


REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID		OF
DATE: 23 NOV 2021		DAY:
TABLED BY:	L.O.M	THE AUDITOR-GENERAL
CLERK-AT THE-TABLE:	Getrude Chebet	
		ON

NATIONAL AUTHORITY FOR CAMPAIGN AGAINST ALCOHOL AND DRUG ABUSE

**FOR THE YEAR ENDED
30 JUNE, 2020**



**NATIONAL AUTHORITY FOR THE CAMPAIGN AGAINST
ALCOHOL AND DRUG ABUSE (NACADA)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Corporate establishment

The history of NACADA commences in 1996 when the Inter-Ministerial Drugs Coordinating Committee was constituted. The Committee was chaired by the Solicitor General 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 youth in 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 as such until May 2006 when the President established an Advisory Board and appointed its Chairman 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 facilitating implementation of the Alcoholic Drinks Control Act, 2010.

In July 2012, the then President HE 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.

(b) Principal Activities

The specific functions of NACADA as set out in the NACADA Act, 2012 are to:

- (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 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.

(c) Key Management

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

- Board of Directors
- Chief Accounting Officer/ Chief Executive Officer
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

- | | | |
|---------------------------|---|--|
| 1. Mr. Victor Okioma, EBS | - | Chief Executive Officer |
| 2. Mr. Patrick Obura | - | Director, Corporate Services |
| 3. Prof. John Muteti | - | Director, Research and Policy Development |
| 4. Mr. Kirwa Lelei | - | Manager, Policy and Planning |
| 5. Ms. Joyce Lisanza | - | Manager, Human Resource and Administration |
| 6. Mr. Samwel Makini | - | Manager, Finance and Accounts |
| 7. Ms. Judith Twala | - | Manager, Counseling and Rehabilitation |
| 8. Mr. Daniel Konyango | - | Corporation Secretary and Legal Services Manager |
| 9. Mr. Jeremiah Muchembi | - | Manager, Supply Chain Management |
| 10. Ms. Susan Maua | - | Acting Manager, Public Education and Advocacy |
| 11. Mr. Simon Mwangi | - | Manager, Corporate Communications |

(e) Fiduciary Oversight Arrangements

Finance Board Committee

- | | | |
|---------------------------|---|-------------|
| 1. Mr. George Ogalo | - | Chairperson |
| 2. Mr. Shem Nyakutu | - | Member |
| 3. Ms. Margaret Moitallal | - | Member |
| 4. Mr. Andrew G. Rukaria | - | Member |

5. Mr. Moses Ochieng - Member

Human Resource Board Committee

1. Ms. Margaret Moitallel - Chairperson
2. Mr. George Ogalo - Member
3. Dr. Kepha Ombacho, MBS - Member
4. Dr. Fred Owiti - Member
5. Mr. Moses Ochieng - Member
6. Mr. Shem Nyakutu - Member
7. Mr. Mongo Chimwaga - Member

Technical Board Committee

1. Ms. Farida Rashid, OGW - Chairperson
2. Ms. Acquillyne Mbaka - Member
3. Mr. Vincent Muasya - Member
4. Dr. Kepha Ombacho, MBS - Member
5. Dr. Hamisi Massa - Member
6. Mr. Andrew G. Rukaria - Member
7. Dr. Fred Owiti - Member
8. Mr. Peterson Mwai - Member

Audit Board Committee

1. Mr. Peterson Mwai - Chairperson
2. Dr. Hamisi Massa - Member
3. Ms. Farida Rashid, OGW - Member
4. Ms. Acquillyne Mbaka - Member
5. Mr. Vincent Muasya - Member

NACADA Headquarters

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

NACADA Contacts

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 E-mail: info@nacada.go.ke
 Website: www.nacada.go.ke
 Helpline: 1192
 Facebook: NACADA Kenya
 Twitter: @NACADAKenya

NACADA Bankers

Kenya Commercial Bank Limited
 P.O. Box 60000
 Milimani Branch
 Nairobi, Kenya

Co-operative Bank of Kenya Limited

Ukulima Branch
P. O. Box 74956 - 00200
Nairobi, Kenya

Equity Bank of Kenya Limited
Community Corporates Branch
P.O. Box 75104 - 00200
Nairobi, Kenya

Housing Finance Limited
Rehani House Branch
P.O. Box 30088- 00100
Nairobi, Kenya

Independent Auditors

Auditor General
Office of The Auditor General
P.O. Box 30084-00100 GPO
Nairobi, Kenya

Principal Legal Adviser

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

I. THE BOARD OF DIRECTORS



**Prof. Mabel Opanda Imbuga, PhD,
EBS
Board Chairperson**

Prof. Mabel Opanda Imbuga PhD, EBS was appointed the Chairperson of the NACADA Board in May 2020. She is a renowned Professor and Scientist who has made great strides in the Education Sector in Kenya. She is a Professor of Biochemistry with over 35 years of teaching, scholarly and leadership experience and also a Scientist having trained as a Post-Doctoral Fellow at the International Centre of Insect Physiology and Ecology. She is the immediate past Vice Chancellor (VC) of Jomo Kenyatta University of Agriculture and Technology - a position she held for ten (10) years from 2008 to July 2018.

