total receipts for FY 2020/2021 stood at **Ksh. 24,911,384,567** representing 50% increase from **Ksh. 16,559,509,546** for FY 2019/2020.

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Total Receipts Breakdown

Transfers from National Treasury	1,111,509,326	1,625,134,446	(513,625,120)	(32 %)
Transfers from Other Government Entities	23,368,906,644	14,758,624,635	8,610,282,009	58%
Other Revenues	430,968,597	175,750,465	255,218,132	145%
TOTAL REVENUES	24,911,384,567	16,559,509,546	8,351,875,021	50%

The decrease in total receipts is because of a decrease in exchequer releases from the National Treasury by **Ksh.513.6 Million** due to decreased budgetary allocation and due to austerity measures caused by Covid 19 pandemic. There was an increase of Transfers from Other Government Entities by **Ksh. 8.610 Billion** Compared to the previous year. This was due to increase in development projects under Agenda Four pillars on Road infrastructure and Water sector. Other revenues increased by **Ksh. 255.2 Million** due to increase in deposits in the NBK Account.

Payments

The National Land Commission's payments mainly comprise of payments of compensation fund, employee compensation, use of goods and services and acquisition of assets.

The total payments for FY 2020/2021 stood at **Ksh. 21,872,021,611** representing a 31% increase from **Ksh. 16,654,611,332** for FY 2019/2020.

Total Payment Breakdown

PAYMENTS				
Compensation of Employees	895,675,066	799,344,816	96,330,250	12%
Use of goods and services	181,495,370	254,610,562	(73,115,192)	-29%
Social Security Benefits	-	524,284,279	(524,284,279)	-100%
Acquisition of Assets	19,975,970	34,776,339	(14,800,370)	-43%
Other Expenses-Compensation Fund	20,760,665,076	15,027,399,007	5,733,266,069	38%
Board Expenses	14,210,129	14,196,329	13,800	0%
TOTAL PAYMENTS	21,872,021,611	16,654,611,332	5,217,410,278	31%

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Further analysis is here below;

- Use of goods decreased by 29% due to the austerity measures taken by the National Treasury during the Covid19 pandemic.
- Acquisition of assets decrease by 43% is due to austerity measures taken by the National Treasury during the Covid19 pandemic.
- Compulsory Acquisition Compensation increased by 40% is due to increase in funds received from acquiring Entities for projects.

Financial Assets Summary

FINANCIAL ASSETS SUMMARY				
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances	15,484,718,884	12,432,305,558	3,052,413,325	25%
Cash Balances				
Total Cash And Cash Equivalents	15,484,718,884	12,432,305,558	3,052,413,325	25%
Accounts Receivables	3,302,084	6,291,100	(2,989,016)	(48%)
TOTAL FINANCIAL ASSETS	15,488,020,967	12,438,596,658	3,049,424,309	25%

Bank balances increased by 25% because of increase of receipts from acquiring entities and stringent processes of verification of PAPs documents for payments.

There is also a decrease in accounts receivables by 48% because of decreased imprest advance by the imprest holders mainly towards year-end and salary advances

Cash Flows and Cash Position

Cash and bank balances held by National Land Commission as at 30th June 2021 was **Ksh. 15,484,718,884** compared to **Ksh 12,432,305,558** held as at 30th June 2019. The breakdown of the cash and bank balances is as summarized in the table below.

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Cash and Bank Balance

Bank Balances	15,484,718,884	12,432,305,558	3,052,413,325	25%
Cash Balances	-	-		-
Total	15,484,718,884	12,432,305,558	3,052,413,325	25%

Bank balances increased by 25% because of increase of receipts from acquiring entities and stringent processes of verification of PAPs documents for payments.

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Cash Flow Activities

The table below summarizes cash flows generated and used from various activities.

CASH FLOW FROM OPERATING ACTIVITIES				
Net cash flow from operating activities	3,072,389,294	(1,044,888,734)	4,117,278,028	(394%)
CASH FLOW FROM INVESTING ACTIVITIES				
Net cash flows from Investing Activities	(19,975,970)	(34,776,339)	14,800,370	(43%)
CASH FLOW FROM BORROWING ACTIVITIES				
Net cash flow from financing activities	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENT	3,052,413,325	(1,079,665,073)	4,132,078,398	(383%)
Cash and cash equivalent at BEGINNING of the year	12,432,305,558	13,511,970,631	(1,079,665,073)	(8%)
Cash and cash equivalent at END of the year	15,484,718,883	12,432,305,558	3,052,413,325	25%

Net cash flows utilised in investing activities decreased due to a decline in amounts utilised in the acquisition of assets.

Net cash flows utilised in operating activities decreased due to a decrease in amounts utilised in the transfers from other government entities

In regard to the implementation of its mandate during the FY 2020/21, NLC recorded a number of achievements towards this end which, among others include:

- The Commission researched on Secure Land Rights in Trans Nzoia County, Youth & Land Rights and Land & Conflict in Kajiado County, research Publications; Gender & Land Rights booklet by NLC and FAO, Securing Public Lands in Marsabit County- (2017). Research on riparian land policy framework to inform MOLPP and other agencies
- Launch of the National Land Use policy, undertook review of the National Land Policy Sessional Paper No.3 of 2009, Participated in the review of the Physical Planning Bill 2017. Advised County Governments on commissions mandate to manage public land; advice on leasing out to investors in accordance with the law, developed a leader's guide for the Urban Land Use Planning Monitoring and oversight guidelines. Prepared County Land Use Planning profiles for 15 Counties i.e. Kiambu, Muranga, Nyandarua, Nyeri, Kirinyaga, Siaya, Homabay, Migori, Kisii, Nyamira, Nairobi, Lamu, TaitaTaveta, Kwale and Kilifi to provide baseline information for monitoring

