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Deputy Majority Whip

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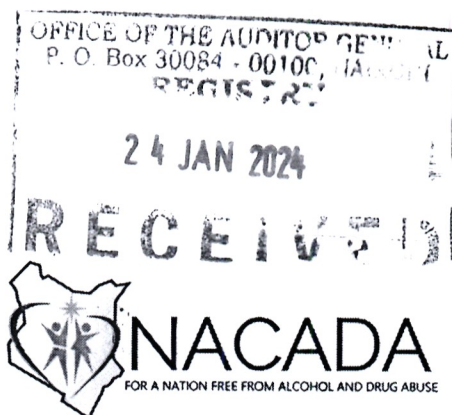
A. Shubuko

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**



**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 2023

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

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1. Abbreviation, Acronyms and Glossary of Terms

A. 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

B. GLOSSARY OF TERMS

Fiduciary Management

The members of staff with fiduciary duty who served during the financial year (FY), ending 30th June 2023, 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.

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 17th 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-one million, four hundred and eighty-five thousand, five hundred and sixty-three (Kshs. 251,485,563.00) which includes interest earned on the fund of Kenya Shillings Twenty-one million, four hundred and seventy-six thousand, eight hundred and fifty-seven (Kshs. 21,476,857.00) 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 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;
- 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 in order 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:

- (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 2023, 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	<ol 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. THE BOARD OF DIRECTORS



Rev. Dr. Stephen K. Mairori
Board Chairperson

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 by Georgia Central University, USA, and a Masters of Divinity by Frenesco Pacific Seminary, CA, USA, as well as a Bachelor of Arts from the Global University, USA.

In his current role, he is a Senior Minister at the Africa Inland Church, Milimani, and also serves at the International Christian Ministries, 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 USA.



Ann Mathu
Vice Chairperson

Ann Mathu is Author of the Book titled Sober Again and is also the founder of Sober Again Outreach Programme (A community Based Organization that campaigns against alcohol and drug abuse). She is a Recovery Coach at the Dove Mental Hospital and has previously worked at NACADA.

A passionate recovery coach, Ann Mathu reaches out to persons living with substance use disorders and gives 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 in order to reinforce and encourage a healthy lifestyle. She also works with families, helping everyone cope with changes that accompany substance use disorder.



Priscilla Thairu Gathiga
Board Member

Ms. Gathiga was born on 29th January 1966. She is the National Executive Officer of the Kenya Girl Guides Association – one of Kenya's largest and oldest girl's only organization. She is an accomplished professional in Social work and management with over 25 years of experience gained within and outside the country.

She holds a Bachelor's Degree in Social Work and an Executive Master of Business Administration from the Management University of Africa.



Margaret W. Karanja, AIG
Board Member

Ms. Margaret W. Karanja is currently the Director of the Anti-Narcotics Unit and an Assistant Inspector General of Police. She has over 30 years' progressive experience in countering drug-trafficking, forensics, investigations, anti-corruption, operations and revenue protection amongst other areas. Prior to taking the helm at the Anti-Narcotics Unit, she was the Director of Forensic Services and she has worked in various leaderships roles at Railways, Airports and the Nairobi Region.

Ms. Karanja is extensively trained in law enforcement, countering drug and crime, fraud and money laundering, and senior management. Throughout her career, she has been awarded various medals including the 40 years' of independence medal, Head of State commendation and Silver Jubilee Independence medal amongst others.



Josephine Syombua Etenyi
Board Member

Ms. Josephine S. Etenyi is the Director Youth Development at the Ministry of Youth Affairs, Sports and the Art. She is 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 senior managerial positions in human resource and productivity. She also served as the Human Resource Development Specialist- Regional Capacity Building Project, Republic of South Sudan.

She is a PhD Candidate pursuing a Doctorate degree in Research and Evaluation at the Catholic University of Eastern Africa. She holds a Master's in Educational Planning and Bachelor's degree in Education both from the University of Nairobi.



Beverly K. Opwora
Board Member

Ms. Beverly K. Opwora is the alternate to the Principal Secretary, of Internal Security and National Administration on 19th January 2023. Currently, she is the Secretary, National Administration in the Ministry of Internal Security and National Administration.

Ms. Opwora is an accomplished administrator who has had her career in the defunct provincial administration, transiting to the national government administration under the current constitution.