Prof. Imbuga has driven the change agenda in education and research across Africa and beyond and has served in several Boards. She is the widow of the renowned Prof. Francis Imbuga, a well-known writer, literature scholar, teacher and professor at the Kenyatta University.



**Ms. Margret Moitalliel
Vice Chairperson**

Ms. Moitalliel holds a Diploma in Nursing and has previously worked with the Ministry of Health. Currently, she is a Health Director at My Chosen Vessels Organisation. She is an Independent Director at the Board.



**Farida Rashid
Board Member**

Ms. Rashid is a renowned Coast Anti-Drugs Activist for the last two decades. She is also the Chairlady of Kenya Muslim Women Alliance and has previously served as a Treasurer of Maendeleo ya Wanawake (Coast region). Currently, she heads the Coast Community Anti-Drug Coalition.



Mr. George Ogalo
Board Member

Mr. Ogalo is currently the National Coordinator of Fellowship of Christian Unions (Focus-Kenya). He holds a Bachelor of Education (Arts), Masters of Divinity, Biblical Studies and is currently a PhD candidate in the same field. He is a Teaching Fellow at Africa International University teaching undergraduate student and offering tutorials to students (Hebrew language). Mr. Ogalo is also a Board Member in many institutions and has a wealth of experience in leadership and strategic management. He represents the National Council of Churches of Kenya at the Board.



Vincent Muasya Mutua
Board Member

Mr. Muasya is an Artist with passion in community outreach programmes targeting the youth in and out of learning institutions to inculcate behaviour change and mentorship. He was a presenter of a Youth Program at a local television channel - Ebru TV. He represents the Youth at the NACADA Board.



Moses Danda
Board Member

Mr. Danda is a University graduate whose speciality is Education Administration. He is the National Executive Commissioner at Kenya Scouts Association and represents the Kenya Scouts Association.



Peterson Mwai
Board Member

Mr. Mwai is an Independent Director at the Board and has wide experience in corporate governance and insurance industry.



Dr. Hamisi Salim Massa
Board Member

Dr. Hamisi holds a Bachelor of Science Degree in Veterinary Medicine and Surgery from the University of Nairobi and has attended several police and leadership development trainings both locally and abroad. He is the current Officer In-Charge at the Anti-Narcotics Unit. Has previously served as Commandant, Kenya Police Dog Unit and has over 20 years' experience in the Civil Service. He represents the National Police Service at the Board.



Dr. Kepha Ombacho
Board Member

Dr. Ombacho is the current Director, Environmental Health at the Ministry of Health as well as the Alternate Director to Permanent Secretary in the Ministry of Health. He represents the ministry at the Board.



Andrew G. Rukaria
Board Member

He is currently the Director Administration in the State Department of Early Learning and Basic Education in the Ministry of Education. He is the Alternate Director to Permanent Secretary in the Ministry of Education, Science and Technology and represents the ministry at the Board.



Ms. Acquillyne Mbaka
Board Member

She is the Deputy Director/Head of Division in charge of Youth Innovation and talent Development in the State Department of Public Service, Youth and Gender. She is the Alternate Director in the Ministry of Public Service, Youth and Gender Affairs and represents the ministry at the Board.



Mr. Mongo Chimwaga
Board Member

He is the Alternate to the Principal Secretary in the Ministry of Interior and Coordination of National Government. He is the immediate former Regional Commissioner Rift Valley and brings on board critical government administrative skills to the Authority.



Mr. Victor Okioma, EBS
Chief Executive Officer

Mr. Victor Okioma has a Master's Degree in International Studies and a Bachelor's Degree in Economics and Government.

He is the Secretary to the Board in his capacity as the Chief Executive Officer of the Authority. He has worked as a Senior Officer at the Ministry of Interior and Coordination of National Government having risen to the rank of Secretary, in charge of Rehabilitation and Integration.

II. MANAGEMENT TEAM

Name	Academic and Professional Qualifications	Key Responsibilities
 Mr. Victor Okioma Chief Executive Officer	Master of Arts in International Studies and a Bachelor's Degree in Economics and Government.	In charge of overall leadership and management of the Authority's operations.
 CPA Patrick Obura Director, Corporate Services	MBA Finance CPA (K)	In charge of overseeing overall operations in the Directorate of Corporate services including Finance, Accounts, Human Resources, ICT, Communication and Administration Departments.
 Prof. John Muteti Director, Research, Policy and Planning	Doctorate in Strategic Management; Masters in Economic and Social studies and 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.



