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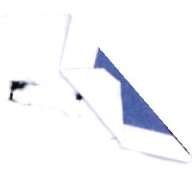
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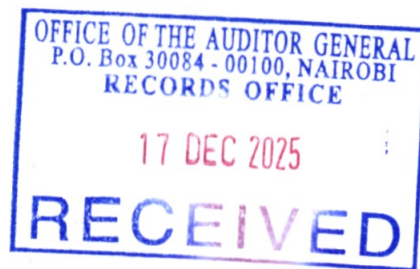
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NATIONAL LAND COMMISSION

FOR YEAR ENDED
30 JUNE, 2025





NATIONAL LAND COMMISSION

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

National Land Commission

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

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

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

AIE	Authority to Incur Expenditure
NLC	National Land Commission
CFO	Chief Finance Officer
HAU	Head of Accounting Unit
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management

B: Definition of Key Terms

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

2. 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.

(b) Mandate

The broad mandate of the Commission is to manage public land on behalf of the National and county governments. This mandate is carried alongside other Constitutional and statutory mandate. These mandate are derived from the Constitution of Kenya 2010; Sessional Paper No. 3 of 2009 on National Land Policy; the National Land Commission Act 2012; the Land Act 2012; the Land Registration Act 2012; the Community Land Act 2016; and Physical and Land Use Planning Act 2019.

Our Vision

Excellent administration and management of land for improved livelihoods and sustainable development.

Mission

To secure and manage public land and exercise oversight on use of land for the benefit of all Kenyans.

Core Values

- Professionalism
- Integrity
- Innovation
- Sustainability
- Inclusivity
- Equity

Motto

Our Land, Our Wealth, Our Heritage

(c) Key Management

The entity's day-to-day management is under the following key organs:

Gershom Otachi - Chairperson



Gershom Otachi was appointed the chairperson of the National Land Commission (NLC), in November 2019 for a six-year term. He holds an LLB Degree from the University of Nairobi. 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.

Previously he served as the chairperson of 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 Defence Lawyers (IADAD), Association of Defence Lawyers at the UNICTR (ADAD) of which he was Vice –Chairman for 6 years and is on the ICC list of Counsel and also represents NCJAC.

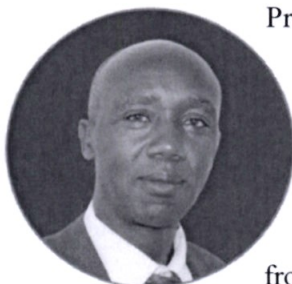
Gertrude Nduku Nguku – Vice Chairperson



Gertrude Nduku Nguku joined the Commission in November 2019 for a six-year term. She holds an LLB Degree from the University of Nairobi and a Master of Advanced Studies in Peace and Conflict Studies from the European University Center for Peace Studies in Austria. She was admitted to the bar in 1990 and is a recognized United Nations legal and judicial reform expert with over 30 years of national and international experience. She has advised governments on issues of land management, adjudication, settlement, investigations, registration, ADR and historical injustices. She has also

represented public and private clients during litigation and arbitration of land cases in Kenya. She has served with United Nations missions in Europe and Asia to develop and manage complex government programs for ministries, municipalities, police and international judges. She is the chair of the Legal Affairs and Regulatory Committee and also represent the Commission in EPZA.

Prof James K Tuitoek - Commissioner



Prof. James K Tuitoek joined the Commission in November 2019 for a period of six years.

Prof. Tuitoek holds a PhD from the University of Guelph and a Master's degree in Animal Science from the University of Manitoba both in Canada and a Bachelor of Science in Agriculture from the University of Nairobi.

He is a research specialist with key competencies in the areas of animal science. In his career, he has served in various senior management roles at Egerton University for a combined period of 19 years. He was a Lecturer, Dean of Faculty, Deputy Vice-Chancellor and later the Vice-chancellor, a position he held until he joined the Commission 2019.

Prof. Tuitoek played a key role in the management of University Pension Plans, he was also instrumental in establishing favourable employee/labour relations and corporate governance. Prof Tuitoek heads the audit and risk management and HLI special committee in the commission.

Hon. Samwel Kazungu Kambi - Commissioner



Hon. Samwel Kazungu was appointed a Commissioner in November 2019 for a period of six years. He holds a Master in Business Administration (MBA) from the University of East Africa, Baraton and a Bachelor of Arts Degree in Development Studies from the same University. He is currently pursuing his PhD at Maseno University.

He was a Cabinet Secretary (CS) for the Ministry of Labour and Social Services between 2013 and 2015 and, therefore, was instrumental in spearheading the

transition of staff from the National to 47 County governments. He was also a former member of parliament and has, previously, served in the capacity of the assistant minister in the Kenyan government.

Additionally, he has, previously, chaired the Coast Development Authority and was a Director at the Betting Control and Licensing Board. He worked as a Manager at Post Bank in his early years. He is in charge of the Finance Planning and Supply Chain Management Committee in the commission and is a member of other Commission Committees.

Hubbie Hussein Al-Haji - Commissioner



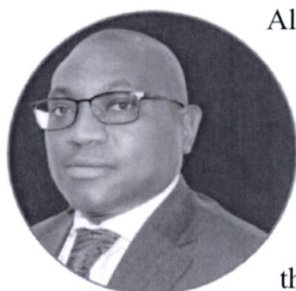
Hubbie Hussein Al-Haji joined the Commission in November 2019 for a period of six years. She is an adept gender and human rights specialist with outstanding experience in sustainable development, livelihood and food security. She holds a Bachelor of Arts Degree in Developmental Studies from Kimmage Development Studies Centre – Kimmage Manor, Ireland. She also holds a Diploma in Community Development from the Kenya Institute of Social and Community Development Animal Health Diploma from Egerton University, Kenya.

She is a former executive director and a founding member of Woman Kind Kenya (WOKIKE), which has helped in eradicating poverty, promoting human rights and empowering women. She was the County Executive Committee member in Garissa County between 2013 and 2017 where she served in the Agriculture, Livestock, Fisheries and Irrigation Department and the Department of Health Services. Under the Health department, Garissa County was ranked as the best County in Kenya in the area of maternal and new borne health.

In 2006, she was awarded the Ralph Stone Memorial Award on women leadership in Washington DC and in 2010, she was awarded the prestigious award of the Order of the Moran of the Burning Spear (MBS), which was conferred by His Excellency the President of the Republic of Kenya. The UN Human Rights Office recognized her outstanding performance in Human Rights Advocacy as well.

She is the chair of the Commission's Human Resource, Administration and County Coordinators Committee.

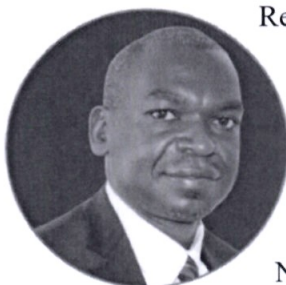
Alister Murimi - Commissioner



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

He is a Registered Estate Agent (2004), Registered Valuer (2003) and a Full Member of the Institution of Surveyors of Kenya. He has gained over seventeen (17) years of experience in diverse and dynamic Real Estate and Construction sectors and, therefore, brings extensive knowledge and expertise to the Commission in matters related to land economics, valuation and sustainable development in the land sector. He is the chair of the Commission's Land Valuation and Taxation Committee.

Reginald Okumu - Commissioner



Reginald Okumu joined the Commission in November 2019 for a period of six years. He has over 20 years of experience leading both profit and non-profit organizations. 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 a Certificate in Land Administration in Africa Searching for Land Tenure Security from the World Bank Institute. He has served as the Chairman of the Institution of Surveyors Kenya and a Board Member of the National Housing Corporation. Additionally, 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. He is a Full Member of the Institution of Surveyors of Kenya, a Practicing Valuer and an Estate Agent by profession. He is well versed in the land estate sector, having specific expertise in land use and experience in acquisition, development, valuation, management and disposal. He is the chair of the Commission's Land Administration & Management, Natural Resources, Survey and GIM Committee and represent the Commission in LAPPSET board.

Hon. Esther Murugi Mathenge, EGH - Commissioner



Hon. Esther Murugi Mathenge joined the Commission in December 2020 for a period of six years.

She is a holder of Master's degree from the Univesita Cattolica Del Sacro Cuore in Global Business and Sustainability in Social Entrepreneurship. She attained her first degree 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. The former MP is also currently chair of the University Council's Corporate Affairs of Tangaza University, which is a constituent college of Catholic University of East Africa (CUEA).

Hon. Esther has been a member of parliament and also served as a minister for Gender, Children and Social Affairs and the Minister of Special Programmes. Hon Mathenge has also worked with Government of Kenya as Land Administrator and several real estate companies. She is in charge of the Land Use Planning, Research and Counties Coordination Committee.

Hon. Tiyah Galgalo - Commissioner



The former legislator was appointed a Commissioner and sworn into office in December 2020. Hon. Tiyah Galgalo holds a Masters in Educational Administration and Planning from the University of Nairobi and a Bachelors in Education from Kenyatta University. She is a seasoned public administrator and an educationist in

addition to being a champion for Disaster Risk Reduction (DRR), Governance & Gender, Monitoring & Evaluation and Resource Mobilization.

Hon. Galgalo previously served as a Commissioner at Interim Independent Electoral Commission (IIEC) besides being a member of the National Commission on Gender and Development and County Executive Committee member (CECM). She is in charge of the Corporate Communication, Advocacy, Partnerships and Resource Mobilization Committee and represent the Commission in SEZA

Ms. Kabale Tache Arero – Secretary/Chief Executive Officer

Ms. Kabale Tache Arero was appointed as the Acting CEO of the National Land Commission



on 18th December 2018 and confirmed as a substantive CEO of the National Land Commission on 1st July 2023. She was instrumental in managing the transition following the exit of former commissioners and the incoming of the, then, newly appointed commissioners. Before her appointment to her current position, she

was Director of Human Resources and Administration. She holds a Master's Degree in Business Administration (MBA) from Kenyatta University and a Bachelor's Degree in Human Resources. She is a full member of the Institute of Human Resource Management among other professional bodies.

Ms. Kabale is a seasoned career professional with over 20 years' wealth of successful experience providing human Resources, Operational and Strategic leadership in uniquely challenging environments. Dynamic, results-oriented leader with a strong track record of performance in both Government and quasi Government institutions including the banking sector. She is exemplary at the utilization of keen analysis, insights and team approach to drive organizational improvements and implementation of best practices. Her superior interpersonal skills have in the past, enabled her to resolve multiple and complex issues while also motivating staff to peak performance.

