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THE AUDITOR-GENERAL

ON

THE NATIONAL LAND COMMISSION

**FOR THE YEAR ENDED
30 JUNE, 2019**



NATIONAL LAND COMMISSION

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

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I. 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;
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. However, during the year under review the Commissioners term came to an end on 19th February 2019.

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

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(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2019 and who had direct fiduciary responsibility were:

	Designation	Name
1	Chairman	Prof. Muhammad Abdalla Swazuri (Up to 19 th February 2019)
2	Vice Chairperson	Mrs. Abigael Mbagaya Mukolwe (Up to 19 th February 2019)
3	Commissioner	Dr. Tomik Konyimbih Mboya (Up to 19 th February 2019)
4	Commissioner	Dr. Clement Isaiah Lena Churu (Up to 19 th February 2019)
5	Commissioner	Dr. Samuel Kipng'etich Tororei (Up to 19 th February 2019)
6	Commissioner	Dr. Rose Mumbua Musyoka (Up to 19 th February 2019)
7	Commissioner	Ms. Emma Muthoni Njogu (Up to 19 th February 2019)
8	Commissioner	Mr. Silas Kinoti Muriithi (Up to 19 th February 2019)
9	Commissioner	Mr. Abdulkadir Adan Khalif (Up to 19 th February 2019)
10	Ag. Secretary/Chief Executive Officer (CEO)	Kabale Tache Arero (Mrs)
11	Director, Geo Information Management (GIM)	Prof. David Ndegwa Kuria
12	Director Land Use Planning (DLUP)	Dr. Herbert Luka Musoga
13	Ag. Director Research	Mary Macharia
14	Ag. Director Finance & Administration (DFA)	Mr. Bernard Cherutich Kibet
15	Ag. Director Valuation & Taxation (DVT)	Mr. Fidelis Mburu
16	Director Natural Resources & Environment (DNRE)	Mr. Leonard Omullo Orondo
17	Director Land Administration (DLA)	Ms. Mercy Muthoni Njamwea
18	Ag. Director Legal Affairs & Enforcement (DLAE)	Mr. Brian Ikol
19	Ag. Director Human Resource Management (DHRM)	Mr. Ben Bett
20	Director Communication, Corporate Affairs & Advocacy (DCCAA)	Mr. Khalid Masoud Salim
21	Ag. Head Supply Chain Management (HSCM)	Mrs. Rosalind Kimani
22	Ag. Head Audit & Risk Management (HARM)	Mr. Peter Ochuodho
23	Head, Information & Communication (Technology) (HICT)	Mr. Amos Parletuan Kasaine

(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 year under review were:

Commissioner's term ended on 19th February 2019.
Ag. HARM, Mr. Peter Ochuodho - Member/Secretary

Finance and Administration Committee

The functions of this Committee include guiding on policy, processes and procedures on financial management in the Commission; sourcing for funds through the Government budgetary process; oversight over the management of funds of the Commission including procurement; and guidance on general administration issues of the Commission including provision of conducive working environment and working tools. The members of this Committee during the year under review were:

Commissioner's term ended on 19th February 2019
Ag. Secretary/ CEO, Kabale Tache Arero (Mrs) - Member
Ag. HSCM, Mrs Rosalind Kimani - Member
Ag. DFA, Mr Bernard Kibet Cherutich - Member
County Coordinator, Ms Mary Kamene Ngundo - Member
Ag. Deputy Secretary / CEO Mr Francis Cheruiyot Bor - Member/Secretary

Human Resource 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 year under review were:

Commissioner's term ended on 19th February 2019
Ag. Secretary/ CEO, Kabale Tache Arero (Mrs.) -Member
Ag. DHRM, Mr Ben Bett -Member/Secretary

Land Administration Committee

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. The members of this Committee during the year under review were:

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Commissioners term ended on 19th February 2019

Ag.Secretary/CEO, Kabale Tache Arero (Mrs)	-Member
DLA, Ms. Mercy Muthoni Njamwea	-Member/Secretary
DNRE, Mr. Leonard Omullo Orondo	-Member
Deputy DLA, Ms. Edith Sandara Olando	-Member
Deputy DLA, Mr Daniel Rukunga Kithunka	-Member

Communication, Research and Natural Resources 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 members of this Committee during the year under review were:

Commissioners term ended on 19th February 2019

Ag.Secretary/ CEO, Kabale Tache Arero(Mrs)	-Member
DCCAA, Mr Khalid Masound Salim	-Member/Secretary
Ag.Director Research, Mary Macharia	-Member
Deputy DCCAA, Ms. Jennifer ItumbiWambua	-Member
Deputy DCCAA, Ms. Elijah LeiroLetangule	-Member

Pational Land Information Management System (PLIMS)/Information and Communication Technology (ICT) Committee

The Committee supports the Commission in implementation of the NLIMS and other Commission specific systems through channelling efforts of the Commission in its engagement with various stakeholders; it monitors the progress of these systems projects along their implementation pathways; harnesses the information needs and streamlines the message that the Commission needs to pass to stakeholders and the general public; identifies challenges, obstacles and limitations that the projects may encounter and guides on policy direction; and resource mobilisation for the projects. The members of this Committee during the year under review were:

Commissioners term ended on 19th February 2019

Ag.Secretary/ CEO, Kabale Tache Arero (Mrs)	-Member
DNLIMS, Prof. David Ndegwa Kuria	-Member
DLUP, Dr. Herbert Luka Musoga	-Member
DLA, Ms. Mercy Muthoni Njamwea	-Member
Ag.DFA, Mr. Bernard Kibet Cherutich	-Member

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Ag.DVT, Mr Fidelis Mburu	-Member
DNRE, Mr. Leonard Omullo	-Member
Deputy Director Settlement, Ms Sussy Kidemi	- Member
Deputy Director Adjudication, Mr. Samuel Okenyi Odari	- Member
Deputy Director Survey, Mr. Sospeter Oduor Ohanya	-Member
Deputy DCCAA, Ms. Jennifer Itumbi Wambua	- Member
HICT, Mr. Amos Parletuan Kasaine	-Member/Secretary

Land Acquisition and Compensation 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 assessment 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; assessment and collection of rents, royalties and payments in respect to leases or licences; compulsory acquisition of land both at National and County Government levels. The members of this Committee during the year under review were:

Commissioners term ended on 19th February 2019

Ag. DVT Mr. Fidelis Mburu	-Member/Secretary
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Legal Affairs 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 year under review were:

Commissioners term ended on 19th February 2019

Ag. DLAE, Mr. Brian Adungo Ikol	-Member
Deputy DLAE, Mr. Edmond Kiplagat Gichuru	-Member
Deputy DLAE, Mr. Antipas O.A Nyanjwa	-Member

Land Use Planning Committee

The Committee provides policy direction and coordination in effecting the Commission's Constitutional mandate of monitoring and overseeing land use planning throughout the Country (Article(67(2) (h); liaises with state agencies responsible for planning and the County Governments to ensure adherence to the law in preparing and implementing land use plans for the urban areas and the Counties; sets performance standards for preparing statutory land use plans; advises on the planning and development of strategic National projects occurring on public land; gives guidance on the suitability of land to be acquired for public purposes including creating land banks and land for other uses such as public housing and industry; and is responsible to develop a framework to inform

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the National Government on comprehensive programme for registration of title in land throughout the country (Article 67(2)). The members of this Committee during the year were:

Commissioners term ended on 19th February 2019	
DLUP, Dr. Herbert Luka Musoga	-Member
DLA, Ms Mercy Muthoni Njamwea	-Member
Deputy DLUP, Rose Chelagat Kitur	-Member
Deputy Director Survey, Sospeter Oduor Ohanya	-Member

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

(e) Entity Headquarters

National Land Commission Headquarters

Ardhi House
1stNgong Avenue
Nairobi, Kenya.