Mr. Kirwa Leley
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 operations



Ms. Joyce Lisanza
**Manager, Human Resource
and Administration**

MBA (Corporate Management)
Bachelor of Commerce in
Human Resource Management;
Diploma in Human Resource
Management
CHRP(K)
CPS Part I
Licensed Human Resource
Practitioner

In charge of the Human
Resource and Administration
Department overseeing
recruitment, succession
planning, training and
development, employee
compensation, development
of HR policies and
procedures, department
workplans and general
administration.



Mr. Samuel Makini
**Manager, Finance and
Accounts**

MBA in Finance and Strategic
Management
CPA(K)
CPS (K)

In charge of overseeing
operations in the Accounts,
Finance and Administration
departments.



Ms. Judith Twala
Manager, Counselling and
Rehabilitation

Master of Arts in Counselling Psychology; Bachelors of Arts- Theology In charge of Counselling and Rehabilitation department



Ms. Susan Maua
Ag. 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. In charge of overseeing operations in the Corporate Communications department



Mr. Daniel Konyango
Corporation Secretary

Masters of Law, Masters of Public Administration, In charge of Legal Services department
Advocate of the High Court of Kenya, Diploma in Advanced Management and Leadership, Certificate in Legislative drafting and a CPS (K).



Mr. Jeremiah Muchembi

Msc Procurement and Logistics, In charge of Supply Chain Management Dept.
BBM(Purchasing and Supply),
Diploma Supplies Management,
SLDP, MKISM,
Licenced Supply Practitioner,
MCIPS

III. CHAIRPERSON'S STATEMENT

On behalf of the Board, I have the pleasure of presenting the Annual Report and Financial Statements for year ended 30 June, 2020. The National Authority for the Campaign Against Alcohol and Drug Abuse Act of 2012 requires the Board of Directors to ensure that proper books and other records of accounts of income, expenditure, assets and liabilities of the Authority are kept. This therefore calls for preparation of Financial Statements. The Board accepts this responsibility and has prepared the attached Financial Statements as at 30th June, 2020 based on prudence in judgement in accordance with the International Public Sector Accounting Standards (IPSAS).

During this financial year, the Authority commissioned a national survey on the status of drugs and substance abuse among institutions of higher learning in Kenya and undertook a study on assessment of emerging drugs in Kenya in collaboration with the Government Chemist and Pharmacy and Poisons Board. A draft bi-annual report for July to December 2019 was published and is awaiting validation by lead agencies to facilitate submission to parliament. Other accomplishments include publishing two journals on ADA i.e. *Prevalence and Predictors of Multiple Substance Use Disorders in Kenya* (AJADA December, 2019) and *Effects of Environment and Parenting Practices on Alcohol Use among Primary School Pupils* (AJADA June, 2020) as well as two policy briefs, *Status of Drugs and Substance Abuse among Primary School Pupils in Kenya*; and *National Survey on Alcohol and Drug Abuse among Secondary School Students in Kenya*.

The Board takes cognisance of the significant challenges that impede the effective implementation of its mandate. These include emerging trends in the manufacture, use and trade in alcohol and other psychotropic substances; devolution of the licensing function from the Authority to county governments which has resulted in reduced income for the Authority; as well as the proliferation of alcohol selling outlets as counties are yet to set up control mechanisms. This has greatly eroded the gains made by the Authority in curbing the menace. The ongoing COVID-19 pandemic restrictions and protocols has necessitated the Authority to use innovative ideas and modalities in implementing its mandate and programmes.

The Authority has identified several gaps in implementation of the Alcoholic Drinks Control Act, 2010 and the National Authority for the Campaign Against Alcohol and Drug Abuse Act, 2012. If these gaps are addressed, enforcement challenges in implementation of the two laws will be resolved. Currently, review of the two laws is ongoing.

The Authority is on course towards implementation of its new strategic direction that largely focuses on prevention, treatment and rehabilitation. Consequently, the Authority is collaborating with county governments, non-state actors such as civil society organizations, community-based organizations, religious institutions as well as youth and women groups. We are confident that the gains eroded over the years because of drug use and abuse will be reversed with implementation of these evidence-based prevention interventions.

The Authority's Strategic Plan for the period 2019-22 provides the strategic direction in the campaign against alcohol and drug abuse in Kenya taking into consideration national government policy provisions, devolved governance structures, as well as emerging alcohol and drug consumption trends.

On behalf of the Board, I wish to thank the Board Members, Management and staff for their dedication in continuously championing the fight against Alcohol and Drug Abuse (ADA) in Kenya.

Chairperson: 

Date: 02.02.2021

IV. REPORT OF THE CHIEF EXECUTIVE OFFICER

During the reporting period, the Authority implemented activities geared towards fulfilling its mandate as provided for under the NACADA Act, 2012 and the Strategic Objectives set out in the Strategic Plan 2019-2022 as follows.

