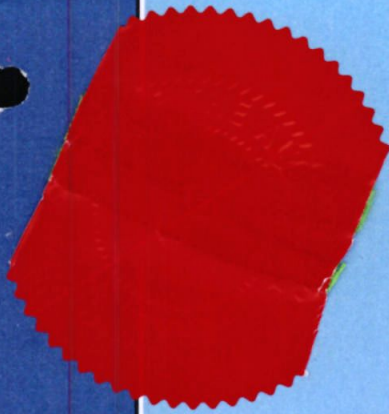


REPUBLIC OF KENYA



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OF CLERK-AT-THE-TABLE: Halima Ahmed

THE AUDITOR-GENERAL

ON

**NATIONAL AUTHORITY FOR THE CAMPAIGN
AGAINST ALCOHOL AND DRUG ABUSE CAR
LOAN AND MORTGAGE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2024**

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

05 DEC 2024

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NACADA
FOR A NATION FREE FROM ALCOHOL AND DRUG ABUSE

**NATIONAL AUTHORITY FOR THE CAMPAIGN AGAINST ALCOHOL
AND DRUG ABUSE (NACADA) CAR LOAN & MORTGAGE FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

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1. ACRONYMS AND DEFINITION OF KEY TERMS

ACRONYMS AND ABBREVIATIONS

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations

2. KEY FUND INFORMATION AND MANAGEMENT

a) Background Information

NACADA Car and Mortgage Loan Fund is established by and derives its authority and accountability from SRC CIRCULAR Ref. No. SRC/ADM/CIR/1/13Vol.III (128), dated 17 December 2014. The Fund is wholly owned by NACADA and is domiciled in Kenya.

The fund was also established in line with the constitutional principles under Article 230(5) of the Constitution of Kenya, 2010 on attraction and retention of requisite skills in the public service. The Fund was established by the Board advertising for suitable firms to express their interest in the management of the Fund. Several firms expressed their interest and Housing Finance Company was identified as the most qualified and competent firm to administer the Fund. The Board initially deposited a sum of Kenya Shillings One Hundred and Fifty Million (Kshs. 150,000,000.00) with Housing Finance Company and added an additional sum of Kenya Shillings Eighty Million (Kshs. 80,000,000.00) to facilitate employees acquire car and mortgage facilities. To date the fund has grown to a total fund value of Kenya Shillings Two Hundred and Fifty-two million, two hundred and ninety-seven thousand, seven hundred and forty-four (Kshs. 252,297,744) which includes interest earned on the fund of Kenya Shillings Twenty-two million, two hundred and ninety-seven thousand, seven hundred and forty-four (Kshs. 22,297,744) as at the end of the financial year.

Loan amounts are advanced to staff members who apply for the loan facility. The loan amount advanced to staff members is based on the provisions of Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 VOL.III (128) of 17th

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December 2014 for all public servants in the Republic of Kenya which establishes the loan limits per Job Group.

Loans given to staff are recovered within a period provided for in Section 7 of the SRC/ADM/CIR/1/13 VOL.III (128) of 17th December 2014 circular. Early repayment of outstanding loan amount is acceptable without the employee incurring extra penalties.

The history of NACADA commenced in 1996 when the Inter-Ministerial Drugs Coordinating Committee was constituted. The Solicitor General chaired the Committee while the Attorney General's office provided the Secretariat.

Later in April 2001, through a Gazette Notice, the National Agency for the Campaign Against Drug Abuse (NACADA) was formed. Its primary function was to initiate public education and awareness campaigns against drug abuse, especially among schools and other learning institutions. This was in response to a wave of violent student unrests and suspicion of devil worship, part of which was blamed on drug abuse.

The Agency operated until May 2006 when the President established an Advisory Board and appointed its Chairperson vide Kenya Gazette Notice No. 3749 of 19th May 2006.

In 2007, through Legal Notice No. 140 published in the Kenya Gazette Supplement No. 70 of 29th June 2007, the Agency was transformed into the National Campaign Against Drug Abuse Authority (NACADA) under the State Corporations Act (Cap 446 of the Laws of Kenya). It was placed in the Office of the President under the Ministry of State for Provincial Administration and Internal Security. The 2007 mandate enabled NACADA to coordinate a multi-sectoral campaign to prevent, control, and mitigate the impacts of alcohol and drug abuse in the country.

In August 2010, the Authority's mandate was expanded to include implementation of the Alcoholic Drinks Control Act 2010 mandate. In July 2012, the then President H.E. Mwai Kibaki assented to the National Authority for the Campaign Against Alcohol and Drug Abuse Act, 2012, thereby establishing NACADA under an Act of Parliament.

The National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA) has the following mandate as enshrined in the governing Act, 2012 and the Alcoholic Drinks Control Act, 2010:

- i. Carry out public education on alcohol and drug abuse directly and in collaboration with other public or private bodies and institutions;
- ii. Coordinate and facilitate public participation in the control of alcohol and drug abuse;
- iii. Coordinate and facilitate inter-agency collaboration and liaison among lead agencies responsible for alcohol and drug-demand reduction;
- iv. In collaboration with other lead agencies, facilitate and promote the monitoring and surveillance of national and international emerging trends and patterns in the production, manufacture, sale, consumption, trafficking and promotion of alcohol and drugs prone to abuse;

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- v. In collaboration with other lead agencies, provide and facilitate the development and operation of rehabilitation facilities, programmes and standards for persons suffering from substance use disorders;
- vi. Subject to any other written law, license and regulate operations of rehabilitation facilities for persons suffering from substance use disorders;
- vii. Coordinate and facilitate, in collaboration with other lead agencies and non-state actors, the formulation of national policies, laws and plans of action on control of alcohol and drug abuse and facilitate their implementation, enforcement, continuous review, monitoring and evaluation;
- viii. Develop and maintain proactive co-operation with regional and international institutions in areas relevant to achieving the authority's objectives;
- ix. In collaboration with other public and private agencies, facilitate, conduct, promote and coordinate research and dissemination of findings on data on alcohol and drug abuse and serve as the repository of such data;
- x. In collaboration with other lead agencies, prepare, publish and submit an alcohol and drug abuse control status report bi-annually to both houses of parliament through the cabinet secretary;
- xi. Assist and support county governments in developing and implementing policies, laws and plans of action on control of drug abuse; and
- xii. Carry out such other roles necessary for the implementation of the objects and purpose of this act and perform such other functions as may, from time to time, be assigned by the cabinet secretary.
- xiii. Keep statistics on the level of alcoholic drinks consumption and related deaths and carry out research, documentation and dissemination of all relevant information on alcoholic drinks
- xiv. Advise the minister on the national policy to be adopted with regard to the production, manufacture, sale, and consumption of alcoholic drinks;
- xv. Recommend to the minister and participate in the formulation and review of regulations to be made under section 68;
- xvi. Promote national treatment and rehabilitation programmes;
- xvii. Recommendation to the minister the permissible levels of the constituents of alcoholic drinks required to be prescribed under section 68(2)(a);
- xviii. Advise the minister on the harmful constituents and ingredients of alcoholic drinks required to be prohibited under section 68(2)(b);
- xix. Advise the minister on the test methods to be used in determining alcoholic drinks to test conformity with the requirements of this act and any regulations made thereunder;
- xx. Advise the minister on the information that manufacturers shall provide, including information on product composition, ingredients, hazardous properties and brand elements required to be provided under section 68(2)(c); and
- xxi. Advise the minister on the packaging, sale and distribution of alcoholic drinks.

b) Principal activities

The Fund's principal purpose is to offer low-interest loan facilities to staff members of the Authority for:

NACADA Car loan/Mortgage fund

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- (i) Purchase of new motor vehicles
- (ii) Purchase of second-hand motor vehicles
- (iii) Transfer of existing motor vehicle loan (Asset release)
- (iv) Purchase of house
- (v) Transfer of existing mortgage (Asset release)
- (vi) Purchase of plot
- (vii) House Construction.

c) Key management

In the administration of the Fund, management constituted a committee comprising of the following membership:

- (i) Director, Corporate Services (Chairman)
- (ii) Director, Research and Policy
- (iii) Manager, Public Education & Advocacy
- (iv) Manager, Human Resource and Administration (Secretary)
- (v) Corporation Secretary and Manager, Legal Services
- (vi) Manager, Finance and Accounts
- (vii) Regional Manager, Nairobi Region
- (viii) Two (2) representatives from the Staff Welfare one of which should be the Chairperson.