(f) Entity Contacts

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

(g) Entity Bankers

National Land Commission

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

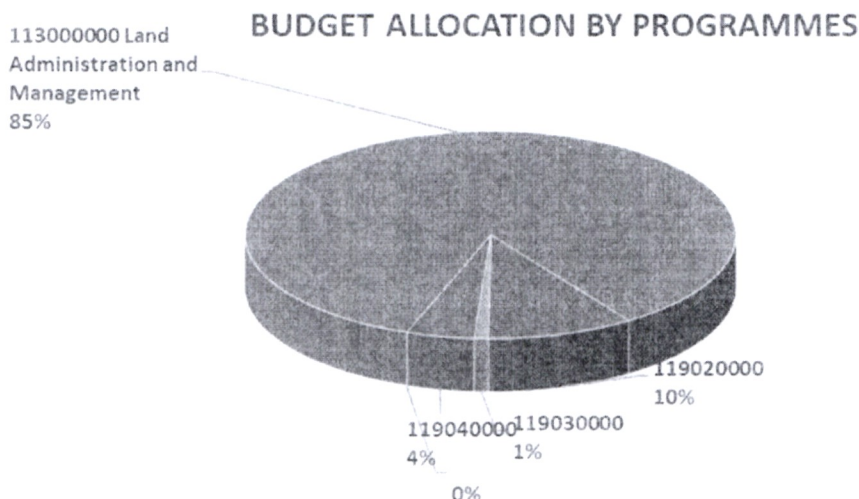
II. FORWARD BY THE SECRETARY / CHIEF EXECUTIVE OFFICER

I am pleased to present the financial statements of the Commission for the Financial Year (FY) 2018/19 that ended on 30 June 2019. 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 2018/19 The National Land Commission had a gross budget of **Ksh. 1,239,096,127** which was made up of **Ksh.1,239,096,127** recurrent which is 100% recurrent. The National Land Commission was to spend the gross budget of **Ksh.1,239,096,127** under the following programmes:

Programmes	Approved Budget Allocation	Actual Payments	Variance
	KShs	KShs	KShs
	1,052,574,327	1,039,368,738	13,205,589
	119,382,237	107,072,803	12,309,434
	11,940,081	11,433,803	506,278
	55,199,482	53,877,129	1,322,353
113000000 Land Administration and Management	1,239,096,127	1,211,752,474	27,343,654



I. Programme : Land Administration and Management

This programme was allocated **Ksh. 1,239,096,127** representing 100% of the budget. A total of **Ksh.1,211,752,474** 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 2018/19 the Compensation Fund received **Ksh.28,515,065,721**

And brought forward funds from FY 2017/2018 of **Ksh.7,126,575,961** making a total of **Ksh.35,641,641,682** available for payments.

In the same financial year FY 2018/19 **Ksh.22,150,772,986** 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, sea ports, water dams and reservoirs, national electricity transmission lines and the standard gauge railway.

During the FY 2018-19 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, HakiJamii, Pamoja Trust, Kituo Cha Sheria, Muhuri, HakiYetu, Ujamaa, World Vision Kenya, World Wide Fund for Nature (WWF), ShuleYangu, 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.

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2019 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 2019

Financial Performance	Printed Estimates	Actual	Variance	%
	KShs	KShs	KShs	Utilisation Variance
Total Receipts	1,239,096,127	1,235,185,875	3,910,252	99.7%
Total Payments	1,239,096,127	1,211,752,474	27,343,653	98%
Surplus for the Year		23,433,401		

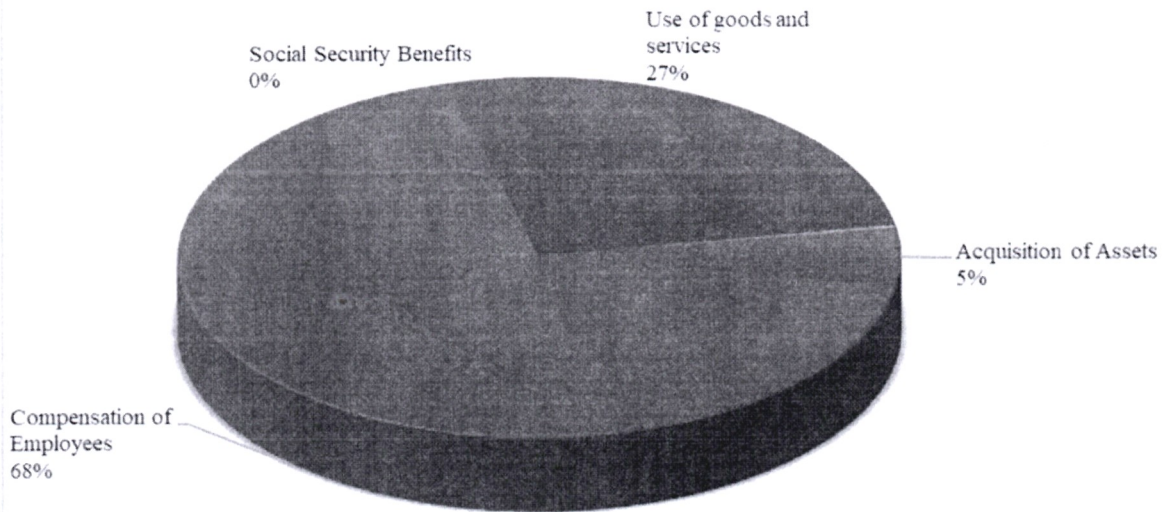
Actual receipts by the NLC stood at 0.3% below budget which is 99.7% utilisation while actual payments were 2% below budget which is also 98% utilisation.

Budget Utilisation

The National Land Commission spent **Ksh. 1,211,752,474** against an approved budget of **Ksh. 1,239,096,127** representing absorption of **96%**. 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	825,000,000	825,854,931	(854,931)
Use of goods and services	340,884,959	319,762,545	21,122,414
Social Security Benefits	2,393,223	2,226,879	166,344
Acquisition of Assets	70,817,945	63,908,120	6,909,825
Total Payments	1,239,096,127	1,211,752,474	27,343,653

Budget Utilisation as Per Economic Items



It is noted that 68% of the National Land Commission’s budget was used on compensation of employees, 27% on use of goods and services ,5% utilised in Acquisition of assets less than 1% on social security benefits.