- (i) Strengthen the legal and institutional framework at all levels of government;
- (ii) Supporting institutions through training, sensitization and conducting of baseline surveys towards enhancing workplace, school-based and family-based prevention intervention ADA programs
- (iii) Facilitate the provision of evidence-based quality and holistic treatment and rehabilitation programs for persons with Substance Use Disorders (SUDs) in collaboration with county governments;
- (iv) Provide leadership on policy development and research coordination on matters pertaining to alcohol and drug abuse and;
- (v) Strengthen collaboration with local and international partners on ADA programs.

Strengthen the legal and institutional framework at all levels of government.

During the Financial Year, the Authority carried out a number of activities in support of this pillar. Twelve internal policies were finalized and approved by the Board resulting in the Internal Policies Manual. In addition, 54 employees were trained on various skill areas while 18 employees were transferred from various departments at Headquarters to four newly created regional offices i.e. Western, South Rift, North Eastern and Eastern. The annual staff retreat was also held in December 2019 in Machakos county.

Supporting institutions through training, sensitization and conducting of baseline surveys towards enhancing workplace, school-based and family-based ADA prevention intervention programs.

During the reporting period, the Authority scale-up of Evidence Informed Programs in 120 schools in six (6) NACADA regions. Out of the targeted 120 schools, the Authority have reached 111 schools. The nine schools were not reached due to government directive on closure of schools. The Authority conducted public awareness on positive parenting and the need for healthy and supportive social environments reaching 6,019,990 parents through majorly the media and some through barazas, church forums community dialogues and parents association meetings in schools. Initially, the implementation of this target was greatly hampered by COVID-19 pandemic; however, the Authority devised innovative strategies to achieve this target by engaging parents through TV and radio shows.

Other accomplishments include support to twenty-five (25) public sector institutions to implement evidence-based workplace prevention programs; development and dissemination of ADA prevention messages/content for teachers, parents and children ages between 6-8 years; 9-12 years; 13-15 years and 16-19 years mainly disseminated through the Authority's social media platforms. Using the same innovative media-based approach, the Authority conducted sensitizations for bar owners' associations reaching 2,509,500 participants in all the regions in addition to engagement during commemorative days such as World Mental Health Day in Kisumu, World AIDS Day in Eldoret and Mombasa, International Literacy Day, and International Youth week.

In efforts to engage children during the COVID-19 pandemic period, the Authority organized an art and essay-writing to commemorate the International Day Against Drug Abuse (IDADA) and illicit trafficking. The competition was themed "*Stuck at Home During COVID-19: This is My Story.*" Winners of this contest were unveiled on 26th June 2020 as part of the commemoration of the World Drug Day.

Facilitate the provision of evidence-based quality and holistic treatment and rehabilitation programs for persons with Substance Use Disorders (SUDs) in collaboration with county governments

In order to enhance compliance to the national standards of treatment and rehabilitation for persons with substance use disorders, the Authority inspected 110 treatment and rehabilitation facilities out of which 57 were accredited. The Authority reached 10,151 people with counselling services through its 24-hour helpline service number 1192 and trained 92 prison wardens from Kisumu, Meru and Nakuru counties main prisons.

The second phase of procurement of equipment for Kombani Rehabilitation Center in Kwale county was undertaken, while Phase One of Ihururu Treatment and Rehabilitation Centre construction and laying the foundation stone for Kiamwasi Rehabilitation Center in Kisii county were implemented.

The Authority operationalized the Presidential Directive to implement a national treatment facility at Miritini, Mombasa county. Currently, the facility offers out-patient services with 120 clients on Medically Assisted Therapy (MAT).

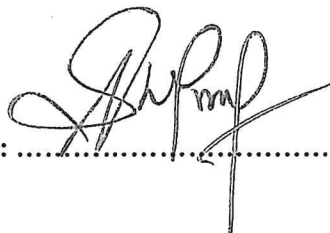
Provide leadership on policy development and research coordination on matters pertaining to alcohol and drug abuse

The Authority commissioned a national survey on the status of drugs and substance abuse among institutions of higher learning in Kenya and undertook a study on assessment of emerging drugs in Kenya in collaboration with the Government Chemist and Pharmacy and Poisons Board. During the year in review, a draft bi-annual report for July to December 2019 was published and is awaiting validation by lead agencies to facilitate submission to parliament.

Two journals on ADA i.e. *Prevalence and Predictors of Multiple Substance Use Disorders in Kenya* (AJADA December, 2019) and *Effects of Environment and Parenting Practices on Alcohol Use among Primary School Pupils* (AJADA June, 2020) as well as two policy briefs, *Status of Drugs and Substance Abuse among Primary School Pupils in Kenya*; and *National Survey on Alcohol and Drug Abuse among Secondary School Students in Kenya* were published.