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- The Commission approved and processed 30 Change of user, over 400 transfer of land for land translating to titles. Issued 451 Letters of allotments. Transfers of land prepared for issuance of freehold titles-60. Issued School titles issued – 500. Valuation requisitions done for stamp duty, annual rents and rent apportionment. Processed and Approved 58 Subdivisions. 23 Extensions of leases, 85 Renewal of lease, 24 Change of user, 102 Building plans on new allocations, 19 PDPs verified for approval and several Letters of allotments verified
- Launch for the acquisition for LAPSET CORRIDOR, Acquisition for Ministry of Mining 9,000 acre for fluorspar mining at Elgeyo-Marakwet, Assessment of Sand dunes in Lamu - Water Resource Authority, Gazettement of the acquisition for SGR Nairobi-Naivasha (Phase 2A DK 8-120), SGR Phase 2, valuation and acquisition of Fluorspar Mining, Water Resource Authority advisory on Lamu sand dunes. Acquisition of Telkom land along Ngong Road. for Ministry of Youth, Gender and Public Service – Review of Grant and Disposition Committee, Ministry of Education: Acquisition of land on which Ruaraka Secondary and Drive Inn Primary schools are sited. Lower Nzoia Irrigation Project – Ministry of Water and Conservation. Mwache Multi-Purpose Dam Project in Kwale County Ministry of Water and Conservation. Acquisition of land for KeNHA: Kibwezi – Mutomo – Kitui – Kabati – Miwani Road Project Acquisition of land for KERRA: Mukurwe-Ini – Gakonya & Rutene – Mahua-Ini, KAA – Airports (Malindi, JKIA, Wilson, Isiolo, Nanyuki, Eldoret, Kitale, Kisumu), Inquiries and awarding compensation for SGR Nairobi-Naivasha (Phase 2) Karimenu Dam – Athi Water Services Board; Ministry of Water; Muranga County, Kangundo (Tala)-Kenol-Kangundo (Koma) and Katumani-Mombasa Road and Rehabilitation of Kenol-Machakos town-Katumani link road project – Ministry of Housing and Public Works, Guthurai-Kimbo Phase III – KeNHA
- Developed a web GIS portal on Public Land Inventory which is accessible from NLC website. The Commission has received more data from Kenya Roads Board (KRB) and Prisons. Mainstreaming of the NLIMS standards and guidelines. Through FAO 1000 copies were published and are being shared with Land stakeholders to guide in spatial data sharing. NLIMS phase I system training to Commission staff 75% complete. Refining NLIMS system according to the inputs from the user training. Finalization on NLIMS Policy. Developed the specifications for the GIS Laboratory Strengthening and Establishment of Local Area Network in County Offices tender, floated and evaluated it. Training on NLIMS and GIS Portal to PLIM and ICT officers. Additionally, PLIS system administrators drawn from PLIM, ICT, Land Admin, Land Valuation & Taxation, Risk & Audit and Finance Directorates/units underwent a 5-day intensive training on user roles management. GIS server and portal installation and training. Scanning and digitization of Kisumu County spatial data on public land to feed in the Public Land Inventory.
- The Commission also concluded 60 land cases, Prepared of Legal Management system, legal notices, instruments and documents, Undertook investigations into Historical Land Injustices. Over saw the preparation and approval of Alternative Dispute Resolution guidelines. Staff training on strategic leadership and development

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Finally, I want to record the Commission's appreciation to the National Treasury for the funding provided since inception and look forward to our continued cordial relations in future. The support of Parliamentary Committee on Land in advancing the Commission's agenda in Parliament cannot go unrecognised. Similarly, the Parliamentary Committee on Budget Appropriations has supported the Commission in advancing its request for higher funding, thank you.



Kabale Tache Arero
Ag. Secretary/CEO

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

This National Land Commission annual performance report covers the period from 1st July 2020 to 30th June 2021. It is prepared against the annual MTEF budget in accordance with the provided National Treasury guidelines where State Agencies are required to prepare Programme Based Budgets indicating activities and targets for every programmed activity to be undertaken.

The report covers activities undertaken within all the six (6) Directorates and four (4) Departments as per the organisational structure that guide implementation of planned activities within the Commission. The activities and targets therein are as contained in the Commission Annual Work plan for the period 1st July 2020 to 30th June 2021.

The achievement of some of the planned targets was hampered by:

1. COVID-19 Pandemic
2. Inadequate funds and austerity measures
3. Inadequate office space.
4. Inadequate technical staff

The major activities undertaken during the financial year are analysed per Directorate/Department as shown in respective sections. The Commission also undertook commission-wide activities that included;

1. The Strategic Plan 2021-2026 launched in March 2021.

This document was developed through a consultative process to guide and prioritize the Commission's activities so as to enable it pursue its mandate for the next 5 years.

2. Reviewing the structure of the Commission's secretariat.

This exercise aimed at reorganizing the structure of the secretariat in order to improve the performance of the various Directorates and Departments. During the exercise, the job descriptions of each cadre of staff were successfully reviewed and completed.

3. Recruitment of additional staff.

Inadequate technical staff was a big challenge to the Commission's performance in the previous years. However, additional staff were recruited and reported from May 2021 and are expected to increase productivity hence achievements of the Commission's objectives.

4. Acquisition of HQ office space at the 316 Building.

The Commission has acquired three (3) floors at the 316 building along Ngong Rd, 2nd Avenue. The space will be enough to host all the employees at the HQ unlike the current situation where the Commission has offices in three different buildings (Ardhi house, ACK Annex and ACK Bishop's building). This will provide efficiency as it will provide enough working space and facilitate effective supervision as all directorates and departments will be on the same building.

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Other notable achievements from the various Directorates/ Departments are as summarized in the table below;

Progress on attainment of Strategic Objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Programmes Non-Financial Performance for the period 1st July 2020-30th June 2021

Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
SP1: General Administration, Planning & Support Services	Acquired office Building-HQ)	Acquired office building in place	Acquire space for all HQs staff under one roof.	The commission has approved acquisition of new office space which will be adequate for all staff at the HQs	Meanwhile, the Commission acquired temporary Office space at Bishop Towers and intends to occupy the new office space by 1 st October 2021.
	Motor Vehicles acquired for the Counties Coordination units	No. of motor Vehicles acquired for the Counties Coordination units	6	0	Procurement of vehicles didn't happen due to lack of funds occasioned by austerity measures
	Compliance report on Occupational Health and Safety standards in place	% Compliance Levels on Occupational Health and Safety standards	20%	20%	Achieved
	M&E reports documented	No. of reports on M&E recommendations	4	4	all the quarterly reports have been finalised and forwarded to the management to inform decision making
	Established LAN/WAN Connectivity	No. of offices connected	5	1	The achievement of this target is dependent on office acquisition. Other offices are set for

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
	Connectivity at head office and County offices.				Connectivity as soon as they are acquired.
	ICT Disaster Recovery site established (Cloud computing)	Number of Recovery site in place	1	1	The Disaster recovery site is meant to assure regaining access and functionality to the Commission ICT infrastructure in case of events like a natural disaster, cyber-attack, or any other business disruptions. The site is awaiting licensing of the Commission firewall and antiviruses
		No of systems replicated in the disaster recovery site.	3	3	The system is awaiting licensing of Commission firewall and antiviruses
	Licenses purchased & renewed, Software upgraded and Hardware purchased & maintained	No. of licenses purchased & renewed	8	5	Due to unavailability of funds (Activity was to be implemented through the Ministry of ICT
		No. of software purchased	450	0	Procurement process has been finalised
		No. of hardware purchased	110	0	Not done due to unavailability of funds available
		No. of hardware repaired and serviced	60	0	Not done due to unavailability of funds available
	Business Continuity plan	Business Continuity Plan Established	1	0	To start next financial year.
	Enhanced computing infrastructure	Automated system enhanced	1	0	Not done due to unavailability of

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
	ure and automated systems	Computing Infrastructure system upgraded and serviced	1	0	Not done due to unavailability of funds
	Automated and digitized systems developed	No. of automated and digitized systems in place	2	2	“Haki kwa Ground” systems is ongoing (litigation, HLI and review of grants). Valuation and Taxation workflows approval ongoing.
	Audit & Risk Management reports in place	No. of Audit and Risk Management reports prepared	7	7	The reports contain information about the most pressing risks faced by the Commission as well as other emerging risks likely to happen in future if not addressed.
	Increased resources mobilized	% increase in revenue mobilized	25%	20%	
	Visual Production s/Corporate Communication Messages	No. of corporate publicity campaigns and engagements held	5	4	The campaigns helped to improve on the Commission image, address an issue or communicate with specific stakeholders on important matters of concern to the Commission
	Brand positioning report in place	No. of brand audit reports	1	0	Not achieved due to unavailability of funds.
	Developed and disseminated Communi	% of implemented Communication strategy	100%	60%	The strategy was developed and will be reviewed in the next financial year.