(d) Fiduciary Management

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

No	Designation	Name
1	Secretary/Chief Executive Officer (CEO)	Kabale Tache Arero
2	Director Finance & Planning (DFP)	Mr. Bernard Kibet Cherutich
3	Ag. Director Valuation & Taxation (DVT)	Ms. Doricah Buyaki
4.	Director Land Administration (DLA)	Dr.Samuel Nthuni
5.	Director Legal Affairs & Regulatory (DLAR)	Mr. Brian Ikol
6.	Director Land Use Planning (DLUP)	Mr. Charles Kagema
7.	Director Human Resource and Administration (DHRA)	Mr. Ben Bett Tuwai
8.	Head Supply Chain Management (HSCM)	Mr. Mohamed Farah
9.	Head Audit & Risk Management (HARM)	Mr.Peter Ochuodho Ouma
10.	Head, Information & Communication Technology (HICT)	Mr. Amos Parletuan Kasaine
11.	Head Communication, Corporate Affairs & Advocacy	Mr.Walter Menya

(e) Fiduciary Oversight Arrangements

To effectively discharge its mandate in exercise of the powers conferred under Section 19 of the NLC Act 2012, and to perform the Commission functions as per Section 16 of the NLC Act, the Commission has constituted the following Standing Committees:

- i. Audit & Risk Management Committee;
- ii. Finance, Planning and Supply Chain Management Committee,
- iii. Human Resources & Administration Committee;
- iv. Land Administration & Management, Natural Resources, Survey, and GIM Committee;
- v. Land Valuation and Taxation Committee;
- vi. Land Use Planning, Research and Counties Committee;
- vii. Legal Affairs and Alternative Justice Systems Committee;
- viii. ICT, Corporate Communications, Advocacy, Partnerships and Resource Mobilization Committee.

i. 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 period under review were:

Commissioner	Prof. James Tuitook	Chairman
Commissioner	Reginald Okumu	Member
Commissioner	Gertrude N. Nguku	Member
Commissioner	Hon.Tiyah Galgalo	Member
HARM	Peter Ochuodho	Secretary

ii. Finance, Planning and Supply Chain Management Committee,

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 period under review were:

Commissioner	Hon. Kazungu Kambi	Chairman
Commissioner	Alister Murimi	Member
Commissioner	Hubbie Hussein Al -Haji	Member
Commissioner	Hon.Tiyah Galgalo	Member
DFCP	Bernard Kibet Cherutich	Secretariat
SCM	Mohamed Farah	Secretariat
CP	Timothy Kariuki	Secretariat

iii. 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 period under review were:

Commissioner	Hubbie Hussein	Chairperson
Commissioner	Hon. Kazungu Kambi	Member
Commissioner	Alister Murimi	Member
Commissioner	Hon. Tiyah Galgalo	Member
DHRA	Ben Bett	Secretariat

iv. Land Administration & Management, Natural Resources, Survey & GIM 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

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 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 period under review were:

Commissioner	Reginald Okumu	Chairman
Commissioner	Hubbie Hussein Al Haji	Member
Commissioner	Hon. Esther M. Mathenge	Member

DLAM

Dr. Samwel Nthuni

Secretariat

v. Land Valuation & Taxation 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 period under review were:

Commissioner	Alister Murimi	Chairman
Commissioner	Gertrude N.Nguku	Member
Commissioner	Hon. Esther M.Mathenge	Member
Commissioner	Hon.Kazungu Kambi	Member
Ag. DVT	Doricah Buyaki	Secretariat

vi. Land Use Planning, Research & Counties 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.

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

Commissioner	Hon. Esther M.Mathenge	Chairperson
Commissioner	Prof.James K.Tuitoek	Member
Commissioner	Gertrude Nguku	Member
Commissioner	Reginald Okumu	Member
DLAM	Charles Kagema	Secretariat
DDLA	Mary Ngundo	Secretariat

vii. Legal Affairs & Alternative Justice Systems 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:

Commissioner	Gertrude N.Nguku	Chairperson
Commissioner	Alister Murimi	Member
Commissioner	Prof.James Tuitoek	Member
Commissioner	Hon. Esther M.Mathenge	Member
DLAE	Brian Adungo Ikol	Secretariat
Deputy DLAE	Edmond Kiplagat Gichuru	Secretariat

viii. ICT, Corporate Communication, Advocacy, Partnerships & Resource Mobilization Committee

The functions of this Committee include guiding on policy, processes and procedures on Corporate Communication 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 period under review were:

Commissioner	Hon.Tiyah Galgalo	Chairperson
Commissioner	Reginald Okumu	Member
Commissioner	Hubbie Hussein Al -Haji	Member
Commissioner	Hon. Kazungu Kambi	Member
HICT	Amos Parletuan Kasaine	Secretariat
HCCA	Walter Menya	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.

(f) Entity Headquarters

National Land Commission Headquarters
P.O. Box 44417-00100
316 Upper Hill Chambers
2nd Ngong Avenue
Nairobi, Kenya

(g) Entity Contacts

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

(h) NATIONAL LAND COMMISSION Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. National Bank Ltd
Upper Hill Branch, NHIF Building
P O Box 45219
GPO 00100
Nairobi, Kenya
3. Kenya Commercial Bank.
Kipande House Branch, Kipande House
P.O Box

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3. Statement of Governance

In compliance with Section 7(1) of the National Land Commission Act 2012, the Commission has nine (9) Commissioners where one is the Chairperson. The primary role of the Commissioners is policy making and, therefore, they operate in eight (8) different committees. On the other hand, the Secretariat is headed by the Secretary/CEO who is, also, the accounting officer of the Commission. The secretariat comprises six (6) Directorates, four (4) Departments and the 47 devolved County Coordination offices.

Mandate of the Commission

The broad mandate of the Commission is to manage public land on behalf of the National and county governments. This mandate is carried alongside other Constitutional and statutory mandate. These mandate are derived from the Constitution of Kenya 2010; Sessional Paper No. 3 of 2009 on National Land Policy; the National Land Commission Act 2012; the Land Act 2012; the Land Registration Act 2012; the Community Land Act 2016; and Physical and Land Use Planning Act 2019.

The functions of the Commission as per Article 67(2) of the Constitution of Kenya 2010 are to:

- a) to manage public land on behalf of the national and county governments;
- b) to recommend a national land policy to the national government;
- c) to advise the national government on a comprehensive programme for the registration of title in land throughout Kenya;
- d) to conduct research related to land and the use of natural resources, and make recommendations to appropriate authorities;
- e) to initiate investigations, on its own initiative or on a complaint, into present or historical land injustices, and recommend appropriate redress;
- f) to encourage the application of traditional dispute resolution mechanisms in land conflicts;
- g) to assess tax on land and premiums on immovable property in any area designated by law;
- h) to monitor and have oversight responsibilities over land use planning throughout the country; and
- i) to perform any other functions prescribed by national legislation.

Section (6)(1) of the National Land Commission Act 2012 obligates the Commission to exercise all the powers necessary for the execution of its functions under the Constitution, the same law and any other written law.

Under Section (6) (2) of the same law, the Commission, without prejudice to the generality of subsection (1), has the 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.

4. Statement by the Chairman of the National Land Commission

It is my profound privilege to present this Annual Report for Financial Year 2024/25, which has been prepared in compliance with Article 254 of the Constitution of Kenya and Section 33 of the National Land Commission Act, 2012. The Report details the activities and performance of the Commission over the past financial year in furthering the execution of our Constitutional, statutory and policy mandate.

As documented in this Report, we made considerable progress on our mission to secure and manage public land and exercise oversight on land for the benefit of all Kenyans whilst managing the unpredictable challenges that we encountered. One of the defining issues that perspicuously characterized the review period was climate change effects. The last year's events of the unprecedented drought, which was followed by floods were obvious manifestations and prove that the land sector has not been spared by the adverse effects of climate change. The Commission is cognizant of the fact that tackling the adverse impacts of climate change calls for collective efforts and, therefore, intends to, going forward, play its active role by responding to climate change through land governance. In this respect, the Commission will be at the forefront of developing frameworks for infusive climate smart land administration and management imperatives. Additionally, the Commission will continue sensitizing planning authorities in the national and county government levels to incorporate climate change adaptation measures in the development of land use plans. On the digitization and digitalization fronts, we remain solidly committed to expediting the development of Commission's systems on Ardhisasa platform and public land Cadastral as well as geo-referencing of public land parcels. Equally important, the anticipated launch of the Kenya's Natural Resources Atlas and geoportal in the coming financial year will enhance and buttress the Commission's digitization and digitalization efforts. The digitization and digitalization of land records, processes and resources are fundamental land reforms strategies for conclusively addressing the longstanding land question in Kenya.

What we achieved during the review period and what we aspire to achieve in the future is creditable to the support of our partners and key stakeholders in the land sector, including state and non-state actors. I, therefore, conclude by conveying my gratitude to all the Commission's treasured stakeholders and partners. I single out the President for his unwavering support and acknowledging that Constitutional Commissions and Independent Offices are integral to the prosperity and stability of Kenya. Specific to land matters, the Cabinet's approval of the full roll-

out of the land digitisation programme- National Land Information Management System- is a compelling evidence that the Kenya Kwanza Administration supports the full realization of the land reform agenda in Kenya.



Gershom Otachi Bw'omanwa

Chairman - National Land Commission

5. Statement by the Accounting Officer

I am pleased to present the financial statements of the National Land Commission for the Financial Year 2024/25 that ended on 30th June 2025. 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, 2024/25 The National Land Commission had a gross budget of Ksh. **2,255,376,429** comprising of recurrent and development.

The Commission was to spend the gross budget under the following programmes:

Programmes	Approved Budget Allocation	Actual Payments	Variance
	KShs	KShs	KShs
1.General admininstration planning and support services	1,646,547,982	1,646,154,905	393,076
2. Land Administration and Management	25,703,657	25,509,999	193,657
3. Public Land Information Managemen	574,595	570,334	4,261
4. Land Disputes and Conflict Resolution	582,550,195	582,204,416	345,779
TOTAL	2,255,376,429	2,254,439,654	936,773

Programme: Land Administration and Management

This programme was allocated Ksh. **2,255,376,429** representing 100% of the budget. A total of Ksh. **2,255,376,429** 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 of projects 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 2024/25, the Compensation Fund received Ksh 19,605,729,933

In addition, third party Deposit and Retentions available for payments to project affected persons was Ksh. **15,231,429,499** for financial year 2024/35

In the current year under review, Ksh. **578,471,220** was paid out as administration cost including bank charges of Ksh. **1,170,489** 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, Kenya Kwanza 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 2024-25, 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), National Research Fund, NAMATI, IMPACT, Samburu Women Trust, Community Land Action Now (CLAN), Kenya Land Alliance, Kituo Cha Sheria, World Wide Fund for Nature (WWF) among other stakeholders. Key area of focus has been research on use of land and natural resources, community sensitization on various land laws and land transaction processes and resolution of various conflicts.

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.

In regard to the implementation of its mandate during the FY 2024/25, NLC recorded a number of achievements towards this end which, among others include:

1. Preparation and issuance of 2,373 allotment letters to various schools and public institutions in a bid to secure public institutional land from illegal allocation and encroachment and to facilitate access to alienate and alienated public land for settlement and development. Also, the Commission regularized 3,187 plots in urban allocation. In relation to Revenue Generation from Land and Land-based Resources, the Commission generated Kshs. 125.5 Million from processing and issuance of allotment letters.
2. To support and enable the government's development agenda including Vision 2030 and its MTPs and the BETA Agenda, the Commission, through compulsory acquisition of land to various agencies for public purpose.
3. On sustainable management of natural resources, the Commission developed and launched a Natural Resource Inventory (Atlas) and issued 9 advisories to various agencies including National Environment and Management Authority on various development projects within land based resources.
4. To mainstream land use planning in Kenya, the Commission provided guidance to the preparation of 13 county spatial plans by providing recommendations; undertook field visits to eight counties to monitor land use planning; reviewed and issued comments and advise on improvement of 44 urban land use plans; and issued 9 advisories on the status of land use planning.
5. The Commission, also, developed six research reports on land and use of natural resources and participated in workshops and conferences for dissemination of research findings including online forums for enhancement of research knowledge, discussion on the theme in collaboration with NRF and ICCA-UoN, Dissemination of the Research report on Monitoring the Transition of group ranches to community land in Kenya in Samburu, Laikipia Counties to stakeholders and the Conference successfully held on 12-13 June 2024 at Kenya School of Government, Nairobi on "Data, Innovation and Technology for

Land Governance" which attracted participants (physical and online) from public sector, private sector, academia, development partners, CSOs, NGOs

6. Regarding land disputes and conflict management, the Commission launched the *Practitioner's Investigation and Inquiry Guide* which will be pivotal in restoring trust and confidence of Kenyans in the land reforms agenda as a result of facilitating a timely resolution of land disputes. The Commission admitted 388 land disputes to be resolved through ADR/TDR/AJS mechanisms, investigated 337 HLI claims and made 45 determinations on the same.
7. Lastly on achievements, the Commission established a savings and credit cooperative society (SACCO). In this regard, the Commission registered the Tume SACCO, which aims to cultivate a savings and investment culture among the employees in addition to availing to them affordable financial and credit facilities

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

Secretary/CEO

6. Statement of Performance Against Predetermined Objectives for FY2024/25

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 County Government Entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

This National Land Commission annual performance report covers the period from 1st July 2024 to 30th June 2025. 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 2024 to 30th June 2025.