Taking cognisance of the emerging challenges, the Authority is in the process of developing new strategies to address the challenges in the campaign against Alcohol and Drug Abuse in light of devolution.

Chief Executive Officer:



Date: 2/2/21

V. 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 subjects to and adheres to all the provisions and requirements of corporate governance.

The framework of the NACADA Board and Management 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 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.

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 application of principles and practices which are in the best interest of the population of Kenya. The Board has also become more proactive in promoting issues of corporate fairness, transparency and accountability in the internal and external operations of the Authority.

MANAGEMENT DISCUSSION AND ANALYSIS

In order to deliver on various aspects of NACADA's mandate the following activities were accomplished during the period.

NACADA's Operational and Financial Performance

The Authority implemented a number of programs during the Financial Year aimed at ensuring delivery of its mandate as agreed in this Financial Year. These programs have been delivered through four (4) programmatic areas: Public Education and Advocacy; Counselling and Rehabilitation; Strengthening Institutional Capacity and Cross Cutting Issues respectively.

The following are the activities in the Performance Contract and Annual Work Plan accomplished during the period:

Public Education and Advocacy

As a key strategic focus of the Authority, the following programmatic initiatives were undertaken under the thematic areas as follows:

- Scale-up of Evidence Informed Programs in 120 schools in 6 NACADA regions. Out of the targeted 120 schools, the Authority have reached 111 schools. The nine schools were not reached due to government directive on closure of schools;
- During the reporting period, the Authority conducted public awareness on positive parenting and the need for healthy and supportive social environments reaching 6,019,990 parents through majorly the media and some through barazas, church forums community dialogues and parents association meetings in schools. The implementation of this target was greatly hampered by COVID-19 pandemic; however, the Authority devised innovative strategies to achieve this target by engaging parents through TV and Radio shows;
- The Authority supported twenty-five (25) public sector institutions to implement evidence-based workplace prevention programs;
- Developed and disseminated ADA prevention messages/content for Teachers, Parents and children ages: 6-8 years; 9-12 years; 13-15 years; 16-19 years. The messages were disseminated through the Authority's social media platforms;
- Conducted sensitization for bar owners' associations, reaching 2,509,500 participants in all the regions; and
- The Authority participated in: World Mental Health Day in Kisumu, World AIDS Day in Eldoret and Mombasa, International Literacy Day, and International Youth week. Also organized an arts and essay competition targeting children to commemorate the International Drugs Day (IDADA). The competition was themed "Stuck at Home During COVID-19: This is My Story". The winners of this contest were unveiled on 26th June 2020 as part of the commemoration of IDADA.

Counselling and Rehabilitation

- Ten thousand, one hundred and fifty-one (10,151) people were counselled;
- Training of 92 prison wardens done in Kisumu, Meru and Nakuru Main Prisons;
- Inspection of 110 and accreditation of 57 rehabilitation centers nationwide was done. This was to enhance compliance to the national standards of treatment and rehabilitation for persons with substance use disorders;
- The Authority procured second phase of equipment for Kombani rehabilitation Center, Kwale County; completed phase one of Ihururu Treatment and Rehabilitation Centre Construction; and lay the foundation stone for Kiamwasi Rehabilitation Center in Kisii County;
- The Authority operationalize the presidential directive to implement a national treatment facility at Miritini, Mombasa County. Out-patient is operational with 120 clients on Medically Assisted Therapy (MAT).

Compliance to Alcohol and Drug Policies, Laws, Regulations and Standards Enhanced

- Coordinated multi-agency crack down on illicit brews, counterfeit alcoholic products and drugs to enforce compliance with alcohol and drug control legislation; Laikipia, Nyandarua, Mombasa, Kisumu, Kisii, Nyamira and West pokot counties;
- The Authority and the Marsabit County Security and Intelligence team held a consultative meeting with the Ethiopian Oromia Region security team in Moyale town, Marsabit County to discuss strategies of sealing porous border points between the Kenyan-Ethiopia border; and
- Participated in the inspection of 4 alcohol manufacturing companies located in Athi River and Mavoko towns.

Research Policy and Planning

- Commission a national survey on the status of drugs and substance abuse among Institutions of higher learning in Kenya;
- Undertook a study on assessment of emerging drugs in Kenya in collaboration with the Government Chemist and Pharmacy and Poisons Board;
- Published a draft bi-annual report for July – December 2019 and is awaiting validation by lead agencies to facilitate submission to parliament;
- Published two journals on ADA: Prevalence and Predictors of Multiple Substance Use Disorders in Kenya - AJADA – December 2019; and Effects of Environment and Parenting Practices on Alcohol Use among Primary School Pupils – AJADA– June 2020; and
- Published two policy briefs: Status of Drugs and Substance Abuse among Primary School Pupils in Kenya; and National Survey on Alcohol and Drug Abuse among Secondary School Students in Kenya.