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
	Education strategy				
	Developed and disseminated service charter	Service charter developed and in place	1	-	A draft service charter has been developed.
	Developed and implemented advocacy programmes	No. of advocacy programmes developed	8	4	Inadequate funding
		No. of Advocacy forums held	60	30	Inadequate funding and /Covid-19 restrictions
		Number of IEC materials produced and disseminated	12,000	6,000	Inadequate funding
	Staff complement in place	No. of staff recruited	59	40	The commission was able to recruit key technical staff
		No. of interns engaged	100	110	
	Commissioners, staff and stakeholders trained	No. of Commissioners and staff trained in various fields	250	0	This activity couldn't be undertaken as envisaged due emergence of covid-19 pandemic
	Reviewed organizational structure.	Reviewed organizational structure report in place	1	1	The Commission developed a new organizational structure to guide the implementation of the 2021-2026 Strategic Plan, which was launched in March 2021.
	Resource centre established	Well stocked resource centre in place	-	1	The Stocking of the resource center is still going on
	Staff skills inventory	Staff Skills inventory in the inventory	1	1	The Commission has established a comprehensive list of all the experiences,

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
					professional <i>skills</i> , and educational qualifications of all the <i>employees</i> .
SP2.Land Administration and Management Services	Executed leases and grants for public institutions	No. of grants and leases executed,	900	31	Framework has been developed and process will be enhanced
	Areas in urban areas formalized and serviced	No. of allotments letters formalized & Issued	1,500	134	Austerity measures
	Verified allotment letters	No. of verified allotment letters	2,000	44	Austerity measures
	Renewed and Extended leases	No. of leases renewed and extended	1,200	34	Underachievement due to change of process of renewal/extension. An agreed framework was developed and approved in December, 2020 and this will fasten the process of renewing and extending leases
	Secured land tenure for public Schools	No. of Transfer of land documents processed	4,000	2,277	
	Updated and published Land Administration processes and procedures	No. of Land Administration Handbooks published and circulated	1,500	–	Lack of funds

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
	Researched and disseminated land reports	No. of Researched and disseminated land reports	4	2	Due to limitation of funds & dependence on development partners
	Research Concept papers and proposals on land and use of natural resources developed	No. of concept papers and proposals developed	5	2	The achievement was affected by inadequate funding
	Research reports on land and natural resources documented	No. of Research reports on land completed and disseminated	2	1	Study on effects of mining and qualifying on human settlement has been done for Kwale county
		No. of Research reports on use of natural resources completed and disseminated	2	-	Not done due to unavailability of funds.
	Policy framework for public land management strategy developed	Published policy framework for public land management in place	100%	30%	Financial constraints
	Land Use monitoring and oversight frameworks developed and in use	No. of frameworks developed and in use	2	2	Achieved
	Baseline report on status of	Baseline report developed,	1	1	Reviewed 4 land use plans

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
	land use planning developed	completed and published			
	Sensitization and advisory on land use planning County Spatial Planning team.	No. of Sensitization and advisory on land use planning County Spatial Planning team.	1	1	The activity was done in Laikipia County
	Monitoring and oversight reports on land use planning prepared	No. of monitoring reports prepared and disseminated	1	1	Lack of funds
		No. of oversight reports prepared and disseminated	44		
		Compliance scorecard prepared and disseminated			
	Natural Resource Advisories issued	No. of advisories developed and issued	10	3	Inadequate funds
	Natural Resources Inventory developed	No. of counties inventoried	10	3	Inadequate funds
		% of Natural Resource inventory in place	60	50	Inventory has been developed and awaiting public participation
	Fragile Ecosystem Assessment Reports developed	No. of fragile ecosystems assessment reports generated	3	2	To be processed in the last quarter
	Ecologically	No. of Maps and reports of	1	1	Achieved

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
	sensitive areas identified, mapped and registered	ecologically sensitive areas developed			
	Frameworks for natural resources management developed	No of frameworks developed and in place (Guidelines, strategies, rules and regulations)	1	1	Achieved
	Natural Resource Advisories issued	No. of advisories developed and issued	10	3	The achievement was affected by austerity measures
	Natural Resources Inventory developed	No. of counties inventoried	10	12	Achieved
		No. of thematic geo data bases created	3	3	Achieved
		No. of thematic maps created for the Atlas	1	1	Achieved
	Fragile Ecosystem Assessment Reports developed	No. of fragile ecosystems assessment reports generated	3	3	Achieved
	Acquired land on behalf of National and County Governments	No. of acquisition projects received and processed (approval)	20	16	Projects on referral
		Cumulative percentage of completion of the acquisition projects	60%	40%	Underachievement owing to capacity constraints. This has however been addressed and

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
		undertaken (process based)			additional valuation staff will enable attainment of target by end of the year.
	Undertake valuation to determine stand premium and annual rent upon renewal of leases	% of land parcels valued for determination of stand premium and annual rent.	90%	70%	Underachievement owing to capacity constraints. This has however been addressed and additional valuation staff will enable attainment of target by end of the year.
	Undertake valuation for market value advisory to Government MDAs upon purchase, sale or record/book keeping purposes.	No. of valuation reports prepared and submitted to Government MDAs	14	7 (50%)	Underachievement owing to capacity constraints. This has however been addressed and additional valuation staff will enable attainment of target by end of the year.
	Developed and implemented policy guidelines and frameworks on assessment of tax and premiums on	Policy guideline prepared and in place	1	-	Review and harmonisation of laws on taxation of land currently on going.
		Framework on assessment of tax and premiums on immovable property developed	1	-	Review and harmonisation of laws on taxation of land currently on going.

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
	immovable property				
	Developed and implemented guidelines on public land management for public agencies.	Public land management guidelines for public agencies developed	60%	40%	Affected by shortage of funds
	Final survey in support of vesting undertaken	Final survey guidelines developed	1	1	Achieved
	Public land vested to Government/ acquiring bodies	% of grants prepared for apportionment to the PAPs and forwarded for registration	30%	30%	Achieved
SP3. Public Land Information Management	Public Land Information System (PLIS) in place	% of systems enhancement and upgrade	20%	20%	Achieved
	Secured access to public land data - A registry and an inventory on public land (Land Bank)	A functional public land records registry established	1	1	Achieved
		% of publicly available web-based public land inventory portal developed	20%	10%	On course

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
		No. of manual public land records converted and uploaded into the portal i.e. geo-referenced, digitized and published.	3,000	3,000	Achieved
		No. of ecologically sensitive areas identified and demarcated	10	10	Achieved
	Develop a framework for monitoring registration of rights and interests to land	No. of developed frameworks for monitoring registration of rights and interests to land	1	1	A draft framework is in place Achieved
SP4. Land Disputes and Conflict Resolutions	HLI claims investigated and recommendations made	Regulations for HLI developed	1	1	regularisations were developed and will guide the investigations
	Investigated and resolved ADR/TDR claims	ADR/TDR framework developed	1	1	The framework is being finalised
		No. of disputes admitted for resolution through ADR and TDR mechanisms.	1,000	500	The achievement was affected by austerity measures