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

1. Changes in laws
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.

Progress on the attainment of Strategic Objectives through Performance Contracting

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:

Table 1: Programme performance

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Programme	Key Outputs	Key Performance Indicators	Annual Target 2024/25	Annual Achievement	Remarks
SP 1: Land Administration and Management Services	Land Administration and Management Services	No. of verified allotment letters	2,000	0	Currently, the commission is not verifying letters of allotment. Instead, copies of LAs are sent to institutions requesting for verifications
		No. of Guidelines and manuals on land management and disposition by public institutions developed and in use	1	1	Target achieved and guideline is in place
		No. of guidelines monitoring tools on land management and disposition by public institutions developed	1	0	The department is currently developing a tool and will submit it for approval by the commission
		No. of letters of allotment issued for public institutional land	6,855	2,373	The Commission processed all request for the renewal of leases, Allocations (NHC, KIE, & Civil servants) and few for regularizations as they were approved by the commission
		No. of letters of allotment on new allocations	1,500	176	All requests received and which met the criteria for allocation were processed. However target was not met as the commission received few requests of the letters of allotment for NHC , KIE and Civil Servants
		No. of letters of allotment on formalization	250	64	Target not achieved as some requests are awaiting commissions' resolution
		No. of letters of allotment for regularization	4,000	3187	Target not achieved. However, some requests are awaiting issuance of letters of allotments upon expiry of notices

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	No. of letters of allotment on renewal of leases	250	152	Target not achieved as there has been a notable decline in requests received for renewal of leases.
	No. of letters of allotment on extensions of leases	10	3	Not fully achieved because the request for extension has been approved as none has met the requirements
	No. of reports on land rights monitoring	1	0	Not done due to lack of funds
	No. of letters of allotment issued on recovered public institutional land	200	3	Target not achieved due to budget constraints
	% of land leasing and tenure framework for public land	100	100	Land leasing framework is in place
	No. of consents processed on land leasing on public institutional lands and state agencies and organization	5	13	Target achieved
	No. of parcels of land reserved for amelioration of disadvantaged persons	1	0	Not done as no request was received during the Financial Year
	No. Letters of allotment and reservation for settlement schemes prepared.	3	0	Target not achieved. The department did not receive any request during this quarter
	No. of public notices published on new allocations	4	0	Not achieved. Allocations requests received (NHC, Civil servants, allocations to public institutions) did not require issuance and publication of notice to allocate.
	No. of public notices published on formalization	4	0	Allocations of public land to Public institutions are not subject to Section 14 of Land Act 2012
	No. of public notices published on Regularization	4	104	Target surpassed. Notices have been drafted and awaiting signature and subsequent gazettelement in line with Section 14 of Land Act, 2012

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		No. of public notices published on Extension & Renewal of leases	4	1	Target not achieved. The Commission issued one notice in the dailies for leasehold owners in the county of Nairobi.
		No. of documented public land parcels in Community and Settlements schemes.	300	0	Target not achieved. The department did not have budget allocation
		No. of regularization standards and procedures for inventorying status of urban centers prepared and disseminated	1	0	Not done due to lack of funds
		Amount Revenue generated through letters of allotment fees, stand premium , annual rent, approval fees and consent fees in Ksh.	150,000,000	125,500,000.00	Target not fully achieved. Revenue is generated in line with requests as approved by the commission
Land Acquisition Services		Valuation Management System in place	1	0	Not done due to lack of funds.
		Guidelines on assessment of tax and premiums on immovable property developed	1	0	Not done due to lack of funds
		No. of parcels assessed for Stand Premium and Annual Rent	4,000	333	Ongoing. The Commission undertook reviews under the following items: (i). Issuance of allotment, letters, Regularization, Renewal of leases , Review for stand premium (SP)/Annual Rent (AR) and valuation.
		No. of land acquisition projects received and processed (approval)	10	12	Target overachieved as the Commission received more requests on land acquisition
		Cumulative % of completion of the land acquisition projects undertaken (process based)	75	215	A number of projects being undertaken by the Commission are on-going and others are at 'preliminary phases'
		No. of project compensation schedules prepared	20	13	A number of projects being undertaken by the Commission are on-going.

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		No. of project compensation status reports prepared	20	10	The Commission prepared compensation schedules for the above projects after issuance of awards
		No. of Advisory Valuation Reports for public agencies	20	10	A number of projects being undertaken by the Commission are on-going.
	Natural resources Management services	No. of counties with Ecologically Sensitive Areas (ESAs) identified and mapped for conservation	13	3	Identified and mapped 3 ESAs including Amboseli N. Park, L.Nakuru N.Park,Ngong Hills, Oloolua forest, ; engaged stakeholders and provided advisories/including affidavits.Target underachieved due to inadequate funds
		No. of ESA monitoring reports	20	6	Target underachieved due to inadequate funds. Three reports for the mapped ESAs of Amboseli N. Park, L. Nakuru N. Park and Ngong
		No. of advisories on natural resources management issued	10	13	Target achieved and surpassed.
		No. of climate smart land sessions held with stakeholders	10	11	Target achieved. The sessions held included: developing and infusing climate smart conditions in reservations for KRA among others
		No. of Natural resource-based conflicts resolved/transformed	4	13	Targets fully achieved facilitating Natural resources conflict arising from mining activities within the Kaya forests, Response to an active court case on Oloolua Forest (ELC No. E 263 of 2024) in Environment and Land Court; Affidavit for AMU Beach Plot in LAMU County; dialogues convened

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	Land Use Planning & Research Services	Annual status report on land use planning in Kenya in place	1	1	Target has been fully met. This was done. Report in place
		% of Guidelines for preparation of land use and management plans for land held by public agencies developed	100%	100%	Gguideline in place. Target achieved.
		No. of CSPs monitored and oversighted and reports on Land	10	9	Monitoring reports prepared for Vihiga county, Lamu County, Taita Taveta County, Marine spatial planning in Kenya and Tharaka Nithi Counties
		No. of Counties sensitized on preparation & implementation of land use Plans and county spatial plans	12	13	Target was fully achieved.
		No. of Local Physical & Land Use Plans/ Urban Plans/PDPs Monitoring and oversights reports prepared and issued to planning authorities	30	40	Target achieved. This included advisories made to Kisip project coordinator on the Monitoring & Oversight of Land Use Planning under Kenya Informal Settlement Improvement Project among others.
		No. of advisories on Land Use Planning prepared and issued	20	44	Target overachieved due to high request received by the Commission. This included advisories made to Kiambu County, Muranga County, Turkana County and Uasin Gishu County among others
		No. of NLUP and NSP implementing agencies monitored and reports prepared	8	15	Target overachieved. The Commission engaged with various institutions including MoLPPHUD&PW, CoG and IGRTC among others

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		No of researched, published and disseminated reports on use of land and natural resources	4	6	Target achieved
		No. of Seminars, workshops and conferences held/attended to disseminate research findings	6	4	Continuous participation in online forums for enhancement of research knowledge.
		Operational resource Centre/Online Repository	1	1	Target achieved. Developed the National Land Commission Online Repository
	Survey Services	No. of Final survey projects supervised and administered	5	1	Target not achieved due to lack of funds
		No. of Reports on Documented acquired but unsurveyed public land	1	0	Target not achieved due to lack of funds
SP.2 Public Land Information Management System	PLIM Services	No. of georeferenced PIDs, RIMs on Public Land, Survey Plans and Development Plans	500	108	Target not achieved due to lack of funds
		No. of digitized public land Parcels	1000	0	This exercise was not done due to lack of funds
		Draft framework for monitoring registration of rights and interests to land developed	1	0	Not done due to lack of funds
SP.3 Land Disputes and Conflict Resolution	Historical Land Injustices & Disputes Resolution Services	No. of HLI claims investigated	200	480	Target overachieved due to donor support in carrying out the investigations
		No. of HLI determinations made	600	1	Drafting of determinations ongoing for the boundary dispute between Hon. Okiya Omtatah Okoitie Vs Makueni, Kwale, and Taita Taveta Counties. Claims awaiting Responses from Respondents to enable the Commission start Determination writing: 1. Kakuzi (13) 2. Tana River (58), Kakuzi (13), Tana River (58), Kogony Vs KAA (1) and Kasarani (1).

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		No. of HLI clinics to the public in the counties	10	11	Target fully achieved. The land clinics have been carried out during the hearings of claims in Kitale, Kisumu, Baringo and Nyeri, Mombasa and Kwale counties.
		% of ADR/TDR land cases resolved	40	14	Ongoing. The Commission continues to resolve the existing cases
		% of AJS land cases resolved	40	58	Target achieved. The Commission continues to resolve the existing cases
		Percentage of litigation cases attended in Court and in the Land Acquisition Tribunal.	90	90	Actively attended all matters in Courts around the 47 counties as well as the land acquisition tribunal. 98% attendance recorded
		No. of reports on case management highlighting cases heard and cases determined	4	4	All the 4 quarter reports in place. Target achieved.
SP4: General Administration, Planning & Support Services	Capacity Enhancement Services	Size of office space leased for HQ office – sq. feet	8,000	0	Not done due to limited funding
		No. of Commission's County Offices constructed	2	0	Not done due to lack of funds
		No. of Motor Vehicles acquired	8	0	Not done due to lack of funds.
		No. of staff recruited	50	50	Target was fully achieved during the Financial Year
		No. of Commissioners and staff trained in various fields	500	627	Target fully achieved. The trainings will enable the staff enhance their various skills thus improving the Commission's performance
		Number of staff allocated mortgage	10	4	4 staff members were allocated house mortgage.
		Number of staff allocated Car loans	10	11	11 No. of staff allocated Car Loan.