Strengthening Institutional Capacity

- During the quarter, the Authority trained 54 employees on various skill areas;
- NACADA outsourced consultancy services during its staff end retreat function that was held during the quarter;
- The Authority transferred 18 employees from various departments at the Headquarters to four newly created regional offices; i.e. Western, South rift, North Eastern and Eastern; and
- During the quarter, the Authority finalized the process of revising its internal policy manual. A total of 12 internal policies have were revised and approved at board level.

Cross-Cutting Issues

- The Authority continued to implement commitments espoused in its Resolved Client Service Delivery Charter by ensuring conformity with the commitments in the charter by establishing compliance mechanisms; reviewing and displaying the charter prominently at all points of entry/service delivery points; sensitizing all employees on the service delivery charter and cascading it to all levels; customizing the Charter to the unique needs of customers by training two front office staff on sign language and translating the charter into braille for the visually impaired.
- The Authority engaged 23 interns and 5 attaches as part of its mentorship and coaching program
- The Authority continued to implement various activities towards fulfilling the 17 National Values and Principles of Governance under Article 10 (2) of the constitution, and submitted a statutory report as per the time lines;
- Submit quarterly statutory reports to: National Council for Persons with Disabilities; National Aids Control Council; Commission on Administrative Justice; and Ethics and Anti-Corruption Commission;
- The Authority renewed subscription to KLISC e-resources consortium for the year 2020; and
- Establishing Alcohol and Drug Abuse (ADA) learning cycles within Kenya National Library service KNLS for students visiting their libraries during holiday was piloted in 3 libraries (2 within Nairobi Region and 1 in central region).

CORPORATE SOCIAL RESPONSIBILITY SUSTAINABILITY REPORTING

CSR Commitments

Through our commitment to CSR, NACADA strives to act with integrity to improve the quality of life of our employees and the communities it serves. The Authority takes the necessary steps to have a positive

impact in our communities by actively encouraging our staff to recognize and behave in a responsible manner by setting of good examples as an important practice.

CSR Guiding Principles

NACADA will be responsible for:

- Collaborative engagement with employees, stakeholders, and local communities in setting priorities and implementing solutions pertaining to alcohol, drugs and substance abuse.
- Developing mutually beneficial partnerships with staff and the communities it serves.
- Using its influence to encourage others to limit their negative and enhance their positive alcohol, drug and substance abuse impacts.
- Leveraging its resources, expertise, services and relationships for the benefit of staff and the communities it serves.
- Working with its community partners/stakeholders and use its public voice to advance solutions to alcohol, drug and substance abuse in communities.

CSR Activities and Donations

During the financial year, the Authority purposed to undertake two Corporate Social Responsibility activities as follows: Offer support to female SUDs by donating sanitary pads and support tree planting exercise in line with the Directive given by His Excellency the President that all State Corporations should dedicate 10% of their annual Corporate Social Responsibility budget towards tree planting.

The Authority partnered with Nakuru Central Seventh Day Adventist Church which hosts the Nakuru Drop-In Centre on 25th January, 2020 whereby NACADA distributed sanitary pads to female drug users from the Centre in recognition of challenges they faced while seeking treatment especially those from less privileged settings. The objective of the initiative was to bring together NACADA, the church, the rehabilitation fraternity and female clients with substance use disorders to raise awareness about menstrual health management. Upon declaration of the COVID19 Pandemic by HE the President in March 14, 2020, the Authority donated sanitizers, liquid soap, sanitary towels and personal protective equipment to Kisauni MAT Clinic in Mombasa as part of its CSR.

One CSR activity in support of Sustainable Development Goal 15 to “*protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, reverse and halt land degradation and halt biodiversity loss*” was postponed as a result of restrictions imposed on interpersonal interactions as a result of the COVID-19 Pandemic and will be implemented once the restrictions are lifted.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the NACADA’s affairs.

Principal activities

The principal activities of Nacada are (and continue to be) page 2-3

Results

The results of the Authority for the year ended June 30, 2020 are set out on page 24

Directors

The members of the Board of Directors who served during the year are shown on page 6-9.

Auditors

The Auditor General is responsible for the statutory audit of the NACADA in accordance with **Article 229 of the Constitution of Kenya** and the **Public Audit Act, 2015**.

By Order of the Board

Daniel Owino Konyango
Corporate Secretary
Nairobi
Date:.....

STATEMENT OF DIRECTORS' 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.

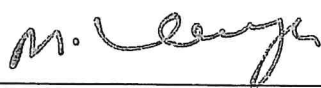
The Directors are responsible for the preparation and presentation of National Authority for the Campaign Against Alcohol and Drug Abuse's financial statements, which give a true and fair view of the state of affairs of the National Authority for the Campaign Against Alcohol and Drug Abuse for and as at the end of the financial year (period) ended on June 30, 2020. 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's 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, 2020, 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.