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Programme	Key Outputs	Key Performance Indicators	Target 2020/21	Achievement	Remarks
		% of disputes resolved through ADR and TDR mechanisms.	20%	10%	The achievement was affected by austerity measures
	Reviewed Grants and dispositions on public land	No. of reviewed grants and dispositions on public land	500	242	These includes 132 school title complaints
	Land parcels whose legality has been subjected to inquiry under section 6 of the NLC Act, 2012	% of land parcels whose legality has been subjected to inquiry and recommendations made	20%	-	Not done due to change in law
	Resolution of land cases through litigation	% of litigation cases attended, complaints received and resolved from institutions and individuals	30%	20%	
	Amendments of laws policies and regulations	All Land related policies and regulations reviewed and a report prepared	1	1	Sectional properties (ongoing), land use and physical planning regulations (on-going)

Major challenges faced:

The major challenges facing during the implementation of the work plans include;

- Financial Constraints
- Human Resource - Inadequate technical staff
- Inadequate Office Space
- Covid-19 which curtailed movement therefore hampering work sessions and field activities

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Recommendations and Conclusion

1. The commission to emphasize on alternative resource mobilization techniques to complement the GoK funding. Inadequate and untimely financing by the government is a key challenge to Commission's performance.
2. Each directorate and department to set realistic targets based on the available financial resources to ensure that all planned activities are achieved.
3. It is important to hold regional forums with the county coordinators so as share and agree on common working ground as most activities are initiated at the county level. The forums will also give an opportunity to the coordinators to set realistic targets for their reporting.
4. Working from home to be supported i.e. facilitation of airtime, internet and machines due to the Covid 19 restrictions where not all staff can be in the office at the same time and some will be required to work from their houses.



Kabale Tache Arero
Ag. Secretary/CEO

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Sustainability strategy and profile -

The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

The National Land Commission is yet to establish an environmental policy to guide its operations. Nevertheless, The Commission has adopted the use of ICT in order to minimise on the use of paper work.

3. Employee welfare

The National Land Commission has put in place the following policies to guide while undertaking employee's welfare:

- Human Resources Manual Policy

4. Market place practices-

The National Land Commission complies with the provision of public procurement and asset disposal act of 2015.

5. Community Engagements-

During financial year 2020/2021, The National Land Commission did not have any approved strategies on community engagement. However, during the period under Covid 19 pandemic, The Commission mobilised Kshs 625,000 From the Chairperson, Commissioners and members of the secretariat. The amount was handed over to the Covid 19 Fund for the purpose of fighting and containing the spread of the Covid 19 virus.

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STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of The National Land Commission is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the National Land Commission accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the National Land Commission further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the National Land Commission confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The National Land Commission's financial statements were approved and signed by the Accounting Officer on 28th September 2021.



Kabale Tache Arero
Ag. Secretary /CEO



CPA Bernard Kibet Cherutich ICPAK No: 5816
Director Finance and Corporate Planning.

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL LAND COMMISSION FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Land Commission set out on pages 1 to 26, which comprise the statement of assets and liabilities as at

30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statements of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of matters described in the basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respect, the financial position of the National Land Commission as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Discrepancies between Financial Statements and IFMIS Balances

The financial statements reflects account balances which are at variance with the Integrated Financial Management Information System (IFMIS) reports as detailed below:

Details	Amount as per Financial Statements Kshs.	Amount as per IFMIS Reports Kshs.	Differences Kshs.
Transfers from other Government Entities	23,368,906,644	0	23,368,906,644
Other Receipts	430,968,597	0	430,968,597
Compensation of Employees	895,675,066	908,445,594	(12,770,528)
Use of Goods and Services	181,495,370	182,934,970	(1,439,600)
Other Payments	20,760,665,076	0	20,760,665,076
Board Expenses	14,210,129	0	14,210,129
Bank Balances	15,484,718,883	1,628,760,665	13,855,958,218
Accounts Receivable	3,302,084	4,399,704	(1,097,620)
Accounts Payables	15,865,604,201	459,943,635	15,405,660,566

Consequently, the accuracy and completeness of the above account balances included in the financial statements for the year ended 30 June, 2021 could not be confirmed.

2. Unexplained Negative Working Capital

The statement of assets and liabilities reflects total financial assets of Kshs.15,488,020,967 and total financial liabilities of Kshs.15,865,604,201 resulting in a

negative working capital of Kshs.377,583,235 whose cause was not satisfactorily explained. The Management attributed the negative working capital to a large cash outlay of compensation funds incurred which did not correspond with the increase in receipts of the compensation funds during the year. However, given that the Commission's financial statements have been prepared on International Public Sector Accounting Standards (Cash Basis) reporting framework, it was not clarified how the total financial liabilities could exceed the total financial assets.

Consequently, the Commission may experience liquidity problems when settling current obligation.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Land Commission Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

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

Other Matter

Pending Bills

The Commission had pending bills amounting Kshs.588,936,595 as at 30 June, 2021 which were not settled in the year under review but carried forward to the financial year 2021/2022. Included in the pending bills is an amount of Kshs.552,726,643 relating to legal fees payable. However, supporting invoices/fee notes for the legal fees were not provided for audit review. As a result, validity of the legal fees payable could not be ascertained. Failure to settle bills during the year in which they relate to distorts the financial statements for that year and adversely affects the provisions of the subsequent year to which they have to be charged.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else

has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Slow Process of Compensating Persons Affected By Projects (PAPS)

During the year under review, the Commission received compensation money for twenty five (25) projects all totalling Kshs.1,860,489,954 out of which only an amount of Kshs.662,929,788 was paid to the beneficiaries leaving an unpaid balance of Kshs.1,197,560,166. The slow process of compensating Persons Affected by Projects (PAPs) may have resulted in low absorption of the funds and delayed implementation of the planned projects' activities.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Commission's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Commission or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Commission's financial reporting process, reviewing the effectiveness of how the 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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the National Land Commission policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the appropriate basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Commission to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Land Commission to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


14 April, 2022

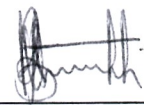
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STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30th JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Exchequer releases	1	1,111,509,326	1,625,134,446
Transfers from Other Government Entities	2	23,368,906,644	14,758,624,635
Other Receipts	3	430,968,597	175,750,465
TOTAL REVENUES		24,911,384,567	16,559,509,546
PAYMENTS			
Compensation of Employees	4	895,675,066	799,344,816
Use of goods and services	5	181,495,370	254,610,562
Social Security Benefits	6	-	524,284,279
Acquisition of Assets	7	19,975,970	34,776,339
Other Payments	8	20,760,665,076	15,027,399,007
Board Expenses	9	14,210,129	14,196,329
TOTAL PAYMENTS		21,872,021,611	16,654,611,332
SURPLUS/ (DEFICIT)		3,039,362,956	(95,101,786)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2021 and signed by:


Kabale Tache Arero
Ag.Secretary/CEO


CPA Bernard Kibet Cherutich ICPAK No.5816
Director Finance and Corporate Planning

