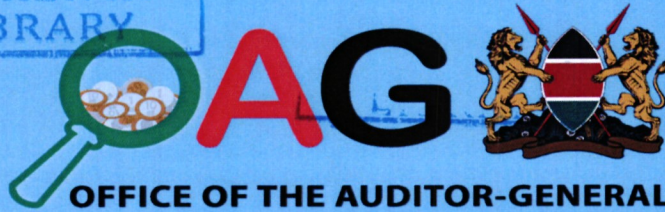


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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL LAND COMMISSION**

**FOR THE YEAR ENDED**

**30 JUNE, 2022**





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**NATIONAL LAND COMMISSION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**

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

*National Land Commission  
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**1. Key Entity Information and Management**

**(a) Background information**

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

**Our Vision**

Excellent administration and management of land for 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.

### **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
- h. designated by law;
- i. to monitor and have oversight responsibilities over land use planning throughout the country; and
- j. to perform any other functions prescribed by national legislation.

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**Powers of the Commission**

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.

**Composition of the Commission**

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 policymaking 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.

## **Commissioners and Secretary/ CEO**

### **Gershom Otachi - Chairperson**



Gershom Otachi was appointed the chairperson of the National Land Commission (NLC), in September 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.

### **Gertrude Nduku Nguku – Vice Chairperson**



Gertrude Nduku Nguku joined the Commission in 2019. 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.

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**Prof James K Tuitoek - Commissioner**



Prof. James K Tuitoek joined the Commission in November 2019.

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 committee in the commission.

**Hon. Samwel Kazungu Kambi - Commissioner**



Hon. Samwel Kazungu was appointed a Commissioner in September 2019. 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. 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. 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.

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**Reginald Okumu - Commissioner**



Reginald Okumu joined the Commission in November 2019. 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.

**Hon. Esther Murugi Mathenge, EGH - Commissioner**



Hon. Esther Murugi Mathenge joined the Commissioner in December 2020. 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 in September 2019 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.

**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. 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.

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**(b) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

1	Ag. Secretary/Chief Executive Officer (CEO)	Kabale Tache Arero
2	Director Finance & Planning (DFP)	Mr. Bernard Kibet Cherutich
3	Director Valuation & Taxation (DVT)	Ms. Joycelyn Makena
4	Director Land Administration (DLA)	Prof. David Kuria
5	Director Legal Affairs & Regulatory (DLAR)	Mr. Brian Ikol
6	Ag. Director Land Use Planning (DLUP)	Ms. Rose Kitur
7	Ag. 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	Ag. Head Communication, Corporate Affairs & Advocacy	Mr. Elijah Letangule

**(c) 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.

**(d) Fiduciary Oversight Arrangements**

**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 year under review were:

Commissioner	Prof.James Tuitoek	-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 year 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

**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 year under review were:

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

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**vi. 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 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 year under review were:

Commissioner	Reginald Okumu	-Chairman
Commissioner	Hubbie Hussein Al Haji	-Member
Commissioner	Hon. Esther M.Mathenge	-Member
DLAM	Prof. David Ndegwa Kuria	-Secretariat
Deputy Director Research	Dr. Mary Macharia	-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 year under review were:

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Commissioner	Alister Murimi	-Chairman
Commissioner	Gertrude N.Nguku	-Member
Commissioner	Hon. Esther M.Mathenge	-Member
Commissioner	Hon.Kazungu Kambi	-Member
DVT	Joycelyn Makena	-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 year under review were:

Commissioner	Hon. Esther M.Mathenge	-Chairman
Commissioner	Prof.James K.Tuitoek	-Member
Commissioner	Gertrude Nguku	-Member
Commissioner	Reginald Okumu	-Member
DLAM	Prof. David Ndegwa Kuria	-Secretariat
Deputy Director Research	Dr. Mary Macharia	-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

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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	-Chairlady
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. 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 year under review were:

Commissioner	Hon.Tiyah Galgalo	-Chairman
Commissioner	Reginald Okumu	-Member
Commissioner	Hubbie Hussein Al -Haji	-Member
Commissioner	Hon.Kazungu Kambi	-Member
HICT	Amos Parletuan Kasaine	-Secretariat
Ag.HCC&A	Elijah Letangule	-Secretariat

**Other Oversight Activities**

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

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**e) Entity Headquarters**

**National Land Commission Headquarters**

P.O. Box 44417-00100  
316 Upper Hill Chambers  
2nd Ngong Avenue  
Nairobi, KENYA

**f) Contacts**

**National Land Commission Contacts**

P.O. Box 44417 - 00100, Nairobi  
Telephone: 020 2187505  
E-mail: [info@landcomission.go.ke](mailto:info@landcomission.go.ke)  
Website: [www.landCommission.go.ke](http://www.landCommission.go.ke)

**g) Bankers**

**i. Central Bank of Kenya**

Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**Nairobi, Kenya**

**ii. National Bank Ltd**

Upper Hill Branch, NHIF Building  
P O Box 45219  
GPO 00100  
**Nairobi, Kenya**

**h) Independent Auditors**

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

**i) Principal Legal Adviser**

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

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**2. Statement by the Chairman of the National Land Commission**

The National Land Commission is a Constitutional Commission that is privileged to spearhead land reforms in Kenya. The Commission is established under Articles 67 and 248 of the Constitution of Kenya and operationalized by the National Land Commission Act 2012. The establishment of this Commission spelt new dawn in land administration and management in Kenya and stimulated the hopes and expectations of the people of Kenya that the constantly recurring land issues would be addressed conclusively. The Commission remains fully focused on meeting and exceeding these expectations and this report provides a critical opportunity to reflect on the achievements made towards this resolve in FY2021/2022. I consider this Annual Report as a special one because its publication corresponds with the marking of a decade long since the Commission was legally constituted. Additionally, this is the first Annual Report since the Strategic Plan 2021-2026 was launched and its implementation initiated. Spearheading land reforms is known to be a difficult mandate to implement, not only in Kenya but the world over. As expected, the Commission encountered various challenges in carrying out this mandate during the year under review. However, it gives me pleasure to report that the Commission overcame many of these challenges and remained steadfast in pursuing its mandate as evidenced by its remarkable performance and achievements.

The Commission aligns its programmers and activities to the Constitution of Kenya and the country's development blueprint and agendas including Vision 2030 and its Medium-term Plans, and the Big Four Agenda as per the Strategic Plan 2021-2026. In this regard, the performance and achievements that are highlighted in this Report show that the Commission is not only an outstanding Constitutionally-mandated administrator and manager of public land but, also, a critical enabler of socio-economic development. The Commission facilitates socio-economic development in various ways including availing land for public purposes and in the public interest through compulsory acquisition. The Commission's power to acquire land compulsorily is premised on the provisions of Article 40(3) of the Constitution of Kenya 2010 and Section 107(1) of the Land Act No. 6 of 2012.

Additionally, the performance and achievements that are recorded in this Report depict the Commission as a prominent promoter of sustainable use of land and natural resources to support livelihood and promote food security for the present and future generations. Equally important, the Commission has

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continued to promote national cohesion and peaceful coexistence among the Kenyan communities by encouraging the application of out-of-court settlements to resolve land-related disputes and conflicts. The main out-of-court settlement strategies include mediation, arbitration, negotiation and reconciliation among other strategies that are consistent with alternative dispute resolution and traditional dispute resolution mechanisms. Also, the Commission remains devoted to the responsibility of facilitating the provision of redress to historical land injustices.

The Commission's achievements, during the period under review, are innumerable, which makes it nearly impossible for me to capture them all in this statement. Going forward, the Commission intends to accelerate the land reform agenda in Kenya by developing more meaningful partnerships and collaborations with all stakeholders in the land sector including the government and development partners.



.....  
**Gershom Otachi Bw'omanwa**  
**Chairman - National Land Commission**

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**3. Statement by the Chief Executive Officer**

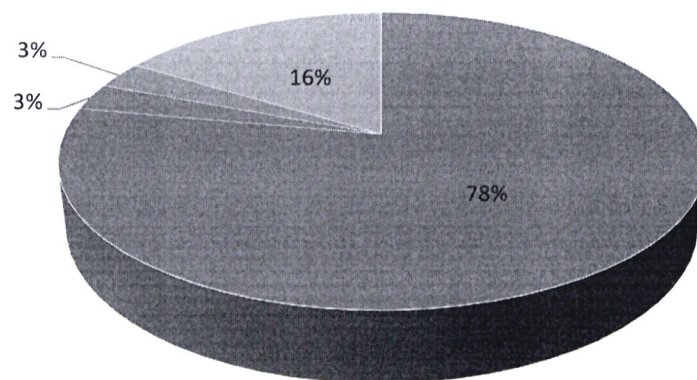
I am pleased to present the financial statements of the Commission for the Financial Year (FY) 2021/22 that ended on 30th June 2022. National Land Commission (NLC) is one of the ten Independent Constitutional Commissions listed under Article 248(2) of the Constitution of Kenya (COK) and is established 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, 2021/22 The National Land Commission had a gross budget of **Ksh. 1,725,900,615.00** Which was divided into **1,687,003,829** recurrent and **38,896,786.00** Development. The National Land Commission was to spend the gross budget of **Ksh. 1,725,900,615.00** under the following programmes:

Programmes	Approved Budget Allocation KShs	Actual Payments KShs	Variance KShs
General Administration	1,344,425,571	1,334,922,627	9,502,944
Land Administration	54,224,185	49,615,541	4,608,644
Public Land Information System	51,118,845	49,980,802	1,138,043
Conflicts and Resolutions	276,132,014	277,626,421	(1,494,407)
Land Administration and Management	1,725,900,615	1,712,144,520	13,756,095

Budget allocation by sub- programmes



■ General Administration   ■ Land Administration   ■ Public Land Information System   ■ Conflicts and Resolutions

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**I. Programme: Land Administration and Management**

This programme was allocated **Ksh. 1,725,900,615.00** representing 100% of the budget. A total of **Ksh. 1,712,144,520** was spent under this programme.

**Compensation Fund**

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

During the current FY 2021/22, the Compensation Fund received **Ksh. 8,100,559,635**

In addition, brought forward funds from FY 2020/2021 of **Ksh. 15,284,674,090** making a total of **Ksh. 23,385,233,725** available for payments.