The Committee members, who served during the financial year (FY), ending 30th June 2024, and who had direct fiduciary responsibility were:

1. CPA. Patrick Obura – Director, Corporate Services (Chairperson)
2. Prof. John K. Muteti – Director, Research, Policy and Planning
3. CHRP. Joyce Lianza – Manager, Human Resource & Admin. (Secretary)
4. Dr. Samwel Makini – Manager, Finance and Accounts
5. Mr. Daniel Konyango – Corporation Secretary & Legal Services Manager
6. Ms. Susan Maua – Manager, Public Education and Advocacy
7. Mr. James Macharia – Manager, Compliance & Regional Manager, Nairobi
8. Ms. Pauline Maina – Representative, Staff Welfare
9. Ms. Triza Mwangi – Chairperson, Staff Welfare.

d) Fiduciary Oversight

SN	Position	Name
1	Internal Auditor	CPA. John Kaguri
2	Staff Mortgage and car Loan Advisory Committee	<ul style="list-style-type: none">i. CPA. Patrick Oburaii. Prof. John K. Mutetiiii. CHRP. Joyce Lianzaiv. Dr. Samwel Makiniv. Mr. Daniel Konyangovi. Ms. Susan Mauavii. Mr. James Machariaviii. Ms. Pauline Mainaix. Ms. Triza Mwangi

e) Registered Offices

NSSF Building Block A
Eastern Wing, 18th Floor
P.O. Box 10774-00100 GPO
Nairobi, KENYA

f) Fund Contacts

The contact details of the Fund are as follows:

Telephone: (254) 0202 2721994

E-mail: info@nacada.go.ke

Website: www.nacada.go.ke

Helpline: 1192

Facebook: NACADA Kenya

Twitter: @NACADAKenya

g) Fund Bankers

The Bankers and Administrators of the Fund are:

Housing Finance Corporation of Kenya

Rehani House Branch

P.O. Box 30088- 00100

Nairobi, Kenya

h) Independent Auditor

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

3. FUND ADMINISTRATION COMMITTEE




The members of staff with fiduciary duty who served during the financial year (FY), ending 30th June 2024, and who had direct fiduciary responsibility were:

1. CPA. Patrick Obura – Director, Corporate Services (Chairperson)
2. Prof. John K. Muteti – Director, Research, Policy and Planning
3. CHRP. Joyce Lianza – Manager, Human Resource & Admin. (Secretary)
4. Dr. Samwel Makini – Manager, Finance and Accounts
5. Mr. Daniel Konyango – Corporation Secretary & Legal Services Manager
6. Ms. Susan Maua – Manager, Public Education and Advocacy
7. Mr. James Macharia – Manager, Compliance & Regional Manager, Nairobi
8. Ms. Pauline Maina – Representative, Staff Welfare
9. Ms. Triza Mwangi – Chairperson, Staff Welfare.


4. THE BOARD AND MANAGEMENT TEAM




The board and management who had the responsibility of instituting sound internal control and managing the fund according to the rules and regulations respectively are as tabulated in the table below:

4.1 THE BOARD OF DIRECTORS

Ref	Directors	Details
1.	 <p data-bbox="231 768 667 831">Rev. Dr. Stephen K. Mairori, EBS Board Chairperson</p>	<p data-bbox="783 360 1522 591">Rev. Dr. Stephen Kiptoem Mairori is an experienced board-level leader with a wealth of experience in leadership, conflict resolution, and corporate governance. He holds an Honorary Doctor of Ministry from Georgia Central University, USA, a Masters of Divinity from Frensko Pacific Seminary, CA, USA, and a Bachelor of Arts from Global University, USA.</p> <p data-bbox="783 629 1522 860">In his current role, he is a senior minister at the Africa Inland Church, Milimani, and he also serves at the International Christian Ministries in Kenya. In addition, he is the Regional Coordinator at the Global Leadership Network, USA, and a Regional Director at the Walk Thru the Bible, USA, amongst other management positions in Kenya and the USA.</p>
2.	 <p data-bbox="231 1388 475 1451">Ann Mathu Vice Chairperson</p>	<p data-bbox="783 947 1522 1111">Ann Mathu is the author of Sober Again and the founder of the Sober Again Outreach Programme (a community-based organisation that campaigns against alcohol and drug abuse). She is a Recovery Coach at the Dove Mental Hospital and has previously worked at NACADA.</p> <p data-bbox="783 1149 1522 1447">A passionate recovery coach, Ann Mathu reaches out to people living with substance use disorders and provides assistance to support long-term recovery. She is a leader, mentor, partner, therapist, spiritual guide, and cheerleader. She works with clients after they leave rehabilitation services to reinforce and encourage a healthy lifestyle. She also works with families, helping everyone cope with changes that accompany substance use disorder.</p>
3.	 <p data-bbox="231 1944 512 2007">Samwel Laboso HSC Board Member</p>	<p data-bbox="783 1570 1522 1693">Mr. Laboso is the Director Anti-Narcotics Unit (ANU) in the Directorate of Criminal Investigations (DCI) at the National Police Service (NPS).</p> <p data-bbox="783 1704 1522 1962">He is an accomplished Senior Police Officer, having worked in various field stations, including the Teachers Service Commission (TSC), the General Service Unit (GSU), and the Directorate of Criminal Investigations (DCI). He has also served as the Commander, Sensitive Investigation Unit at the Drug Enforcement Administration.</p>



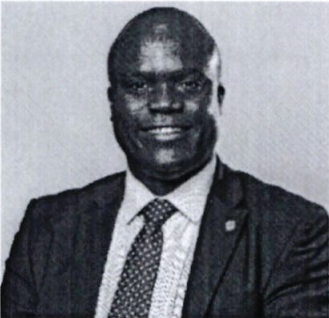
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Ref	Directors	Details
4.	 <p data-bbox="228 712 584 779">Josephine Syombua Etenyi Board Member</p>	<p data-bbox="778 226 1517 629">Ms. Josephine S. Etenyi is the Director of Youth Development at the Ministry of Youth Affairs, Sports and the Art. She is also the Alternate Director to the Principal Secretary in the Ministry responsible for Children and Youth Affairs. She has previously served as the Head of the Directorate of Policy, Research and Youth Mainstreaming, Deputy Director of Youth Development, and in senior managerial positions in human resources and productivity. She also served as the Human Resource Development Specialist for the Regional Capacity Building Project in the Republic of South Sudan.</p> <p data-bbox="778 629 1517 797">She holds a Doctorate degree in Research and Evaluation from the Catholic University of Eastern Africa. She also has a Master's in Educational Planning and a Bachelor's degree in Education from the University of Nairobi.</p>
5.	 <p data-bbox="228 1256 472 1323">Beverly K. Opwora Board Member</p>	<p data-bbox="778 909 1517 1077">Ms. Beverly K. Opwora will be the alternate to the Principal Secretary of Internal Security and National Administration on 19th January 2023. She is the Secretary National Administration in the Ministry of Internal Security and National Administration.</p> <p data-bbox="778 1077 1517 1211">Ms Opwora is an accomplished administrator who began her career in the defunct provincial administration and then transitioned to the national government administration under the current constitution.</p>
6.	 <p data-bbox="228 1787 576 1854">Hon. Elijah Kiptarbei Lagat Board Member</p>	<p data-bbox="778 1357 1517 1693">Hon. Lagat holds a Bachelor of Arts Degree and a Diploma in Adult Education from the University of East Africa, Baraton. He is a two-time Member of parliament, having represented the Emgwen and Chesumei constituencies, respectively. During his tenure in Parliament, he was the Vice Chairman of the Labour and Social Welfare Committee, the Chairman of the Sports Subcommittee, the Vice Chairman of the Catering and Health Services Committee, and the Chairman of the Health Services Subcommittee.</p> <p data-bbox="778 1693 1517 1760">Hon. Lagat served as the Deputy Human Resources Manager in Nandi County for five years.</p> <p data-bbox="778 1760 1517 1861">Winner of the 2000 Boston Marathon, he is a talented athlete who has represented the country in various sports activities worldwide.</p>