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STATEMENT OF ASSETS AND LIABILITIES AS AT 30th JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	15,484,718,883	12,432,305,558
Total Cash And Cash Equivalents		15,484,718,883	12,432,305,558
Accounts Receivables	11	3,302,084	6,291,100
TOTAL FINANCIAL ASSETS		15,488,020,967	12,438,596,658
LESS: FINANCIAL LIABILITIES			
Accounts Payables	12	15,865,604,201	12,522,264,334
NET FINANCIAL ASSETS		(377,583,235)	(83,667,676)
REPRESENTED BY			
Fund balance b/fwd.	13	(83,667,676)	11,434,110
Adjustments during the year	14	(3,333,278,516)	-
Surplus/(Deficit) for the year		3,039,362,957	(95,101,786)
NET FINANCIAL POSSITION		(377,583,235)	(83,667,676)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2021 and signed by:



Kabale Tache Arero
Ag.Secretary/CEO




CPA Bernard Kibet Cherutich ICPAK No.5816
Director Finance and Corporate Planning


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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	1,111,509,326	1,625,134,446
Transfers from Other Government Entities	2	23,368,906,644	14,758,624,635
Other Revenues	3	430,968,597	175,750,465
		24,911,384,567	16,559,509,546
Payments for operating expenses			
Compensation of Employees	4	895,675,066	799,344,816
Use of goods and services	5	181,495,370	254,610,562
Social Security Benefits	6	-	524,284,279
Other Expenses	8	20,760,665,076	15,027,399,007
Board Expenses	9	14,210,129	14,196,329
		21,852,045,641	16,619,834,993
Adjusted for:			
Adjustments during the year	14	(3,333,278,516)	-
Changes in receivables	15	2,989,016	4,795,856
Changes in payables	16	3,343,339,867	(989,359,143)
Net adjustments		13,050,368	(984,563,287)
Net cash flow from operating activities		3,072,389,294	(1,044,888,734)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(19,975,970)	(34,776,339)
Net cash flows from Investing Activities		(19,975,970)	(34,776,339)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		3,052,413,325	(1,079,665,073)
Cash and cash equivalent at BEGINNING of the year		12,432,305,558	13,511,970,631
Cash and cash equivalent at END of the year		15,484,718,883	12,432,305,558

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2021 and signed by:


Kabale Tache Arero
Ag.Secretary/CEO


CPA Bernard Kibet Cherutich ICPAK No.5816
Director Finance and Corporate Planning

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**SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED
30TH JUNE 2021**

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Exchequer releases	1,233,325,815	(121,000,000)	1,112,325,815	1,111,509,326	816,489	100%
Transfers from Other Government Entities	23,368,906,644	-	23,368,906,644	23,368,906,644	-	100%
Other Receipts	430,968,597	-	430,968,597	430,968,597	-	100%
Total Receipts	25,033,201,057	(121,000,000)	24,912,201,057	24,911,384,567	816,489	100%
Payments						
Compensation of Employees	998,000,000	(91,000,000)	907,000,000	895,675,066	11,324,934	99%
Use of goods and services	214,650,902	(28,030,496)	186,620,406	181,495,370	5,125,036	97%
Acquisition of Assets	20,674,913	(1,969,504)	18,705,409	19,975,970	(1,270,561)	107%
Other Expenses	20,760,665,076	-	20,760,665,076	20,760,665,076	-	100%
Board Expenses	-	-	-	14,210,129	(14,210,129)	
Grand Total	21,993,990,891	(121,000,000)	21,872,990,891	21,872,021,611	969,281	100%
Surplus/Deficit	3,039,210,165	0	3,039,210,165	3,039,362,955	(152,792)	

Commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)

1. The overutilization of acquisition of Assets of 107% is due to supplementary budget cuts after expenditure had been incurred

The changes between the original and final budget are as a result of reallocations within the budget and supplementary budgets. (As per IPSAS 1.7.23.)

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SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30TH JUNE 2021

RECEIPTS									
Exchequer releases	1,233,325,815	(121,000,000)	1,112,325,815	1,111,509,326	816,489	100%			
Transfers from Other Government Entities	23,368,906,644		23,368,906,644	23,368,906,644	0	100%			
Other Receipts	430,968,597		430,968,597	430,968,597	0	100%			
Total Receipts	25,033,201,057	(121,000,000)	24,912,201,057	24,911,384,568	816,489	100%			
PAYMENTS									
Compensation of Employees	998,000,000	(91,000,000)	907,000,000	895,675,066	11,324,934	99%			
Use of goods and services	214,650,902	(28,030,496)	186,620,406	181,495,370	5,125,036	97%			
Acquisition of Assets	20,674,913	(1,969,504)	18,705,409	19,975,970	(1,270,561)	107%			
Other Expenses	20,760,665,076		20,760,665,076	20,760,665,076	0	100%			
Board Expenses	0		0	14,210,129	(14,210,129)				
Grand Total	21,993,990,891	(121,000,000)	21,872,990,891	21,872,021,610	969,281	100%			
Surplus/Deficit	3,039,210,165	0	3,039,210,165	3,039,362,957	(152,792)				

Commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)

1. The overutilization of acquisition of Assets of 107% is due to supplementary budget cuts after expenditure had been incurred

The changes between the original and final budget are as a result of reallocations within the budget and supplementary budgets. (As per IPSAS 1.7.23.)

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BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30TH JUNE 2021

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
113000000		Land Administration and Management	0	0	0
	113010000	Land Administration and Management	0	0	0
114000000			0	0	0
	114010000		0	0	0
115000000			0	0	0
	115010000		0	0	0
116000000			0	0	0
	116010000		0	0	0
119000000			1,112,325,815.00	1,111,356,533.50	969,281.50
	119010000		1,053,684,248.00	1,056,150,627.85	-2,466,379.85
	119020000		37,433,628.00	34,868,485.05	2,565,142.95
	119030000		4,096,910.00	3,874,278.00	222,632.00
	119040000		17,111,029.00	16,463,142.60	647,886.40
		Grand Total	1,112,325,815.00	1,111,356,533.50	969,281.50

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SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Ccompliances and basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the National Land Commission The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

- **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

- **External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

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In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2021, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

• **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the Entity.

• **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

• **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

• **Interest on Borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

• **Repayment of Borrowing (Principal Amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

• **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

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6. Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

7. 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.

8. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

10. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2020 for the period 1st July 2020 to 30th June 2021 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

12. Comparative Figures

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

13. 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 30th June 2021.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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NOTES TO THE FINANCIAL STATEMENTS

1 EXCHEQUER RELEASES

Description	2020-2021	2019-2020
	Kshs	Kshs
Total Exchequer Releases for quarter 1	140,773,925	248,583,658
Total Exchequer Releases for quarter 2	318,057,821	266,779,203
Total Exchequer Releases for quarter 3	326,507,890	306,437,653
Total Exchequer Releases for quarter 4	326,169,691	803,333,932
TOTAL	1,111,509,326	1,625,134,446

2 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers from Central government entities	23,368,906,644	14,554,822,312
Transfers from Counties		
Transfer from Exchequer National Treasury SGR		203,802,323
TOTAL	23,368,906,644	14,758,624,635

The above transfers were received from the following self-reporting entities in the year

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers from Central government entities		
KURA		19,333,838
KeRRA	35,353,053	444,000
Kenya Railways Corporation	420,825,940	
Ministry of Water and Irrigation	390,000,000	
Athi Water Services Board	1,869,851,864	1,324,576,279
KENHA	19,905,958,095	13,210,368,195
Housing/ Githunguri ranching company	739,956,000	
Kenya Port Authority	6,961,692	100,000
Total	23,368,906,644	14,554,822,312
CBK SGR compensation		203,802,323
TOTAL	23,368,906,644	14,758,624,635

3 OTHER REVENUES

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received from NBK Compensation Fund	427,483,997	175,750,465
FAO refund	2,006,600	
Life Insurance	1,278,000	
Funeral	200,000	
TOTAL	430,968,597	175,750,465

4 COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
Basic Salary of permanent employees	564,161,821	532,938,414
Basic Wages of Temporary employees	11,906,900	9,225,433
Personal Allowances paid as part of Salary	237,484,451	176,690,569
Pension and other social security contribution	82,121,894	80,490,400
Total	895,675,066	799,344,816

5 USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, Supplies and Services	-	55,500
Communication, Supplies and Services	2,947,178	9,298,039
Domestic Travel and Subsistence, and Other Transportation Costs	12,298,284	30,065,368
Foreign Travel and Subsistence, and other transportation costs	1,035,604	3,787,813
Printing , Advertising and Information Supplies and Services	3,494,413	7,229,036
Rentals of Produced Assets	34,825,843	33,857,089
Training Expenses	2,205,844	8,745,238
Hospitality Supplies and Services	8,048,147	22,410,565
Insurance Costs	96,956,715	94,772,913
Specialised Materials and Supplies	-	-
Office and General Supplies and Services	4,046,413	5,549,287
Fuel Oil and Lubricants	5,539,770	8,998,871
Other Operating Expenses	8,299,743	23,919,771
Routine Maintenance – Vehicles	1,500,614	4,236,342
Routine Maintenance - Other Assets	296,802	1,684,730
TOTAL	181,495,370	254,610,562

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6 SOCIAL SECURITY BENEFITS

Government pension and retirement benefits		524,284,279
Employer Social benefits in cash and in kind		-
TOTAL		524,284,279

7 ACQUISITION OF ASSETS

Purchase of Vehicles and Other Transport Equipment		4,450,000
Purchase of Office Furniture and General Equipment	3,214,396	7,638,164
Research, Studies, Project Preparation, Design & Supervision	1,742,353	2,517,950
Sub-total	4,956,749	14,606,114
Financial Assets		
Domestic Lending	15,019,221	20,170,225
Sub-total	15,019,221	20,170,225
TOTAL	19,975,970	34,776,339

8 OTHER EXPENSES

Bank Charges	1,656,430	795,380
Administrative Costs	1,191,542,143	127,669,319
NBK Accounts Compensation Fund	420,825,940	4,480,760,056
Other expenses – Payment on behalf of other Government Entities	19,146,640,564	10,418,174,252
TOTAL	20,760,665,076	15,027,399,007

9 BOARD EXPENSES

Emoluments of Executives	12,770,529	12,420,529
Domestic Travels Commissioners	1,169,600	1,025,800
Foreign Travel Commissioners	-	-
Airtime for Commissioners	270,000	750,000
TOTAL	14,210,129	14,196,329

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10 : BANK BALANCES

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit e.t.c	2020-2021	2019-2020
		Kshs	Kshs
Central Bank of Kenya 1000202211 Kshs	Recurrent	44,793	810,580
Central Bank of Kenya 1000221828 Kshs	Development	200,000,000	-
Central Bank of Kenya Kshs	Deposits	-	-
Central Bank of Kenya-Compensation 1000316578 Kshs	Fund	1,556,908,058	1,977,733,998
National Bank of Kenya 010010032980000. Compensation Fund Kshs	Fund	13,727,766,032	10,453,760,980
TOTAL		15,484,718,883	12,432,305,558

11: ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	108,000	1,155,220
Salary advances	3,194,084	5,096,880
TOTAL	3,302,084	6,291,100

12. ACCOUNTS PAYABLE

	2020-2021	2019-2020
	Kshs	Kshs
Deposits-Balances of compensation fund b/f	12,522,264,334	13,697,376,291
Receipts	23,368,906,644	13,370,251,561
Interest	430,968,597	175,750,465
Payments	(20,760,665,076)	(15,027,399,007)
Unapplied payables	304,129,702	306,285,023
Sub Total Payable balance C/F	15,865,604,201	12,522,264,334
Deposits-Retentions	-	-
TOTAL	15,865,604,201	12,522,264,334

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13 . BALANCES BROUGHT FORWARD

Bank accounts	12,432,305,558	13,511,970,631
Cash in hand	-	-
Accounts Receivables	6,291,100	11,086,956
Accounts Payables	(12,522,264,334)	(13,511,623,477)
TOTAL	(83,667,676)	11,434,110

14. ADJUSTMENTS PRIOR /DURING THE YEAR

Adjustments on bank account balances			-
Adjustments on cash in hand			-
Adjustments on payables	3,343,339,867	3,343,339,867	-
Adjustments on receivables			-
Others.			
TOTAL Profits attributable to Compensation fund movements	3,343,339,867	3,343,339,867	-

15 (INCREASE)/ DECREASE IN RECEIVABLES

Receivables as at 1 st July 2019 (a)	6,291,100	11,086,956
Receivables as at 30th June (b)	3,302,084	6,291,100
(Increase)/ Decrease in Receivables (c=(b-a))	2,989,016	4,795,856

16. INCREASE/ (DECREASE) IN PAYABLES

Payables as at 1st July 2019 (A)	12,522,264,334	13,511,623,477
Payables as at 30th June 2020 D= A+B-C	15,865,604,201	12,522,264,334
Increase/(Decrease) in Payables (c=(b-a))	3,343,339,867	(989,359,143)

OTHER IMPORTANT DISCLOSURES

PENDING ACCOUNTS PAYABLE (See Annex 1)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings				
Construction of civil works				
Supply of goods	121,200.00			2,253,240
Supply of services	23,609,235.24			583,893,421
Total	23,730,435.24			586,146,661

PENDING STAFF PAYABLES (See Annex 2)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Senior management				
Middle management				
Unionisable employees				
Others	6,504,885			2,789,934
Total	6,504,885			2,789,934

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RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the National Land Commission.