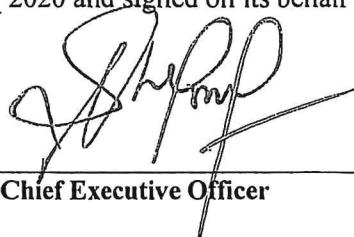
Nothing has come to the attention of the Directors to indicate that the National Authority for the Campaign Against Alcohol and Drug Abuse will not remain a going concern for at least the next twelve months from the date of this statement.

a) Approval of the financial statements

The NACADA's financial statements have been prepared in accordance with Section 81 of the PFM Act and were approved by the Board on _____ 2020 and signed on its behalf by:



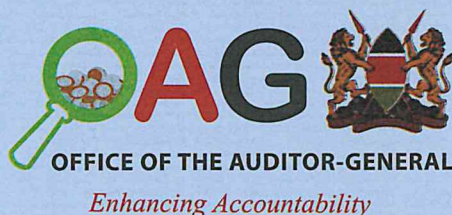
Chairperson



Chief Executive 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 CAMPAIGN AGAINST ALCOHOL AND DRUG ABUSE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Authority for Campaign Against Alcohol and Drug Abuse set out on pages 24 to 44, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Authority for Campaign Against Alcohol and Drug Abuse as at 30 June, 2020, 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 NACADA Act, 2012 and the Public Finance Management Act, 2012.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Authority'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 Authority or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become

inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

08 November, 2021

Report of the Auditor-General on National Authority for Campaign Against Alcohol and Drug Abuse for the year ended 30 June, 2020

**I. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
2020**

	Note	2019-2020 Kshs	2018-2019 Kshs
Income			
GoK Fund	5	536,240,000	333,531,297
Donations	6	188,500	-
Liquor Licensing	7	3,386,300	13,896,333
		<u>539,814,800</u>	<u>347,427,630</u>
Revenue from Exchange Transactions			
Reimbursable Income	9	6,560,602	14,312,391
Interest Earned		<u>-</u>	<u>4,469,290</u>
Total Income		<u>546,375,402</u>	<u>366,209,311</u>
Expenses			
Employee costs	10	247,994,648	217,989,759
Remuneration of directors	11	13,874,912	17,809,184
Depreciation and amortization expense	12	16,549,775	16,077,793
Repairs and maintenance	13	10,078,397	9,006,180
Campaign Expenses	14	113,523,363	54,973,006
Traveling Expenses	15	14,721,499	17,869,334
General expenses	16	84,808,566	85,515,169
Training & Research	17	20,284,341	8,883,118
Support to County Government	18	2,990,200	4,631,840
Reimbursable Expense	19	5,947,441	27,311,467
		<u>530,773,142</u>	<u>460,066,850</u>
Total Expenses		<u>15,602,260</u>	<u>(93,857,539)</u>
Net Surplus		<u>15,602,260</u>	<u>(93,857,539)</u>
Attributable to:			
Surplus Attributable to GOK		<u>15,602,260</u>	<u>(93,857,539)</u>

The notes set out on pages 30 to 44 form an integral part of these Financial Statements.

II. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

		2019-2020 Kshs	2018-2019 Kshs
Assets			
Current assets			
Cash and cash equivalents	21	83,078,145	139,337,912
Current Portion of receivables from exchange transactions	23	10,680,738	-
Receivables from exchange transactions	23	5,419,355	200,912,133
		99,178,238	340,250,045
Non-current assets			
Property, plant and equipment	24	63,758,783	61,440,222
Total assets		162,937,021	401,690,267
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	25	76,905,061	86,578,915
Provisions-Audit Fee	26	580,000	580,000
Total liabilities		77,485,061	87,158,915
Net assets		85,451,960	314,531,352
Reserves-Capital Fund		26,783,428	26,783,428
Accumulated surplus		41,607,953	270,687,344
Rehabilitation centre		17,060,579	17,060,579
Total net assets and liabilities		85,451,960	314,531,351

The Financial Statements set out on pages 24 to 29 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name:


Date: 2/2/21

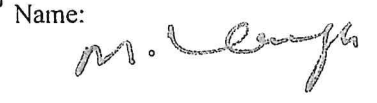
Head of Finance

Name: Samuel Makini

ICPAK Number: 8431

Date: 01/02/2021

Chairperson of the Board
Name:


Date: 02.02.2021

III. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

		Reserves		
	Rehabilitation Reserve	Capital Replacement Development Reserve/Capital Reserve	Accumulated surplus	Total
	Kshs	Kshs	Kshs	Kshs
Balance as at 1 July 2018	57,133,779	26,783,428	364,544,883	448,462,090
Deficit for the period	(40,073,200)		(93,857,538)	(133,930,738)
Balance as at 30 June 2019	17,060,579	26,783,428	270,687,345	314,531,352
Balance as at 1 July 2019	17,060,579	26,783,428	270,687,345	314,531,352
Prior year adjustment, Estimation error in Liabilities			5,486,384	5,486,384
Reserves Transfer to Mortgage Account			(247,214,510)	(247,214,510)
Prior Year Surplus Remitted to KRA			(2,953,526)	(2,953,526)
Surplus/(deficit) for the period		-	15,602,260	15,602,260
Balance as at 30 June 2020	17,060,579	26,783,428	41,607,953	85,451,960