Ref	Directors	Details
7.	 <p data-bbox="233 629 480 689">Ali Swaleh Nyamai Board Member</p>	<p data-bbox="778 286 1517 589">Ali Swaleh is a consummate Public Relations professional and multi-linguist with a passion for education. He is proficient in full business unit management. He has a reputation for leading teams towards peak performance, driving the realisation of business targets with adept management of organisational diversity, and maintaining a firm focus on assured bottom-line gains and distinguished company performance.</p> <p data-bbox="778 622 1517 689">He is fluent in French and German and has also worked in the hospitality industry in Kenya.</p>
8.	 <p data-bbox="233 1155 491 1216">Rev. Fredrick Ngugi Board Member</p>	<p data-bbox="778 745 1517 1115">Fredrick Ngugi holds a Master of Theological Studies in Christian Counselling and a Bachelor of Theological Studies from Vision International University Ramona, California, USA. He also has a Diploma in Theological Studies from Vision International University in Australia. Rev. Ngugi is an Overseer at the Redeemed Gospel Churches of Kenya and Resident Pastor of the Redeemed Gospel Church in Kawaida, Kiambu County. He is the Deputy National Chairman of the Apex Clergy of Kenya (APPECK), an organisation with a membership of over 100,000 pastors.</p> <p data-bbox="778 1122 1517 1216">He is a part-time Lecturer at the Pan African University (PAC), teaching Transformational Leadership since 2017.</p>
9.	 <p data-bbox="233 1738 651 1798">Al-Hajj Hassan Kirua Ole Naado Board Member</p>	<p data-bbox="778 1249 1517 1518">Hassan Ole Naado is the current National Chairman of the Supreme Council of Kenya Muslims (SUPKEM), a Chevening Fellow, an alumnus of the International Visitor Leadership Program (IVLP) under the Bureau of Education and Cultural Affairs of the Department of State of the USA. He is also a member of the Government of Kenya Interfaith COVID-19 Response and the Vaccine Steering Committee.</p> <p data-bbox="778 1525 1517 1619">He has over 25 years of experience in governance, prevention and countering violent extremism, national peacebuilding and conflict resolution.</p> <p data-bbox="778 1626 1517 1850">He holds a Postgraduate Diploma in Project Management, a diploma in Leadership and Islamic Governance from the University of Birmingham, UK, a certificate in Peace Building and Conflict Management from MS International Training Centre in Arusha, Tanzania, and an Islamic Civilization in the 21st Century from Al-Azhar University in Cairo, Egypt.</p>



Ref	Directors	Details
10.	 <p data-bbox="225 685 432 745">Veronica Okoth Board Member</p>	<p data-bbox="775 302 1516 465">Veronica Okoth (Mrs) is the alternate to the Principal Secretary, the National Treasury on the board. She is an accomplished financial public economist currently serving in the National Treasury as the Director Public Private Partnerships.</p> <p data-bbox="775 472 1516 568">She holds a Bachelor's Degree in Economics from Moi University and a Master's degree in economic policy and Management from Makerere University, Uganda.</p> <p data-bbox="775 575 1516 669">Veronica is a seasoned public servant with experience spanning for over fifteen years in Economic Planning in both County and National Governments.</p>
11.	 <p data-bbox="225 1229 531 1290">Dr. Ephantus M. Maree Board Member</p>	<p data-bbox="775 770 1516 965">Dr. Ephantus M. Maree is the alternate member of the Principal Secretary the Ministry of Health in the Board. He is the Senior Deputy Director of Medical Services and a Technical Advisor to the Principal Secretary, Medical Services at the Ministry of Health. He is also a member of the Tobacco Control Board.</p> <p data-bbox="775 972 1516 1238">He is an accomplished Senior Medical Officer who has worked in various field stations and was a previous Board Member at the Kenya Medical Training College (KMTTC). He has also served as the National Immunization Manager and Head of the Non-Communicable Disease unit. Dr. Maree holds a Master's in Public Health (MPH) and a Bachelor's in Medicine and Surgery (MBCHB).</p>
12.	 <p data-bbox="225 1686 432 1747">Florence Amoiti Board Member</p>	<p data-bbox="775 1357 1516 1722">Mrs. Florence Amoiti is the alternate member of the Principal Secretary, Ministry of Education in the Board. She is the Secretary of Administration at the State Department for Basic Education at the Ministry of Education. She holds a Master's in Business Administration from the University of Nairobi, a Bachelor of Arts from Kenyatta University, and an Advanced Public Administration Certification from the Kenya School of Government, Nairobi. In addition, she has undergone professional training in strategic leadership, change management and performance management.</p>



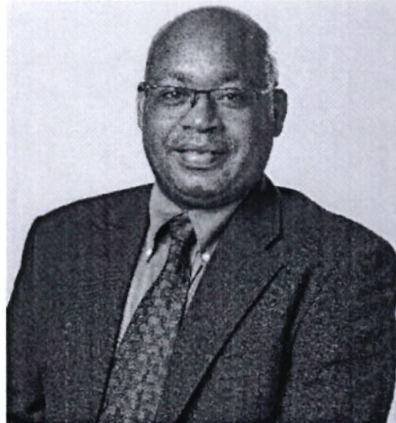
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Ref	Directors	Details
13.	 <p data-bbox="231 622 512 685">Dr. Mercy W. Karanja Board Member</p>	<p data-bbox="778 259 1517 696">Dr. Mercy Karanja is the Deputy Director of Medical Services and the National Focal Person for Substance Use Management at the Ministry of Health. She is also the Head of Clinical Services at the Mathari National Teaching and Referral Hospital and represents the Kenya Medical Practitioners and Dentists Council. She holds a Masters of Medicine in Psychiatry (M. Med. Psychiatry) and a Bachelor of Medicine and Surgery (M.B.Ch.B) from the University of Nairobi. She also has extensive training in addiction management, cognitive behavioural therapy, medically assisted therapy, leadership, and management from international universities.</p>
14.	 <p data-bbox="231 1108 603 1171">Dr. Anthony Omerikwa, MBS Chief Executive Officer</p>	<p data-bbox="778 797 1517 1133">Dr. Omerikwa has over 23 years of experience in Public Service. He holds a Doctorate Degree from the University of Georgia, a Specialist Advanced Degree in Workforce Development and Education and a Master of Science Degree in Human Resource Development, both from Pittsburgh State University. Further, Omerikwa holds a Bachelor of Arts in Economics from Kenyatta University. Dr. Omerikwa is a member of the Institute of Human Resource Management, Institute of Directors and Kenya Institute of Management.</p>
15.	 <p data-bbox="231 1559 539 1621">Mr. Daniel Konyango Corporation Secretary</p>	<p data-bbox="778 1263 1517 1565">Mr. Daniel Konyango holds a Master of Laws degree, a Diploma in Advanced Management and Leadership, and a Certificate in Legislative Drafting. He is an Advocate of the High Court of Kenya and a Certified Public Secretary (CPS-K). He is a member of the Law Society of Kenya, the East Africa Law Society, the International Bar Association, and the Institute of Certified Public Secretaries of Kenya. He is the Corporation Secretary and Manager of Legal Services for the Authority.</p>