Current Year Performance against Prior Year

Financial Performance	Year to 30th June 2019	Year to 30th June 2018	Change	%
	KShs	KShs	KShs	Change
Total Receipts	29,750,251,596	10,188,103,063	19,562,148,533	192%
Total Payments	23,362,525,461	9,223,376,018	14,139,149,443	153%
Surplus for the Year	6,387,726,135	964,727,045	5,422,999,090	562%

Total receipts increased by 192% due to increased funding mainly through exchequer releases and from other Government entities while there was an equivalent increase of 153% 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 2018/2019 stood at **Ksh.29,750,251,596** representing 192% increase from **Ksh.10,188,103,063** for FY 2017/2018.

Total Receipts Breakdown

	2018-2019	2017-2018	Change	%
	Kshs	Kshs		Change
RECEIPTS				
Transfers from National Treasury	1,235,185,875	1,080,695,971	154,489,904	14 %
Transfers from Other Government Entities	28,359,688,004	8,973,159,827	19,386,528,177	216 %
Other Revenues	155,377,717	134,247,265	21,130,452	16 %
TOTAL REVENUES	29,750,251,596	10,188,103,063	19,562,148,533	192%

The increase in total receipts is as a result of an increase in exchequer releases from the National Treasury by **Ksh.154.4 Million** due to increase in budgetary allocation. There was also increase of Transfers from Other Government Entities by **Ksh. 19.386 Billion** Compared to the previous year. With a specific deposit of **Ksh.17.5 Billion** for SGR phase 2A Compensation. Other revenues increased by **Ksh. 21.130 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 2018/2019 stood at **Ksh. 23,362,525,461** representing a 153% increase from **Ksh. 9,223,376,018** for FY 2017/2018.

Total Payment Breakdown

	2018-2019	2017-2018	Change	% Change
	Kshs	Kshs		
PAYMENTS				
Compensation of Employees	825,854,931	719,883,434	105,971,497	15%
Use of goods and services	319,762,545	285,672,722	34,089,823	12%
Social Security Benefits	2,226,879	11,129,796	(8,902,917)	-80%
Acquisition of Assets	63,908,120	69,919,020	(6,010,900)	-9%
Other Expenses-Compensation Fund	22,150,772,986	8,123,624,327	14,027,148,659	173%
Board Expenses		13,146,719	(13,146,719)	-100%
TOTAL PAYMENTS	23,362,525,461	9,223,376,018	14,139,149,443	153%

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Further analysis is here below;

- Social security decrease of 80% is due to nonpayment of gratuity to former commissioners due to lack of funds from Exchequer releases.
- Acquisition of assets decrease of negative 9% is due to austerity measures done.
- Compulsory Acquisition Compensation increase of 173% is due to quick compensation process and more funds release for projects during the financial year.
- Board expenses decrease by 100% is due to decrease or budget cuts especially on domestic and foreign travel budget lines.

Financial Assets Summary

	2018-2019	2017-2018	Change	%Change
	Kshs	Kshs		
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances	13,511,870,631	7,115,620,264	6,396,250,367	90%
Cash Balances				
Total Cash And Cash Equivalents	13,511,870,631	7,115,620,264	6,396,250,367	90%
Accounts Receivables - Outstanding Imprest and Clearance Accounts	11,086,956	19,611,188	8,524,232	-43%
TOTAL FINANCIAL ASSETS	13,522,957,587	7,135,231,452	6,387,726,135	90%

Bank balances increased by 90% as a result of reduced spending towards year end and receipts from acquiring entities.

There is also a decrease in accounts receivables by 43% as a result of decreased imprest advance by the imprest holders mainly towards year end

Cash Flows and Cash Position

Cash and bank balances held by National Land Commission as at 30th June 2019 was **Ksh.13,511,870,631** compared to **Ksh 7,115,620,264** Million held as at 30th June 2018. The breakdown of the cash and bank balances is as summarized in the table below.

Cash and Bank Balance

Cash and Bank balances	As at 30th June 2019	As at 30th June 2018	Change	%
	KShs	KShs	KShs	Change
Bank Balances	13,511,970,631	7,115,620,264	6,396,350,367	90%
Cash Balances	-	-	-	-
Total	13,511,970,631	7,115,620,264	6,396,350,367	90%

Bank balances increased by 90% as a result of reduced spending towards year end.

Cash Flow Activities

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

	2018-2019	2017-2018	Change	%Change
	Kshs	Kshs		
CASH FLOW FROM OPERATING ACTIVITIES				
Net cash flow from operating activities	6,460,158,487	1,029,191,445	5,430,967,042	528%
CASH FLOW FROM INVESTING ACTIVITIES				
Net cash flows from Investing Activities	(63,908,120)	(69,919,020)	6,010,900	-9%
CASH FLOW FROM BORROWING ACTIVITIES				
Net cash flow from financing activities	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENT	6,396,350,367	959,272,425	5,436,977,942	567%
Cash and cash equivalent at BEGINNING of the year	7,115,620,264	6,156,347,839	959,272,425	16%
Cash and cash equivalent at END of the year	13,511,970,631	7,115,620,264	6,396,250,367	90%

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 increased due to an increase in amounts utilised in the transfers from other government entities

In regard to the implementation of its mandate during the FY 2018/19, 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 leaders 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
- 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

NATIONAL LAND COMMISSION
Reports and Financial Statements
For the year ended June 30, 2019

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

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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, 2019. 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 National Land Commission's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, 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 National Land Commission, 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.

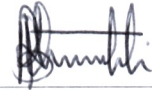
The Accounting Officer in charge of the National Land Commission confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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 25th September 2019.



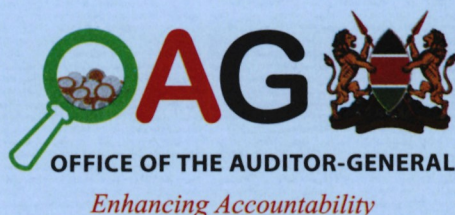
Kabale Tache Arero
Ag. Secretary /CEO



CPA Bernard Kibet Cherutich ICPAK No: 5816
Ag. Director Finance and Administration.

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL LAND COMMISSION FOR THE YEAR ENDED 30 JUNE, 2019

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 20, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement 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 the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of The National Land Commission as at 30 June, 2019, 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 Public Finance Management Act, 2012 and National Land Commission Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Discrepancies Between Financial Statements and IFMIS Figures

The following discrepancies were noted between figures in the financial statements and figures in the Integrated Financial Management Information System (IFMIS) statements:-

Item Description	Balance as per IFMIS statements Kshs.	Balance in the Financial statements Kshs.	Difference Kshs.
Provisions	(6,846,521,646)	-	(6,846,521,646)
Opening balance reserves	5,622,553,360	-	5,622,553,360
Total	(1,223,968,286)		(1,223,968,286)

Management has not provided an explanation for the variances.