National Land Commission

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	Occupational Health and Safety Audit report in place	1	1	Achieved. Health and safety Survey conducted and draft report developed. The implementation of survey recommendations will continue in the next financial year.
	No. of policies in place	4	2	Not fully achieved. Draft policy documents in place
	No of sensitization forums held	4	4	Done. Target fully achieved.
	No. of robust Staff Insurance covers in place	4	4	Medical Insurance Cover, Group Personal Accident Cover and Work Injury benefits Cover in place and operational
	Survey report (of staff and work environment) in place	1	0	Not done. However, data collection tool procured and collection of data to be conducted in the Financial Year upon sensitization of staff. Staff and work environment Questionnaire developed
	No. of Commission Business Process re-engineered	1	0	Not done due to lack of funds. The activity will be finalized in FY 2025-2026
	Records management infrastructure in place and maintained	1	1	405 of suspension file pocket for HLI files. Development and Harmonization of Registry Infrastructure will continue through to the FY2025-2026
	No. of items marked/tagged at HQ and Counties	100	50	Not fully achieved due to lack of funds
	% of idle/obsolete/unserviceable assets disposed off	85%	85%	Target achieved

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		No. of public awareness forums held	20	8	The awareness forums conducted included land clinics, sensitization and public awareness forums, outreach programmes among others. Various activities were planned for but not undertaken due to financial challenges
		No of media engagements held	20	22	Target fully achieved. The media engagements included TV talk shows, press conferences, media articles and interviews
		No. of NLC offices branded	10	0	Not done due to lack of funds
		Brand audit report	1	1	Target achieved. Brand audit report in place.
		No. of CEPA materials produced and disseminated	4,000.00	2,664.00	More materials were not produced due to financial challenges
		Call Centre established and operationalized	1	0	This was not done due to lack of funds
		Performance Contracts-PCs implemented	1	1	The pilot exercise was conducted and the Commission will roll out its PC in the FY 2024/25
		M&E Framework implemented	3	0	Draft frameworks awaiting approval of the Commission
		No. of quarterly monitoring reports	4	4	4 quarterly reports in place
		Strategic plan review report in place	1	1	The draft review report was done and in place
		Number of Commission project Concept Notes developed	5	3	3 concept notes developed and submitted to National Treasury for consideration
		No. of Audit reports undertaken	12	12	12 Audit reports in place.
	ICT Services	No. of Commission offices connected to LAN/WAN	13	0	This activity has been affected by budget cuts of FY 2024/25

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	No. of ICT systems replicated in the disaster recovery site (Cloud Computing).	1	1	Done. A signed contract and system replication in place
	No. of disaster recovery sites established	1	0	A contract is yet to be signed
	No. of automated processes	2	8	Digitalized and digitized system in place. Target achieved.
	No. of licenses purchased and renewed	1	1	Target achieved
	No. of software purchased	221	40	Not fully achieved. Affected by inadequate funds. Contract signed.
	No. of hardware purchased	189	0	Not achieved due to lack of funds
	No. of hardware repaired and serviced	50	0	This activity has been affected by budget cuts of FY 2024/25

7. Management Discussion and Analysis

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2025 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 2025

Financial Performance	Printed Estimates	Actual	Variance	%
	KShs	KShs	KShs	Utilisation Variance
Total Receipts	2,254,895,499	2,254,895,499	-	100%
Total Payments	2,254,439,654	2,253,126,429	1,313,225	100%
Surplus for the Year	455,845	1,769,070		

Actual receipts and payments by the NLC stood at 99% and 100% utilisation respectively

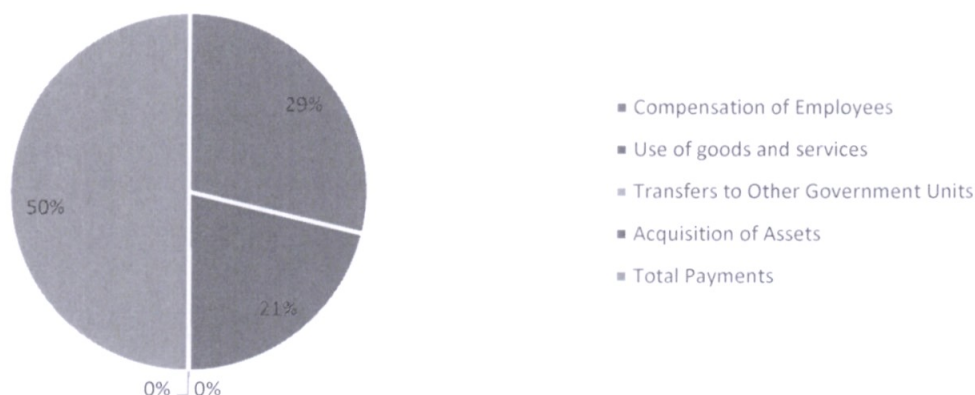
Budget Utilisation

The National Land Commission spent **Ksh. 2,254,895,499** against an approved budget of **Ksh. 2,255,376,429** representing absorption of **99%**. 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	1,295,887,531	1,295,887,461	70
Use of goods and services	957,238,898	956,152,343	1,086,554
Transfers to Other Government Units	-	-	-
Acquisition of Assets	2,250,000	2,365,325	(115,325)
Total Payments	2,255,376,429	2,254,405,129	971,299

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Budget Utilization Per Economic Items



It is noted that 50% of the National Land Commission's budget was used on compensation of employees, 21% on use of goods and services, 29% utilised in Acquisition of assets.

Current Year Performance against Prior Year

Financial Performance	Year to 30 th June 2025	Year to 30 th June 2024	Change	%
	KShs	KShs	KShs	Change
Total Receipts	2,254,895,499	1,978,020,885	276,874,614	14%
Total Payments	2,254,405,129	2,002,369,809	252,035,320	13%
Deficit for the Year	490,307	(24,348,924)		

Total receipts increased by 13% due to increased funding from Government

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.

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The total receipts for FY 2024/2025 stood at **Ksh 22,330,865** representing 1029% increase from **Ksh. 1,978,020,885** for FY 2023/2024. (break down as below)

Total Receipts Breakdown

	2024-2025	2023-2024	Change	%
	Kshs	Kshs		Change
Transfers from National Treasury	2,254,895,499	1,578,200,591	100,547,348	43%
Transfers from Other Government Entities	19,605,729,933	222,881,012	173,964,165	8697%
Other Revenues	470,240,523	176,939,282	(42,449,010)	166%
TOTAL REVENUES	22,330,865,955	1,978,020,885	20,352,845,070	1029%

The increase in total receipts is attributable to increase in Exchequer funding's and an increase in transfers of compensation receipts.

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 2024/2025 stood at **Ksh. 12,556,832,510** representing a significant increase of 527% from Ksh 2,002,369,809 for FY 23/24.

Total Payment Breakdown

	2024-2025	2023-2024	Change	%
	Kshs	Kshs		Change
PAYMENTS				
Compensation of Employees	1,295,887,461	1,005,036,327	290,851,134	29%
Use of goods and services	1,265,519,093	572,619,836	692,899,257	121%
Other Expenses-Compensation	9,995,425,956	424,713,646	9,570,712,310	2253%
TOTAL PAYMENTS	12,556,832,510	2,002,369,809	10,554,462,701	527%

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Further analysis is here below;

- Use of goods increased by 121% due increased budgetary allocation by the National Treasury.
- Compulsory Acquisition Compensation increased by 2253%.

Financial Assets Summary

	2023-2024	2023-2024	Change	%Change
	Kshs	Kshs		
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances	15,231,438,939	5,789,297,595	9,442,141,344	163%
Cash Balances	-	-	-	-
Total Cash And Cash Equivalents	15,231,438,939	5,789,297,595	9,442,141,344	163%
Accounts Receivables	4,446,577	3,274,958	1,171,619	36%
TOTAL FINANCIAL ASSETS	15,235,885,516	5,792,572,553	9,443,312,963	163%

Bank balances increased by 163% because of increase in payments of PAPs.

Cash Flows and Cash Position

Cash and bank balances held by National Land Commission as at 30th June 2025 was **Ksh. 5,789,297,595** compared to **Ksh 8,729,772,985** held as at 30th June 2023. The breakdown of the cash and bank balances is as summarized in the table below.

Cash and Bank Balance

	As at 30 th June 2025	As at 30 th June 2024	Change	%
	KShs	KShs	KShs	Change
Cash and Bank balances				
Bank Balances	15,231,438,939	5,789,297,595	9,442,141,344	163%
Cash Balances		-		-
Total	15,231,438,939	5,789,297,595	9,442,141,344	163%

Bank balances increased by 163% because of increase in payments of PAPs.

Cash Flow Activities

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

	2024-2025	2023-2024	Change	%Change
	Kshs	Kshs		
Net cash flow from operating activities	9,442,168,339	(2,722,902,856)	12,165,071,195	-447%
Net cash flows from Investing Activities	-	(217,572,534)	217,572,534	-100%
Net cash flow from financing activities	-	-	-	0%
Net Increase in cash and cash Equivalent	9,442,141,344	(2,940,475,390)	12,382,616,734	-421%
Cash and cash equivalent at BEGINNING of the year	5,789,297,595	8,729,772,985	(2,940,475,390)	-34%
Cash and cash equivalent at END of the year	15,231,438,939	5,789,297,595	9,442,141,344	163%

Net cash flows utilised in investing activities increased due to 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



Kabale Tache Arero
Secretary/CEO

8. Environmental and Sustainability Reporting

a) 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 failures.

b) Environmental performance /climate change/ mitigation of natural disasters

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

c) Employee welfare

Give account of the policies guiding the hiring process and whether they consider the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal, and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

d) Operational practices

The organisation should outline its efforts towards:

Responsible Supply chain and supplier relations (explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.)

e) Community Engagements-

The organisation gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, water, and sanitation initiatives etc.)

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community

9. 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 Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the 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 Commission's financial statements, which have been prepared on the Accrual 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 Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2025, and of the Commission's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the Commission which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of the National Land Commission confirms that the Commission has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Commission's funds received during the year under audit

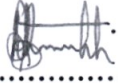
National Land Commission

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

were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Commission'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 Commission's financial statements were approved on 17/06/ 2025 and signed by:

		
.....		
Kabale Tache Arero	Gershom Otachi	CPA Bernard Kibet
	Bw'omanwa	Cherutich
Secretary/CEO	Chairman	Director Finance and
		Corporate Planning
		ICPAK M/No: 5816

REPUBLIC OF KENYA

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HEADQUARTERS
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL LAND COMMISSION FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of National Land Commission set out on pages 1 to 57, which comprise of the statement of financial position as at 30 June, 2025, and the statement of statement of financial performance, statement of changes in net assets, statement of cash flows and statement

of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Land Commission as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis including the transitional provisions permitted under IPSAS 33 and comply with the Article 67 of the Constitution of Kenya and the Public Finance Management Act, 2012; and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

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 the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, several issues were raised under the under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Project in 2024/2025 revealed that the following five (5) issues remained unresolved:

NO.	Financial Year	Audit Issue
1	2023/2024	Non-compliance with one-third basic salary rule
2	2023/2024	Non-compliance with persons with disability Act
3	2023/2024	Failure to comply with the approved staff establishment
4	2023/2024	Long outstanding third-party deposits and retention balances
5	2023/2024	Failure to refund expense paid from Compensation Fund
6	2023/2024	Court order paid back not refunded to the compensation Fund Account
7	2023/2024	Partitioning works at the National Land Commission offices

Other Information

The Management is responsible for the Other Information set out on page iii to xlv which comprise of Key Commission Information and Management, Statement of Governance, Statement by the Chairman of the National Land Commission, Statement of the Accounting Officer, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Officers on Acting Capacity Beyond Stipulated Period

Review of the payroll for year under review revealed that three (3) employees remained in acting positions for more than six months. This was contrary to Section 5.6 of the National Land Commission Human Resource Manual, 2015 that provides that officers in acting appointments will do so for a minimum of thirty (30) days and maximum of six (6) months duration. The policy further guides that when an officer has been appointed to act in a post for up to six months and he/she is not confirmed to the substantive post, a decision must be made to either confirm the employee or take him/her back to the former post and the CEO shall advertise the vacant position for filling.

In the circumstances, Management was in breach of the Human Resource Policy.

2. Delay in Vacating the Land/Property after Compensation- Nyali -Mtwapa Road Project

Field inspection conducted in the month of July, 2025 on the Nyali – Mtwapa Road project revealed that although the Project Affected Persons (PAPs) had been compensated for

their property and land affected by the project, they were yet to be issued with Vacation Notice pave way for the project which was behind schedule.

Delay in the vacation of PAPs may attract avoidable charges by the contractor on idle equipment and delays caused by Government Agencies.

3. Long Outstanding Insurance Claim on Death of an Employee

Review of the Commission's Human Resource record revealed a long outstanding insurance claim amounting Kshs.1,000,000 in respect of an officer who died in 2020. No plausible explanation was given why claim has not been processed five years after death. This was contrary to Work Injury Benefits Act No 13 of 2007, Section 36 (Payment of compensation), sub-section (1) that states that 'Compensation payable in accordance with the provisions of this Act may, for reasons deemed by the Director to be sufficient, be-(a) paid to the employee or the dependent of an employee entitled thereto, or to any other person on behalf of such employee or defendant, (b) invested or applied to the advantage of the employee or the defendants of an employee; (c) paid to the Public Trustee to be applied for the benefit of the defendants of a deceased employee".