4.2 MANAGEMENT TEAM


	Name	Academic and Professional Qualifications	Key Responsibilities
1.	 <p>Dr. Anthony Omerikwa, MBS Chief Executive Officer</p>	<p>Dr. Omerikwa has over 23 years of experience in Public Service. He holds a Doctorate Degree from the University of Georgia, a Specialist Advanced Degree in Workforce Development and Education and a Master of Science Degree in Human Resource Development, both from Pittsburgh State University. Further, Omerikwa holds a Bachelor of Arts in Economics from Kenyatta University. Dr. Omerikwa is a member of the Institute of Human Resource Management, Institute of Directors and Kenya Institute of Management.</p>	<p>Overall, in charge of the Authority's operations.</p>
2.	 <p>Prof. John Muteti Director Research Standards and Licensing</p>	<p>Doctorate in Strategic Management; Masters in Economic and Social studies; Postgraduate Certificate in Project Planning, Appraisal and Financing; Post Graduate Diploma in Agri. Economics</p>	<p>In charge of Research and policy</p>
3.	 <p>CPA Patrick Obura Director, Corporate Services</p>	<p>CPA Patrick Obura holds a Master of Business Administration (Finance Option) and a Bachelor of Arts from the University of Nairobi. He is also a Certified Public Accountant of Kenya and a member of the Institute of Internal Auditors Kenya.</p>	<p>CPA. Obura serves as the Director of Corporate Services at the Authority since June 2018 where he coordinates all support services of Finance, Human Resources and Administration, ICT and Corporate Communications. Prior to joining NACADA, he was Senior Manager of Audit & Risk at the Institute of Certified Public Accountants of Kenya</p>

	Name	Academic and Professional Qualifications	Key Responsibilities
			(ICPAK).
4.	 <p>Dr Yvonne Olando Director Public Education and Advocacy</p>	<p>Doctorate Degree and Master of Science in Clinical Psychology from the University of Nairobi, and Bachelor in Social Sciences (Psychology Major) from Moi University.</p> <p>Certificate in Global Tobacco Control from John Hopkins School of Public Health, Bloomberg (USA), Diploma in Chemical Dependency studies (Support for Addictions Prevention and Treatment in Africa (SAPTA). She is a Certified International Addiction Professional (ICAP IV) and Certified Tobacco Cessation Specialist (CTTS-MAYO, USA). She is a World Heart Federation Emerging Leaders Fellow and was the ISSUP-Kenya Chapter's first Secretary.</p>	<p>In charge of overseeing operations in the following departments:</p> <ul style="list-style-type: none"> • Public Education and Advocacy • Counselling and Treatment • Regional Coordination
5.	 <p>Mr. James Koskey Director Compliance and Enforcement</p>	<p>Master's Degree in Public Administration and Management</p> <p>Bachelor of Arts degree in Government and Public Administration</p>	<p>In charge of Compliance and Enforcement, Quality Control & Risk Management functions of the Authority.</p>
6.		<p>Master of Arts in Economics and Master of Arts in Project Planning and Management.</p>	<p>In charge of Policy and Planning department in the Authority</p>

	Name	Academic and Professional Qualifications	Key Responsibilities
	 Mr. Kirwa Lelei Deputy Director, Planning and Performance Management		
7.	 CHRP. Joyce Lisanza Deputy Director, Human Resource and Administration	MBA (Corporate Management) Bachelor of Commerce in Human Resource Management; Diploma in Human Resource Management Certified Professional Coach (CPC) Certified International Change Manager (CICM_) Certified and licensed Human Resource Professional CHRP(K) CPS Part I	In charge of the Human Resource and Administration Department. She coordinates the functions of human resource management, administration, and records management.
8.	 Dr. Samuel Makini Deputy Director, Finance and Accounting	Doctor of Philosophy in Business Administration, The University of Nairobi Master's Degree in Finance, The University of Nairobi Bachelor's Degree in International Business Administration (Finance Option) – USIU Certified Public Accountant CPA(K) Certified Public Secretary CPS(K)	In charge of overseeing the functions of Accounts, Finance and Investment.

	Name	Academic and Professional Qualifications	Key Responsibilities
9.	 Ms. Judith Twala Deputy Director, Public Awareness and Advocacy	Master of Arts in Counselling Psychology; Bachelor of Arts-Theology (Hons) Certified Recovery Ally, Certified Counsellors' supervisor, Certified Addiction Counsellor ICAP 1, Certified Women's Intervention for Substance Exposure Trainer and Certified WHO Quality Rights Advocate	In charge of the Counselling and Rehabilitation department
10.	 Ms. Susan Maua Deputy Director Capacity Building	Master of Arts in Counselling Psychology, Bachelor of Psychology-Counselling PG Diploma in Education	In charge of overseeing operations in the Public Education and Advocacy department
11.	 Mr. Simon Mwangi, MPRSK Deputy Director Corporate Communication	Master of Arts in Communication Studies and Bachelor of Arts in Journalism and Media Studies. Professional Diploma in Broadcast Journalism. International Diploma in Public Relations from the Chartered Institute of Public Relations (CIPR), UK.	In charge of overseeing operations in the Corporate Communications department

	Name	Academic and Professional Qualifications	Key Responsibilities
12.	 <p>Mr. Daniel Konyango Deputy Director Legal and Regulatory Services</p>	<p>Masters of Law, Masters of Public Administration, Advocate of the High Court of Kenya, Diploma in Advanced Management and Leadership, Certificate in Legislative drafting and a CPS (K).</p>	<p>In charge of the Legal Services department</p>
13.	 <p>Mr. Jeremiah Muchembi Deputy Director Supply Chain</p>	<p>MSc Procurement and Logistics, BBM (Purchasing and Supply), Diploma Supplies Management, SLDP, MKISM, Licensed Supply Practitioner, MCIPS(CS) Associate Member of Certified Fraud Examiners</p>	<p>In charge of supply chain management for the Authority.</p>
14.	 <p>Mr. James Macharia Deputy Director, Compliance</p>	<p>Master of Business Administration Bachelor of Education Diploma in Human Resource Management</p>	<p>In charge of Compliance</p>

	Name	Academic and Professional Qualifications	Key Responsibilities
15.	 Esther Monyangi S. Okenye Deputy Director, County Coordination	Masters in education (G&C) Bachelor of Arts, Post Graduate Diploma in Education, Post Graduate Diploma in Management & Control Of HIV/AIDS, Certified Mediator, SMS, SLDP.	Coordinating Regional activities and spearheading the Nyanza region

5. CHAIRPERSON'S REPORT

It gives me great pleasure to announce the successful establishment of the Car and Mortgage Scheme for our staff members. This is a significant milestone in our commitment to improving the welfare and professional development of our team. This initiative represents our dedication to ensuring that our employees are rewarded for their hard work and commitment and supported in achieving personal and financial security.