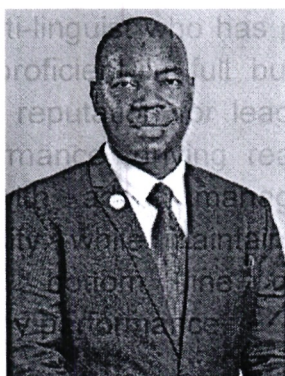


Hon. Elijah Kiptarbei Lagat
Board Member

Hon. Lagat holds a Bachelor of Arts Degree, and Diploma in Adult Education both from the University of East Africa, Baraton. He is a two-time Member of parliament having represented Emgwen and Chesumei constituencies respectively. During his tenure in Parliament he was the Vice Chairman, Labour and Social Welfare Committee, as well as the Chairman, Sports Sub-committee. He was similarly Vice Chairman of the Catering and Health Services Committee and Chairman of the Health Services Sub-committee.

Hon. Lagat has served as the Deputy Human Resources Manager in Nandi County, a position he held for five years.

Winner of the 2000 Boston marathon, He is a talented athlete who represented the country in various sports activities across the world



Ali Swaleh Nyamai
Board Member

Ali Swaleh is a consummate Public Relations professional and multi-linguist who has passion for education. He is proficient in full business-unit management with a reputation for leading teams towards peak performance, driving realization of business targets with adept management of organizational diversity, while maintaining a firm focus on assured bottom line gains and distinguished company performance.

He is fluent in French and German, and has also worked in the hospitality industry in Kenya.



Rev. Fredrick Ngugi
Board Member

Fredrick Ngugi holds a Master of Theological Studies in Christian in Christian Counselling and a Bachelor of Theological studies from Vision International University Ramona California USA. He also holds 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 Appex Clergy of Kenya (APPECK) an organization with a membership of over 100,000 pastors.

He is a part-time Lecturer at the Pan African University (PAC) where he has been teaching Transformational Leadership since 2017.



Lucia Kamanthe Nzoongo
Board Member

Lucia Kamanthe Nzoongo holds a Bachelor of Commerce degree and a Diploma in Business Management both from the university of Nairobi. She is the Managing Director at Ronshir Holdings Ltd and has over twenty years' experience having served in various capacities in accounts and finance in both the public and private sectors.

Lucia is adept at putting in place adequate operational planning and financial control systems, besides directing strategy towards the gainful organizational growth and operations



Veronica Okoth
Board Member

Ms. Okoth 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.

She holds a Bachelor Degree in Economics from Moi University and a Masters in Economic Policy and Management Degree from Makerere University, Uganda.

Ms. Okoth is a seasoned public servant with experience spurning for over fifteen years in Economic Planning in both County and National Governments.



**Adan Gedow Harakhe, HSC
Board Member**

Mr. Gedow is the alternate to the Principal Secretary, State Department for Health Standards and Professional Management in the Ministry of Health at the Board.

He holds a Masters of Arts in Education and Bachelor of Arts in Education from the University of Nairobi and has cumulatively served for over thirty-three years in the Public Service in areas with different setups both in the field and in various government ministries.



**Florence Amoiti
Board Member**

Mrs. Florence Amoiti is the alternate member of the Principal Secretary, Ministry of Education in the Board. Currently, she is the Secretary Administration, State Department for Basic Education at the Ministry of Education. She holds Master in Business Administration from the University of Nairobi, Bachelor of Arts from Kenyatta University and 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.



**Dr. Mercy W. Karanja
Board Member**

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. She 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) both from the University of Nairobi. In addition, she has extensive training in addiction management, cognitive behavioural therapy, medically assisted therapy, leadership, and management from international universities.



**Dr. Anthony Omerikwa, MBS
Chief Executive Officer**

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 Degree 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.



**Mr. Daniel Konyango
Corporation Secretary**

Mr. Daniel Konyango was born 10th July 1978. He 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, East Africa Law Society, International Bar Association, and the Institute of Certified Public Secretaries of Kenya. He is the Corporation Secretary and Manager, Legal Services for the Authority.