In the circumstances, the accuracy of the financial statements for the year ended 30 June, 2019 could not be confirmed.

2. Accounts Receivable

Note 11 to the financial statements reflects accounts receivable balance of Kshs.11,086,956 which includes Government imprests of Kshs.1,267,000 that have been outstanding for more than one year. This is contrary to Section 93 (5) of the Public Finance Management (National Government) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. Section 93(6) further provides that in the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank Rate.

Consequently, it has not been possible to confirm the validity and recoverability of the Government imprest balance of Kshs.1,267,000.

3. Other Expenses - Payments on Behalf of Other Government Entities

Included in other expenses balance of Kshs.22,150,772,986 reflected in the statement of receipts and payments and as further disclosed under Note 8 to the financial statements, are payments on behalf of other Government entities amounting to Kshs.12,423,333,959 out of which compensations amounting to Kshs.215,622,898 were paid without harmonized valuations from both the Commission and the Ministry of Lands and Physical Planning as detailed below:

Parcel No	Amount paid Kshs
Ngong /Ngong/44858	22,366,389
Ngong /Ngong/86111	16,277,593
Ngong /Ngong/90093	43,638,299
Ngong /Ngong/22155	11,821,522
Ngong /Ngong/89759	52,550,005
Ngong /Ngong/60410	24,380,851
Ngong /Ngong12638	25,516,742
Ngong /Ngong/41618	19,071,497
Total	215,622,898

The payments were made contrary to the directives communicated by the Principal Secretary, Ministry of Lands and Physical Planning vide a letter dated 1 August, 2018 which was a follow up to a meeting held on 31 July, 2018 and chaired by the Head of the Public Service. The letter provided that:

- i) Any affected property whose value variance between The National Land Commission and the Ministry of Lands and Physical Planning figure is below 20% should be paid out.

- ii) Variance between 21% - 49% to be revalued by a joint team from both the The National Land Commission and the Ministry of Lands and Physical Planning with a view to harmonize the values.
- iii) Any variance of 50% and above should be re-inspected by the joint team with a view to carrying out a revaluation.

In the circumstances, the propriety of the payments totalling to Kshs.215,622,898 included in other expenses could not be confirmed.

4. Acquisition of Assets

As disclosed at Note 7 to the financial statements, included in the acquisition of assets figure of Kshs.63,908,120 is an amount of Kshs.18,000,000 described as domestic public non-financial enterprises. Available information indicates that these were funds transferred to the Commission Staff Mortgage and Car Loan Fund managed by the National Bank of Kenya. However, the Commission did not prepare separate financial statements for the Fund for the year under review which is contrary to Section 24(10)(a) of the Public Finance Management Act, 2012 which requires the Accounting Officer to prepare separate financial statements for each fund in the form specified by the Public Sector Accounting Standards Board. In addition, the staff car and mortgage loan fund regulations and the contract between the National Bank of Kenya and the Commission were not availed for audit review.

In the circumstances, the propriety of domestic public non-financial enterprise expenditure of Kshs.18,000,000 included under acquisition of assets could not be confirmed for the year ended 30 June, 2019.

5. Accounts Payables-Deposits

The statement of assets and liabilities reflects accounts payable – deposits balance of Kshs.13,511,623,477. However, the supporting schedule provided reflects accounts payable amounting to Kshs.12,693,925,376 resulting into an unexplained difference of Kshs.817,698,101. In addition, the reported accounts payable balance excludes staff welfare deductions that had accumulated to Kshs.3,671,000 as at 30 June, 2019. Further, a review of the accounts payable-deposits schedule provided for audit indicated long outstanding balances totalling Kshs.864,726,930 that are yet to be paid to the beneficiaries.

No plausible reason has been provided for the delay in settlement of the liabilities.

In the circumstances, the accuracy and completeness of the reported accounts payables-deposits balance of Kshs.13,511,623,477 could not be confirmed.

6. Pending Bills

The Commission reported pending bills totalling to Kshs.848,023,800 as at 30 June, 2019 which as disclosed at Annex 1 of the financial statements includes legal fees payable totalling Kshs.273,326,211. However, included in this amount of Kshs.273,326,211 is Kshs.242,600,000 payable to a lawyer but supporting documents on how the legal

services were procured and invoices for the payable amount of Kshs.242,600,000 were not availed for audit verification.

In the circumstances, the validity of pending legal fees totalling to Kshs.242,600,000 included in the pending bills balance of Kshs.848,023,800 as at 30 June, 2019 could not be confirmed.

7. Summary of Fixed Assets Register

As disclosed at Annex 3 of the financial statements, the summary of fixed assets register for the year ended 30 June, 2019 reflects additions during the year of Kshs.63,908,120. The additions however, exclude the cost of two motor vehicles totalling to Kshs.11,377,034 financed under other expenses – administrative costs as disclosed under Note 8 to the financial statements.

In the circumstances, the accuracy and completeness of the summary of fixed assets register for the year ended 30 June, 2019 could not be confirmed.

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 qualified 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 statement of the current year. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

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 matters described under 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

Terms of Service for Directors

During the Commission's plenary on 8 May, 2018, it was resolved that Directors' contracts be renewed for a period of five years or upon attainment of retirement age of sixty years

whichever came earlier and all other staff be put on permanent and pensionable terms. However, as reflected under Minute No.5 of the Special Commission meeting held on 13 December, 2018, the Chairman of the Commission issued instructions to the Chief Executive Officer to convert terms for all staff on contract to permanent and pensionable with effect from 9 May, 2018. Consequently, the Directors' terms of service were converted to permanent and pensionable which is against the resolutions of the Commission's meeting held on 8 May, 2018.

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, 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 effective 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue to sustain services, disclosing, as applicable, matters

related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to liquidate 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 financial reporting process, reviewing the effectiveness of how the entity 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 overall 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 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 applicable 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 continue 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 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

13 October, 2020

NATIONAL LAND COMMISSION
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2019

	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Transfers from National Treasury	1	1,235,185,875	1,080,695,971
Transfers from Other Government Entities	2	28,359,688,004	8,973,159,827
Other Revenues	3	155,377,717	134,247,265
TOTAL REVENUES		29,750,251,596	10,188,103,063
PAYMENTS			
Compensation of Employees	4	819,787,899	719,883,434
Use of goods and services	5	316,045,845	285,672,722
Social Security Benefits	6	2,226,879	11,129,796
Acquisition of Assets	7	63,908,120	69,919,020
Other Expenses	8	22,150,772,986	8,123,624,327
Board Expenses	9	9,783,732	13,146,719
TOTAL PAYMENTS		23,362,525,461	9,223,376,018
SURPLUS		6,387,726,135	964,727,045

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 25th September 2019.