The Car and Mortgage Scheme has been carefully designed to provide staff members with affordable financing options for purchasing vehicles and acquiring homes. By alleviating some of the financial burdens associated with these significant life investments, we aim to empower our employees to achieve excellent stability and work-life balance.

Our staff are the backbone of our organisation, and we recognise that their well-being directly influences the success of our mission. This scheme is not just a benefit but an investment in the people who contribute to our continued growth and success. Enhancing their quality of life fosters a more motivated, engaged, and loyal workforce, ultimately driving our organisation forward.

I want to extend my gratitude to the management running the scheme. Their dedication and attention to detail have ensured that this initiative is both sustainable and beneficial to our staff. I am confident that this scheme will make a meaningful impact on the lives of our employees and serve as a model for future initiatives aimed at improving employee welfare.

As we move forward, we will continue to monitor and evaluate the scheme to ensure it meets our staff's evolving needs. We remain committed to providing our employees with the tools and resources they need to succeed professionally and personally.

Chairperson: .....
Rev. Dr Stephen Mairori

Date: 29/12/2024.....

6. REPORT OF THE OFFICER ADMINISTERING THE FUND

The Car Loan and Mortgage Fund was established in 2015. The fund's funds were utilized in accordance with the provisions of the Public Finance Management (PFM) Act, 2012, the Public Financial Management Regulation, 2015, and all other applicable legislation and for the purpose for which it was intended.

The fund's principal activity is to offer low-interest loan facilities to members of the Authority to purchase motor vehicles, existing residential property, land and construction, construction, renovation and improvement of an existing residential property, and takeover of loans on existing mortgages or equity release.

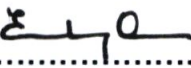
During the financial year, one staff member was advanced with a car loan from Ksh. 1,700,000, and another staff was advanced Ksh. 2,358,909 toward the construction of a house. Four staff members completed repayments of car loans, two of mortgage loans, and one completed repayment of plot loans. Further, owing to the demise of a staff, the mortgage and car loan were retired. As at the end of the financial year, outstanding loan amounts held by thirty-nine staff amounted Ksh. 186,370,290.

At the end of the period, the fund had grown cumulatively to Kshs 252,297,744, of which Kshs 22,297,744 was interest. NACADA reported a total revenue of Kshs 7,083,961, a slight increase from the previous year's total of Kshs 7,015,243. This revenue was primarily derived from interest earned on mortgage balances, which contributed Kshs 6,113,054, and interest earned from fund balances, which added Kshs 970,907.

On the expenses side, total costs amounted to Kshs 6,263,074 a reduction from Kshs 6,513,505 in the previous year. The main expense categories were withholding tax on interest earned, totalling Kshs 145,636, and fund administration expenses, which matched the interest earned on mortgage balances at Kshs 6,113,054.

After accounting for expenses, NACADA realised a net surplus of Kshs 820,887, an improvement from the previous year's surplus of Kshs 501,738. The entire surplus was attributable to the owners of NACADA, with no taxation reported for either fiscal year.

The following financial statements provide a comprehensive overview of the fund's performance.

Chief Executive Officer:  Date: 9/12/2024
Dr. Anthony Omerikwa, MBS

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

1. Loan Advances and Repayments: During the financial year, the fund advanced loans to support staff asset acquisition, including a car loan of Ksh. 1,700,000 and a house construction advance of Ksh. 2,358,909. This reflects the fund's commitment to assisting staff with personal and asset development objectives.

2. Repayment Completion: The fund met its repayment objectives, with four staff members completing car loan repayments, two completing mortgage loan repayments, and one completing a plot loan repayment. Additionally, in the case of a staff member's passing, the remaining balance on their mortgage and car loan was retired, adhering to the fund policy on compassionate loan retirements.

3. Outstanding Loan Balances: At the end of the financial year, the total outstanding loan balance across thirty-nine staff members amounted to Ksh. 186,370,290. This aligns with the fund's objective of maintaining and monitoring credit extended to staff.

4. Fund Growth and Revenue Generation: The fund's cumulative growth reached Ksh. 252,297,941, including interest income totaling Ksh. 22,297,744. NACADA's total revenue for the year was Ksh. 7,083,961, a slight increase from Ksh. 7,015,243 in the previous year, which aligns with targeted revenue growth from interest income sources. This revenue came from interest on mortgage balances (Ksh. 6,113,054) and interest from fund balances (Ksh. 970,907).

The fund's performance demonstrates alignment with its objectives to support staff financial needs, facilitate structured loan repayment, ensure fund growth, and sustain revenue generation primarily through interest income.

8. CORPORATE GOVERNANCE STATEMENT

NACADA is a State Corporation established through the National Authority for the Campaign Against Alcohol and Drug Abuse Act, 2012. The Authority is subject to and adheres to all corporate governance provisions and requirements.

The NACADA Board and Management framework entails rules and practices to ensure accountability, fairness, and transparency in the Authority's relationships with its stakeholders. NACADA stakeholders include the parent Ministry, management, employees, public sector institutions, private sector institutions, and the public.

This corporate governance framework also consists of explicit and implicit contracts between the Authority and stakeholders for the distribution of responsibility and rights; procedures for reconciling conflicting interests of stakeholders in accordance with their duties, privileges, and roles; and procedures for proper supervision, control and information flow to serve as a system of checks and balances.

NACADA Car loan/Mortgage fund

Annual Report and Financial Statements For the year ended 30th June 2024

To ensure effective implementation, the NACADA Board has been trained on corporate governance, which consisted of the following modules:

- (i) Overview of NACADA Act 2012
- (ii) The Concept and Principles of Corporate Governance
- (iii) Strategic Thinking and Vision 2030
- (iv) The relationship and Roles of the Board and Management
- (v) Communication and reporting in Boards
- (vi) Effective Boards and Committee Meetings
- (vii) Performance Management Framework
- (viii) Performance Contracting
- (ix) Risk Management
- (x) Challenges Facing Boards in Kenya
- (xi) Ethical Issues facing Boards
- (xii) Practicum: Code of Conduct/Best practices
- (xiii) Action Planning, Evaluation, and closure

Through this training, the Board's capacity was built to ensure that NACADA operations are geared towards applying principles and practices in the best interest of the Kenyan population. The Board has also become more proactive in promoting corporate fairness, transparency, and accountability in the authority's internal and external operations.

In FY 2023-2024, the Board held five Board meetings. The dates and attendances at the meetings are indicated in the matrix below:

S/No.	Name	Designation	11/7/23	18/8/23	29/8/23	06/10/23	18/10/23	31/10/23	16/11/23	15/1/24	19/1/24	12/4/24	06/6/24
1.	Rev. (Dr.) Stephen Mairori	Chairperson	√	√	√	√	√	√	√	√	√	√	√
2.	Ms. Ann Mathu	Member	√	n/a	n/a	√	√	√	√	√	√	√	√
3.	Mr. Hasaan Ole Naado	Member	n/a	n/a	n/a	√	√	√	√	√	√	√	√
4.	Hon. Elijah Lagat	Member	√	n/a	n/a	√	√	√	√	√	√	X	√
5.	Mr. Ali Swaleh Nyamai	Member	√	n/a	n/a	√	√	√	√	√	√	√	√
6.	Rev. Fredrick Ngugi	Member	√	n/a	n/a	√	√	√	√	√	√	√	√
7.	Mr. Samuel Laboso	Member	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√
8.	Dr. Mercy Karanja	Member	√	√	√	x	x	√	√	√	x	x	x
9.	Veronica Okoth (Mrs.)	Alternate to PS, National Treasury	√	√	√	x	√	x	√	√	√	√	√
10.	Dr. Josephine Etenyi	Alternate to PS, Youth	√	√	√	√	√	√	√	√	√	√	√
11.	Ms. Beverly Opwora	Alternate to PS, Interior	x	√	√	x	x	x	x	x	x	x	x
12.	Ms. Florence Amoit	Alternate to PS, Education	√	√	√	√	√	√	√	√	√	√	√
13.	Dr. Ephantus Maree	Alternate to PS, Health	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√
14.	Dr. Anthony Omerikwa	CEO	n/a	n/a	n/a	n/a	n/a	n/a	√	x	√	√	√

* n/a means not yet appointed at the time of the board meeting*

** n/l means no longer a Board member at the time of the board meeting**

Appointments

The Chairperson of the Board is appointed by H.E. the President, while the other members are Principal Secretaries who are members of the Board by virtue of their respective offices. They, however, designate their alternates to the Board. The alternates may be changed from time to time by their principals. The other members are appointed by the Cabinet Secretary in charge of National Security. As soon as the term of any Board member ends, the appointing Authority makes a replacement.