4. MANAGEMENT TEAM

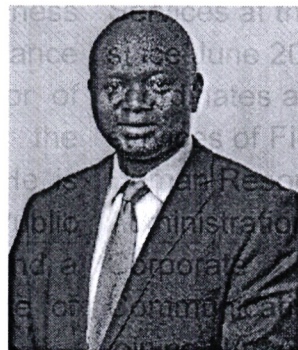
Name	Academic Professional Qualifications	and Key Responsibilities
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**Dr. Anthony Omerikwa, MBS
Chief Executive Officer**

Doctorate Degree from the University of Georgia; Specialist Advanced Degree in Workforce Development and Education; Master of Science Degree in Human Resource Development both from Pittsburgh State University; Bachelor of Arts Degree in Economics from Kenyatta University

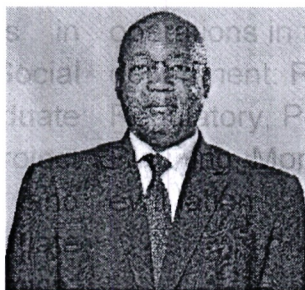
In charge of overall leadership and management of the Authority's operations.



**CPA Patrick Obura
Director, Corporate Services**

CPA Patrick Obura holds a Master of Business Administration (Finance Option) and a Bachelor of Arts degree all from the University of Nairobi. He is also a Certified Public Accountant of Kenya and a member of the Institute of Internal Auditors Kenya.



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 (ICPAK).



**Prof. John Muteti
Director, Research, Policy and Planning**

Doctorate in Strategic Management; Masters in Economic and Social studies; Postgraduate Certificate in Project Planning, Appraisal and Financing; Post Graduate Diploma in Agri. Economics

In charge of overseeing operations in the following department: Research, Regulatory, Policy and Planning, Monitoring and evaluation.

Name	Academic and Professional Qualifications	Key Responsibilities
 <p data-bbox="204 705 606 851">Dr Yvonne Olando Director Public Education, Advocacy and Rehabilitation</p>	<p data-bbox="638 280 1045 1355">Doctorate Degree and Masters of Science in Clinical Psychology from the University of Nairobi, Bachelors in Social Sciences (Psychology Major) from Moi University. Graduate 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), Certified Tobacco Cessation Specialist (CTTS-MAYO, USA). She is a World Heart Federation Emerging Leaders Fellow and was ISSUP-Kenya Chapter's first Secretary.</p>	<p data-bbox="1069 280 1452 392">In charge of overseeing operations in the following departments:</p> <ul data-bbox="1117 403 1404 694" style="list-style-type: none">• Public Education and Advocacy• Counselling and Treatment• Regional Coordination
 <p data-bbox="247 1803 566 1948">Mr. James Koskey Director Compliance, Quality & Risk Management</p>	<p data-bbox="638 1422 1045 1657">Master's Degree in Public Administration and Management Bachelor of Arts degree in Government and Public Administration</p>	<p data-bbox="1069 1422 1452 1612">In-charge of Compliance and Enforcement, Quality Control & Risk Management functions of the Authority.</p>

Name	Academic and Professional Qualifications	Key Responsibilities
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Mr. Kirwa Lelei
Manager, Policy and Planning

Master of Arts in Economics and Master of Arts in Project Planning and Management.

In charge of Policy and Planning department in the Authority



CHRP. Joyce Lianza
Manager, 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.
Coordinating the functions of human resource management, administration and records management.



Dr. Samuel Makini
Manager, Finance and Accounts

Doctor of Philosophy in Business Administration, The University of Nairobi
Master 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
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**Ms. Judith Twala
Manager, Counselling and
Rehabilitation**

Master of Arts in
Counselling Psychology;
Bachelors 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

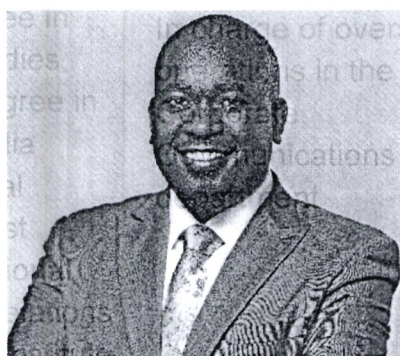
In charge of Counselling
and Rehabilitation
department



**Ms. Susan Maua
Manager, Public
Education, and Awareness**

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



**Mr. Simon Mwangi, MPRSK
Manager, Corporate
Communications**

Master of Arts Degree in
Communication Studies,
Bachelor of Arts Degree 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 Professional Qualifications	and Key Responsibilities
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Mr. Daniel Konyango
Corporation Secretary

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).

In charge of Legal Services department



Mr. Jeremiah Muchembi
Manager Supply Chain

MSc Procurement and Logistics, BBM (Purchasing and Supply), Diploma Supplies Management, SLDP, MKISM, Licensed Supply Practitioner, MCIPS(CS) Associate Member of Certified Fraud Examiners

In charge of Supply Chain Management of the Authority.