Signed by:



Kabale Tache Arero
 Ag. Secretary /CEO




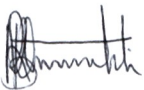
CPA Bernard Kibet Cherutich ICPAK No: 5816
 Ag. Director Finance and Administration.

VI. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2019

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	13,511,970,631	7,115,620,264
		-	-
Total Cash And Cash Equivalents		13,511,970,631	7,115,620,264
Accounts Receivables - Outstanding Imprest and Clearance Accounts	11	11,086,956	19,611,188
TOTAL FINANCIAL ASSETS		13,523,057,587	7,135,231,452
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	12	(13,511,623,477)	(7,113,280,104)
NET FINANCIAL ASSETS		11,434,110	21,951,348
REPRESENTED BY			
Fund balance b/fwd	13	21,951,348	6,170,504,407
Prior year adjustments	14	(6,398,243,373)	(7,113,280,104)
Adjustments on Fund Deposits		-	-
Surplus for the year		6,387,726,135	964,727,045
NET FINANCIAL POSSITION		11,434,110	21,951,348

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 25th September 2019.



 Kabale Tache Arero
 Ag. Secretary /CEO



 CPA Bernard Kibet Cherutich ICPAK No: 5816
 Ag. Director Finance and Administration.

V. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2019

	Note	2018-2019	2017-2018
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	1,235,185,875	1,080,695,971
Transfers from Other Government Entities	2	28,359,688,004	8,973,159,827
Other Revenues	3	155,377,717	134,247,265
		29,750,251,596	10,188,103,063
Payments for operating expenses			
Compensation of Employees	4	819,787,899	719,883,434
Use of goods and services	5	316,045,845	285,672,722
Social Security Benefits	6	2,226,879	11,129,796
Other Expenses	8	22,150,772,986	8,123,624,327
Board Expenses	9	9,783,732	13,146,719
		23,298,617,341	9,153,456,998
Adjusted for:			
Changes in receivables		8,524,232	(5,454,620)
Changes in payables		6,398,343,373	-
Adjustments during the year		(6,398,243,373)	-
Net Cashflow from operating activities		6,460,258,487	1,029,191,442
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(63,908,120)	(69,919,020)
Net cash flows from Investing Activities		(63,908,120)	(69,919,020)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		6,396,350,367	959,272,426
Cash and cash equivalent at BEGINNING of the year		7,115,620,264	6,156,347,839
Cash and cash equivalent at END of the year		13,511,970,631	7,115,620,264

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 25th September 2019.


 Kabale Tache Arero
 Ag. Secretary /CEO


 CPA Bernard Kibet Cherutich ICPAK No: 5816
 Ag. Director Finance and Administration.

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED
 FOR THE PERIOD ENDED 30TH JUNE 2019

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	1,239,096,127	0	1,239,096,127	1,235,185,875	3,910,252	100%
Transfers from Other Government Entities	28,359,688,004	0	28,359,688,004	28,359,688,004	0	100%
Other Receipts	155,377,717	0	155,377,717	155,377,717	0	100%
Total Receipts	29,754,161,848	0	29,754,161,848	29,750,251,596	3,910,252	100%
Payments						
Compensation of Employees	398,000,000	427,000,000	825,000,000	819,787,899	5,212,101	99%
Use of goods and services	216,041,865	124,843,094	340,884,959	316,045,845	24,839,114	93%
Social Security Benefits	1,196,612	1,196,612	2,393,223	2,226,879	166,344	93%
Acquisition of Assets	41,908,090	28,909,855	70,817,945	63,908,120	6,909,825	90%
Other Expenses	22,150,772,986	0	22,150,772,986	22,150,772,986	0	100%
Board Expenses		0		9,783,732	(9,783,732)	0%
Grand Total	22,807,919,553	581,949,561	23,389,869,113	23,362,525,461	27,343,653	100%
Surplus				6,387,726,135	(23,433,401)	

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT
 FOR THE PERIOD ENDED 30TH JUNE 2019

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	1,239,096,127	0	1,239,096,127	1,235,185,875	3,910,252	100%
Transfers from Other Government Entities	28,359,688,004	0	28,359,688,004	28,359,688,004	0	100%
Other Receipts	155,377,717	0	155,377,717	155,377,717	0	100%
Total Receipts	29,754,161,848	0	29,754,161,848	29,750,251,596	3,910,252	100%
Payments						
Compensation of Employees	398,000,000	427,000,000	825,000,000	819,787,899	5,212,101	99%
Use of goods and services	216,041,865	124,843,094	340,884,959	316,045,845	24,839,114	93%
Social Security Benefits	1,196,612	1,196,612	2,393,223	2,226,879	166,344	93%
Acquisition of Assets	41,908,090	28,909,855	70,817,945	63,908,120	6,909,825	90%
Other Expenses	22,150,772,986	0	22,150,772,986	22,150,772,986	0	100%
Board Expenses	0	0	0	9,783,732	(9,783,732)	0%
Grand Total	22,807,919,553	581,949,561	23,389,869,113	23,362,525,461	27,343,653	100%
Surplus				6,387,726,135	(23,433,401)	

IX. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES
 FOR THE PERIOD ENDED 30TH JUNE 2019

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
11300000		Land Administration and Management	0	1,120,988.75	-1,120,988.75
	113010000		0	583,163.75	-583,163.75
	113020000		0	0	0
	113030000		0	430,260.00	-430,260.00
	113040000		0	107,565.00	-107,565.00
	113050000		0	0	0
	113060000		0	0	0
	113070000		0	0	0
11400000			0	83,670.00	-83,670.00
	114010000		0	83,670.00	-83,670.00
11500000			0	1,254,525.00	-1,254,525.00
	115010000		0	1,254,525.00	-1,254,525.00
11600000			0	0	0
	116010000		0	0	0
11900000		Land Administration and Management	1,239,096,127.00	1,209,293,290.55	29,802,836.45
	119010000		1,052,574,327.00	1,036,909,554.60	15,664,772.40
	119020000		119,382,237.00	107,072,803.15	12,309,433.85
	119030000		11,940,081.00	11,433,803.45	506,277.55
	119040000		55,199,482.00	53,877,129.35	1,322,352.65
		Grand Total	1,239,096,127.00	1,211,752,474.30	27,343,652.70

X. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance 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 and also comprise of the development projects implemented by the entity.

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Ksh), 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.

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 2019, 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 actually 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.

▫ **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.

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 Equivalentents

Cash and cash equivalentents 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 on June 2018 for the period 1st July 2018 to 30th June 2019 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 2019.

14. 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.