Once the Chairperson of the Board's term ends, the appointing Authority makes a replacement. A vice-chairperson is usually elected as provided by paragraph 3 of the Schedule to the NACADA Act, 2012 and presides over the Board matters without the Chairperson.

The Board does not have its own customised Charter; however, its operations are guided by the Mwongozo Code of Governance for State Corporations. However, the Audit committee has established its audit charter that governs its operations.

9. MANAGEMENT DISCUSSION AND ANALYSIS

a) Operational and financial performance

In the fiscal year 2023-2024, NACADA generated a total revenue of Kshs 7,083,961, reflecting an increase from the previous year's figure of Kshs 7,015,243. The majority of this revenue came from interest earned on mortgage balances, amounting to Kshs 6,113,054, while interest earned from fund balances contributed an additional Kshs 970,907.

Compliance with statutory requirements

The fund terms of reference and regulations are anchored on the Authority's guidelines on Car Loan and Mortgage Fund.

b) Key activities the fund is undertaking

The main reason for setting up the fund is to provide financial support for the acquisition of mortgage facility at a subsidized interest rate relating to:

1. Home development loans
2. Acquisition or purchase of residential homes
3. Purchase of land for home construction
4. Purchase of motor vehicles

c) Major risks facing the scheme fund

i. Liquidity risk

Liquidity risk is the risk that the fund will not be able to meet financial obligations when they fall due. This risk is managed by ensuring that the fund is liquid enough to meet its obligations whenever they fall due. This has since been managed over the previous years by ensuring sufficient budget allocations are appropriated to the fund.

ii. Credit risk

Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. The fund's exposure to credit risk is low owing to the fact that properties acquired are charged to the Bank and thus held as security. The administrator also mitigates the risk by strictly scrutinizing the prevailing financial state of the borrower before processing an application.

d) The fund's financial probity and governance issues

The NACADA Car Loan and Mortgage fund operates through a committee whose main role is to oversee its operations and implementation by both the Administrator and the Authority. The Committee's membership is drawn from all directorates and departments of the Authority for inclusivity purposes.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

I. Sustainability strategy and profile

Alcohol and drug abuse continue to pose the biggest threat to the health and wellbeing of communities in Kenya. The problem, which is no respecter of persons, race, income level, economic or social status, continues to permeate and affect the overall productivity of Kenyans. The Authority is committed to addressing this problem in collaboration with other state and non-state actors. In executing its mandate, the Authority is also responsible for coordinating the Country's International obligations and commitments towards alcohol and drug prevention and control. These commitments are enshrined in the Sustainable Development Goals (SDGs) framework, which requires governments to integrate the six essential elements of the SDGs that should underpin any future response to the problem of substance use within their communities. These elements include justice-based, people-cantered, dignity-oriented, solidarity-based partnerships that focus on prosperity for all. In addition, the Authority coordinates the market surveillance with the aim of monitoring the safety of the alcoholic drinks. Some of these commitments implemented by the Authority include;

a) UN Sustainable Development Goals

The Authority has integrated selected Sustainable Development Goals into its programs. Drug policy reform is essential for achieving the new goals and targets in the Sustainable Development Goals (SDGs). The SDG Agenda 3 seeks to ensure healthy lives and promote the well-being of all ages. Target 3.3 aims to provide increased access to HIV prevention, treatment, and care services among people who use drugs, including prisoners. Target 3.5. seeks to strengthen the prevention and treatment of people with substance use disorders, including harmful drugs and narcotic drugs. NACADA's key target has been to reduce non-communicable diseases which thrive through alcohol and drugs abuse through strengthening the prevention and treatment of persons with substance use disorders. The Authority has also integrated national development priorities in its programs and activities in the Nations Vision 2030 and the Constitution.

b) Africa Agenda 2063

Agenda 2063 is a strategic framework designed to shape the future of Africa by outlining its aspirations and key initiatives for development. It comprises seven core aspirations and flagship projects executed over a series of 10-year implementation plans. The goal is to bring about sustainable and meaningful improvements in the lives of African people. NACADA aligned its programs with the principles of Agenda 2063 to fulfil its responsibilities. By ensuring that the youth are protected from the harms of alcohol and drug abuse, the nation can work towards a stronger economy and a brighter future.

11. REPORT OF FUND ADMINISTRATION COMMITTEE

During the financial year, the committee convened multiple times to oversee staff loan advancements and repayments. One staff member received a Ksh. 1,700,000 car loan, while another was advanced Ksh. 2,358,909 for house construction. In the same period, four staff members completed car loan repayments, two cleared mortgage loans, and one finalised repayments on a plot loan.

Additionally, due to the unfortunate demise of a staff member, their outstanding mortgage and car loan balances were retired. By the close of the financial year, thirty-nine staff members collectively held outstanding loans amounting to Ksh. 186,370,290.

12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14(i) of the State Corporations Act require the Directors to prepare financial statements in respect of that National Authority for the Campaign Against Alcohol and Drug Abuse, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of the National Authority for the Campaign Against Alcohol and Drug Abuse for that period. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of National Authority for the Campaign Against Alcohol and Drug Abuse.

The Directors are responsible for the preparation and presentation of National Authority for the Campaign Against Alcohol and Drug Abuse's financial statements, which give a true and fair view of the state of affairs of the National Authority for the Campaign Against Alcohol and Drug Abuse 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 National Authority for the Campaign Against Alcohol and Drug Abuse; (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 Authority (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the National Authority for the Campaign Against Alcohol and Drug Abuse financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the National Authority for the Campaign Against Alcohol and Drug Abuse's financial statements give a true and fair view of the state of National Authority for the Campaign Against Alcohol and Drug Abuse's transactions during the financial year ended June 30, 2024 and of the Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the National Authority for the Campaign Against Alcohol and Drug Abuse, which have been relied upon in the preparation of the National Authority for the Campaign Against Alcohol and Drug Abuse's financial statements as well as the adequacy of the systems of internal financial control.

NACADA Car loan/Mortgage fund

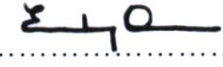
Annual Report and Financial Statements For the year ended 30th June 2024

Nothing has come to the attention of the Directors to indicate that the National Authority for the Campaign Against Alcohol and Drug Abuse will not remain a going concern for at least the next twelve months from the date of this statement.

NACADA's Car Loan and Mortgage Fund financial statements for the year ended 30th June 2024 were approved by the Board on.....15th.....2024 and signed on its behalf by:

Signature..........