In the current year under review, **Ksh. 14,597,577,100** was paid out to the project affected persons (PAPs) in relation to various Government projects being implemented in different parts of the Country.

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

During the FY 2021-22, 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.

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**Key Performance Highlights**

Below is an overview of the financial performance for the year ended 30<sup>th</sup> June 2022 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 30<sup>th</sup> June 2022**

<b>Financial Performance</b>	<b>Printed Estimates</b>	<b>Actual</b>	<b>Variance</b>	<b>%</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>Utilisation Variance</b>
Total Receipts	1,725,900,615	1,712,475,921	13,424,694	99%
Total Payments	1,725,900,615	1,712,144,520	13,756,095	98%
<b>Surplus for the Year</b>		<b>331,401</b>		

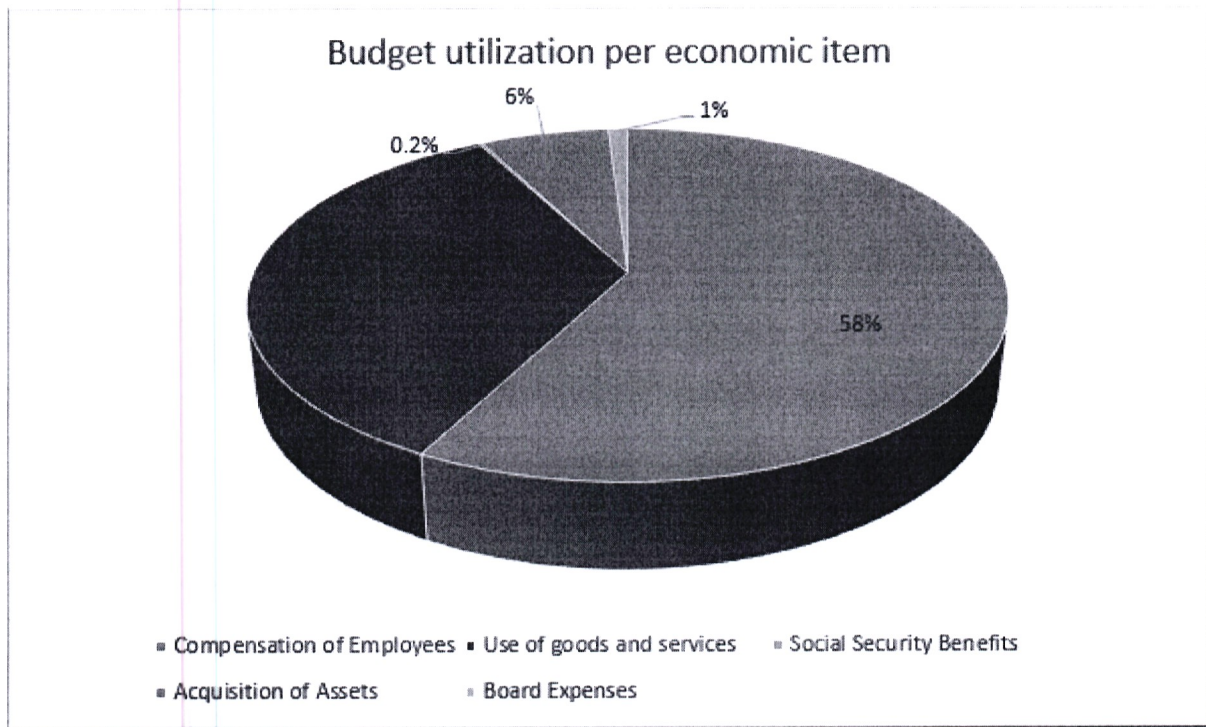
Actual receipts by the NLC stood at 99% that is 99% utilisation while actual payments were 98% that is also 98% utilisation.

**Budget Utilisation**

The National Land Commission spent **Ksh. 1,712,144,520** against an approved budget of **Ksh. 1,725,900,615** representing absorption of **98%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	<b>Approved Budget Allocation</b>	<b>Actual Payments</b>	<b>Variance</b>
Compensation of Employees	991,451,625	988,938,745	2,512,880
Use of goods and services	618,329,059	589,814,663	28,514,396
Social Security Benefits	3,548,375	3,548,375	
Acquisition of Assets	112,571,556	111,909,766	661,791
Board Expenses		17,932,972	(17,932,972)
<b>Total Payments</b>	<b>1,725,900,615</b>	<b>1,712,144,520</b>	<b>31,689,067</b>

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employees, 35% on use of goods and services ,6% utilised in Acquisition of assets and 1.2 % on board expenses and social security benefits.

**Current Year Performance against Prior Year**

Financial Performance	Year to 30 <sup>th</sup> June 2022 KShs	Year to 30 <sup>th</sup> June 2021 KShs	Change KShs	% Change
Total Receipts	10,111,645,418	24,911,384,567	(14,799,739,149)	(59%)
Total Payments	16,309,721,621	21,872,021,610	(5,562,299,989)	(25%)
<b>Surplus for the Year</b>	<b>(6,198,076,203)</b>	<b>3,039,362,956</b>	<b>(9,237,439,160)</b>	<b>(304%)</b>

Total receipts decreased by 59% due to decreased funding from other Government entities for compensations while there was decrease of 29% in payments attributed to the compensation for affected persons.

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**Receipts**

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

The total receipts for FY 2021/2022 stood at **Ksh. 10,111,645,418** representing 59% decrease from **Ksh. 24,911,384,567** for FY 2020/2021.

**Total Receipts Breakdown**

	2021-2022	2020-2021	Change	%
	Kshs	Kshs		Change
<b>RECEIPTS</b>				
Transfers from National Treasury	1,712,475,921	1,111,509,326	600,966,595	54%
Transfers from Other Government Entities	8,100,559,635	23,368,906,644	(15,268,347,009)	(64%)
Other Revenues	298,609,862	430,968,597	(132,358,735)	(31%)
<b>TOTAL REVENUES</b>	<b>10,111,645,418</b>	<b>24,911,384,567</b>	<b>(14,799,739,149)</b>	<b>(59%)</b>

The increase in total receipts is because of an increase in exchequer releases from the National Treasury by **Ksh.600.9Million** due to increased budgetary allocation. There was a decrease of Transfers from Other Government Entities by **Ksh. 15.268 Billion** Compared to the previous year. This was due to decrease in development projects under Agenda Four pillars on Road infrastructure and Water sector. Other revenues decreased by **Ksh. 132.4 Million** due to decrease in deposits in the NBK Account.

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**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 2021/2022 stood at **Ksh. 16,309,721,621** representing a 25% decrease from **Ksh. 21,872,021,610** for FY 2020/2021.

**Total Payment Breakdown**

	2020-2021	2019-2020	Change	% Change
	Kshs	Kshs		
<b>PAYMENTS</b>				
Compensation of Employees	988,938,745	895,675,066	93,263,679	10%
Use of goods and services	589,814,663	181,495,370	408,319,293	225%
Social Security Benefits	3,548,375	-	3,548,375	
Acquisition of Assets	111,909,766	19,975,970	91,933,796	460%
Other Expenses-Compensation	14,597,577,100	20,760,665,076	(6,163,087,976)	(30%)
Board Expenses	17,932,972	14,210,129	3,722,843	26%
<b>TOTAL PAYMENTS</b>	<b>16,309,721,621</b>	<b>21,872,021,610</b>	<b>(5,562,299,989)</b>	<b>(25%)</b>

Further analysis is here below;

- Use of goods decreased by 225% due increased budgetary allocation by the National Treasury.
- Acquisition of assets increased by 460% is due to purchase of assets budgeted for FY 2021/2022
- Compulsory Acquisition Compensation decreased by 34% is due to decrease in funds received from acquiring Entities for projects.

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**Financial Assets Summary**

	2021-2022	2020-2021	Change	%Change
	Kshs	Kshs		
<b>FINANCIAL ASSETS</b>				
<b>Cash and Cash Equivalents</b>				
Bank Balances	9,976,355,615	15,484,718,882	(5,508,363,267)	(36%)
Cash Balances				
<b>Total Cash And Cash Equivalents</b>	<b>9,976,355,615</b>	<b>15,484,718,882</b>	<b>(5,508,363,267)</b>	<b>(36%)</b>
Accounts Receivables	3,223,707	3,302,084	(78,377)	(2%)
<b>TOTAL FINANCIAL ASSETS</b>	<b>9,979,579,322</b>	<b>15,488,020,966</b>	<b>(5,508,441,644)</b>	<b>(36%)</b>

Bank balances decreased by 36% because of increase in payments of PAPs.

**Cash Flows and Cash Position**

Cash and bank balances held by National Land Commission as at 30<sup>th</sup> June 2022 was **Ksh. 9,976,355,615** compared to **Ksh 15,484,718,882** held as at 30<sup>th</sup> June 2021. The breakdown of the cash and bank balances is as summarized in the table below.

**Cash and Bank Balance**

Cash and Bank balances	As at 30 <sup>th</sup> June 2022	As at 30 <sup>th</sup> June 2021	Change	%
	KShs	KShs	KShs	Change
Bank Balances	9,976,355,615	15,484,718,884	(5,508,363,267)	(36%)
Cash Balances	-	-		-
<b>Total</b>	<b>9,976,355,615</b>	<b>15,484,718,884</b>	<b>(5,508,363,267)</b>	<b>(36%)</b>

Bank balances decreased by 36% because of increase in payments of PAPs. And decrease of receipts from other government entities

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**Cash Flow Activities**

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

	2021-2022	2020-2021	Change	%Change
	Kshs	Kshs		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net cash flow from operating activities	(5,396,453,502)	3,072,389,294	(8,468,842,796)	(276%)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Net cash flows from Investing Activities	(111,909,766)	(19,975,970)	(91,933,796)	460%
<b>CASH FLOW FROM BORROWING ACTIVITIES</b>				
Net cash flow from financing activities	-	-	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	(5,508,363,267)	3,052,413,324	(8,560,776,592)	(280%)
Cash and cash equivalent at BEGINNING of the year	15,484,718,882	12,432,305,558	3,052,413,324	25%
Cash and cash equivalent at END of the year	9,976,355,615	15,484,718,882	(5,508,363,267)	(36%)

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

In regard to the implementation of its mandate during the FY 2021/22, NLC recorded a number of achievements towards this end which, among others include:

1. Preparation and issuance of 47 allotment letters to various schools and public institutions in a bid to secure public institutional land from illegal allocation and encroachment. Additionally, the Commission prepared and issued 10,505 allotment letters to facilitate access to alienated and unalienated public land for settlement and development. Also, the Commission regularized 5,046 plots in urban allocation. In relation to Revenue Generation from Land and Land-based Resources, the Commission generated Kshs. 163,641,679 from processing and issuance of allotment letters, which was a tremendous improvement compared to Kshs. 15 million generated from the same in FY2020/2021.