Mr. James Macharia
Manager Supply Chain

Master of Business Administration
Bachelor of Education
Diploma in Human Resource Management

In charge of Compliance

Name	Academic Professional Qualifications	and Key Responsibilities
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Esther Monyangi S. Okenye
Manager Regional
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 Nyanza
region

5. CHAIRPERSON'S STATEMENT

NACADA established a Car Loan and Mortgage Fund Committee whose objective is to coordinate and engage with Housing Finance Corporation of Kenya in the management of the fund on behalf of NACADA. The fund's Committee members are drawn from all the directorates.

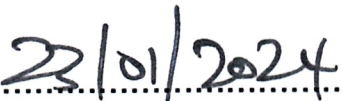
NACADA in consultation with the Housing Finance Corporation of Kenya, developed internal rules and a Memorandum of Understanding (MOU), which are binding on matters relating to the fund. They set out rules, regulations and guidelines on accessibility of the loans, as well as requirements to be met by the applicants.

The key objective of the fund is to support employees acquire a mortgage and car facility as a way of motivation and retention of staff at the Authority. It also enhances loyalty and commitment to the Authority.

The fund has since supported fifty-five members of staff and disbursed **Kshs 315,710,883**. The Housing Finance Corporation of Kenya continues to carry out due diligence for all loan applications so as to minimize risks in acquiring property.

The Committee shall endeavor to support staff through continuous engagement with the Housing Finance Corporation of Kenya and ensure more employees benefit from the fund in the foreseeable future.

Chairperson: 
Rev. Dr Stephen Mairori

Date: 

7. STATEMENT OF COMPLIANCE

The NACADA Car Loan and Mortgage Fund is regulated by various laws and regulations. The Fund is committed to ensuring compliance with all the laws and regulations governing government entities.

On Financial reporting, Section 84 of the PFM Act, 2012, financial statements shall be prepared for a public fund established by the constitution, an Act of Parliament or Entity legislation for each financial year in a form prescribed by the Public Sector Accounting Standards Board.

Not later than three months after the end of each financial year, the administrator of the fund shall submit the financial statements prepared under this section to the Auditor General.

The administrator shall submit a copy of the report to the cabinet secretary responsible for the fund.

The Fund has complied with these requirements and submitted the reports within the stipulated timelines.

8. MANAGEMENT DISCUSSION AND ANALYSIS

a) Operational and financial performance

As at the close of the FY 2022/23, the fund's financial position was **Ksh 230,000,000** in capital and **Ksh 21,476,857** as interest earned from utilized funds held in the call- deposit account. During the year, the fund had disbursed **Kshs 25,122,055** as compared to the disbursement of **Kshs 6,500,000** in FY 2021/2022.

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.

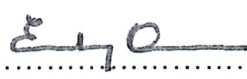
NACADA Car loan/Mortgage fund

Annual Report and Financial Statements For the year ended 30th June 2023

NACADA's Car Loan and Mortgage Fund financial statements for the year ended 30th June 2023 were approved by the Board on.....30/9/2023.....2023 and signed on its behalf by:

Signature.....

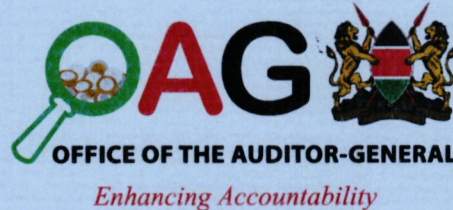
Name: Rev. Dr. Stephen Mairori
Chairperson of the Board

Signature.....

Name: Dr. Anthony Omerikwa, MBS
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 & MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2023

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Authority for the Campaign Against Alcohol and Drug Abuse 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, 2023

2023 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 National Authority for the Campaign Against Alcohol and Drug Abuse Car Loan and Mortgage Fund as at 30 June, 2023, 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 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 International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Authority for the Campaign Against Alcohol and Drug Abuse Car Loan and Mortgage Fund 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 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.

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, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 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 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 such 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 Fund'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 Management is aware of the intention to terminate the Fund 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.