XI. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHEQUER RELEASES

Description	2018-2019	2017-2018
	Kshs	Kshs
Total Exchequer Releases for quarter 1	293,386,600	251,478,771
Total Exchequer Releases for quarter 2	259,706,700	275,553,700
Total Exchequer Releases for quarter 3	398,797,275	312,427,500
Total Exchequer Releases for quarter 4	283,295,300	241,236,000
TOTAL	1,235,185,875	1,080,695,971

2 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers from Central government entities	10,614,283,225	8,870,903,690
Other Transfers	-	102,256,137
Transfer from Exchequer National Treasury SGR	17,745,404,778	-
TOTAL	28,359,688,004	8,973,159,827

ANALYSIS OF TRANSFERS FROM OTHER GOVERNMENT AGENCIES

Entity	Amounts	
KURA	70,759,500	385,015,569
KeRRA	12,404,625	22,568,475
METROPOLITAN	41,487,760	
NATIONAL HOUSING CORPORATION	963,800	
ATHI WATER SERVICES BOARD	127,710,351	694,193,106
KENHA	4,803,624,931	1,162,584,106
NATIONAL LAND COMMISSION CBK-SGR REFUND	3,999,499,475	
EMBU WATER SEWARAGE COMPANY	26,749,606	
EXPORT PROCESSING ZONE	60,000	
BROOKSIDE	80,400	
MINISTRY OF WATER & IRRIGATION	1,236,312,296	
MINISTRY OF DEFENCE FORCES	175,866,730	
MINISTRY OF EDUCATION		1,500,000,000
JUDICIARY	231,000	
COUNTY GOVERNMENT OF KERICHO		102256137
LAPSSET		2,000,000
KENYA AIRPORTS AUTHORITY	118,431,751	
MBAGHATHI WAY LINK-HOSPITAL ROAD	61,000	
TELKOM		551,500

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KENYA RAILWAYS CORPORATION		1,893,075,633
SBI		8,000,000
MUTOMO - KIBWEZI	40,000	
MINISTRY OF HOUSING		85,166,400
EACC		1,518,000,000
Total	10,614,283,225	
CBK SGR	17,745,404,778	-
Grand Total	28,359,688,004	8,973,159,827

3 OTHER REVENUES

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received from NBK Compensation Fund	155,377,717	134,247,265
Other Property Income		
TOTAL	155,377,717	134,247,265

4 COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic salaries of permanent employees	541,164,298	464,134,374
Basic wages of temporary employees	12,443,593	15,954,226
Personal allowances paid as part of salary	235,981,974	238,609,434
Pension and other social security contributions	30,198,035	1,185,400
TOTAL	819,787,899	719,883,434

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Utilities, Supplies and Services	369,000	362,000
Communication, Supplies and Services	14,930,998	6,662,143
Domestic Travel and Subsistence, and Other Transportation Costs	67,320,476	88,991,333
Foreign Travel and Subsistence, and other transportation costs	6,935,175	16,156,664
Printing , Advertising and Information Supplies and Services	17,149,737	9,957,279
Rentals of Produced Assets	27,670,722	26,600,476
Training Expenses	5,104,361	2,908,643
Hospitality Supplies and Servi	37,062,153	28,157,900
Insurance Costs	89,683,020	62,588,858
Specialised Materials and Supp		133,733
Office and General Supplies and Services	12,771,610	8,778,180
Fuel Oil and Lubricants	16,201,286	17,739,813
Other Operating Expenses	14,306,060	4,662,700
Routine Maintenance - Vehicles	6,446,911	11,833,000
Routine Maintenance - Other Assets	94,336	140,000
Exchange Rate Losses		
TOTAL	316,045,845	285,672,722

6 SOCIAL SECURITY BENEFITS

	2018-2019	2017-2018
	Kshs	Kshs
Government pension and retirement benefits	2,226,879	11,129,796
Social security benefits in cash and in kind		
Employer Social Benefits in cash and in kind		
TOTAL	2,226,879	11,129,796

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 ACQUISITION OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
<u>Non-Financial Assets</u>		
Purchase of Vehicles and Other Transport Equipment	24,206,929	20,996,004
Purchase of Office Furniture and General Equipment	13,095,363	13,031,764
Purchase of Specialized Plant, Equipment and Machinery	-	19,944,092
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	8,605,828	15,947,160
Sub Total	45,908,120	69,919,020
<u>Financial Assets</u>		
Domestic Public Non-Financial Enterprises	18,000,000	
Sub Total	18,000,000	
TOTAL	63,908,120	69,919,020

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 OTHER EXPENSES

	2018-2019	2017-2018
	Kshs	Kshs
Bank Charges	660,395	500,343
Administrative costs	137,683,530	-
NBK Account Compensation fund	9,589,095,103	-
Other expenses-Payments on behalf of other govt entities	12,423,333,959	8,123,123,984
TOTAL	22,150,772,986	8,123,624,327

9 BOARD EXPENSES

	2018-2019	2017-2018
	Kshs	Kshs
Emoluments for Executives	6,067,032	7,540,379
Domestic Travels commissioners	1,529,700	2,687,100
Foreign Travels commissioners	-	651,240
Airtime for commissions	2,187,000	2,268,000
TOTAL	9,783,732	13,146,719

Note.

The board expenses figures for current year were budgeted and included in the line items of use of goods and services and compensations of employees for CEO salary accordingly.

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10 BANK ACCOUNTS

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	2018-2019	2017-2018
			Kshs	Kshs
Central Bank of Kenya, 1000222011	Shs	Recurrent	247,155	3,463,278
Central Bank of Kenya, 1000221828	Shs	Development	-	58
Central Bank of Kenya,	Shs	Deposits		-
Central Bank of Kenya, Compensation Fund	Shs	Fund	6,238,977,022	915,855,074
National bank of kenya 010010032980000 Compensation Fund	KShs	Fund	7,272,746,455	6,196,301,854
			13,511,970,631	7,115,620,264

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLES

<i>Description</i>	2018-2019	2017-2018
	Kshs	Kshs
Government Imprests	1,267,000	9,262,110
Salary advances	9,819,956	10,349,078
TOTAL	11,086,956	19,611,188

12 ACCOUNTS PAYABLES

	2018-2019	2017-2018
	Kshs	Kshs
Deposits-Balances of compensation fund	13,511,623,477	7,113,280,104
TOTAL	13,511,623,477	7,113,280,104

13 BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	7,115,620,264	6,156,347,839
Receivables - Outstanding Imprests	19,611,188	14,156,568
Payables - Deposits	7,113,280,104	-
TOTAL	21,951,348	6,170,504,407

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 PRIOR YEAR ADJUSTMENTS

Description of the error	2018-2019	2017-2018
	Kshs	Kshs
Adjustments on bank account balances		
Adjustments on cash in hand		
Adjustments on payables	6,398,243,372	7,113,280,104
Adjustments on receivables		
Others (<i>specify</i>)		
TOTAL	6,398,243,372	7,113,280,104

XII. DISCLOSURES

A. 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:

	2018-2019	2017-2018
	Kshs	Kshs
Key Management compensation		
Emoluments for Executives	6,067,032	7,540,379
Domestic Travels commissioners	1,529,700	2,687,100
Foreign Travels commissioners	-	651,240
Airtime for commissions	2,187,000	2,268,000
Sub Total	9,783,732	13,146,719
Transfers to the Other Ministries Departments and Agencies		
Transfers to other State Corporations and Semi-Autonomous Government Agencies		
Transfers to Government Development Projects		
Transfers to Counties	-	
Transfers from other Ministries Departments and Agencies	28,359,688,004	8,870,903,691
Other Transfers	-	102,256,137
Sub Total	28,359,688,004	8,973,159,828

XIII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated 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)

Notes:

We are currently addressing the audit quarries.