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2. To support and enable the government's development agenda including Vision 2030 and its MTPs and the Big Four Agenda, the Commission, through compulsory acquisition of land, availed approximately 30,000.00 Hectares to various agencies for public purpose.

3. On sustainable management of natural resources, the Commission mapped ecologically-sensitive areas (ESAs) in four counties and issued over 10 advisories to various agencies including the advisory on the "Status of Gullies and Watercourses within Suswa ICD-Longonot Area (MGR/SGR Link)."

4. To mainstream land use planning in Kenya, the Commission developed two tools to monitor the implementation of NLUP and NSP; guided the preparation of eight 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 27 urban land use plans; and issued four (4) advisories on the status of land use planning.

5. The Commission, also, developed four (4) research reports on land and use of natural resources and initiated five (5) other research/studies that are at different stages of completion and publication. The joint planning and holding of the inaugural National Research Conference in partnership with the National Research Fund was, also, one of the key highlights of the Commission.

6. Regarding land disputes and conflict management, the Commission admitted 1,700 disputed to be resolved through ADR/TDR/AJS mechanisms and 70 of these disputes were successfully resolved. Also, the Commission resolved and brought to a conclusion 97 cases that it had been enjoined in. The other key highlight of the year relates to providing redress of historical land injustice where the claim-receiving statutory period lapsed on 21st September 2021. The Commission received 3,663 HLI claims the lapse of this period.

7. Lastly on achievements, the Commission relocated its Headquarter offices to 316 Upperhill Chambers, which is more spacious, 57,000 Sq. Ft, and likely to positively impact service delivery to the people of Kenya.

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.

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**Kabale Tache Arero**  
**Ag. Secretary/CEO**

#### **4. Statement of Performance against Predetermined Objectives for FY2021/22**

##### **Introduction**

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

The key strategic objectives as per the strategic plan for FY 2021-2026 plan are to:

- a) Key Result Area 1: Management and Administration of Public Land
- b) Key Result Area2: Use of Land and security of Land Rights
- c) KRA 3: Revenue generation from land and land based resources
- d) KRA 4: Land Dispute Resolution and Conflict Management
- e) KRA 5: Institutional Strengthening

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**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:

<b>Programme 1: Land Administration and Management</b>						
<b>Outcome: Enhanced access and use of land for socio-economic and environmental development</b>						
<b>Sub-programme</b>	<b>Unit</b>	<b>Output</b>	<b>Key Performance Indicators</b>	<b>2021/22 Target</b>	<b>2021/22 Achievement</b>	<b>Remarks</b>
<b>SP1: General Administration, Planning &amp; Support Services</b>	<b>HR &amp; Administration</b>	Acquired office Building- (HQ)	Acquired office building in place	57,000 sq feet	57,700 sq feet	The Commission acquired 57,700 sq. Feet office space at the 316 Upperhill Chambers where it moved its headquarters offices to with effect from February 2022.
		Offices for Commission county offices constructed	No. of Commission County offices constructed	2	—	Not achieved due to lack of funds
		Motor Vehicles acquired for the Counties Coordination units	No. of motor Vehicles acquired for the Counties Coordination units	15	22	These includes 2 vehicles received from FAO
		Staff complement in place	No. of staff recruited	60	14	The Commission recruited 14 members of staff. At the end of the FY the Commission was in the process of recruiting 11 members of staff for the Corporate Affairs & Communication Directorate.

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		No. of interns engaged	110	110	Target achieved
	Commissioners, staff and stakeholders trained	No. of Commissioners and staff trained in various fields	500	534	This was achieved. The new staff were taken through induction training while several other staff were trained on different thematic areas
	Organizational Structure, Grading structure and staffing levels	Organizational Structure, Grading structure and staffing levels in place	1	1	Reviewed the Organization Structure, Grading Structure and Proposed Staffing Levels in Place
	Career Progression Guidelines developed and Succession plan developed	Career Progression Guidelines and Succession plan in place	1	—	The draft Career Progression Guideline has been finalised and its awaiting validation by the Commission.
	Staff skills inventory	No. of Staff Skills inventory in place	1	1	A comprehensive staff skill inventory is in place
	Reviewed Performance Management system	Appraisal Reports	1	1	Appraisal reports in place
	Fully funded staff mortgage and car	Percentage of staff with access to mortgage facility	30%	1.30%	7 members of staff benefited from the scheme. Target was not achieved due to budget constraints

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	loans scheme	Percentage of with access to car loans	30%	1.20%	6 members of staff benefited from the scheme. Target was not achieved due to budget constraints
	Staff insurance covers	Robust Staff Insurance covers	4	4	All the four covers are in place i.e. Staff Medical Cover, Group Life Cover, Group Personal Accident Cover and WIBA Cover.
	Reviewed Human Resources Policies and Procedures Manual	Human Resources Policies and Procedures Manual	1	–	The draft Human Resources and Administration Policies and Procedures Manual has been finalised and its awaiting validation by the Commission.
	Compliance report on Occupational Health and Safety standards in place	% Compliance Levels on Occupational Health and Safety standards	50%	50%	This has led to improved working environment within the Commission.
	Undertaken staff and work environment surveys	staff satisfaction and Work environment survey reports	1	–	This was not achieved due to lack of funds
<b>ICT</b>	Established LAN/WAN Connectivity at head office and County offices.	No. of offices connected	4	4	LAN connectivity at head office has been established i.e. at 4th floor ACK building and 3 county offices
	ICT Disaster Recovery Site	Number of Recovery site in place	1	1	Target achieved

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	established (Cloud computing )	No of systems replicated in the disaster recovery site.	4	4	Target achieved
	Licenses purchased & renewed,	No. of licenses purchased & renewed	8	8	Target achieved
	Software upgraded and	No. of software's purchased	300	300	Target achieved
	Hardware purchased & maintained	No. of hardware purchased	250	128	Not achieved due to lack of funds
		No. of processes and procedures automated	3	3	Haki kwa ground system (3 modules) Target Achieved
<b>Corp orate Plan ning</b>	M&E reports documente d	No. of reports on M&E recommen dation's	4	4	4 quarterly reports in place. The recommendations in these reports have led to improved decision making in the Commission,
<b>Audi t &amp; Risk Man agement</b>	Audit & Risk Manageme nt reports in place	No. of Audit and Risk Managem ent reports prepared	12	9	9 Audit reports in place. The recommendations in these reports have led to improved decision making in the Commission,
<b>Com muni catio n &amp; Advo cacy</b>	Awareness /Public Relations/ Publicity Campaign s Conducted	No. of campaigns conducted Improved awareness on NLC activities	5	9	This was achieved through external support in kind.

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			Number of IEC materials produced and disseminated	75	10,000	i)Development and Printing of branded notebooks, pens, folders, and Gift Bags. (ii) Development and printing of roll up and wall Banners (This was over achieved due to donor support).
		Brand positioning report in place	No. of brand audit reports	1	–	Not achieved due to unavailability of funds occasioned by austerity measures but the Commission has already held a number of activities towards the achievement of the same.
		Service charter in place	Service charter developed	1	–	A draft service charter has been developed awaiting internal validation.
<b>SP2. Land Administration and Management Services</b>	<b>Land Administration</b>	Verified allotment letters	No. of verified allotment letters	2,000	306	The Commission's way forward is to issue consents and not transfers. 1,822 requests are on process for consent. Processes have not been finalized
		Guideline and manuals on land management and disposition by public institutions developed	No. of Guidelines and manuals developed and in use	2	3	Guidelines on acquisition of land by National Agricultural and Rural Inclusive Growth Project (NAGRIP), Management of land held by Public Institutions Guidelines, Guidelines on Renewal of Leases.
		Executed leases and grants for public institutions	No. of grants and leases executed	500	45	Survey work affecting output

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	Areas in urban areas formalized and serviced	No. of allotments letters formalized & Issued	300	10,101	Output in line with completed vectorised urban area. 3,768 - Nyandarua Colonial Villages, 986 - Narok Township, 1 Western case, 12 Eastern cases and 2 North Eastern cases, 4 - Nairobi, 16 - NHC cases for both Eastern & Western Region, 5,020 - Regularization cases in Rift valley region
	Settlement scheme parcels reserved for amelioration of disadvantaged persons	No. of settlement scheme parcels reserved	8	2	The two settlement scheme parcels are in Nandi County. However, Commission is in the process of reserving settlement scheme in Taita Taveta, Kilifi and Kwale Counties. Commission reserves for settlement schemes is dependent on identification and demand-driven by Ministry of Lands and Physical Planning (MoLPP) or County governments.
	public notices prepared on renewal and extension of lease on public land	No. of notices issued	12	18	Letters of allotment issued after receiving no objections to intention to allocate
	Land Leasing and Tenure Framework for public	Land Leasing and Tenure Framework for public	1	—	The process is ongoing.

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		land developed	land in place			
		Revenue and AIA generated through letter of allotment fees, stand premium, annual rent, approval fees and consent fees	Amount generated in Kshs	100M	163,641,679	Target over achieved as renewals, new allocations & formalizations of urban centres pick up.
	<b>Research</b>	Research framework developed	A research framework in place	1	1	NLC Research Policy Framework adopted as a Commission document and in use.
		Researched and disseminated land reports	No of Policy Briefs and recommendations made to appropriate authorities	3	2	These are: Enhancing mobilization of Land to support Government Agenda, Comprehensive programme for registration of title in Kenya
			No. of Researched and disseminated land reports	3	2	1. Effects of land fragmentation on Land Use and Food security in 13 counties, 2. Tenancy-at-will Land Tenure System; its sustainability and place in Kenya's Legal Framework (Case study of Mombasa and Lamu Counties)

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	Research Concept papers and proposals on land and use of natural resources developed	No. of concept papers and proposals developed	3	4	4 research proposals have been developed on Sustainable use and exploitation of blue economy, Communities role in managing natural resources, Sustainable use and Protection of Wetlands in Kenya using Traditional and Indigenous Knowledge; Case of Yala and Ondiri Swamps Proposals and Terms of References drafted and awaiting approval by Committee.
	Dissemination of research findings	Workshops and conferences	3	6	Comprehensive Programme for Registration of Title to Land in Kenya, Managing Agricultural Land for Food and Livelihood Security, Land Use and Land Cover Changes in Kenya, Enhancing Management of Land Resources in Kenya, Enhancing Management of Land Resources in Kenya, Presentation on the Effects of Land Fragmentation on Land Use and Food Security in 13 Counties, Public Lecture on Celebrating a Decade of Promoting Constitutionalism and Observance of Democratic Value and Principles.
	Policy framework for public land management	No. of policy framework for public land management	1	1	Key Issues paper on Public Land Management in Kenya Finalized, and done consultatively with MoLPP, CoG, Treasury and World Bank.