- Key management personnel that include the Cabinet Secretaries and Accounting Officers
- Other Ministries Departments and Agencies and Development Projects;
- County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

Key Management Compensation		
Emoluments for Executives	12,770,529	12,420,529
Domestic Travels commissioners	1,169,600	1,025,800
Foreign Travels commissioners	-	-
Airtime for commissions	270,000	750,000
	14,210,129	14,196,329
Purchase of Goods and Services		
Purchase of electricity from KPLC		
Purchase of water from Govt service providers		
Rent charges paid to govt. agencies		
Training fees paid to govt agencies		
Conference facilities hired from govt. agencies		
Others (Specify)		
Total goods and services paid to govt. agencies		
Transfers to related parties		
Transfers to other MDAs		
Transfers to SCs and SAGAs and Funds	15,019,221	20,170,225
Transfers to Development Project		
Transfers to County Governments		
Transfers to non-reporting secondary and primary Schools		
Transfers to other non -reporting government entities		
Total Transfers to related parties	15,019,221	20,170,225
Transfers from related parties		
Transfers from the Exchequer	1,111,509,326	1,625,134,446
Transfers from other MDAs	23,368,906,644	13,370,251,561
(Insert any other transfers received)	-	-
Total Transfers from related parties	24,480,415,970	15,015,556,232

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CONTINGENT LAIBILITIES

Contingent liabilities	2020-2021	2019-2020
	Kshs	Kshs
Court case xxx against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from PPPs	-	-
Total		

PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS


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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Inaccuracies in the Financial Statements Discrepancies between Financial Statements and IFMIS Figures	The financial statements and the IFMIS statement (Trial balance) have been reconciled to reflect the correct balances	Bernard Kibet Cherutich – DFP	Resolved	30-06-2021
2.	Accounts Receivable	Recovery for un surrendered imprest of K.shs. 128,600.00 as at 30/6/2019 has been forwarded to payroll for recovery	Bernard Kibet Cherutich – DFP	Resolved	30-06-2021
3.	Other Expenses Payments on Behalf of Other Government Entities	After the harmonization process was recommended, all valuations were done jointly by NLC and MOLPP. All the payment for SGR Projects were in accordance with NLC valuations which also applied to the above projects	Bernard Kibet Cherutich – DFP	Resolved	30-06-2021

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4.	Accounts Payables- Deposits	<p>The difference of Kshs. 817,698,100 is due to the unapplied amount, money returned, interest earned and administration cost which was held during the period under review. The amount was not included in the schedules for receipts and payments of Kshs. 12,693,925,376</p> <p>The Management agrees with the audit observation and findings. However, the Commission has been having challenges in paying all the Persons Affected by Projects (PAPS) compensation monies mainly due to protracted court cases, succession cases/issues, lack of proper documentation and family disputes fighting over compensation.</p>	Bernard Kibet Cherutich – DFP	Resolved 30-06-2021
5.	Pending Bills	<p>The pending bills of Kshs.519, 000,000 is staff gratuity. And pending legal bills amounting to Kshs.273, 326,211</p>	Bernard Kibet Cherutich – DFP	Resolved 30-06-2021


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	<p>6.</p>	<p>Summary of Fixed Assets Register</p>	<p>Management has noted the audit query and responds as follows The addition vehicles (GKB 934 S and GKB 872 S) purchased during the period under review were erroneously omitted from summary of fixed assets register but captured in all other Commission records – list of Fixed Assets. Procurement process of the said Vehicles was started in the previous financial year 207/18 and completed in the year under review. This was an overflow/spill over of the procurement process.</p>	<p>Bernard Kibet Cherutich – DFP</p>	<p>Resolved</p>	<p>30-06-2021</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7.	Inaccuracies in the Financial Statements Discrepancies between Financial Statements and IFMIS Figures	The financial statements and the IFMIS statement (Trial balance) have been reconciled to reflect the correct balances	Bernard Kibet Cherutich – DFP	Not Resolved	30-06-2022

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	<p>8.</p>	<p>Unresolved Prior Year Audit Matters</p>	<p>The management has resolved most of the issues raised in prior years audit matters.</p>	<p>Bernard Kibet Cherutich – DFP</p>	<p>Not Resolved</p>	<p>30-06-2022</p>
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		<p>9 Pending Bills</p>	<p>It is true the Commission had pending bill totalling to Kshs.30,235,320 as at 30/06/2020 due to the budget cut by The National Treasury during the year under review.</p>	<p>Bernard Kibet Cherutich – DFP</p>	<p>Not Resolved</p>	<p>30-06-2022</p>
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
10	Long Outstanding Imprest	Recovery for un surrendered imprest of Kshs. 1,155,220.00 as at 30/6/2020 has been forwarded to payroll for recovery	Bernard Kibet Cherutich – DFP	Not Resolved	30-06-2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
11	Under Staffing in Internal Audit Unit	<p>A review of the Commission Internal Audit revealed that during the year under review, the unit had only three (3) staff members comprising of one (1) acting Head of the unit and two (2) clerical officers against an approved establishment of twelve (12) officers resulting into a deficit of nine (9) staff.</p> <p>The Commission recruited one (1) Senior audit officer and two (2) Officers during the financial year 2020/2021. The Commission will continue to engage The National Treasury and Public Service Commission in order to address the staff short fall.</p>	Bernard Kibet Cherutich – DFP	Not Resolved	30-06-2022

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ANNEXES

ANNEX 1 - ANALYSIS OF PENDING BILLS

Goods

Date	Supplier/ Contractor	Invoice No.	Nature of Goods/Services	Amount (Kshs.)
30/06/2021	Auto track System Limited		Communication (credit cards)	680,120.00
30/06/2021	Auto Track System Limited		Communication (credit cards)	680,120.00
30/06/2021	Gryjos Printers and Stationeries		General supplies	893,000.00
				2,253,240

Services

Date	Supplier/ Contractor	Invoice No.	Nature of Goods/Services	Amount (Kshs.)
30/06/2021	Tondwe Africa Group	784	Air Travel	67,900
30/06/2021	Cedars Travel & Tours	10945	Air travel	29,760.00
30/06/2021	Angani Tours & Travel	178983	Air travel	34,790.00
30/06/2021	Angani Tours & Travel	178997	Air Travel	7,900.00
30/06/2021	Angani Tour&Travel	179000	Air Travel	13,100.00
30/06/2021	Longrock Tours& Travel	TIN21060569	Air travel	52,870.00
30/06/2021	Longrock Tours &Travel	TIN21070078	Air Travel	48,780.00
30/06/2021	Longrock Tours and Travel		Air Travel	76,190.00
30/06/2021	Peesam		Cleaning Services	431,681.00
30/06/2021	Sweet Lake Resort		Conference	203,000
30/06/2021	Maanzoni Lodge		Conference Services	94,500.00
30/06/2021	Lake Naivasha Crescent Camp Limited		conferences	224,000.00
30/06/2021	Postal Corporation of Kenya		EMS Services	2,498,861.99
30/06/2021	Nyaudi & Marende Advocates		Litigation expenses	2,400,000.00
30/06/2021	Njeru Nyaga & Co Advocates		Litigation expenses	1,160,000.00
30/06/2021	Waweru Gatonye &Co Advocates		Litigation expenses	252,000.00
30/06/2021	Sherman Nyongesa nad Mutubia Associates		Litigation expenses	1,318,672.00
30/06/2021	Holborn Properties Ltd		Litigation expenses	11,457,496.00
30/06/2021	Tom Ojienda & Associates		Litigation expenses	11,021,898.00
30/06/2021	Prof. Tom Ojienda & Associates		Litigation expenses	606,585.00
30/06/2021	Prof. Tom Ojienda & Associates		Litigation expenses	94,169,122.00
30/06/2021	Prof. Tom Ojienda & Associates		Litigation expenses	339,933,194.00
30/06/2021	Prof. Tom Ojienda & Associates		Litigation expenses	22,110,310.00