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XIV. ANNEXES
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

S.No	PAYEE	AMOUNT	GRAND TOTAL
1.	Computer Pride	359,600.00	
2.	Kenya Computer Industry & Services Technology Ltd	700,640.00	
3.	Public Relations Society of Kenya	150,000.00	
4.	Kenya Institute of Suppliers Management	83,500.00	
5.	Centre for Advanced Procurement Studies	81,000.00	
6.	Kenya School of Government	48,720.00	
7.	Kenya Institute of ?Supplies Management	301,600.00	
8.	Mediation Training Institute East Africa	143,840.00	
9.	Law society Of Kenya	6,503.00	
10.	Eastern & Southern African Management Institute	288,400.00	
11.	Eastern & Southern African Management Institute	225,940.00	
12.	Eastern & Southern African Management Institute	280,995.68	
13.	Institution of surveyors of Kenya	320,000.00	
14.	Director of pension	846,339.00	
15.	ASK Show	1,644,840.00	
16.	The Agricultural society of Kenya	443,000.00	
	SUBTOTAL	5,924,917.68	5,924,917.68
17.	CoreTec Ltd	22,262,431.36	
18.	Profe Tom Ojienda	200,000,000.00	
19.	Profe Tom Ojienda	42,600,000.00	
20.	Nyaundi&Marende Advocates	2,400,000.00	
21.	Kryslimine Salt Ltd Advocates	3,493,000.00	

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22.	VancoNyamodi Advocates	12,822,800.00	
23.	Njeru Nyaga & Co Advocates	1,160,000.00	
24.	Gumbo and Co Advocates	9,279,729.00	
25.	Waweru Gatonye & Co Advocates	252,000.00	
26.	Sherman Nyongesa & Mutubia Advocates	1,318,682.00	
	SUBTOTAL	295,588,642.36	519,000,000.00
	STAFF GRATUITY (Staff Who Completed Contract Now on P & P terms)		
27.	Philip Makemu	24,500.00	
28.	Andrew Rotich	519,537.00	
29.	Mathew Muli	442,200.00	
30.	Joyce Kinyanjui	97,900.00	
31.	Edward Bosire	97,800.00	
32.	Jacqueline Juguna	28,800.00	
33.	Philip Abongo	8,400.00	
34.	Umi Kugula	34,800.00	
35.	Judy Kirior	150,000.00	
36.	Joseph Kariuki	180,000.00	
37.	Said Isak	58,980.00	
38.	WINNIE KEFA	60,000.00	
39.	DANIEL MMBAI	43,050.00	
40.	GALGALO KUNU	18,900.00	
41.	CAROLINE KHASOA	200,298.00	
42.	FRANCIS BOR	193,200.00	
43.	CATHERINE MURUGU	60,000.00	
44.	ADAN R BARISSA	10,000.00	
45.	NAIROBI CLUB	1,907,000.00	
46.	ANGELA KOECH	869,632.74	
47.	SAIDA ISAK	12,600.00	

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48.	ELIJAH LETANGULE		61,400.00	
49.	PETER KARURU		41,400.00	
50.	NAIROBI CLUB		252,000.00	
51.	ISACA		191,400.00	
52.	WAHOME MURAKARU		31,045.00	
53.	UMI KUGULA		46,600.00	
54.	DAVID RUGUT		200,000.00	
55.	ALICE KARANJA		20,000.00	
56.	CEO (MUSYOKA, MULWA, KIOKO, WAMBUA)		98,400.00	
57.	MEV GENERAL AGENCY		777,500.00	
58.	REFCO HB COMPANY		600,000.00	
59.	LATS INVESTMENTS		2,385,000.00	
60.	MUTUCHEM ENTERPRISES LIMITED		1,225,000.00	
61.	CENTROLINE SUPPLIES LIMITED		1,148,500.00	
62.	LUMAGU ENTERPRISES		1,100,000.00	
63.	JADAM SUPPLIES		574,000.00	
64.	REFCO HB COMPANY		654,000.00	
65.	MADRINE SUPPLIERS		1,040,000.00	
66.	JUBILAY MERCHANTS		498,500.00	
67.	ELIASHIB ENTERPRISES		985,000.00	
68.	CFC LIFE ASSURANCE		4,208.00	
69.	GECHEO ENTERPRISES		1,755,150.00	
70.	FREE BUTTERFLY AGENCIES		1,198,000.00	
71.	CHEAL MERCHANTS		597,500.00	
72.	J W ENTERPRISES		754,840.00	
73.	CLAMU INVESTMENTS		1,020,000.00	
74.	LAKE NAIVASHA RESORT		733,500.00	
75.	POWER TALKS		299,700.00	

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76.	TECHSOURCE LTD	4,200,000.00	
	SUB TOTAL	27,510,240.74	27,510,240.74
	GRAND TOTAL		848,023,800.78

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ANNEX 3—ANALYSIS OF EXCHEQUER RELEASES

EXCHEQUER ISSUE NOTIFICATION FY 2018/2019											
1ST QUARTER		2ND QUARTER		3RD QUARTER		4TH QUARTER					
DATE/MONTH	AMOUNT	DATE/MONTH	AMOUNT	DATE/MONTH	AMOUNT	DATE/MONTH	AMOUNT	DATE/MONTH	AMOUNT	DATE/MONTH	AMOUNT
1-AUG-18	60,041,600	18-OCT-18	30,300,000	24-Jan-19	8,300,000	30-Apr-19	66,166,500				
10-AUG-18	28,000,000	26-OCT-18	67,761,700	25-Jan-19	77,514,000	16-May-19	43,000,000				
24-AUG-18	65,607,000	30-NOV-18	68,000,000	18-Feb-19	81,700,000	22-May-19	29,100,000				
5-SEPT-18	23,600,000	21-DEC-18	93,645,000	28-Feb-19	68,702,975	3-Jun-19	66,000,000				
18-SEPT-18	37,900,000			15-Mar-19	95,200,000	26-Jun-19	68,228,800				
28-SEPT-18	78,238,000			27-Mar-19	67,380,300	30-Jun-19	10,800,000				
TOTAL	293,386,600	TOTAL	259,706,700	TOTAL	398,797,275		283,295,300				
SUM TOTAL	1,235,185,875										