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		nt strategy developed	nt developed			
<b>Land Use Planning</b>	Land Use monitoring and oversight frameworks developed and in use	No. of frameworks developed and in use	2	2		National Land Use Policy Implementation Monitoring and Oversight, and National Spatial Plan Implementation Monitoring and Oversight Tool
	Baseline report on status of land use planning developed	Baseline report developed, completed and published	1	–		Not achieved due to lack of funds.
	county spatial planning team sensitized and advised on land use planning	No. of Sensitization and advisory on land use planning County Spatial Planning team.		4		These counties are; Nyandarua, Marsabit, Isiolo and Embu
	Monitoring and oversight reports on land use planning prepared and disseminated	No. of monitoring reports prepared and disseminated	15	9		The Commission reviewed and made recommendations for the improvement on eight County Spatial Plans. The nine include: Nyandarua, Nyeri, Kirinyaga, Kwale, Samburu, Kajiado, Narok, Kilifi and Bomet.

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		No. of oversight reports prepared and disseminated	5	3	Advisory issued to county governments on plans that may be used to allocate public land, advisory issued to state department of Housing and Urban Development and Counties through the Council of Governors, advisories were issued on part development plans for Vet farm Kajiado, Masinde Muliro University and Shauri Yako informal settlement upgrading in Meru county.
<b>Natural Resource Management</b>	Natural Resource Advisories issued	No. of advisories issued	10	10	Advisory on Ol-Arabel forest in Mochongoi in Baringo County; Advisory on Wildlife Corridor connectivity spaces: Advisories on James Finlay and Kericho County Government; Kihoto home owners; Lake Naivasha riparian association; Project affected persons along Suswa Longonot MGR/SGR link, Kakamega, Nandi, Naivasha Counties
	Natural Resources Inventory developed	No. of counties with national resources inventory developed	10	4	Taita Taveta, Makeni, Kakamega and Nandi. Target not achieved due to lack of funds
		% of natural resource inventory developed	80%	80%	Expected to be completed by FY2023/2024

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			countrywide			
		Fragile Ecosystem Assessment Reports developed	No. of fragile ecosystem assessments reports generated	3	3	ESAs monitoring reports that covered Lake Naivasha riparian lands, Malindi riparian lands and Seregeya forest in Likuyani (Turbo)
		Ecologically sensitive areas identified, mapped and registered	No. of Maps and reports of ecologically sensitive areas developed	1	1	Target achieved.
		Frameworks for natural resources management developed	No of frameworks developed and in place (Guidelines, strategies, rules and regulations)	1	1	Kenya Climate Smart Agriculture Project (KSAP) on Land Access Guidelines in place
		Climate smart imperatives mainstreamed in land administration and management regimes	No. of climate smart land sessions held with stakeholders	2	2	1. Climate smart sessions on Lowering Emissions by Accelerating Forest Finance (LEAF initiative) 2. The UK PACT/UNDP proposal development session.
	<b>Valuation</b>	Land acquired	No. of acquisition	20	55	Target achieved.

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	<b>&amp; Taxation</b>	on behalf of National and County government	projects received and processed (approval)			
			Cumulative percentage of completion of the acquisition projects undertaken (process based)	65%	45%	These are 26 projects that have been gazetted, inspected, inquiries held and awards issued
		Valuation reports prepared and submitted to Government MDAs	No. of valuation reports prepared and submitted to Government MDAs	20	11	During the period, the Commission finalized 11 projects for payment
		Policy guidelines and frameworks on assessment of tax and premiums on immovable property developed	Policy guideline prepared and in place		–	Review of laws on taxation of land currently on going.
		Framework on assessment of tax and premiums on immovable property developed		–	Review of laws on taxation of land currently on going.	

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		Public land management guidelines for public agencies developed	% of public land management guidelines for public agencies developed	60%	40%	Affected by limited funds
		Final survey guidelines in support of vesting in place	No. of survey guidelines developed	1	1	The guidelines have been developed
		Public land vested to Government/ acquiring bodies	% of grants prepared for apportionment to the PAPs and forwarded for registration	30%	30%	Achieved
<b>SP3. Public Land Information Management</b>	<b>Survey</b>	Public Land Information System (PLIS) in place	% of enhancement on PLIS systems	20%	20%	The process is ongoing
		Secured access to public land data	A functional public land records registry established	1	–	The registry was not established due to limited space and funds.

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			% of publicly available web-based public land inventory portal developed	20%	10%	Not achieved due to limited funds	
			No. of manual public land records converted and uploaded into the portal i.e. geo-referenced, digitized and published.	3,000			
			Draft framework for monitoring registration of rights and interests to land developed	No. of developed draft framework for monitoring registration of rights and interests to land	1	0.8	A draft framework is in place awaiting validation and adoption.
<b>SP4. Land Disputes and Conflict Reso</b>	<b>HLI</b>	HLI claims investigated and recommendations made	No. of Regulations for HLI developed	1	1	Regulations in place	
			No. of claims admitted for	245	69	Not achieved due to limited funding and the tedious process involved.	

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<b>lutio ns</b>			investigati on			
			No. of claims investigate d and recommen dations on appropriat e redress	125	4	Not achieved. However, 54 claims have been concluded awaiting determination
<b>Lega l</b>	ADR/TDR claims investigate d and resolved	No. of ADR/TDR framework s developed	1	1	Framework developed	
		No. of disputes admitted for resolution through ADR and TDR mechanis ms.	1,250	1,700	Worked on 1700 files ready for AJS hearing.	
		% of disputes resolved through ADR and TDR mechanis ms.	40%	3%	40 cases have been successfully resolved	
	Grants and disposition s on public land reviewed	No. of reviewed grants and disposition s on public land	—		Not undertaken due to lapse of the guiding laws but have applied to parliament for extension of the same.	

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		Recommendations on land parcels whose legality has been subjected to inquiry under Section 6 of the NLC Act, 2012.	% of land parcels whose legality has been subjected to inquiry and recommendations made	20%	–	Not done due to changes in law
		Land cases resolved through litigation	% of litigation cases resolved	–	4%	These are 97 cases resolved over 2381 cases the commission had been enjoined in
		Land related policies and regulations reviewed	No. of land related policies and regulations reviewed	1	–	

## **5. 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 failure.

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

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

### **c) Employee welfare**

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

- Human Resources Manual Policy

### **d) Operational practices**

The organisation should outline its efforts to:

#### **i. 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-**

During financial year 2021/2022, The National Land Commission did not have any approved strategies on community engagement. However, during the period under Covid 19 pandemic, The Commission mobilised Kshs 625,000 From the Chairperson, Commissioners and members of the secretariat. The amount was handed over to the Covid 19 Fund for the purpose of fighting and containing the spread of the Covid 19 virus.

**6. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the National Land Commission *is* responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the National Land Commission accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer in charge of the National Land Commission further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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**Approval of the financial statements**

The National Land Commission's financial statements were approved and signed by the Accounting Officer on 28th September 2022.



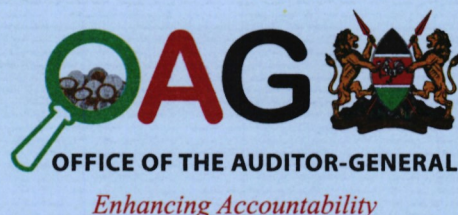
.....  
**Kabale Tache Arero**  
**Ag. Secretary /CEO**



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

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL LAND COMMISSION FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Land Commission set out on pages 1 to 37, which comprise of the statement of assets and liabilities as at

30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Land Commission as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Prior Year Adjustments**

The statement of assets and liabilities reflects prior year adjustments of Kshs.6,587,878,307 as disclosed in Note 14 to the financial statements. However, Management did not provide any evidence to support the prior year adjustments.

In the circumstances, the validity, accuracy and completeness of the prior year adjustments of Kshs.6,587,878,307 could not be confirmed.

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

#### **Key Audit Matters**

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

#### **Other Matter**

##### **1. Pending Bills**

Note 14.2 to the financial statements reflects pending bills balance of Kshs.531,496,362 comprising of Kshs.17,424,210, Kshs.487,150,361 and Kshs.26,921,791 in respect of supply of goods, supply of services and staff payables, respectively. These bills were not paid during the year under review but were instead carried forward to the financial year 2022/2023.

However, pending bills totalling Kshs.6,279,400 were not adequately supported with the necessary documentation. In the circumstances, the existence of the pending bills of Kshs.6,279,400 could not be confirmed.

Failure to settle bills during the year to which they relate distorts the budget implementation of the subsequent year as the outstanding bills form a first charge on resources available.

## **2. Contingent Liabilities**

Note 14.2 and Annex 7 to the financial statements reflect contingent liabilities totalling Kshs.490,961,706 arising from legal fees, court cases and awards against the Commission. Further, the contingent liabilities balance includes an amount of Kshs.11,000,000 in respect of legal fees out of which an amount of Kshs.9,021,651 has remained outstanding since certification by the court on 4 January, 2019.

In the circumstances, the non-payment of the outstanding amounts may attract further avoidable expenses through interest and penalties charged on late payments.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance with One Third Basic Pay Rule**

Review of the Commission's staff payroll revealed that, during the year under review, there were twenty-six (26) employees whose salary deductions exceeded two-thirds of their basic salaries. This is contrary to Section 19(3) of the Employment Act, 2007 which requires that deductions made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages

In the circumstances, Management was in breach of the law and this may expose the staff to pecuniary embarrassment.