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

4. Non-Compliance with One Third Rule on Basic Salary

Review of the Commission's staff payroll revealed that for twelve (12) months period there were twenty-one (21) employees whose salary deductions exceeded two-thirds (2/3) of the basic salaries. This was contrary to Section 19(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry. This may expose the staff to pecuniary embarrassment.

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

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

REPORT ON THE 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, except for the effects of the matter described in the Basis for

Conclusion, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Integrate Climate Change Action Plans in the Commission's Strategies and Operation Plans

Review of records revealed that the Commission did not integrate climate change action plans in its strategies and operation plans. This is evidenced by the Commission's failure to appoint an officer in charge of the Unit responsible for dealing with the climate change activities despite this being one of the Commission's activities to be achieved in vision 2063. Further, the Commission did not allocate any funds in its annual budget in respect to the climate change despite the Commission having listed climate change as one of the major challenges that has affected the Commission's work of managing and administering public land.

In the circumstances, failure to integrate climate change action plans in Commission's strategies and operation plans, continues to expose public to hard weather conditions.

2. Staffing Levels Below the Approved Staff Establishment

Review of human resource records revealed that the Commission has an approved staff establishment of one thousand three hundred and sixty-nine (1,369) against eight hundred and forty-two (842) in- post resulting in an overall understaffing of (527) officers. This was contrary to Section 2 of the National Land Commission Human Resource Manual, 2015 which provides that in order to attract and retain competent employees required for efficient and effective service delivery, appointments shall be made with the approval of the Commission and shall be within the approved establishment.

In the circumstances, the Commission's readiness to execute its mandate is undermined by the deficiency in the staff deployed below the approved establishment.

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

Responsibilities of the Management and 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 Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 December 2025

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

	Notes	FY 24/25
		Kshs
Revenue from non-exchange transactions		
Transfers from Exchequer	6	2,254,895,499
Total		2,254,895,499
Revenue from exchange transactions		
Finance income	8	384,834,276
Other income	9	85,406,247
Total revenue		2,725,136,023
Expenses		
Employee costs	11	1,295,887,461
Use of goods and services	12	1,265,519,093
Project related admin costs	14	607,022,808
Total expenses		3,168,429,362
Surplus/Deficit for the year		(443,293,339)
Taxation	16	57,725,141
Net Surplus/Deficit		(385,568,197)

The Financial Statements set out on pages 1 to 41 were signed by:


.....

Kabale Tache Arero

Secretary/CEO


.....

Gershom Otachi

Bw'omanwa

Chairman


.....

CPA Bernard Kibet

Cherutich

Director Finance and

Corporate Planning

ICPAK M/No: 5816

12. Statement of Financial Position as at 30 June 2025

	Notes	2024/25	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	17	15,231,438,939	5,789,297,595
Receivables from Exchange Transactions	18	4,446,577	3,274,958
Total Current Assets		15,235,885,516	5,792,572,553
Non-Current Assets			
Total Non- Current Assets		-	-
Total Assets (a)		15,235,885,516	5,792,572,553
Liabilities			
Current Liabilities			
Trade and Other Payables	20	16,264,696,929	6,528,562,404
Total Current Liabilities		16,264,696,929	6,528,562,404
Non-Current Liabilities			
Total Non- Current Liabilities		-	-
Total Liabilities (b)		16,264,696,929	6,528,562,404
Net Assets (a-b)		(1,028,811,413)	(735,989,851)
Represented by:			
Reserves		-	-
Accumulated Surplus		(1,028,811,413)	(735,989,851)
Capital Fund		-	-
Net Assets		(1,028,811,413)	(735,989,851)

The financial statements set out on pages 1 to 41 were signed by:



Kabale Tache Arero

Secretary/CEO



Gershom Otachi

Bw'omanwa

Chairman



CPA Bernard Kibet

Cherutich

Director Finance and

Corporate Planning

ICPAK M/No: 5816

13. Statement of Changes in Net Assets for the year ended 30 June 2025

	Accumulated Surplus	Reserves	Cap ital Fun d	Total
Fund balance as at 30th June 2024	81,849,785	-	-	81,849,785
Adjustments				
Recognition of Assets and Liabilities	(817,839,636)	-	-	(817,839,636)
As at July 1, 2024	(735,989,851)	-	-	(735,989,851)
Return to Exchequer	(26,995)	-	-	(26,995)
Surplus/ deficit for the year	(385,568,197)	-	-	(385,568,197)
Payments of staff pending bills	74,720,936	-	-	74,720,936
Payments of litigation pending bills	600,000.00	-	-	600,000.00
Payments of Merchants pending bills	17,452,695	-	-	17,452,695
Capital funds received in the year	-	-	-	-
As at June 30, 2025	(1,028,811,413)	-	-	(1,028,811,413)

14. Statement of Cash Flows for the year ended 30 June 2025

		<i>FY 24/25</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from exchequers	6	2,254,895,499
Transfers from other governments entities	7	19,605,729,933
Finance income	8	384,834,276
Other income	9	85,406,247
Unapplied receipts	10	392,251,337
Total receipts		22,723,117,293
Payments		
Employee costs	11	1,295,887,461
Use of goods and services	12	958,517,669
Project Payments(PAPS)	13	9,995,425,956
Project related admin costs	14	607,022,808
Unapplied payments	15	366,369,919
Taxations	16	57,725,141
Total payments		13,280,948,953
Net cash flows from/(used in) operating activities		9,442,168,339
Cash flows from investing activities		
Net cash flows from/(used in) investing activities		-
Cash flows from financing activities		
Return to Exchequer		(26,995)
Net cash flows from financing Activities		(26,995)
Net increase/(decrease) in cash & Cash equivalents		9,442,141,344
Cash and cash equivalents at 1 July 2024	17	5,789,297,595
Cash and cash equivalents at 30 June 2025	17	15,231,438,939

15. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Recurrent and Development Combined

Description	Original budget	Adjustments	Final budget	Actual on a comparable basis	Budget utilization difference	% of utilization
	A	B	C=a+b	D	E=c-d	F=d/c %
Revenue						
Transfers from exchequer	2,254,895,499	-	2,254,895,499	2,254,895,499	-	100%
Total revenue	2,254,895,499	-	2,254,895,499	2,254,895,499	-	100%
Expenses						
Employees Costs	1,117,700,000	178,187,531	1,295,887,531	1,295,887,461	70	100%
Use of goods and services	742,621,247	214,617,651	957,238,898	956,152,344	1,086,555	99.89%
Acquisition of Goods and Services	8,041,432	(5,791,432)	2,250,000	2,365,325	(115,325)	-5.13%
Total Use of Goods and Services	1,868,362,679	387,013,750	2,255,376,429	2,254,405,130	971,299	

The entity financial statements were approved on _____ 2025 and signed by:



Kabale Tache Arero
Secretary/CEO



Gershom Otachi Bw'omanwa
Chairman



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

National Land Commission
Annual Report and Financial Statements for the year ended June 30, 2025

Budget Reconciliation to the Statement of Cash Flows

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	xx
2	Reason for differences	xx
3	Reason for differences	xx
4	Reason for differences	xx
	Closing Cash and Cash Equivalent as per the statement of Cash flows	xxx

Budget Notes

Provide an explanation of differences between actual and budgeted amounts for significant under/ overutilization IPSAS 24.14

Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

National Land Commission
Annual Report and Financial Statements for the year ended June 30, 2025

Budget Execution by Programmes and Sub-Programmes for FY2025

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
0113000000		Land Administration and Management	0.00	0.00	0.00
	0113010000	Land Administration and Management	0.00	0.00	0.00
	0113020000		0.00	0.00	0.00
	0113030000		0.00	0.00	0.00
	0113040000		0.00	0.00	0.00
	0113050000		0.00	0.00	0.00
	0113060000		0.00	0.00	0.00
	0113070000		0.00	0.00	0.00
0114000000			0.00	0.00	0.00
	0114010000		0.00	0.00	0.00
0115000000			0.00	0.00	0.00
	0115010000		0.00	0.00	0.00
0116000000			0.00	0.00	0.00
	0116010000		0.00	0.00	0.00
0119000000			2,255,376,429.00	2,254,405,129.90	971,299.10
	0119010000		1,646,547,982.00	1,646,820,223.90	(272,241.90)
	0119020000		25,703,657.00	25,291,969.00	411,688.00
	0119030000		574,595.00	570,331.00	4,264.00
	0119040000		582,550,195.00	581,722,606.00	827,589.00
		Grand Total	2,255,376,429.00	2,254,405,129.90	971,299.10

16. Notes to the Financial Statements

1. Establishment

The Commission is established by and derives its authority and accountability from the National Land Commission act 2012 and the Constitution of Kenya.

2. Statement of Compliance and Basis of Reporting

Statement of compliance

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

For the purpose of these financial statements, the Commission has been categorized as a Schedule 1 national government entity in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. Schedule 1 national government are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by the Commission is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

The Commission has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st year financial statements are transitional financial statements and the following elements;

- **Inventories**
- **Investment Property**
- **Property, plant and equipment**
- **Intangible assets**

of the financial statements have not been recognised.

These financial statements were authorized for issue by the Accounting Officer.

Notes to the financial statements

Reporting period

The reporting period for these financial statements is for the period ended 30 June 2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of the Commission for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The National Land Commission pursues a number of policy targets and outcomes. However the commitment to these targets and outcomes, generally, do not of themselves constitute a present

obligation unless the Commission is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the entity policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the entity's future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. The Commission's commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the entity as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards**i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.**

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

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets,

Standard	Effective date and impact:
	under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: - Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. - Clarifying transaction costs guidance to enhance consistency across IPSAS; - Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector

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Standard	Effective date and impact:
	employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The Commission did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Commission recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Commission and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Commission and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

The Commission recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/25 was approved by the National Assembly on 01st of July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Commission upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Commission recorded additional appropriations of 295,000,000 on the 2024/25 budget following the governing body's approval. The Commission's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section xxx of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 10 -year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Commission incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Commission expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Notes to the Financial Statements (Continued)

f) Tangible Natural Resources

The Commission recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the Commission; the Commission controls the tangible natural resource as a result of past events; and The tangible natural resource can be measured reliably. Where this criteria is not met, the Commission discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An entity shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Commission. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Commission also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Commission will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

h) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Commission does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Commission and a financial liability or equity instrument of another Commission. At initial recognition, the Commission measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

a) Financial assets

Classification of financial assets

The Commission classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Commission's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Commission has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Commission classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Commission manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The Commission assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Commission recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

The Commission classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

Notes to the Financial Statements (Continued)

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Commission.

l) Provisions

Provisions are recognized when the Commission has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Commission recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Commission will incur in fulfilling the present obligations represented by the liability.