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

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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 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 Fund's ability 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 Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund 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 controls 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 February 2024

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10. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Note	2022- 2023	2021- 2022
		Kshs	Kshs
Revenue from Exchange Transactions			
Interest Earned from Fund Balances	5	590,280	1,235,073
Interest Earned on Mortgage Balances	6	6,424,963	6,763,644
Total Revenue		7,015,243	7,721,487
Expenses			
Withholding Tax on Interest Earned	7	88,542	185,261
Fund Administration expenses	8	6,424,963	6,486,414
Total Expenses		6,513,505	6,671,675
Net Surplus		501,738	1,049,812
Taxation		-	-
Surplus Attributable to Owners of NACADA		501,738	1,049,812

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:

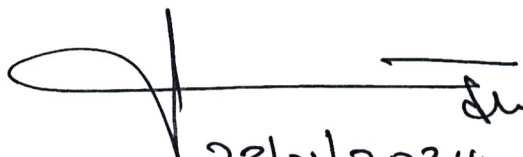
Chief Executive Officer
Name: Dr. Anthony
Omerikwa, MBS

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

Chairman of the Board
Name: Rev. Dr Stephen
Mairori



Date: 23/01/2024



Date: 23/01/2024



Date: 23/01/2024

11. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

		2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	9	35,849,045	39,497,624
Receivable from exchange transactions	11	210,840,668	209,123,865
Total Current Assets		246,689,713	248,621,489
Debtors	12	4,795,850	2,353,630
Total assets		251,485,563	250,975,119
Liabilities		8706	-
Net Assets		251,476,857	250,975,119
Capital Fund		230,000,000	230,000,000
Accumulated surplus(Reserves)		21,476,857	20,975,119
Capital and Reserves		251,476,857	250,975,119
Total net assets and liabilities		251,485,563	250,975,119

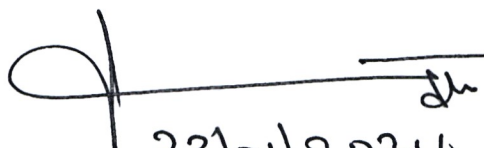
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Name: Dr. Anthony
Omerikwa, MBS



Date: 23/01/2024

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



Date: 23/01/2024

Chairman of the Board
Name: Rev. Dr Stephen
Mairori



Date: 23/01/2024

12. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Mortgage Fund	Car Loan Fund	Accumulated Surplus	Total
	Kshs		Kshs	Kshs
As at 1 July 2021	200,000,000	30,000,000	19,925,307	249,925,307
Surplus/(deficit) for the period	-	-	1,049,812	1,049,812
Funds received during the year	-	-	-	-
Transfers	-	-	-	-
As at 30th June 2022	200,000,000	30,000,000	20,975,119	250,975,119
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

13. STATEMENT OF CASH FLOWS AS AT 30TH JUNE 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Interest Earned from Fund balances	5	590,280	1,235,073
Interest Charged on Mortgage balances	6	6,424,963	6,486,414
Total Receipts		7,015,243	7,721,487
Payments			
Withholding Tax on interest	7	88,542	185,261
Fund Administration Expenses		6,424,963	6,486,414
Total Payments		6,513,505	6,671,675
Net Cash flow from operating activities	15	501,738	1,049,812
Cash flow from investing activities			
Proceeds from Loan principal repayments	13	22,969,423	20,136,279
Loan disbursements paid out	14	(25,122,055)	(6,500,000)
Mortgage Capital paid back		435,829	1,347,575
Net cash flows used in investing activities		(1,716,803)	14,983,854
Increase in liabilities		8,706	-
Increase in receivables		(2,442,220)	-
Net Increase/(decrease) in cash and cash equivalents		(3,648,579)	16,033,667
Cash and cash equivalents at 1 July	8	39,497,624	23,463,958
Cash and cash equivalents at 30 June		35,849,045	39,497,624

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

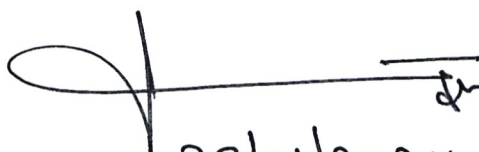
Chief Executive Officer
Name: Dr. Anthony
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Head of Finance
Name: Dr CPA Samwel.
Makini
ICPAK Number:8431

Chairman of the Board
Name: Rev. Dr Stephen
Mairori



Date: 28/01/2024



Date: 23/01/2024



Date: 23/01/2024

*NACADA Car loan/Mortgage fund
Annual Report and Financial Statements For the year ended 30th June 2023*

14. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR PERIOD ENDED 30TH JUNE 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Variance percentage
	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	
Revenue	-	-	-	-	-	
Transfers from other Parent Ministry/SC/SAGA	-	-	-	-	-	
Interest Income	6,000,000	-	6,000,000	6,424,963	424,963	7%
Other Income	500,000	-	500,000	590,280	90,280	18%
Total Revenue	6,500,000	-	6,500,000	7,015,243	515,243	
Expenses						
Employee cost	-	-	-	-	-	-
Use of goods and services	6,000,000	-	6,000,000	6,424,963	(424,963)	7%
Finance cost- Withholding tax	75,000	-	75,000	88,542	(13,542)	(18%)
Expenditure	6,075,000	-	6,075,000	6,513,505	(438,505)	(7%)
Surplus for the Period	425,000		425,000	501,738	76,738	
Capital Expenditure						

Budget Explanation Notes:

1. Not possible to predict accurately earnings

15. NOTES TO THE FINANCIAL STATEMENTS

a) 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.

b) 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.

c) Adoption of New and Revised Standards

NACADA did not early – adopt any new or amended standards in year 2022/2023.

d) 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 2022/2023 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 original maturity of three months or less, which are readily convertible to known

NACADA Car loan/Mortgage fund

Annual Report and Financial Statements For the year ended 30th June 2023

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	2022/23	2021/22
Actual	Kshs.	Kshs.
Interest on Fund balance	590,280	1,235,073
Total Interest Income	590,280	1,235,073

6. Interest Charged on Mortgage balances

Description	2022/23	2021/22
	Kshs.	Kshs.
Interest Earned from Mortgage holders	6,424,963	6,486,414
Total	6,424,963	6,486,414

7. Withholding Tax on Interest Earned

Description	2022/23	2021/22
	Kshs.	Kshs.
Withholding Tax	88,542	185,261
Total	88,542	185,261

8.Fund Administration Expenses

Description	2022/23	2021/23
	Kshs.	Kshs.
Fee Charged by HFC	6,424,963	6,486,414
Total	6,424,963	6,486,414

9.Cash and cash equivalents

Description	2022/23	2021/22
	Kshs.	Kshs.
Current account		
Staff Car Loan/Mortgage	35,849,045	39,497,624
Total Cash and Cash equivalents	35,849,045	39,497,624

Detailed analysis of the cash and cash equivalents

Financial Institution	Account number	2022/23	2021/22
		Kshs.	Kshs.
Current account			
HFC – Rehani House	2016343401-0	35,849,045	39,497,624
Grand Total		35,849,045	39,497,624

11.Receivables from exchange transactions

Description	2022/23	2022/22
	Kshs.	Kshs.
Current Receivables		
Long Term Debtors – Mortgage balances	210,840,668	209,123,865
Total Receivables	210,840,668	209,123,865

12.Receivables from Non exchange transactions

Description	2022/23	2022/22
	Kshs.	Kshs.
Current Receivables		
HFC	2,353,630	2,353,630
NACADA-Unlimited Instalment	2,442,220	-
Total Receivables	4,795,850	2,353,630

13.Net Instalment Received during the Year

Description	2022/23	2021/23
	Kshs.	Kshs.
Home ownership Mortgage	17,972,945	15,461,096
Car Ownership Mortgage	3,374,537	3,697,967
Plot Ownership	1,621,941	977,216
Total Instalment for the period	22,969,423	20,136,279
Less; unremitted Instalment by NACADA	(2,442,220)	-
Net Instalment remitted to the Fund	20,527,203	20,136,279

14.Mortgage advanced during the Year

Description	2022/23	2021/22
	Kshs.	Kshs.
Home Ownership Mortgage	20,122,055	-
Car Ownership Mortgage	1,500,000	-
Plot Ownership Mortgage	3,500,000	6,500,000
Total	25,122,055	6,500,000

15.Cash Generated from Operations

	2022/23	2021/22
	Kshs.	Kshs.
Surplus for the year before tax	501,738	1,049,812
Adjusted for:		
Working capital adjustments		
Increase in inventory		-
Increase in receivables		-
Increase in payables		-
Net cash flow from operating activities	501,738	1,049,812

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 2023

	2022/2023	2021/2022
	Ksh	Ksh
Revaluation reserve	-	-
Capital fund	230,000,000	230,000,000
Accumulated surplus	21,476,857	20,975,119
Total funds	251,476,857	250,975,119
Total Advances	210,840,668	209,123,865
Less: cash and bank balances	35,849,045	39,497,624
Net debt/ (excess cash and cash equivalents)	4,795,850	2,353,630
Gearing	-	-

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



Date: 23/01/2024

Rev. Dr. Stephen Mairori
 Chairperson of the Board



Date: 23/01/2024