#### **2. Officers on Acting Capacity Beyond Stipulated Time**

Review of the payroll and other staff records revealed that eight (8) employees who are serving as County coordinators continued to serve in acting capacities and receive acting allowances beyond six (6) months. This is contrary to Section 5.6 of the Commission's

Human Resource Policy Manual which provides that acting appointments will be made for a minimum of thirty (30) days and maximum of six (6) months duration.

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

### **3. Irregular Engagement of Legal Services**

The statement of receipts and payments reflects expenditure totalling Kshs.589,814,663 in respect of use of goods and services, as disclosed in Note 5 to the financial statements, which includes other operating expenses of Kshs.261,982,324. The latter amount includes an expenditure of Kshs.91,816,642 that was paid to a law firm on 21 June, 2022 due to various miscellaneous civil applications.

However, review of records revealed that the Attorney General did not authorize the engagement of the law firm. This is contrary to Section 17(1) of the Office of the Attorney General Act, 2012 which provides that no Ministry or Department shall engage the services of a consultant to render any legal services relating to the functions of the Attorney General without the approval of the Attorney General.

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

### **4. Avoidable Interest Expense on Legal Fees**

Review of court records in relation to Civil Application No. 363 of 2014, between an Investment Company and the Commission, revealed that the court awarded the plaintiff a sum of Kshs.20,679,403 which comprised of the decretal amount of Kshs.15,318,382 and interest of Kshs.5,361,021 at a rate of 12% from 19 December, 2017. The interest expense of Kshs.5,361,021 was an avoidable charge to public funds which arose from the delay by the Commission in settlement of the payment due to the Company.

In the circumstances, value for money on the expenditure of Kshs.5,361,021 incurred on the interest expense could not be ascertained.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **1. Failure to Update the Fixed Assets Register**

Annex 4 to the financial statements on summary of fixed assets register reflects a balance of Kshs.744,537,853 as at 30 June, 2022 as the historical cost of assets. However, the fixed asset register provided for audit lacks critical information like the cost and depreciation of the assets as well as other requisite disclosures contrary to the requirements under the guidelines on assets and liabilities by the National Treasury.

In the circumstances, the effectiveness of controls relating to management of fixed assets could not be confirmed.

### **2. Staffing Levels Below Approved Staff Establishment**

Review of human resource records revealed that the Commission has an approved staff establishment of one thousand two hundred and sixteen (1,216) staff against five hundred and forty-eight (548) staff members in post thus resulting in an overall under-establishment of six hundred and sixty-eight (668) staff as at 30 June, 2022. This is contrary to Section 2 of the Commission's Human Resource Policy Manual 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, failure to recruit and retain the optimal number of employees may hinder the effective delivery of services by the Commission.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 overall governance.

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

related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Commission or to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

10 January, 2023

*National Land Commission  
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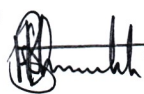
**8. Statement of Receipts and Payments for the year ended 30<sup>th</sup> June 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Exchequer releases	1	1,712,475,921	1,111,509,326
Transfers from Other Government Entities	2	8,100,559,635	23,368,906,644
Other Receipts	3	298,609,862	430,968,597
<b>TOTAL REVENUES</b>		<b>10,111,645,418</b>	<b>24,911,384,567</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	988,938,745	895,675,066
Use of goods and services	5	589,814,663	181,495,370
Social Security Benefits	6	3,548,375	-
Acquisition of Assets	7	111,909,766	19,975,970
Other Payments	8	14,597,577,100	20,760,665,076
Board Expenses	9	17,932,972	14,210,129
<b>TOTAL PAYMENTS</b>		<b>16,309,721,621</b>	<b>21,872,021,611</b>
<b>DEFICIT / SURPLUS</b>		<b>(6,198,076,203)</b>	<b>3,039,362,956</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2022. And signed by:

.....  


**Kabale Tache Arero**  
**Ag. Secretary /CEO**

.....  


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

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**9. Statement of assets and liabilities as at 30<sup>th</sup> June 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	10	9,976,355,615	15,484,718,883
<b>Total Cash And Cash Equivalents</b>		<b>9,976,355,615</b>	<b>15,484,718,883</b>
Imprest And Advances	11	3,223,707	3,302,084
<b>TOTAL FINANCIAL ASSETS</b>		<b>9,979,579,322</b>	<b>15,488,020,967</b>
<b>LESS: FINANCIAL LIABILITIES</b>			
Third Party Deposits And Retention	12	9,967,360,452	15,865,604,201
<b>NET FINANCIAL ASSETS</b>		<b>12,218,870</b>	<b>(377,583,235)</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd.		(377,583,235)	(83,667,676)
Prior year adjustments	14	6,587,878,307	(3,333,278,516)
Deficit / Surplus for the year		(6,198,076,202)	3,039,362,957
<b>NET FINANCIAL POSSITION</b>		<b>12,218,870</b>	<b>(377,583,235)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28th September 2022 and signed by:



.....  
**Kabale Tache Arero**  
**Ag. Secretary /CEO**



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

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**10. Statement of Cash Flows for the year ended 30th June 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for operating income</b>			
Transfers from National Treasury	1	1,712,475,921	1,111,509,326
Transfers from Other Government Entities	2	8,100,559,635	23,368,906,644
Other Revenues	3	298,609,862	430,968,597
		<b>10,111,645,418</b>	<b>24,911,384,567</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	988,938,745	895,675,066
Use of goods and services	5	589,814,663	181,495,370
Social Security Benefits	6	3,548,375	-
Other Expenses	8	14,597,577,100	20,760,665,076
Board Expenses	9	17,932,972	14,210,129
		<b>16,197,811,855</b>	<b>21,852,045,641</b>
<b>Adjusted for:</b>			
Prior year adjustments	14	6,587,878,307	(3,333,278,516)
Changes in receivables	15	78,377	2,989,016
Changes in payables	16	(5,898,243,749)	3,343,339,867
<b>Net adjustments</b>		<b>689,712,934</b>	<b>13,050,368</b>
<b>Net cash flow from operating activities</b>		<b>(5,396,453,502)</b>	<b>3,072,389,294</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	7	(111,909,766)	(19,975,970)
<b>Net cash flows from Investing Activities</b>		<b>(111,909,766)</b>	<b>(19,975,970)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
<b>Net cash flow from financing activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(5,508,363,267)</b>	<b>3,052,413,325</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>15,484,718,882</b>	<b>12,432,305,558</b>
<b>Cash and cash equivalent at END of the year</b>		<b>9,976,355,615</b>	<b>15,484,718,883</b>

*National Land Commission  
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The entity financial statements were approved on 28th September 2022 and signed by:



.....  
**Kabale Tache Arero**  
**Ag. Secretary /CEO**



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

*National Land Commission  
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**11. Statement of Comparison of Budget and Actual Amounts for FY2021/22**

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Exchequer releases	1,482,900,615	243,000,000	1,725,900,615	1,712,475,921	13,424,694	99%
Transfers from Other Government Entities	8,100,559,635	0	8,100,559,635	8,100,559,635	-	100%
Other Receipts	298,609,862	0	298,609,862	298,609,862	-	100%
<b>Total Receipts</b>	<b>9,882,070,112</b>	<b>243,000,000</b>	<b>10,125,070,112</b>	<b>10,111,645,418</b>	<b>13,424,694</b>	<b>100%</b>
<b>Payments</b>						
Compensation of Employees	1,002,000,000	(10,548,375)	991,451,625	988,938,745	2,512,880	100%
Use of goods and services	368,329,059	250,000,000	618,329,059	589,814,663	28,514,396	95%
Social Security Benefits	0	3,548,375	3,548,375	3,548,375	1	100%
Acquisition of Assets	112,571,556	0	112,571,556	111,909,766	661,791	99%
Other Expenses	14,597,577,100	-	14,597,577,100	14,597,577,100	-	100%
Board Expenses	0	-	-	17,932,972	(17,932,972)	
<b>Grand Total</b>	<b>16,080,477,715</b>	<b>243,000,000</b>	<b>16,323,477,715</b>	<b>16,309,721,620</b>	<b>13,756,095</b>	<b>100%</b>
<b>Surplus/Deficit</b>				<b>(6,198,076,202)</b>	<b>(331,401)</b>	

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**(a) Reallocations/Adjustments within the year:**

The changes between the original and final budget are as a result of reallocations and supplementary budget done during the year.

The entity financial statements were approved on 28th September 2022 and signed by:

  
.....

**Kabale Tache Arero  
Ag. Secretary /CEO**

  
.....

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

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**11 (a) Summary Statement of Appropriation: Recurrent for FY2021/22**

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %
<b>RECEIPTS</b>						
Exchequer releases	1,444,003,829	243,000,000	1,687,003,829	1,687,003,829	0	100%
Transfers from Other Government Entities	8,100,559,635	0	8,100,559,635	8,100,559,635	0	100%
Other Receipts	298,609,862	0	298,609,862	298,609,862	0	100%
<b>Total Receipts</b>	<b>9,843,173,326</b>	<b>243,000,000</b>	<b>10,086,173,326</b>	<b>10,086,173,326</b>	<b>0</b>	<b>100%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,002,000,000	(10,548,375)	991,451,625	988,938,745	2,512,880	100%
Use of goods and services	368,329,059	250,000,000	618,329,059	589,814,663	28,514,396	95%
Social Security Benefits	0	3,548,375	3,548,375	3,548,375	1	100%
Acquisition of Assets	73,674,770	0	73,674,770	73,115,629	559,141	99%
Other Expenses	14,597,577,100	0	14,597,577,100	14,597,577,100	0	100%
Board Expenses	0	0	0	17,932,972	(17,932,972)	
<b>Grand Total</b>	<b>16,041,580,929</b>	<b>243,000,000</b>	<b>16,284,580,929</b>	<b>16,270,927,484</b>	<b>13,653,446</b>	<b>100%</b>
<b>Deficit</b>				<b>(6,184,754,157)</b>	<b>(13,653,446)</b>	

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**Reallocations/Adjustments within the year:**

The changes between the original and final budget are as a result of reallocations and supplementary budget done during the year.

The entity financial statements were approved on 28th September 2022 and signed by:

  
.....

**Kabale Tache Arero  
Ag. Secretary /CEO**

  
.....