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ANNEX 4 – 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	20,996,004	24,206,929	-	45,202,933
Office equipment, furniture and fittings	111,342,978	12,549,999	-	123,892,977
ICT Equipment, Software and Other ICT Assets	148,546,070	-	-	148,546,070
Machinery and Equipment	147,436,377	545,364	-	147,981,740
Biological assets	-	-	-	-
Infrastructure Assets- Roads, Rails	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	94,195,166	8,605,828	-	102,800,994
Domestic lending	-	18,000,000	-	18,000,000
Work in Progress	-	-	-	-
Total	522,516,595	63,908,120	-	586,424,714

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ANNEX 5 – LIST OF OUTSTANDING IMRESTS

PF/NO	Particulars	Designation	Amount
1989024196	STEPHEN MUKOBE ONYINO	N.A.	90,000.00
1991000475	CAROLINE ATIENO OTIENO	N.A.	212,000.00
1991091426	JOHN GABRIEL MULE	N.A.	115,000.00
1994013639	HABIBA GALGALO	N.A.	100,000.00
1996109703	ANTIPAS OTIENO AKETCH NYANJWA	N.A.	38,600.00
2006052966	CHARLES LEIYO KEIS	N.A.	29,400.00
NLC20140056	SOLOMON MBITI KITHINJI	N.A.	90,000.00
NLC20150164	DOROTHY MUTHEO KYEMBENI	N.A.	440,600.00
NLC20150165	CLEMENTINE WAVINYA KISANGAU	N.A.	32,000.00
NLC20150239	CHRISTINE MUENI KAVIVYA	N.A.	15,000.00
NLC20150241	MARY WAKONYO IRUNGU	N.A.	30,000.00
NLC20150312	ALEX MUEMA KIMANZI	N.A.	15,000.00
NLC20150314	JOSEPH MARITIM	N.A.	30,000.00
NLC20150358	MARIA NTHAMU NZYOKA	N.A.	14,700.00
NLC20160457	NANCY CHERONO KOSGEY	N.A.	14,700.00
			1,267,000.00

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ANNEX 6 - ANALYSIS OF OUTSTANDING SALARY ADVANCES

S/No.	Staff No	Staff Name	Staff ID	Balance
1	2004014310	Abdi Hassan Hussein	23825879	19,999.70
2	NLC20130010	David Ndegwa Kuria	11880651	516,662.00
3	NLC20130011	TacheKabaleArero	12754074	629,571.00
4	NLC20140014	Bitok Jepkemboi Niuster	21713302	150,000.00
5	NLC20140016	Brian AdungoIkol	22022567	601,666.00
6	NLC20140017	Ali Abdullah Ibrahim	10432184	124,000.00
8	NLC20140034	AbdullahiJilloHuka	21815040	500,000.20
9	NLC20140036	Edward BosireMaoncha	11704098	626,500.00
10	NLC20140040	Joyce Kinyanjui N.	21735845	420,000.00
11	NLC20140043	Caroline WanyonyiKhasoa	13436160	501,200.00
12	NLC20140051	Shale Abdile Ibrahim	1260252	166,994.00
13	NLC20140052	David Kipchoge	10016759	241,666.00
14	NLC20140053	Henry WanyundiOmukamani	13862377	250,000.00
15	NLC20140054	Nobert WangalwaBwire	7897323	141,663.00
16	NLC20140057	OlindoNdeda Eric	10694784	150,000.00
17	NLC20140060	Simeon LotulyaTing'aa	12829874	120,000.00
18	NLC20140088	Gerald Lepariyo K.	25073085	405,000.00
19	NLC20140090	WilkisterMeso J.	9956332	200,000.00
20	NLC20140091	Selina Chepkoros	10383950	165,000.20
21	NLC20140093	Rosemary Liseche	10163889	149,999.70
22	NLC20140096	Ibrahim Alio H.	27838297	315,750.00
23	NLC20150106	FaridKiplagatChemwour	23052467	100,000.00
24	NLC20150143	Daniel RighaMwakio	11654761	394,166.00
26	NLC20150178	Augustine OrwaAgola	20928082	150,000.02
27	NLC20150182	SussyKadesa	24271386	139,998.00
28	NLC20150184	Silla Odhiambo	26101932	25,000.00
29	NLC20150191	Raphael MasindetSinoyia	22961567	40,000.00
30	NLC20150194	Alice KaumbaAkinyi	23733614	66,660.00
31	NLC20150210	Joseph ShaparaKimakon	22116104	37,500.00
32	NLC20150213	StellamarisOgutu Kanga	26234040	6,500.00
33	NLC20150219	GuyoBagajaSora	22479310	116,665.00
34	NLC20150239	Christine KavivyaMueni	27919848	70,000.00
35	NLC20150240	Richard KhasakhalaMasika	31969555	128,000.30
36	NLC20150252	Violet OkumuAori	22354179	10,000.00
37	NLC20150260	Ali AliGollo	29259604	58,330.00
38	NLC20150268	Ibrahim DubaJirma	98555099	90,000.00
39	NLC20150269	BonfaceKetoraRamaita	26077770	41,666.00
40	NLC20150274	John WaweruNyagah	23999226	60,000.00

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41	NLC20150280	Toto Parapara Tabitha	21607413	46,875.00
42	NLC20150290	David MbugiGitonga	22935522	74,995.00
43	NLC20150297	DancunMboga Onyango	30134966	37,000.00
44	NLC20150299	Joseph LokurtomLertembe	20100617	25,000.00
45	NLC20150308	VallaryGorAmondi	26607873	175,000.00
46	NLC20150313	Elizabeth MundiaWairimu	6107444	50,000.00
47	NLC20150314	Joseph Maritim	20129043	33,332.00
48	NLC20150337	ChemenguKigai Richard	24837696	28,125.00
49	NLC20150348	Shake Kudu Bulle	33126887	159,999.00
50	NLC20150367	Caroline Wanja Grace	21940788	45,833.00
52	NLC20150428	Moses NdunguMaina	21699533	5,950.00
53	NLC20150437	Gladys KigenJepchumba	25084282	16,662.00
54	NLC20150448	Mary MachariaWandia	22119059	293,333.00
55	NLC20150453	Leonard RingeraMurerwa	23643453	4,000.00
56	NLC20150455	Teresa WarioChuluke	29961806	163,112.00
57	NLC20160465	Esther NjagiNgui	22517939	33,333.60
58	NLC20160469	Agnes Njuguna M.	5768490	191,666.00
59	NLC20170501	RobaGuyoRoba	24536890	21,000.00
60	NLC20170502	Sompe Ole Ntimama	27041655	87,500.00
61	NLC20170507	David OnyanchaNyang'au	25039317	84,583.40
62	NLC20170512	PASCAL PASI PONDA	13733826	187,500.00
63	NLC20180513	EliudAmbokoMbaya	8972025	125,000.00
TOTALS				9,819,956.12

ANNEX 7- REPORTS GENERATED FROM IFMIS

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

- i. GOKIFMIS 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