Name: Rev. Dr Stephen Mairori
Chairperson of the Board

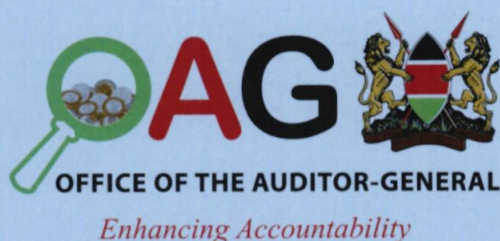
Signature..........

Name: Dr. Anthony Omerikwa, MBS
Accounting Officer

13. REPORT OF THE INDEPENDENT AUDITORS ON NACADA FOR THE FINANCIAL STATEMENTS OF NACADA CAR LOAN & MORTGAGE SCHEME

REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL AUTHORITY FOR THE CAMPAIGN AGAINST ALCOHOL AND DRUG ABUSE CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2024

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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA) Car Loan and Mortgage Fund set out on pages 1 to 12, which comprise of the statement of financial position as at 30 June,

Report of the Auditor-General on National Authority for the Campaign Against Alcohol and Drug Abuse Car Loan and Mortgage Fund for the year ended 30 June, 2024

2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of NACADA Car Loan and Mortgage Fund as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and NACADA Authority Car Loan and Mortgage Scheme Regulations, 2015.

Basis for Opinion

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

Key Audit Matters

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

Other Information

The Directors are responsible for the other information set out on page ii to xxvi which comprise of Key Fund Information and Management, Fund Administration Committee, The Board and Management Team, Chairperson's Report, Report of the Officer Administering the Fund, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of Fund Administration Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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 effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Use of Expired Contract

Review of contract documents provided for audit revealed that the contract for provision of staff car loans dated 5 December, 2016 between the Housing Finance Corporation (HFC) and NACADA expired on 5 December, 2021. However, the Authority continued to rely on the expired contract for the provision of staff car loans during the year under review. This was contrary to Section 68(2)(d) of the Public Finance Management Act, 2012 that requires that the Accounting Officer shall ensure all contracts entered into by the entity are lawful and are complied with.

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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and the Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2024

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue from Exchange Transactions			
Interest Earned from Fund Balances	5	970,907	590,280
Interest Earned on Mortgage Balances	6	6,113,054	6,424,963
Total Revenue		7,083,961	7,015,243
Expenses			
Withholding Tax on Interest Earned	7	145,636	88,542
Fund Administration expenses	8	6,113,054	6,424,963
Interest Charged on late remittance		4,384	0
Total Expenses		6,263,074	6,513,505
Net Surplus		820,887	501,738
Taxation		-	-
Surplus Attributable to Owners of NACADA		820,887	501,738

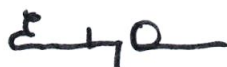
The notes set out on pages 6 to 12 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

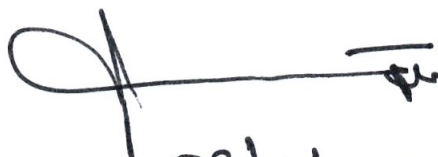
Chief Executive Officer
 Name: Dr. Anthony Omerikwa, MBS

Head of Finance
 Name: Dr CPA Samwel Makini
 ICPAK Number:8431

Chairman of the Board
 Name: Rev. Dr Stephen Mairori



Date: 9/12/2024



Date: 09/12/2024



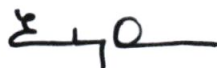
Date: 09/12/2024

15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024

		2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	9	61,583,328	35,849,045
Receivable from exchange transactions	11	186,370,290	210,840,668
Total Current Assets		247,953,618	246,689,713
Debtors	12	4,949,056	4,795,850
Total assets		252,902,674	251,485,563
Liabilities		604,930	8,706
Total Liabilities		604,930	8,706
Net Assets		252,297,744	251,476,857
Capital Fund		230,000,000	230,000,000
Accumulated surplus (Reserves)		22,297,744	21,476,857
Capital and Reserves		252,297,744	251,476,857
Total net assets and liabilities		252,297,744	251,485,563

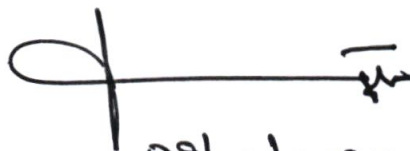
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: Dr. Anthony
Omerikwa, MBS



Date: 9/12/2024

Head of Finance
Name: Dr CPA Samwel
Makini
ICPAK Number:8431



Date: 09/12/2024

Chairman of the Board
Name: Rev. Dr Stephen
Mairori



Date: 09/12/2024

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2024

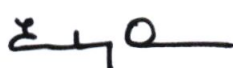
Description	Mortgage Fund	Car Loan Fund	Accumulated Surplus	Total
	Kshs		Kshs	Kshs
Balance as at 1st July 2022	200,000,000	30,000,000	20,975,119	250,975,119
Surplus/(Deficit) for the period	-	-	501,738	501,738
Transfers	-	-		
Balance as at 30th June 2023	200,000,000	30,000,000	21,476,857	251,476,857
Balance as at 1st July 2023	200,000,000	30,000,000	21,476,857	251,476,857
Surplus/(Deficit) for the period			820,887	820,887
Balance as at 30th June 2024	200,000,000	30,000,000	22,297,744	252,297,744

17. STATEMENT OF CASH FLOWS AS AT 30TH JUNE 2024

	Notes	2023-2024 Kshs	2022-2023 Kshs
Cash flows from operating activities			
Receipts			
Interest Earned from Fund balances	5	970,907	590,280
Interest Charged on Mortgage balances	6	6,113,054	6,424,963
Total Receipts		7,083,961	7,015,243
Payments			
Withholding Tax on interest	7	145,636	88,542
Fund Administration Expenses	8	<u>6,117,438</u>	<u>6,424,963</u>
Total Payments		<u>6,263,074</u>	<u>6,513,505</u>
Net Cash flow from operating activities	15	820,887	501,738
Cash flow from investing activities			
Proceeds from Loan principal repayments	13	24,176,455	22,969,423
Loan disbursements paid out	14	(4,058,909)	(25,122,055)
Mortgage Capital paid back		0	435,829
Net cash flows used in investing activities		20,117,546	(1,716,803)
Increase in liabilities		596,224	8,706
Increase in receivables/Decrease		4,199,626	(2,442,220)
Net Increase/(decrease) in cash and cash equivalents		25,734,283	(3,648,579)
Cash and cash equivalents at 1 July		35,849,045	39,497,624
Cash and cash equivalents at 30 June	9	61,583,328	35,849,045

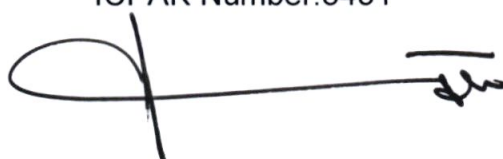
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: Dr. Anthony
Omerikwa, MBS



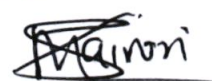
Date: 9/12/2024

Head of Finance
Name: Dr CPA Samwel.
Makini
ICPAK Number:8431



Date: 09/12/2024

Chairman of the Board
Name: Rev. Dr Stephen
Mairori



Date: 09/12/2024

*NACADA Car loan/Mortgage fund
Annual Report and Financial Statements For the year ended 30th June 2024*

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR PERIOD ENDED 30TH JUNE 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Variance percentage	
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024		
	Kshs	Kshs	Kshs	Kshs	Kshs		
Revenue							
Transfers from other Parent Ministry/SC/SAGA	-	-	-	-	-		
Interest Income	6,200,000	-	6,200,000	6,113,054	86,946	98%	
Other Income	700,000	-	700,000	970,907	(270,907)	139%	1
Total Revenue	6,900,000	-	6,900,000	7,083,961	(183,961)	102%	
Expenses							
Employee cost	-	-	-	-	-	-	
Use of goods and services	6,200,000	-	6,200,000	6,117,438	82,562	97%	
Finance cost- Withholding tax	105,000	-	105,000	145,636	(40,636)	139%	2
Expenditure	6,305,000	-	6,305,000	6,263,074	277,949s	99%	
Surplus for the Period	595,000		595,000	820,887	225,887		
Capital Expenditure							

Budget Explanation Notes:

1. Not possible to accurately predict earnings

19. NOTES TO THE FINANCIAL STATEMENTS

1) General Information

NACADA is established by and derives its authority and accountability from The NACADA Act 2012. It is wholly owned by the Government of Kenya and is domiciled in Kenya. NACADA's Principal activity is to carry out public education and awareness on alcohol and substance abuse.