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

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**11 (b) Summary Statement of Appropriation: Development for FY2021/22**

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Exchequer releases	38,896,786	0	38,896,786	25,472,092	13,424,694	65%
<b>Total Receipts</b>	<b>38,896,786</b>	<b>0</b>	<b>38,896,786</b>	<b>25,472,092</b>	<b>13,424,694</b>	<b>65%</b>
<b>Payments</b>						
Acquisition of Assets	38,896,786	0	38,896,786	38,794,137	102,650	100%
<b>Grand Total</b>	<b>38,896,786</b>	<b>0</b>	<b>38,896,786</b>	<b>38,794,137</b>	<b>102,650</b>	<b>100%</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(13,322,045)</b>	<b>13,322,045</b>	

**(a) Variance analysis:**

The exchequer receipts were at 65% due to unavailability of funds from the National Treasury

The entity financial statements were approved on 28th September 2022 and signed by:

.....  
Kabale Tache Arero  
Ag. Secretary /CEO

.....  
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**11 (c) Budget Execution by Programmes and Sub-Programmes for FY2021/22**

<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
<b>113000000</b>		<b>Land Administration and Management</b>	<b>0</b>	<b>0</b>	<b>0</b>
	113010000	<b>Land Administration and Management</b>	0	0	0
	113020000		0	0	0
	113030000		0	0	0
	113040000		0	0	0
	113050000		0	0	0
	113060000		0	0	0
	113070000		0	0	0
<b>114000000</b>			<b>0</b>	<b>0</b>	<b>0</b>
	114010000		0	0	0
<b>115000000</b>			<b>0</b>	<b>0</b>	<b>0</b>
	115010000		0	0	0
<b>116000000</b>			<b>0</b>	<b>0</b>	<b>0</b>
	116010000		0	0	0
<b>119000000</b>			<b>1,725,900,615.00</b>	<b>1,712,144,519.70</b>	<b>13,756,095.30</b>
	119010000		1,344,425,571.00	1,334,921,755.65	9,503,815.35
	119020000		54,224,185.00	49,615,541.05	4,608,643.95
	119030000		51,118,845.00	49,980,802.30	1,138,042.70
	119040000		276,132,014.00	277,626,420.70	(1,494,406.70)
		<b>Grand Total</b>	<b>1,725,900,615.00</b>	<b>1,712,144,519.70</b>	<b>13,756,095.30</b>

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

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

#### **4. Significant Accounting Policies**

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

##### **a) Recognition of Receipts**

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

##### **(i) Transfers from the Exchequer**

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

##### **(ii) External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

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**Significant Accounting Policies (Continued)**

**(iii) Other receipts**

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

**b) Recognition of payments**

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

**i) Compensation of Employees**

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

**ii) Use of Goods and Services**

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

**iii) Acquisition of Fixed Assets**

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

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

**Significant Accounting Policies (Continued)**

**iv) In-kind contributions**

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

**v) Third Party Payments**

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

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**Significant Accounting Policies (Continued)**

**c) 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.

A bank account register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**d) Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits

**e) Imprests and advances**

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

**Significant Accounting Policies (Continued)**

**f) Third party deposits and retention**

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

Other liabilities including pending bills are disclosed in the financial statements.

**g) Pending Bills**

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

**h) Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 21 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by Law and there were xx number of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

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**Significant Accounting Policies (Continued)**

**i) Comparative Figures**

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

**j) Subsequent Events**

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

**k) Prior Period Adjustment**

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

**l) Related Party Transactions**

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

**Significant Accounting Policies (Continued)**

**m) Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The *entity* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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**Notes to the Financial Statements**

**1 Exchequer releases**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Exchequer Releases for quarter 1	283,445,217	140,773,925
Total Exchequer Releases for quarter 2	376,889,878	318,057,821
Total Exchequer Releases for quarter 3	264,141,365	326,507,890
Total Exchequer Releases for quarter 4	787,999,461	326,169,690
<b>Total</b>	<b>1,712,475,921</b>	<b>1,111,509,326</b>

**2 Transfers from other Government Entities**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers from Central government entities	6,778,586,705	23,368,906,644
Administrative receipts	95,636,681	-
Transfer from Exchequer National Treasury SGR	1,226,336,249	-
<b>Total</b>	<b>8,100,559,635</b>	<b>23,368,906,644</b>

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

**2a) Transfers from other Government entities**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transfers from Central government entities</b>		
KeRRA	-	35,353,053
Kenya Railways Corporation	1,773,618,670	420,825,940
Athi Water Services Board	-	1,869,851,864
KENHA	3,199,190,991	19,905,958,095
Githunguri ranching company-Housing		739,956,000
Ministry Of Water & Irrigation	1,804,433,826	390,000,000
Ministry of Education	797,370	-
Kenya Airports Authority	-	6,961,692
Marsabit County	545,847	-
Administrative Receipts-Various	95,636,681	-
<b>Total</b>	<b>6,874,223,385</b>	<b>23,368,906,644</b>
<b>CBK SGR compensation</b>	1,226,336,249	-
<b>Total</b>	<b>8,100,559,635</b>	<b>23,368,906,644</b>

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*Notes to the Financial Statements (Continued)*

**3 Other Receipts**

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Received from NBK Compensation Fund	298,609,862	427,483,997
FAO refund	-	2,006,600
Life Insurance	-	1,278,000
Funeral	-	200,000
<b>Total</b>	<b>298,609,862</b>	<b>430,968,597</b>

**4 Compensation to Employees**

	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	639,401,226	564,161,821
Basic wages of temporary employees	-	11,906,900
Personal allowances paid as part of salary	258,737,722	237,484,451
Pension and other social security contributions	90,799,797	82,121,894
<b>TOTAL</b>	<b>988,938,745</b>	<b>895,675,066</b>

**5 Use of Goods and Services**

Description	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	-	-
Communication, supplies and services	7,151,393	2,947,178
Domestic travel and subsistence	22,938,812	12,298,284
Foreign travel and subsistence	1,608,510	1,035,604
Printing, advertising and information supplies & services	7,231,266	3,494,413
Rentals of produced assets	57,047,993	34,825,843
Training expenses	6,185,329	2,205,844
Hospitality supplies and services	25,824,856	8,048,147
Insurance costs	128,455,844	96,956,715
Office and general supplies and services	15,995,901	4,046,413
Fuel Oil and Lubricants	8,277,075	5,539,770
Other operating expenses	261,982,324	8,299,743
Routine maintenance – vehicles and other transport equipment	1,730,601	1,500,614
Routine maintenance – other assets	45,384,760	296,802
<b>Total</b>	<b>589,814,663</b>	<b>181,495,370</b>

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*Notes to the Financial Statements (Continued)*

**6 Social Security Benefits**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Government pension and retirement benefits	3,548,375	-
<b>Total</b>	<b>3,548,375</b>	<b>-</b>

**7 Acquisition of Assets**

<b>Non -Financial Assets</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Vehicles and other Transport Equipment	32,999,312	
Purchase of Office Furniture and General Equipment	8,297,439	3,214,396
Purchase of Specialized Plant, Equipment and Machinery	38,794,137	
Research, Studies, Project Preparation, Design & Supervision	1,799,778	1,742,353
<b>Sub-total</b>	<b>81,890,666</b>	<b>4,956,749</b>
<b>Financial Assets</b>		
Domestic Lending and On-lending	30,019,100	15,019,221
<b>Sub-total</b>	<b>30,019,100</b>	<b>15,019,221</b>
<b>Total</b>	<b>111,909,766</b>	<b>19,975,970</b>

**8 Other Expenses**

<b>Explanation</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Charges-NBK Account Compensation fund	1,543,600	1,656,430
Administrative costs	532,119,170	1,191,542,143
Other expenses-Payments on Compensation -CBK	1,718,841,202	420,825,940
Other expenses-Payments on Compensation -NBK	12,345,073,128	19,146,640,564
<b>Total</b>	<b>14,597,577,100</b>	<b>20,760,665,076</b>

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*Notes to the Financial Statements (Continued)*

**9 Board Expenses**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Emoluments for Executives	12,770,529	12,770,529
Domestic Travels commissioners	5,162,443	1,169,600
Foreign Travels commissioners	-	-
Airtime for commissions	-	270,000
<b>TOTAL</b>	<b>17,932,972</b>	<b>14,210,129</b>

**10 Cash and Bank Accounts**

**10: Bank Accounts**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Indicate whether Rec, Dev, deposit e.t.c</b>	<b>2021-2022 Kshs</b>	<b>2020-2021 Kshs</b>
Central Bank of Kenya, 1000202211 Kshs	Recurrent	361,004	44,793
Central Bank of Kenya, 1000221828 Kshs	Development	1	200,000,000
Central Bank of Kenya, Ksh	Deposits	-	-
Central Bank of Kenya, Compensation Fund,100316578 Kshs	Fund	1,063,508,982	1,556,908,058
National bank of kenya 010010032980000 Compensation Fund Kshs	Fund	8,912,485,628	13,727,766,032
<b>Total</b>		<b>9,976,355,615</b>	<b>15,484,718,883</b>

**11 : Imprests and Advances.**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Imprests	14,700	108,000
Salary advances	3,209,007	3,194,084
<b>Total</b>	<b>3,223,707</b>	<b>3,302,084</b>

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*Notes to the Financial Statements (Continued)*

**12 Third party deposits and retention.**

	2021-2022	2020-2021
	Kshs	Kshs
Deposits-Balances of compensation fund b/f	15,865,604,201	12,522,264,334
Receipts	8,100,559,635	23,368,906,644
Other Receipts	298,609,862	430,968,597
Payments	(14,597,577,100)	(20,760,665,076)
Unapplied payables	300,163,854	304,129,702
<b>TOTAL</b>	<b>9,967,360,452</b>	<b>15,865,604,201</b>

**13 . Fund Balance Brought Forward**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts	15,484,718,882	12,432,305,558
Cash in hand	-	-
Accounts Receivables	3,302,084	6,291,100
Accounts Payables	(15,865,604,201)	(12,522,264,334)
<b>Total</b>	<b>(377,583,235)</b>	<b>(83,667,676)</b>

**14 Prior Year Adjustments**

	Balance b/f FY 2020/2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	-	-	-
Cash In Hand	-	-	-
Accounts Receivables	-	-	-
Accounts Payables	-	-	-
Add/Less loss/profit attributable to Compensation fund	(3,333,278,516)	6,587,878,307	(3,333,278,516)
	<b>(3,333,278,516)</b>	<b>6,587,878,307</b>	<b>(3,333,278,516)</b>

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\*This figures represent the adding back of the loss attributable to Compensation fund

Description of the error	2021-2022
	KShs
Current year receipts	8,100,559,635
Add Interests	298,609,862
Less Payments	(14,597,577,100)
Less Unapplied	(300,163,854)
Previous Unapplied funds paid in current year	(89,306,850)
	<b>6,587,878,307</b>

**15 (Increase)/ Decrease in Advances and Imprests**

Description	2021-2022	2020-2021
	Kshs	Kshs
Receivables As At 1st July (A)	3,302,084	6,291,100
Receivables As At 30th June (B)	3,223,707	3,302,084
(Increase)/ Decrease in Receivables (C=(B-A))	78,377	2,989,016

**16 Increase/ (Decrease) in Retention and Third-Party Deposits**

Description	2021-2022	2020-2021
	Kshs	Kshs
Payables As At 1st July	15,865,604,201	12,522,264,334
Payables As At 30th June	9,967,360,452	15,865,604,201
<b>Increase/ (Decrease) In Payables</b>	<b>5,898,243,749</b>	<b>3,343,339,867</b>

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**Other Important Disclosures**

**14.1 Related Party Disclosures**

- Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.
- The following comprise of related parties to The National Land Commission)
  - i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
  - ii) Other Ministries Departments and Agencies and Development Projects;
  - iii) County Governments; and
  - iv) State Corporations and Semi-Autonomous Government Agencies.