Notes to the Financial Statements (Continued)

n) Contingent liabilities

The Commission does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

o) Contingent assets

The Commission does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Commission in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

p) Nature and purpose of reserves

The Commission creates and maintains reserves in terms of specific requirements.

q) Changes in accounting policies and estimates

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

r) Employee benefits

Retirement benefit plans

The *Commission* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Commission pays fixed contributions into a separate Commission (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u) Related parties

The Commission regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Commission, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

v) Service concession arrangements

The Commission analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Commission recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Commission also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

w) 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.

x) Comparative figures

In preparing these financial statements, the Commission has elected to apply paragraph 79 of IPSAS 33, which allows for the election by an entity to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

y) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Commission based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Commission. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. Transfers from Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended June 2025
	Kshs	Kshs	Kshs
Recurrent	2,254,895,499	-	2,254,895,499
Development	-	-	-
Total	2,254,895,499		2,254,895,499

7. Transfers from Other Government entities

Name Of The ENTITY Sending The Grant/Transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Current FY
	Kshs	Kshs	Kshs
Tharaka Nithi County	38,434,396	-	38,434,396
Kenha	15,668,198,740	-	15,668,198,740
Athi Water	63,541,445	-	63,541,445
Geothermal	31,215,679	-	31,215,679
Kerra	798,428,167	-	798,428,167
Krc	1,811,375,264	-	1,811,375,264
Garden Estate	1,056,528	-	1,056,528
Kengen	125,991	-	125,991
Ministry Of Water	1,043,353,723	-	1,043,353,723
Defence	150,000,000	-	150,000,000
Total	19,605,729,933	-	19,605,729,933

8. Finance Income

Description	FY 2024/25
	Kshs
Interest from Cash investments and fixed deposits	384,834,276
Interest from outstanding debtors	-
Total	384,834,276

Notes to the Financial Statements (Continued)

9. Other Income

Description	FY 2024/25
	Kshs
Admin Receipts	62,982,247
Project Related Admin Receipts	18,196,000
Income from sale of tender	4,228,000
Total other income	85,406,247

10. Unapplied Receipts

Description	FY 2024/25
	Kshs
Unapplied Receipts	392,251,337
Total unapplied receipts	392,251,337

11. Employee Costs

Description	FY 2024/25
	Kshs
Basic salaries of permanent employees	824,980,702
Basic wages of temporary employees	-
Personal allowances – part of salary	313,930,465
Pension and other social security contributions	-
Employer contributions to compulsory national social security schemes	156,976,295
Employer contributions to compulsory national health insurance schemes	-
Other social benefit schemes	-
Other personnel costs	-
Employee costs	1,295,887,461

12. Use of Goods and Services

Description	Period ended June 2025
	Kshs
Utilities, supplies and services	6,499,948
Communication, supplies and services	15,582,399
Domestic travel and subsistence	37,049,962
Foreign travel and subsistence	-
Printing, advertising, and information supplies & services	22,667,062
Rentals of produced assets	123,789,580
Training expenses	4,704,486
Hospitality supplies and services	332,364,616
Insurance costs	134,000,000

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Description	Period ended June 2025
	Kshs
Specialized materials and services	-
Bank Charges	-
Office and general supplies and services	7,237,285
Fuel Oil and Lubricants	26,522,143
Routine maintenance – vehicles and other transport equipment	14,654,060
Routine maintenance – other assets	80,080
Other operating expenses	231,000,723
Acquisition of Assets	2,365,325
Accrued litigation expenses	248,700,994
Accrued merchants expenses	58,300,430
Total	1,265,519,093

13. Payments of Project Affected Persons

Description	FY 2024/25
	Kshs
NBK	8,662,763,038
Lower Nzoia	151,627,004
KCB	133,343,713
Unpresented payments -KCB	1,047,692,201
Total	9,995,425,956

14. Project related admin costs

Description	FY 2024/25
	Kshs
Project Related Admin Cost	177,723,471
Bank Charges	1,170,489
Other Admin Costs-Nbk	423,806,548
Other Admin Costs-Kcb	4,322,300
Total Project related admin cost	607,022,808

15. Unapplied Payments

Description	FY 2024/25
	Kshs
Unapplied payments	366,369,919
Total unapplied payments	366,369,919

Notes to the Financial Statements (Continued)

16. Taxation

Description	FY 2024/25
	Kshs
Withholding Tax on Interest Income	57,725,141
Total	57,725,141

17. Cash and Cash Equivalents

Description	FY 2024/25	Opening statement 1 st July 2024
	Kshs	Kshs
Recurrent Account	15,231,438,939	5,789,297,595
Development Account	-	-
Total	15,231,438,939	5,789,297,595

17 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY 2024/25	Opening statement 1 st July 2024
		Kshs	Kshs
Recurrent Account			
CBK001	1000202211	9,440	26,995
Development Accounts			
CBK002	1000221828	-	-
CBK SGR ACCOUNT	1000316578	-	-
National Bank of Kenya(Compensation Fund)	7700010021	6,500,722	5,789,270,600
National Bank Of Kenya(Lower -Nzoia)	7717385678	-	-
Kenya Commercial Bank(Compensation Fund Account)	1340567725	15,224,928,777	-
Kenya Commercial Bank (Lower -Nzoia Account)	1340992086	-	-
Grand Total		15,231,438,939	5,789,297,595

18. Receivables from Exchange Transactions

Description	FY 2024/25	Opening statement 1 st July 2024
	Kshs	Kshs
Other exchange debtors	4,446,577	3,274,958
Less: impairment allowance	-	-
Total Receivables	-	-
a) Current receivables	-	-
b) Non-current receivables	-	-
Total receivables (a+b)	4,446,577	3,274,958

18 (a) Ageing analysis for Receivables

Description	FY 2024/25		Opening statement 1 st July 2024	
	Kshs		Kshs	
	Current FY	% of the total	1 st July	% of the total
Less than 1 year	4,446,577	100%	3,274,958	100%
Between 1- 2 years	-	-%	-	-%
Between 2-3 years	-	-%	-	-%
Over 3 years	-	-%	-	-%
Total (a+b)	4,446,577	100%	3,274,958	100%

Notes to the Financial Statements (Continued)

19. Property, Plant, and Equipment

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Heritage assets	Work in progress	Service concession assets	Total
Depreciation Rate		2-10%	10-16.67%	2-20%	12.5%	33.3%	x%			
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-
As At Jun 2025	-	-	-	-	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-
As At	-	-	-	-	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-	-	-	-	-
Opening Bal as at 1st July 2024	-	-	-	-	-	-	-	-	-	-
As At June, 2025	-	-	-	-	-	-	-	-	-	-

(Include a brief description of WIP as a footer.)

Notes to the Financial Statements (Continued)

Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at, PPE has been valued at the current operational value which is the amount the ENTITY would pay for the remaining service potential of an asset at the measurement date.

20. Trade and Other Payables

Description	FY 24/25		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	67,605,127		26,757,392	
Payments received in advance	-		-	
Employee payables	29,106,048		103,826,984	
Third-party payments(PAPs)	15,231,429,499		5,710,722,768	
Legal fees payables	936,556,254		687,255,261	
Total trade and other payables	16,264,696,929		6,528,562,404	
Ageing analysis: (Trade and other payables)		% of		% of
	Current FY	the Total	1 st July	the Total
Under one year	16,264,696,929	100%	6,528,562,404	100%
1-2 years	-	-%	-	-%
2-3 years	-	-%	-	-%
Over 3 years	-	-%	-	-%
Total (tie to above total)	16,264,696,929	100%	6,528,562,404	100%

Notes to the Financial Statements (Continued)

21. Cash Generated from Operations

	<i>Insert Current FY</i>
	Kshs
Surplus for the year before tax	(385,568,197)
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Contributed assets	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	(1,171,619)
Increase in deferred income	-
Increase in payables	9,828,908,155
Increase in payments received in advance	-
Net cash flow from operating activities	9,442,168,339

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

22. Financial Risk Management

The Entities' activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entities' overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Entities' financial risk management objectives and policies are detailed below:

i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial

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position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entities' management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Entities' maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at at July 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the Entities' credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the directors, who have built an appropriate liquidity risk management framework for the management of the Entities' short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed

in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entities' income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Commission's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entities exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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The carrying amount of the Commission's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

FY 2025

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

FY 2025

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The following table demonstrates the effect on the Entities' statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the

three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2025			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs - (2025: KShs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs -(2024 – KShs -)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *entity* considers relevant and observable market prices in its valuations where possible.

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

Notes to the Financial Statements (Continued)

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

23. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the National Land Commission include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

24. Contingent Liabilities.

The Commission does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The following are the major contingent liabilities as at 30 June 2025.

(a) National Land Commission vs. Prof Tom Ojienda & Associates in Nairobi High Court Judicial Review Division Misc. Application No. E004 of 2025.

Prof Tom Ojienda & Associates the exparte applicant instituted judicial review proceedings to compel the CEO of the National Land Commission to pay legal fees resulting from the service rendered in Supreme court Advisory Opinion Reference No.2 of 2014. Expected cost of the legal suit is Kshs. 143,473,221 as at 25th March 2024

(b) Dembena International Limited & Another Vs National Land Commission in Nairobi Environment Land Court Review Division No. E058 of 2025.

Dembena International Limited, the exparte applicant instituted judicial review proceeding to compel the National Land Commission to remit the balance owed from the compulsory acquisition of its land on behalf of the Kenya National Highway Authority following judgment rendered by the Court in Nairobi ELC No. E005 of 2023. The expected cost of the legal suit is Ksh. 503,207,157.

(c) Mombasa ELC Petition No. 51 of 2019, African Gas and Oil Company Limited Vs. The NLC & Kahia Transporters Limited

The suit arose out of a dispute on compulsory acquisition of the suit property which was acquired in order to facilitate the construction of Mombasa Southern Bypass and SGR Line. The Petitioner and the 2nd Respondent were also in disputing on the part ownership of the suit property. Expected financial implication the suit is in the sum of Kshs. 2,454,746,506

(d) Mombasa Civil Appeal No. 24 of 2020 National Land Commission Vs Theresia Runji & Others

The Appeal arises from Mombasa Constitutional Petition No. E17 of 2018. The ground for appeal by the National Land Commission was that the High Coury upheld letters of allotment which were neither accepted nor paid for over a title held by Miritini Free Port. The expected cost implications of the suit is Kshs. 1,835,486,485

(e) Kwale ELC Petition E003 of 2022 Colfax Limited vs. National Land Commission

The Petitioner owned multiple parcels of land in Mombasa that were compulsorily acquired by the National Land Commission in 2014–2016 for the Mombasa Southern Bypass project, and although the road has long been constructed and the State has taken possession, the

Petitioner has not been compensated despite submitting valuation and compensation claims starting in 2014; the Commission asserted delays were due to alleged disputes over legality of the titles and injunctions in other suits, while the Petitioner argued there was no valid dispute affecting its parcels and that the withholding of funds was unlawful; the issues therefore center on whether the compulsory acquisition was undertaken in compliance with Article 40 and the Land Act and whether NLC's reasons for non-payment were supported in law or amounted to a violation of the Petitioner's constitutional property rights. A consent order was adopted on 23rd October 2025 seeking to replace the plot numbers MN/VI/29437/63, 64, 65, 66, 67, 68, 69, 70, 71, and 72 indicated in Order (a), with the current plot number MN/VI/29437/83/3. The said plots (MN/VI/29437/63 to MN/VI/29437/72) were amalgamated and subdivided after compulsory acquisition to create the current plot number MN/VI/29437/83/3. For avoidance of doubt, the current plot number is MN/VI/29437/83/3. Judgment delivered on 6th March 2023. Stay of execution orders were denied and Garnishee order Nissi dated 8th November 2023 was set aside on 4th June 2024. Expected costs is Kshs 359,105,371.

(f) Milimani ELC Judicial Review No. E009 of 2023; Republic (Ex-Parte Khodiyar Limited) Vs NLC & Another.

Unpaid compensation case. NLC had not been given money by the acquiring body. Judgment held that NLC and the acquiring body are liable for the payment. Post judgment KENHA and Valuation disputed the claims stating only one was valid. NLC applied for review of judgment. This application is now being handled by an external advocate. The case is being handled by an external legal firm, the cost of the suit is estimated at Kshs. 79,064,000.