2) Statement of Compliance and Basis of Preparation

NACADA Car Loan and Mortgage Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of NACADA Car Loan and Mortgage Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared based on historical costs unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on an accrual basis.

3) Adoption of New and Revised Standards

NACADA did not early – adopt any new or amended standards in year 2023/2024.

4) Summary of Significant Accounting Policies

i. Revenue recognition

Revenue from exchange transactions

Revenue is recognized in the period in which it is earned. Income is not accrued if its recoverability is doubtful. Revenue constitutes all incomes accruing to the Fund in the form of interest earned on unutilized fund. The rate applicable during the year was 3%.

ii. Budget information

The original budget for the FY 2023/2024 was approved. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the scheme fund upon receiving the respective approvals in order to conclude the final budget.

iii. 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

NACADA Car loan/Mortgage fund

Annual Report and Financial Statements For the year ended 30th June 2024

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 Housing Finance Corporation of Kenya at the end of the financial year.

iv. Fund Account

The NACADA Car Loan and Mortgage fund was enhanced initially with Kshs 150M through appropriation from the Authority's Budget. Later, the fund was beefed up with Kshs 80M. Further, all interest earned from funds held in the call account is recouped back to the fund. The Fund was mainly established in order to enable members purchase motor vehicles, acquire existing residential property, purchase of land and construct, renovate and improve existing residential property, and takeover loans on existing mortgages or equity release. The facility is extended to applicants at an interest rate of 3% which are funds utilized by the Bank for administration of the Fund.

v. Comparative figures

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

5) Interest Earned

Description	2023/24	2022/23
Actual	Kshs.	Kshs.
Interest on Fund balance	970,907	590,280
Total Interest Income	970,907	590,280

6) Interest Charged on Mortgage balances

Description	2023/24	2022/23
	Kshs.	Kshs.
Interest Earned from Mortgage holders	6,113,054	6,424,963
Total	6,113,054	6,424,963

7) Withholding Tax on Interest Earned

Description	2023/24	2022/23
	Kshs.	Kshs.
Withholding Tax	145,636	88,542
Total	145,636	88,542

8) Fund Administration Expenses

Description	2023/24	2022/23
	Kshs.	Kshs.
Fee Charged by HFC	6,113,054	6,424,963
Interest charged by HFC	4,384	-
Total	6,117,438	6,424,963

9) Cash and cash equivalents

Description	2023/24	2022/23
	Kshs.	Kshs.
Current account		
Staff Car Loan/Mortgage	61,583,328	35,849,045
Total Cash and Cash equivalents	61,583,328	35,849,045

10) Detailed analysis of the cash and cash equivalents

Financial Institution	Account number	2023/24	2022/23
		Kshs.	Kshs.
Current account			
HFC – Rehani House	2016343401-0	61,583,328	35,849,045
Grand Total		61,583,328	35,849,045

11)Receivables from exchange transactions

Description	2023/24	2022/23
	Kshs.	Kshs.
Current Receivables		
Long Term Debtors – Mortgage balances	186,370,290	210,840,668
Total Receivables	186,370,290	210,840,668

12)Receivables from Non-exchange transactions

Description	2023/24	2022/23
	Kshs.	Kshs.
Current Receivables		
HFC	4,949,056	2,353,630
NACADA-Unlimited Instalment	-	2,442,220
Total Receivables	4,949,056	4,795,850

13) Proceeds from Loan principal repayments

Description	2023/24	2022/23
	Kshs.	Kshs.
Home ownership Mortgage	18,828,268	17,972,945
Car Ownership Mortgage	3,167,765	3,374,537
Plot Ownership	2,180,422	1,621,941
Total Instalment for the period	24,176,455	22,969,423

14) Loan disbursements paid out

Description	2023/24	2022/23
	Kshs.	Kshs.
Home Ownership Mortgage	2,358,909	20,122,055
Car Ownership Mortgage	1,700,000	1,500,000
Plot Ownership Mortgage	0	3,500,000
Total	4,058,909	25,122,055

15) Cash Generated from Operations

	2023/24	2022/23
	Kshs.	Kshs.
Surplus for the year before tax	820,886	501,738
Adjusted for:		
Working capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in payables		
Net cash flow from operating activities	820,886	501,738

16) Events after the reporting period

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

17) Ultimate and Holding Entity

The NACADA Mortgage and Car Loan fund is a Public Fund established by NACADA. Its ultimate parent is NACADA.

18) Currency

The financial statements are presented in Kenya Shilling (Ksh)

19) Financial Risk Management

The NACADA Mortgage and Car Loan fund's activities expose it to a variety of financial risks including credit and liquidity risks. The scheme fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The NACADA Mortgage and Car Loan fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The NACADA Mortgage and Car Loan fund's financial risk management objectives and policies are detailed below:

20)Credit risk management

Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. NACADA Mortgage and Car Loan fund's exposure to credit risk is low owing to the fact that properties acquired are charged to the bank and thus held as security. The administrator also mitigates the risk by strictly scrutinizing the prevailing financial state of the borrower before processing the application.

(i) Liquidity risk management

Liquidity risk is the risk that the scheme fund will not be able to meet financial obligations when they fall due. This risk is managed by ensuring that the scheme fund is liquid enough to meet its obligations whenever they fall due. This has since been managed over the previous years by ensuring sufficient budget allocations are appropriated to the NACADA Mortgage and Car Loan fund.

(ii) Interest rate risk

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

(iii) Management of interest rate risk

To manage the interest rate risk, management has endeavored to bank with a local commercial Bank and negotiate for favorable interest rates from time to time in tandem with prevailing market rates and economic conditions.

(iv) Capital risk management

The objective of the NACADA Mortgage and Car Loan fund's capital risk management is to safeguard the scheme fund's ability to continue as a going concern. The scheme fund capital structure comprises of the following funds:

NACADA Car loan/Mortgage fund

Annual Report and Financial Statements For the year ended 30th June 2024

	2023/2024	2022/2023
	Ksh	Ksh
Revaluation reserve	-	-
Capital fund	230,000,000	230,000,000
Accumulated surplus	22,297,744	21,476,857
Total funds	252,297,744	251,476,857
Total Advances	186,370,290	210,840,668
Less: cash and bank balances	61,583,328	35,849,045
Net debt/ (excess cash and cash equivalents)	-	4,795,850
Gearing	-	-

NACADA Car loan/Mortgage fund
Annual Report and Financial Statements For the year ended 30th June 2024

I. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal point person to resolve the issue (Name and designation)	Status: (Resolved/Not Resolved)	Timeframe: (Date when expect issue will be resolved)
NIL	NIL				

Dr. Anthony Omerikwa, MBS
 Chief Executive Officer

Rev. Dr. Stephen Mairori
 Chairperson of the Board





Date 9/12/2024.....

Date 09/12/2024.....