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**Related party transactions:**

	2021-2022 Kshs	2020-2021 Kshs
<b>Key Management compensation</b>		
Emoluments for Executives	12,770,529	12,770,529
Domestic Travels commissioners	5,162,443	1,169,600
Foreign Travels commissioners	-	-
Airtime for commissions	-	270,000
<b>Sub Total</b>	<b>17,932,972</b>	<b>14,210,129</b>
<b><u>Transfers to related parties</u></b>		
Transfers to the Other Ministries Departments and Agencies		
Transfers to other State Corporations and Semi-Autonomous Government Agencies	30,019,100	15,019,221
Transfers to Government Development Projects		
Transfers to Counties		
<b>Total Transfers to related parties</b>		
<b><u>Transfers from related parties</u></b>		
Transfers from the Exchequer	1,712,475,921	1,111,509,326
Transfers from other Ministries Departments and Agencies	8,100,013,788	23,368,906,644
Transfers from Counties	545,847	-
<b>Total Transfers from related parties</b>	<b>9,813,035,556</b>	<b>24,480,415,970</b>

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**14.2 Pending bills**

**14.2.2: Pending Accounts Payable (See Annex 1)**

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings				
Construction of Civil Works				
Supply of Goods	2,253,240	17,424,209.93	2,253,240	17,424,209.93
Supply of Services	583,893,421	0	96,743,060	487,150,361
<b>Total</b>	<b>586,146,661</b>	<b>17,424,209.93</b>	<b>98,996,300</b>	<b>504,574,570.93</b>

**14.2.3: Pending Staff Payables (See Annex 2)**

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Senior Management				
Middle Management	2,789,934	26,921,791	2,789,934	26,921,791
1. Staff Claims				
Union Employees				
Others				
<b>Total</b>	<b>2,789,934</b>	<b>26,921,791</b>	<b>2,789,934</b>	<b>26,921,791</b>

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**14.3 Contingent Liabilities**

<b>Contingent liabilities</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Court case xxx against ( <i>the entity</i> )	490,961,705.60	-
Bank guarantees in favour of subsidiary		
*Contingent liabilities arising from PPPs		
<b>Total</b>	<b>490,961,705.60</b>	<b>-</b>

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**14.4 Progress on follow up of Prior Years Auditor-General's recommendations**

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

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.	<p><b>Discrepancies between Financial Statements and IFMIS Figures</b></p> <p>The financial statements reflect account balances which are at variance with the Integrated Financial Management Information System (IFMIS) reports as shown below:</p> <table border="1" data-bbox="1043 994 1394 1868"> <thead> <tr> <th data-bbox="1043 1666 1158 1868">Details</th> <th data-bbox="1043 1442 1158 1666">Amount as per Financial Statements Kshs</th> <th data-bbox="1043 1218 1158 1442">Amount as per IFMIS Reports Kshs</th> <th data-bbox="1043 994 1158 1218">Differences Kshs</th> </tr> </thead> <tbody> <tr> <td data-bbox="1158 1666 1347 1868">Transfers from other government entities</td> <td data-bbox="1158 1442 1347 1666">23,368,906,644</td> <td data-bbox="1158 1218 1347 1442">0</td> <td data-bbox="1158 994 1347 1218">23,368,906,644</td> </tr> <tr> <td data-bbox="1347 1666 1394 1868">Other receipts</td> <td data-bbox="1347 1442 1394 1666">430,968,597</td> <td data-bbox="1347 1218 1394 1442">0</td> <td data-bbox="1347 994 1394 1218">430,968,597</td> </tr> </tbody> </table>	Details	Amount as per Financial Statements Kshs	Amount as per IFMIS Reports Kshs	Differences Kshs	Transfers from other government entities	23,368,906,644	0	23,368,906,644	Other receipts	430,968,597	0	430,968,597	<p>It is true there were discrepancies between figures in the Financial Statements and IFMIS figures due to Compensation's payments which are processed outside IFMIS system and Board/Commission emoluments which is reported separate in the Financial Statements from other line items in the budget. It is worth noting all Compensation Funds</p>	Resolved	Resolved
Details	Amount as per Financial Statements Kshs	Amount as per IFMIS Reports Kshs	Differences Kshs													
Transfers from other government entities	23,368,906,644	0	23,368,906,644													
Other receipts	430,968,597	0	430,968,597													

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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)
	Compensation of employees	895,675,066	908,445,594	12,770,528	received from acquiring Entities are already processed Via IFMIS which has also been voted through the same acquiring entities or parent Ministries. The funds received also go through the National Government budget making process.				
	Use of goods and services	181,495,370	182,934,970	1,439,600					
	Other payments	20,760,665,076	0	20,760,665,076					
	Board expenses	14,210,129	0	14,210,129					
	Bank balances	15,484,718,883	1,628,760,665	-13,855,958,218					
	Accounts receivable	3,302,084	4,399,704	1,097,620					
	Accounts payable	15,865,604,201	459,943,635	15,405,660,566	Consequently, the accuracy and completeness of the above account balances included in the financial statements for the year ended 30 June, 2021 could not be confirmed.				

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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)
2.	<p><b>Unexplained Negative Working Capital</b></p> <p>The statement of assets and liabilities reflects total financial assets of Kshs 15,488,020,967 and total financial liabilities of Kshs 15,865,604,201 resulting in a negative working capital of Kshs 377,583,235 whose cause was not explained.</p>	<p><i>It is true the statement of Assets and Liabilities reflect a negative working capital of Kshs 377,583,235. The working capital is temporarily negative because the commission had incurred a large cash outlay of compensation funds which did not corresponded with the increase in receipts of the compensation funds during the year under review. The funds paid during the year under review were balances brought forward from previous Financial years hence resulting to a negative working capital.</i></p>	Resolved	Resolved

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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)
		<p><i>This is not a permanent scenario since the working capital indicated does not mean that the Commission is struggling to meet its financial obligations. The compensation funds are not used on day to day operations of the commission but used for compensation of land to Project Affected Persons whose land has been acquired by the government for constructions of public projects such Roads, Dams and Wayleave.</i></p>		

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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)
3.	<p><b>Pending Bills</b></p> <p>The Commission had pending bills amounting Kshs. 586,683,355 as at 30 June, 2021 which were not settled in the year under review but carried forward to the financial year 2021/2022. Included in the pending bills is an amount of Kshs. 552,726,643 relating to legal fees payable. However, supporting invoices/fee notes for the legal fees were not provided for audit review. As a result, validity of the legal fees payable could not be ascertained.</p>	<p><i>It is true the Commission had a pending bill of Kshs. 586,683,355. during the year under review which had not been settled due to budgets constraints. Kshs 552.726,643 relating legal fees payable had not been settled as at 30<sup>th</sup> June,2021.The Commission was allocated Kshs 250 Million Supplementary I Budget to settle part of the pending bills.</i></p>	Resolved	Resolved

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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)
4.	<p><b>Slow Process of Compensating Persons Affected by Projects (PAPS)</b></p> <p>During the year under review, the Commission received compensation money for twenty-five (25) projects all totalling Kshs 1,860,489,954 out of which an amount of Kshs. 647,155,960 only was paid to the beneficiaries leaving an unpaid balance of Kshs. 1,213,333,995.</p> <p>Consequently, slow process of compensating Persons Affected by Projects (PAPs) may have resulted in low absorption of the funds and delayed implementation of the planned projects' activities.</p>	<p>It is true the Commission received funds from various Acquiring bodies to pay Project Affected Persons whose Land has been Compulsorily acquired by the Government for implementation of National projects. Out of the Twenty-Five (25) Projects whose funds were received by the Commission Twenty (20) Projects totaling to Kshs. 910,583,721 are active and payments is ongoing and the remaining Five (5) projects totaling to Kshs. 302,750,735 are not active. These projects are highlighted below:</p>	Resolved	Resolved

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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)
		<p>1. Posta-Nairobi Kisima Maralal Road Project. Kshs. 5,289,050</p> <p>2. Kirigiti Ngewa Road Project. Kshs. 26,394,200</p> <p>3. Enaishiara – Ciakariga Road Project. Kshs. 13,726,700</p> <p>4. Mwatate Taveta Road Project. Kshs 152,880,317.50</p> <p>5. Kisumu Northern Bypass Road Project. Kshs 104,459,926.</p> <p>While carrying on of due diligence process for the above named five (5) projects the Commission encountered challenges which prevented timely disbursement of funds to the affected persons. Some of</p>		

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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)
		<p>these challenges are but not limited to: Disputes, Lack of Searches and other ownership documents, Court cases, designing and re designing of the projects. The Commission in conjunction with the acquiring entities has analysed the pay ability of the funds and already doing reallocation where necessary and in compliance with provision of Land Acquisition Act. The funds will be disbursed to the Project Affected Persons as soon as some of these challenges are addressed</p>		