(g) Tribunal Case No. E047 Of 2024 Gitonga Mwangi Muriithi Vs National Land Commission

The Claimant had instituted a suit against the Commission seeking a declaration that LR No. 209/13760 which had been acquired by the Kenya Railways Corporation constituted the Estate of the Late Stephen Mwangi Muriithi. The Claimant therefore sought for compensation in respect to its acquisition.

A Ruling was delivered on 26th August, 2025, and the Tribunal reviewed the award to include interest from 7th December, 2018 when judgement in High Court in Petition No. 100 of 2017; Mwangi Stephen Muriithi vs National Land Commission & 3 Others, had been delivered. Expected cost implication is Kshs. 574, 873, 500/=

(h) Christopher Musyoka & Others Vs Nlc – Machakos Elc Petition No. E009 Of 2021

The suit arose out of a dispute on compulsory acquisition of the suit property which was acquired in order to facilitate the construction of the 2nd carriage way of Athi River (Machakos) Turnoff Section of Nairobi-Mombasa Road (A109). Parcels acquired to wit LR No. 19764; LR No. 19765; LR No. 19738; LR No. 19763; Athi River/ Athi River Block 1 (Chumvi)/5089; Athi River/ Athi River Block 1 (Chumvi)/5089; Athi River/ Athi River Block 1 (Chumvi)/40; and Athi River/ Athi River Block 1 (Chumvi)/33. The property was duly processed for compensation and following a court dispute there was a revision and revaluation done and finally a consent entered. Expected cost of this suit is Ksh. 100, 831, 315.

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25. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements Review of the annual report and financial statements of the Commission for the financial year ended 30 June, 2024 revealed some disclosure omissions and errors as detailed in Appendix 1 attached. No explanation has been provided for not complying with the revised reporting template of 30 June, 2024.	It is true that the financial statement for the year under review revealed some disclosure omissions and errors, However the financial statements have been reviewed/amended to comply with Public Sector Accounting Standards Board (PSASB) template. The amendment addresses the variance, aligning the records to provide accurate and transparent financial information	Not resolved	Not applicable
2.	Inaccuracies in the Financial Statements i. Transfers to Other Government Entities The statement of receipts and payments reflects nil amount under transfers to other Government entities. However, note 6 to the financial statements reflects Kshs. 171,840,000 resulting to unexplained variance of Kshs. 171,840,000. ii. Non-Disclosure of Contingent Liabilities Annex 7 to the financial statements reflects nil balance on contingent liability register. However, Review of records revealed that the Commission had several	i. The amount of KES 171,840,000 comprises of KES 165,000,000 which was an amount transferred by The National Treasury for compensation of Project Affected Persons for the Eldoret by Pass Road Project. This amount is reflected under note 12	Not resolved	Not applicable

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	active court cases on which judgements had been delivered while others were still ongoing. iii Communication, Supplies and Services The statement of receipts and payments reflects use of goods and services of Kshs. 326,094,284. As disclosed in Note 4 to the financial statements, the amount includes communication, supplies and services of Kshs. 5,690,995 which includes Kshs. 2,107,139 paid to a local mail company. However, the latter amount was at a variance with the amount of Kshs. 1,025,993 reflected in analysis of pending accounts payable under Annex 1 by an unexplained variance of Kshs. 1,081,145.	(Third party deposits and retention and receipts in NBK Account). KES 6,840,000 relates to money transferred from G.O.K to the NBK fund account at year end. This amount of KES 6,840,000 had already been charged under use of goods and services as per attached ledger (Annex 2). The notes to the financial statements have been amended to reflect a nil balance under note 6 (Annex 1) i. The Management acknowledges the audit findings regarding the omission of active contingent liabilities from Annex 7 in the financial statements. It is noted that, while the Commission is party to several legal proceedings—some resulting in judgments requiring payment and		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		others pending final determination—these liabilities were not reflected in the contingent liability register. Management recognizes its legal and fiduciary duty to disclose all material contingent liabilities in compliance with accounting standards and relevant statutory obligations. Consequently, Annex 7 to the financial statements have been updated to accurately reflect these liabilities as per attached financial statements (Annex 1). Furthermore, the Commission is actively formulating a structured plan for the timely settlement of court-awarded amounts, as no active appeals have been filed to contest these determinations. Moving forward, we will ensure that		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		all contingent liabilities arising from legal proceedings are disclosed comprehensively, with supporting documentation provided to substantiate measures taken towards resolution and compliance with court orders. i. The outstanding balance was not settled in the year it was incurred due to financial limitations that impacted the Commission ability to clear all obligations within the fiscal year. As funds became available, The Commission prioritized and settled part of the outstanding bill, as reflected in the total reported schedule. The Commission has reviewed the pending bill register with the view of ensuring accurate reporting of pending bills and timely clearance of liabilities,		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		preventing similar discrepancies in the future. The outstanding balance payable to the Postal Corporation of Kenya has been reflected in the pending bills schedule to tie to the supplier statement reconciliation provided by the PCK. (Annex 3)		
3.	Exchequer Releases - Kshs. 165,000,000 The statement of receipts and payments reflects exchequer releases of Kshs. 1,578,200,591 which as disclosed in Note 1 to the financial statements, excludes an amount of Kshs. 165,000,000 received on various dates on the Commissions' development bank account. Although Management has explained Kshs.165,0000 was partial refund of Project Affected Persons (PAPs) funds that had been initially surrendered to The National Treasury. It is not clear why PAPS funds surrendered to The National Treasury were not disclosed in the statement of financial assets in the financial year 2021-2022 when the fund was surrendered.	The transfer/surrender to the National Treasury of Kshs.900 million relating to PAPs was disclosed in the financial statements for the period 2020-2021.The National treasury released Kshs 165 million relating to payments of PAPs for Eldoret Bypass Road Project during the year under review to the Commission being part refund of Kshs 900 million earlier surrendered to the National treasury. Receipt of exchequer/refund of Kshs 165 million was disclosed under third party deposit and retentions/payables under note 12 to the financial statements, since the money do not belong	Not resolved	Not applicable

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		to the commission but the Eldoret bypass road projects PAPs.		
4.	Transfers from Other Government Entities i. The statement of receipts and payments reflects receipts of Kshs. 222,881,012 in respect of transfers from other Government entities which, as disclosed in Note 2 to the financial statements, includes an amount of Kshs. 200,982,827 described as administrative receipts. However, review of records revealed that the amount relates to inter-bank transactions of the Commission. As a result, administrative receipts are overstated by Kshs. 200,982,827. Further, the balance of Kshs. 200,982,827 was not supported by a schedule showing the date, amount transferred, reason and the status of the funds transferred to NBK account; whether they were paid, refunded to exchequer account or are still held in NBK account and the reasons for the non-payment. ii. Transfers from other Government entities of Kshs. 222,881,012 further includes an amount of Kshs. 21,898,185 described as transfers from project related administration receipts. However, review of support schedule provided for audit revealed an amount of Kshs. 1,701,800 whose details in respect to specific project/agency that paid were missing on the bank statement and support schedule and in other cases the funds were returned by the bank and might not apply to facilitation for a specific project.	i. It is true Kshs. 200,982,827 was classified as administrative receipts in Note 2 of the financial statements. Upon review, it has been confirmed that this amount relates to inter-bank transactions rather than actual transfers from other government entities. While the Commission understand the need for clarity, the classification was constrained by the reporting template provided by the Public Sector Accounting Standards Board (PSASB), which guided our reporting and left no alternative narration for this type of transaction. To enhance transparency, The Commission has prepared a detailed schedule to support Kshs. 200,982,827, showing the date, transaction amounts, and current status of the funds in the National	Not resolved	Not applicable

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Bank of Kenya (NBK) account, specifying whether they were paid, refunded to the exchequer account, or remain in the NBK account, along with reasons for any non-payment.as per Attached (Annex 4). i. It is true that the supporting schedule availed for audit revealed an amount of Kshs. 1,701,800 whose details in respect to specific project/agency that paid were missing on the bank statement and support schedule and in other cases the funds were returned by the bank. The schedules have since been amended to reflect the correct position as per attached (Annex 5)		
5.	Irregular Payment of Responsibility Allowance The statement of receipts and payments reflects compensation of employee's expenditure of Kshs. 1,005,036,327 as disclosed in Note 4 to the financial statements. The expenditure includes an amount of Kshs. 254,186,049 related to personal allowances paid as part of salaries. However, review of payment documents against the Human Resource Manual, revealed that a total of Kshs. 378,000 was irregularly paid to security officers as responsibility allowances	The Commission appreciate the observation regarding the irregular payment of Kshs 378,000 as responsibility allowances to security officers. This occurred due to an oversight in interpreting the Human Resource Manual. We have already taken swift corrective action, including	Not resolved	Not applicable

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	contrary to the provisions of the Human Resource Manual, which outlines the specific officers eligible for such allowances	stopping these payments to the officers. To prevent recurrence, we are enhancing our internal controls, improving payroll team training, and conducting a thorough review of all similar payments to ensure strict compliance with policy. The Commission is committed to strengthening the internal controls to ensure full compliance with the Human Resource Manual moving forward.		
6.	Non-Compliance with One Third Rule on Basic Salary A review of the staff payroll records for the twelve-month period under review revealed that there were instances where employees' salary deductions exceeded two-thirds (2/3) of their basic salaries. This resulted in net pay amounts that fell below the one-third (1/3) threshold, contrary to Section 19(3) of the Employment Act, 2007. Non-compliance with statutory provisions could severely impact employee morale, leading to dissatisfaction and reduced productivity. Employees facing excessive salary deductions may experience financial strain, which can negatively affect their focus, engagement, and overall performance. Immediate corrective action is necessary to ensure compliance with legal requirements, protect employee well-being, and maintain optimal productivity within the workforce.	The Commission acknowledge the audit observation regarding instances where salary deductions for some employees exceeded the two-thirds limit, causing their net pay to fall below the one-third threshold, which violates Section 19(3) of the Employment Act, 2007. This non-compliance primarily resulted from the implementation of the Housing Levy, along with recent increases in NHIF and NSSF contributions. Additionally, some employees faced salary deductions due to court-ordered child support. These statutory	Not resolved	Not applicable

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		adjustments significantly raised overall deductions, inadvertently causing certain employees' net pay to drop below the legally required minimum.		
7.	Rental of produced assets The statement of receipts and payments reflects use of goods and services of Kshs. 326,094,284. As disclosed at Note 4 to the financial statements, the amount includes Kshs. 120,978,825 incurred on rentals of produced asset. The latter balance includes payments of Kshs. 420,840 relating to prior year rent of basement space for the month of July 2022 to June 2023. However, the balance had not been disclosed in the financial year 2022/23 pending bills. In addition, review of support ledger revealed rent for the month of April 2024 to June 2024 of Kshs. 105,000 had not been paid and was not disclosed as a pending bill.	The expense was not settled in the year it was incurred due to financial limitations that restricted the Commission capacity to clear all outstanding obligations. Additionally, the rent for the remaining period of the financial year amounting to Kshs. 105,000 had not been paid by the end of the financial year and was also unintentionally excluded from the pending bills schedule. To address the oversight, the financial statements/pending bill schedule have been amended to accurately reflect the pending bills so as to ensuring that all outstanding obligations are clearly documented	Not resolved	Not applicable
8.	Undetailed Requisition for Acquisition of Furniture Review of records revealed that vide internal memo dated 01 November, 2023 from the Director of Human Resource to the CEO, the CEO approved a requisition for the procurement of office furniture, fixtures and fittings. However, this requisition failed to provide the necessary detailed specifications	The Commission understand that the absence of clear specifications poses a risk of acquiring items that may not meet the required quality or functional standards, which could result in operational	Not resolved	Not applicable