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30/06/2021	Prof. Tom Ojienda & Associates		Litigation expenses	1,287,210.00
30/06/2021	Prof. Tom Ojienda & Associates		Litigation expenses	67,010,156.00
30/06/2021	Crown Motors Group Ltd		M/Vehicle Maintenance Services	206,213.00
30/06/2021	Simba Corporation Limited		M/Vehicle Maintenance Services	175,018
30/06/2021	Tysed Enterprises		M/Vehicle Maintenance Services	444,280.00
30/06/2021	Tom Autocare		M/Vehicle Maintenance Services	140,824.00
30/06/2021	Federation of Kenya employee		Membership subscription	60,280.00
30/06/2021	Toyota Kenya Limited		Motor Vehicle Repair	2,844,377.00
30/06/2021	CMC Motors Group Limited		Motor Vehicle Repair	519,080.00
30/06/2021	Isuzu East Africa Limited		Motor Vehicle Repair	511,215.00
30/06/2021	Toyota Kenya limited		Motor vehicle Repair	971,919.00
30/06/2021	CMC Motors Group Limited		Motor vehicle Repair	325,277.00
30/06/2021	Isuzu East Africa Limited		Motor vehicle Repair	418,328.00
30/06/2021	Peesam Ltd		Provision of Cleaning Services	431,000
30/06/2021	Jubilee Insurance		Provision of Medical Insurance	15,460,700
30/06/2021	Lloyd Masika Limited		Rent	3,015,280.00
30/06/2021	Rex Kiosk		Subscription of Newspapers	159,654
30/06/2021	Centre for Corporate Governance		Training	1,700,000
Totals				583,893,421

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Date	Supplier/ Contractor	Invoice No.	Nature of Goods/Services	Amount (Kshs.)
30/06/2021	Staff claim		Claims	105,000.00
30/06/2021	Staff claim		Claims	157,200.00
30/06/2021	christine omondi		Claims	13,550.00
30/06/2021	muthoni gitau		Claims	24,360.00
30/06/2021	Staff claim		Claims	52,500.00
30/06/2021	winne moraa		Claims	30,000.00
30/06/2021	Staff claim		Claims	108,500.00
30/06/2021	Staff claim		Claims	80,000.00
30/06/2021	Esha Hamid		Claims	12,600.00
30/06/2021	Venazio N.Mbauni		Claims	63,090.00
30/06/2021	Getrude Elsie		Claims	14,700.00
30/06/2021	Molu Halake		Claims	29,400.00
30/06/2021	Ben Bett		Claims	14,700.00
30/06/2021	Staff claim		Claims	34,600.00
30/06/2021	Staff claim		Claims	48,800.00
30/06/2021	S.Mbuthia		Claims	8,400.00
30/06/2021	C Musundi		Claims	15,000.00
30/06/2021	Dr.oundo T.Wanyama		Claims	316,480.00
30/06/2021	Umi Kugula		Claims	18,980.00
30/06/2021	Rachel Ngesa		Claims	985,224.00
30/06/2021	Matthew Muli Wambua		Claims	376,200.00
30/06/2021	Mutungu K.D		Claims	10,000.00
30/06/2021	Staff claim		Claims	157,200.00
30/06/2021	Staff claim		Claims	13,550.00
30/06/2021	Erick Olindo Ndeda		Staff Claim	99,900.00
TOTAL				2,789,934.00

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs)	Additions during the period (Kshs)	Disposals during the period (Kshs)	Historical Cost c/f (Kshs)
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	61,097,967	-	-	61,097,967
Office equipment, furniture and fittings	131,513,141	3,214,396	-	134,727,537
ICT Equipment, Software and Other ICT Assets	148,546,070	-	-	148,546,070
Machinery and Equipment	147,981,740	-	-	147,981,740
Biological assets				
Infrastructure Assets- Roads, Rails				
Heritage and cultural assets				
Intangible assets	105,318,944	1,742,353	-	107,061,297
Domestic lending	38,170,225	15,019,221	-	53,189,446
Work in Progress				
Total	632,628,087	19,975,970	-	52,604,057

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ANNEX 4 – LIST OF PROJECTS IMPLEMENTED BY NATIONAL LAND COMMISSION

1	Support to the attainment of vision 2030 through devolved land reforms in community lands of Kenya	Support to the Attainment of Vision 2030 Through Devolved Land Reforms in Community Lands of Kenya (FAOKE)	Kabale Tache Arero	No

ANNEX 5 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER NATIONAL LAND COMMISSION

1	NLC mortgage revolving fund	Offer mortgage loan to members of staff	Kabale Tache Arero	10,151,190	Yes
2	NLC car revolving fund	Offer car loans to members of staff	Kabale Tache Arero	4,868,031	Yes
				15,019,221	

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ANNEX 6- ACCOUNTS RECEIVABLE-OUTSTANDING IMPRESTS AS AT 30th JUNE 2021

PF/NO	Particulars	Designation	Amount	Date Issued	Date Due
1994047515	ALI IBRAHIM ABDULLAH	N.A.	108,000.00	22 nd Aug 2020	30 th June 2021

108,000.00

ANNEX 7- ACCOUNTS RECEIVABLE-SALARY ADVANCES AS AT 30th JUNE 2021

	Employee No.	Employee Name:	Employee ID	Amounts
1	NLC20130011	Arero Tache Kabale	12754074	196,251.00
2	NLC20140014	Niuster Bitok Jepkemboi	21713302	150,000.00
3	NLC20140022	Okenyi Samuel Odari	3285756	166,666.66
4	NLC20140029	Rotich Andrew Cheruiyot	8072963	199,999.96
5	NLC20140037	Ondara Henry	9911035	292,500.00
6	NLC20140090	Meso Wilkister Jeridah	9956332	125,000.00
7	NLC20150182	Kadesa Sussy	24271386	158,333.32
8	NLC20150197	Kinoti Annrita Nkatha	14412513	141,666.62
9	NLC20150210	Shapara Joseph Kimakon	22116104	123,333.28
10	NLC20150220	Onyango Benard Opaa	21704802	251,000.00
11	NLC20150260	Ali Gollo Ali	29259604	124,999.94
12	NLC20150290	Gitonga David Mbugi	22935522	133,333.31
13	NLC20150344	Mutuku John Kilonzo	24575319	106,666.64
14	NLC20150367	Caroline Grace Wanja	21940788	66,666.64
15	NLC20150394	Watulo Faith Esther	29162174	107,500.00
16	NLC20150448	Macharia Mary Wandia	22119059	666,666.66
17	NLC20150453	Ringera Leonard Murerwa	23643453	5,833.30
18	NLC20160458	Fares Lekosek Fares	22523126	83,333.32
19	NLC20160469	Njuguna Agnes Mugure	5768490	30,000.00
20	NLC20170500	Olwek Victor Otieno	24187803	24,999.94
21	NLC20200520	Konana Nkuruna	23219867	39,333.28
		Salary Advance Payment		3,194,083.87

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ANNEX 8 – CONTINGENT LIABILITIES REGISTER

1						
2						
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4						
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8						
9						
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ANNEX 9- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

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