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**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management. Before approving the report, discuss the timeframe with the appointed focal persons within your entity responsible for implementation of each issue.
- (iii) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



**Kabale Tache Arero**  
**Ag. Secretary /CEO**



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

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**13. Annexes**

**Annex 1 - Analysis of Pending Accounts Payable**

<b>S/ No</b>	<b>Supplier/Contractor</b>	<b>Nature of Goods/Services</b>	<b>Amount (Kshs.)</b>	<b>Outstanding Amount (Kshs.)</b>
1	Staff Claims	Staff Claims	26,921,791.00	26,921,791.00
2	Kenya School Of Government	Training	2,100,000.00	2,100,000.00
3	Antony Gikaria & Company Advocate	Litigation expenses	11,000,000.00	11,000,000.00
4	Majanja Luseno & Company Advocates	Litigation expenses	724,781.60	724,781.60
5	Ondieki Orangi & Company Associate	Litigation expenses	20,679,403.00	20,679,403.00
6	Nyaudi & Marende Advocates	Litigation expenses	2,400,000.00	2,400,000.00
7	Njeru Nyaga & Co Advocates	Litigation expenses	1,160,000.00	1,160,000.00
8	Waweru Gatonye & Co Advocates	Litigation expenses	252,000.00	252,000.00
9	Sherman Nyongesa nad Mutubia Associates	Litigation expenses	1,318,672.00	1,318,672.00
10	Holborn Properties Ltd	Litigation expenses	11,457,496.00	11,457,496.00
11	Tom Ojienda & Associates	Litigation expenses	11,021,898.00	11,021,898.00
12	Prof. Tom Ojienda & Associates	Litigation expenses	606,585.00	606,585.00
13	Prof. Tom Ojienda & Associates	Litigation expenses	339,933,194.00	339,933,194.00
14	Prof. Tom Ojienda & Associates	Litigation expenses	22,110,310.00	22,110,310.00
15	Prof. Tom Ojienda & Associates	Litigation expenses	1,287,210.00	1,287,210.00
16	Prof. Tom Ojienda & Associates	Litigation expenses	67,010,156.00	67,010,156.00
17	National oil	supplier	1,100,000.00	1,100,000.00
18	Cedars Travel	supplier	218,190.00	218,190.00
19	Postal Corporation	supplier	5,372,315.33	5,372,315.33
20	Magical Holiday	supplier	277,430.00	277,430.00
21	Longrock	supplier	187,970.00	187,970.00
22	Touchworld	supplier	538,100.00	538,100.00
23	Raydoll	supplier	332,700.00	332,700.00
24	Angani Tour	supplier	477,620.00	477,620.00
25	Premier	supplier	214,215.00	214,215.00
26	Silverbird	supplier	120,175.00	120,175.00
27	JN-Kibs	supplier	2,674,150.00	2,674,150.00
			<b>531,496,361.93</b>	<b>531,496,361.93</b>

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**Annex 2 - Analysis of Pending Staff Payables**

<b>Name of Staff</b>	<b>Job Group</b>	<b>Original Amount</b>	<b>Date Payable Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance 2021/22</b>	<b>Outstanding Balance 2020/21</b>	<b>Comments</b>
		<b>a</b>	<b>b</b>	<b>c</b>	<b>d=a-c</b>		
<b>Senior Management</b>							
1. Staff Claims		26,921,791.00			26,921,791.00		
<b>Sub-Total</b>		<b>26,921,791.00</b>			<b>26,921,791.00</b>		
<b>Middle Management</b>							
2.							
<b>Sub-Total</b>							
<b>Union Employees</b>							
3.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
4.							
<b>Sub-Total</b>							
<b>Grand Total</b>		<b>26,921,791.00</b>			<b>26,921,791.00</b>		

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**Annex 3 - Analysis of Other Pending Payables**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Original Amount</b>	<b>Date Payable Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance 2022</b>	<b>Outstanding Balance 2021</b>	<b>Comments</b>
		<b>a</b>	<b>b</b>	<b>c</b>	<b>d=a-c</b>		
<b>Amounts due to National Govt Entities</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Amounts due to County Govt Entities</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Amounts due to Third Parties</b>							
5.							
6.							
<b>Sub-Total</b>							
<b>Others</b>							
7.							
8.							

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Original Amount</b>	<b>Date Payable Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance 2022</b>	<b>Outstanding Balance 2021</b>	<b>Comments</b>
<b>Sub-Total</b>							
<b>Grand Total</b>							

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**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the period (Kshs)</b>	<b>Disposals during the period (Kshs)</b>	<b>Transfers in/(out) during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs)</b>
Land	-			-	-
Buildings and structures	-			-	-
Transport equipment	61,097,967	32,999,312			94,097,279
Office equipment, furniture and fittings	134,727,537	8,297,439			139,810,580
ICT Equipment, Software and Other ICT Assets	148,546,070				148,546,070
Machinery and Equipment	147,981,740	38,794,137			186,775,877
Biological assets	-				-
Infrastructure Assets- Roads, Rails Heritage and cultural assets	-				-
Intangible assets	107,061,297	1,799,778			107,118,722
Domestic lending	53,189,446	30,019,100			68,189,325
Work in Progress	-				-
<b>Total</b>	<b>652,604,057</b>	<b>111,909,766</b>			<b>744,537,853</b>

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**Annex 5 – Outstanding imprests as at 30th June 2022**

PF/NO	Particulars	Designation	Amount
NLC20150106	FARID CHEMWOUR KIPLAGAT	N.A.	14,700.00

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**Annex 6 – Salary Advances as at 30th June 2022**

	<b>Employee No.</b>	<b>Employee Name:</b>	<b>Employee ID</b>	<b>Amounts</b>
1	20170503	Maneeno Timonthy Mwendwa	25106522	80,000.00
2	NLC 20170495	Kala Dowlay Gabow	27480875	75,833.30
3	NLC20130011	Arero Tache Kabale	12754074	129,591.00
4	NLC20140015	Kibet Benard Cherutich	20041706	150,000.00
5	NLC20140029	Rotich Andrew Cheruiyot	8072963	233,333.32
8	NLC20140040	Kinyanjui Joyce Njeri	21735845	174,999.94
9	NLC20140057	Eric Ndeda Olindo	10694784	60,000.00
10	NLC20150143	Righa Daniel Mwakio	11654761	283,333.31
11	NLC20150145	Otieno Willis Onyango	21742395	12,500.00
12	NLC20150146	Mariko Kipkiror Kaliamoi	13070196	175,000.00
15	NLC20150186	Musundi Fredrick Mwanza	10749980	144,000.00
16	NLC20150210	Shapara Joseph Kimakon	22116104	33,333.31
18	NLC20150239	Kavivya Christine Mueni	27919848	17,499.94
19	NLC20150251	Chepngeno Betty Bosuben	22820511	39,999.98
20	NLC20150269	Ketora Bonface Ramaita	26077770	55,000.00
21	NLC20150280	Parapara Toto Tabitha	21607413	45,000.00
22	NLC20150284	Ouko Robert Ojienda	22894580	124,666.66
23	NLC20150290	Gitonga David Mbugi	22935522	42,000.00
24	NLC20150295	Binyanya Chrispol Barare	22625657	24,999.98
25	NLC20150300	Mohamed Ibrahim Sheikh	27011154	60,000.00
26	NLC20150304	Kibor Richard Kosgei	23850319	23,333.30
27	NLC20150305	Vusisa Alfred Obaga	27690769	15,000.00
28	NLC20150334	Mutitu Felister Wairimu	22538343	76,999.96
29	NLC20150343	Abdi Zaitun	25448002	60,000.00
30	NLC20150348	Bulle Shake Kudu	33126887	73,333.33
31	NLC20150366	Rose Chepngetich	27053414	91,666.66
32	NLC20150369	Rweru Nalea Nyaga	21651054	37,499.99
33	NLC20150371	Lokelima Dorcas Cherop	3047865	18,750.00
34	NLC20150381	Kerubo Mercyline Seme	24719404	2,083.26
35	NLC20150384	Audrey Masitza Masitza	25747725	46,666.65
36	NLC20150385	Mokeira Esther ONYARI	20131286	12,499.97
37	NLC20150400	Wanjohi Esther muthoni	25180592	29,166.62
38	NLC20150423	Barasa Moses Napwora	23888303	15,000.00
39	NLC20150450	Akinyi Violet Odawa	24502894	49,999.96
40	NLC20150453	Ringera Leonard Murerwa	23643453	6,750.00
41	NLC20160465	Njagi Esther Ngui	22517939	57,500.00
42	NLC20170501	Roba Roba Guyo	24536890	25,000.00
43	NLC20180516	Laibuta Moses Kimathi	21484761	408,333.30
44	NLC20210540	Peris Chepkosgei	20145460	39,999.98
45	NLC20210623	Halkano Galallo Wakala	33385447	83,333.32

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46	NLC20210648	Kasaine Brian Ntapayia	27753430	74,999.98
	<b>Total</b>			<b>3,209,007.02</b>

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**Annex 7 – Contingent Liabilities Register**

	Nature of contingent liability	Payable to	Currency	Estimated	Expected date of payment	Remarks
				Amount Kshs		
1	Litigation	Antony Gikaria & Company Advocate		11,000,000.00		
2	Litigation	Majanja Luseno & Company Advocates		724,781.60		
3	Litigation	Ondieki Orangi & Company Associate		20,679,403.00		
4	Litigation	Nyaudi & Marende Advocates		2,400,000.00		
5	Litigation	Njeru Nyaga & Co Advocates		1,160,000.00		
6	Litigation	Waweru Gatonye & Co Advocates		252,000.00		
7	Litigation	Sherman Nyongesa nad Mutubia Associates		1,318,672.00		
8	Litigation	Holborn Properties Ltd		11,457,496.00		
9	Litigation	Tom Ojienda & Associates		11,021,898.00		
10	Litigation	Prof. Tom Ojienda & Associates		606,585.00		
11	Litigation	Prof. Tom Ojienda & Associates		339,933,194.00		
12	Litigation	Prof. Tom Ojienda & Associates		22,110,310.00		
13	Litigation	Prof. Tom Ojienda & Associates		1,287,210.00		
14	Litigation	Prof. Tom Ojienda & Associates		67,010,156.00		
15				<b>490,961,705.60</b>		

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**Annex 8- Reports Generated from IFMIS**

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

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