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	of the furniture and fittings to be procured, as mandated by Regulation 71(1) and (2) of the Public Procurement and Asset Disposal Regulation of 2020. This non-compliance raises serious concerns about the possibility of acquiring substandard or unsuitable fixtures, which can lead to operational inefficiencies and increased long-term costs.	inefficiencies and increased long-term costs. To mitigate this risk, The Commission is implementing corrective measures to ensure compliance with procurement regulations moving forward. This includes reinforcing procurement processes by providing training for staff on the importance of detailed specifications in requisitions, as well as instituting a review mechanism to verify compliance before approvals are granted		
9.	Misclassification of Expenditure The Statement of Receipts and Payments indicates an expenditure of Ksh. 326,094,284 under the category of "Use of Goods and Services." However, this amount includes the following expenditures that have been misclassified:	The Commission acknowledge the audit observation regarding the misclassification of expenditures under "Use of Goods and Services" in the Statement of Receipts and Payments. The misclassification of Kshs. 3,137,405 was due to budgetary constraints during the year under review.		
10.	Pending Accounts Payable and Staff Payables i. Inaccuracies and Non-Payment of Pending Bills Note 18.2 and 18.1 to the financial statements reflects nil pending accounts payable and staff payables. However, Annex 1 and 2 to the financial statements reflects pending bills balance of Kshs. 1,449,012,652 and pending staff payables	i. The observation is noted in regards to non-disclosure of staff and merchants' payables under note 18.1 and 18.2 this has since been amended and the correct amounts of payables captured as	Not resolved	Not applicable

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	balance of Kshs. 103,826,894 leading to unexplained variance of Kshs. 1,449,012,652 and Kshs. 103,826,894 respectively. In addition, Management had not explained why the bills were not settled during the year when they occurred. The Commission is at risk of incurring significant interest costs and penalties with their continued delay in payment. Further, failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge. ii. Pending bills opening balance reflected in Annex 1 to the financial statements omitted pending bills of Kshs. 27,641,222.10 owed to various law firms that had been included in previous audited financial statements as detailed in Appendix 3. In addition, total opening balance brought forward of Kshs. 680,407,512 was also omitted on the accounts payables analysis. iii. Included in the pending accounts payables balance of Kshs. 1,449,012,652 is Kshs.735,000,000 described as surrendered Project Affected Persons (PAPs) money to The National Treasury. However, it was not clear why funds transfer to The National Treasury was treated as a pending bill, thereby overstating pending accounts payable by Kshs. 735,000,000. iv. Included in the pending accounts payables balance of Kshs. 1,449,012,652 is Kshs. 397,300,323 described as Miscellaneous Application No.29B of 2016. However, review of records revealed that Kshs. 297,300,323 was paid on 19 December, 2023 (Kshs. 100,000,000 was paid on 21 October, 2022) to a local law firm from the Compensation Fund account following a court ruling related to case No. E106 of 2022 dated 07 October, 2022 to be refunded by the National Treasury. Management explained that the Commission is still pursuing The National Treasury to ensure that the refund of the amount of Kshs. 397,300,323 is done. However, it is not clear why Management treated	Kes 1,449,012,652. Which comprises of staff payables and Merchants payables as per attached (Annex 1) ii. This has since been rectified and all the opening balances on the movement schedule of the pending bills agree to the audited financial statements for FY 22/23. as per attached (Annex 1) iii. The reason as to why the amount of Kes 735,000,000 that was surrendered to the National Treasury is to enable management to follow up with the National Treasury to reimburse the same as this was not a voted expenditure, the same has also been communicated to the national treasury via the quarterly returns for pending bills. iv. The purpose of treating the kes 397,300,323 as a pending bill is to enable the n v. National Treasury to provide the necessary budgetary allocation to enable the commission reimburse the monies that were paid out of the compensation fund that were		

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	the pending refund from The National Treasury as a pending bill in the financial statements. v. During the audit, Management did not provide an analysis of the pending staff payables as recommended on the reporting template issued by the Public Sector Accounting Standards Board. In addition, Annex 2 to the financial statements reflects pending staff payables totaling Kshs. 103,826,894. However, the ledger/support schedule availed reflected an amount of Kshs. 105,141,962 resulting to a variance of Kshs. 1,315,068. vi. Included in the pending bills balance is Kshs. 596,299,692 arising from court cases and awards against the Commission. However, review of documents from legal department indicated that some cases have been paid, pending legal balances reflected differed with actual fee notes availed and undisclosed legal cases as shown in Appendix 4. vii. Included in the balance is an amount of Kshs. 4,857,507 owed to postal corporation and Long rock tours and travel Kshs. 3,480,191 However, the balances did not agree to the supplier statements/invoices availed during the audit as shown in Appendix 5.	subject of a court garnishee order. vi. An analysis of the pending staff payables has been provided and the correct amount shown on the financial statements. as per attached (Annex 1) vii. The correct amount of the legal expenses has since been updated and a proper reconciliation attached for review. viii. The correct amount owing to the Postal Corporation has since been attached to tie to Supplier Statement reconciliation showing an amount of Kes 5,867,241 as per attached (Annex 3)		
11.	Third Party Deposits and Retention i. Unconfirmed Opening Balances The statement of assets and liabilities and Note 12 to the financial statements reflects third party deposits and retentions balance of Kshs. 5,710,722,768 with an opening balance of Kshs. 8,627,134,376. However, schedule provided for did not indicate the opening balance of Kshs. 8,627,134,376 ii. Failure to Provide Third Party Deposits and Retention Analysis per Project	i. The schedule for Kshs. 8,627,134,376 being opening balance for third party deposits and retentions for the financial year 2022/2023 is attached as per (Annex 6) i. The schedule for Kshs. 5,710,722,768 being unpaid balance for third party deposits and retentions for the financial year	Not resolved	Not applicable

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	Note 12 to the financial statements reflects to unpaid PAPS of Kshs. 5,710,722,768 during the audit Management only availed closing balance per project. However, a comprehensive schedule giving details of project name, opening balance brought forward, amount received, amount paid and balance as at 30 June, 2024 per project that form the basis of compensation status report and the reported balance of Kshs. 5,710,722,768 was not provided for audit. iii. Presentation of the Third Party Deposits and Retention Note 12 to the financial statements reflects payables b/f of Kshs.8,627134,376, project receipts and payments of Kshs. 3,925,179,489 and Kshs. 6,643,068,896 respectively, unapplied of Kshs. 199,049,916, unapplied paid back of Kshs. 288,708,231 and court orders paid back of Kshs. 108,863,885 totaling to Kshs. 5,710,722,768 contrary to the Public Sector Accounting Standard Board prescribed reporting template for June, 2024. iv. Failure to Refund Expenses Through the Compensation Fund Included in project payments of Kshs. 6,643,068,896 was an amount of 297,300,323.35 which was legal fee paid to a law firm. However, review of records revealed that the approval to pay was given through resolutions of 118th Commission meeting held on 21 October, 2022 which resolved that the money be paid from Compensation Fund account and the same be reimbursed upon provision of the budget by The National Treasury. However, as previously reported as at the time of audit in October, 2024 the funds had not been received from The National Treasury. Further, it was not possible to ascertain the project that was charged. v. Mistatement of Project payments	2023/2024 giving details of project name, opening balance brought forward, amount received, amount paid and balance as at 30 June, 2024 per project is attached as per (Annex 7) i. The opening payables b/f of Kshs.8,627134,376, project receipts and payments of Kshs. 3,925,179,489 and Kshs. 6,643,068,896, unapplied of Kshs. 199,049,916, unapplied paid back of Kshs. 288,708,231 and court orders paid back of Kshs. 108,863,885 totaling to Kshs. 5,710,722,768 reflect/discloses the movements of compensation funds during the year under review which is not contrary to the Public Sector Accounting Standard Board prescribed reporting template for June, 2024. v. It is true Kshs 297,300,323.35 was paid to a legal firm through the approval of and resolutions of 118th Commission		

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	Included in project payments of Kshs. 6,643,068,896 is an amount of Kshs. 9,468,000 which was life insurance paid to Daniel Kithunka Ruthunga on 20 December, 2023 erroneously captured under the project payments. vi. Unapplied Kshs. 199,049,916 During the audit, it was explained that unapplied amount of Kshs. 199,049,916 are returned payments written back to the cash book. However, from the reported balance Management did not provide an analysis per project indicating the amount returned but not paid/refunded to beneficiary as at 30 June 2024, which made it difficult to ascertain actual balance per project as at 30 June 2024. In addition, it was noted that there were some payments written back that do not relate to projects for example staff facilitation or the narration did not indicate the applicable project amounting to Kshs. 4,932,881 as shown in Appendix 6 vii. Mistatement of Unapplied Paid Back and Failure to Avail Reconciliation of Funds Returned by the Bank Included in un applied paid back of Kshs. 288,708,231 was an amount of Kshs. 1,533,636 which is not related to PAPS as detailed in Appendix 7. In addition, we noted the amount paid back of Kshs. 288,708,231 was more than the amount received in the cash book of Kshs. 199,049,916. However, a reconciliation was not provided for audit. viii. Court Orders Paid Back Kshs. 108,863,885 not Refunded to the Compensation Fund Account The funds were recovered/paid directly from to the National Bank of Kenya (NBK) Compensation Fund account arising from the determination of Court ruling on various cases. Management has indicated that the Commission is engaging the agencies to refund the money. However, this outstanding amount	meeting held on 21 October, 2022 which resolved that the money be paid from Compensation Fund account and the same be reimbursed upon provision of the budget by The National Treasury. However, The National Treasury and Parliament has not been able to allocate the funds to the Commission despite the Commission factoring the same in the budget and supplementary budgets. The Commission will continue to engage the National Treasury and Parliament for the refund of the same amount. The Funds were paid from Kenya Railways-SGR project. The error of Kshs 9,468,000 which was erroneously described as life insurance paid to Daniel Kithunka Rukunga on 20 December, 2023, was actually a payment for Kegoro Dam project, and as such was rightly classified as a project payment. Attached (annex 8)		

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	had not been refunded to NBK account at the time of the audit in the month October, 2024. ix. Long Outstanding Third-Party Deposits and Retention Balances As previously reported, review of records revealed that the included in the third-party deposits and retention balance of Kshs. 5,710,722,768 are long outstanding balances held for various projects amounting to Kshs. 1,339,275,083 which were completed several years ago. No explanation was provided for not paying the intended beneficiaries some of which dates back to financial year 2018/2019 as required by the law.	i. An analysis schedule of unapplied per project indicating the amount returned but not paid/refunded to beneficiary as at 30 June 2024 is as per attached (Annex 9). The error in narration of Kshs 4,932,881 which relates to unapplied PAPs of Kshs. 199,049,915 has since been corrected as per attached (Annex 9) ii. The error in narration of Kshs 1,533,636 which relates to unapplied PAPs of Kshs. 288,708,231 has since been corrected as per attached (Annex 10) iii. It is true Kshs. 288,708,231 which relates to unapplied paid back during the year under review is more than the actual unapplied of Kshs. 199,049,916 during the same period. The variance is due to the fact that the unapplied paid back relate to the year under review and previous years. The reconciliation of unapplied is as per attached (Annex 9).		

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		ix. It is true Kshs. 108,863,885 which relates to court orders was directly debited by the bank from the Commission Accounts. The payments were charged from the SGR project account and the Commission has been engaging the bank to credit back the amount debited. x. It is true Kshs. Kshs. 1,339,275,083 which relates to long outstanding balances held for various projects have not been paid due court cases, succession issues, Disputes and lack of ownership documents. The Commission will continue to address the above challenges through ADR and out of court settlement in order for the beneficiaries to be compensated		



Accounting Officer

Date

Appendix II: Projects implemented by the Commission

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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Appendix III: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment					
Machinery and Equipment					
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets					
Work in Progress					
Total					