IV. STATEMENT OF CASH FLOWS AS AT 30 JUNE 2020

	Notes	2019-2020 Kshs	2018-2019 Kshs
Revenue from Non exchange Transactions			
Receipts			
Gok Fund	5	536,240,000	333,531,297
Donations	6	188,500	-
Liquor Licensing	7	3,386,300	13,896,333
		539,814,800	347,427,630
Revenue from Exchange Transactions			
Interest Earned from Mortgage Fund Balance		-	4,469,290
Other Income	9	6,560,602	14,312,391
Total Revenue		546,375,402	366,209,311
Expenses			
Employee Costs	10	247,994,648	217,989,759
Remuneration of Directors	11	13,874,912	17,809,184
Repairs & Maintenance	13	10,078,397	9,006,180
Campaign Expenses	14	113,523,363	54,973,006
Travelling Expenses	15	14,721,499	17,869,334
General Expenses	16	84,808,566	85,515,169
Training & Research	17	20,284,341	8,883,118
Support to County Government	18	2,990,200	4,631,840
Reimbursable Expenses	19	5,947,441	27,311,467
Remission to National Treasury	20	2,953,526	-
Total Expenses		517,176,893	443,989,056
Net cash flows from operating activities	27	29,198,509	(77,779,745)
Cash flows from investing activities			
Purchase of Fixed Assets		(18,868,336)	(38,489,955)
Increase /Decrease in liabilities		(9,673,854)	180,324
Increase /Decrease in Receivables		184,812,040	10,104,654
Reserves transferred to Staff Mortgage Account		(247,214,510)	-
Net cash flows used in investing activities		(90,944,660)	(28,204,977)
Cash flows from financing activities			
Rehabs Establishment		-	(40,073,200)
Prior year adjustment of Expenses/Liabilities		5,486,384	3,627,378
Net cash flows used in financing activities		5,486,384	(36,445,822)
Net increase/(decrease) in cash and cash equivalents		(56,259,767)	(142,430,544)
Cash and cash equivalents at 1 July		139,337,912	281,768,456
Cash and cash equivalents at 30 June	21	83,078,145	139,337,912

V. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR PERIOD ENDED 30 JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Variance percentage
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	
Income	Kshs	Kshs	Kshs	Kshs	Kshs	
GOK Fund	536,240,000	-	536,240,000	536,240,000	-	
Other Income	30,997,500	-	30,997,500	10,135,402	(20,862,098)	(67.3%)
Total income	567,237,500	-	567,237,500	546,375,402	(20,862,098)	
Expenses						
Purchase Furniture/Fittings	6,000,000	5,765,399	11,765,399	10,675,295	1,090,104	9.3%
Purchase Computer /IT	12,000,000	(2,974,999)	9,025,001	8,195,886	829,115	9.2%
Recurrent						
Staff cost	267,982,557	(18,294,999)	249,687,558	247,994,648	1,692,910	0.68%
Board Expenses	21,960,000	(4,000,000)	17,960,000	13,874,912	4,085,088	22.7%
Depreciation	-			16,549,775	(16,549,775)	
Repairs & Maintenance	13,350,000	-	13,350,000	10,078,397	3,271,603	24.5%
Campaign Expenses	74,662,205	49,731,290	124,393,495	113,523,363	10,870,132	8.7%
Travelling Expenses	20,900,298	(4,438,690)	16,461,608	14,721,499	1,740,109	10.57%
General Expenses	96,368,500	(5,500,000)	90,868,500	84,808,566	6,059,934	6.67%
Training & Research	31,223,540	(5,610,000)	25,613,540	20,284,341	5,329,199	20.8%
Reimbursable Expenses	-	2,974,999	2,974,999	5,947,441	(2,972,442)	
Support to County Governments	-	-	-	2,990,200	(2,990,200)	
Rehab Centre Expenses	22,790,400	(17,653,000)	5,137,400	4,655,830	481,570	9.37%
Excess Surplus remitted to KRA	-	-	-	2,953,526	(2,953,526)	
Total expenditure	567,237,500	-	567,237,500	548,998,504	19,897,835	
Surplus for the period	-	-	-	(2,623,102)	(2,623,102)	

Budget Notes

1. The Authority committed to raise A-I-A from public sector trainings and Alcoholic drinks licensing for counties that are yet to devolve their licensing function but the actual amounts collected were less than the projected.
2. Board activities were severely curtailed due to COVID-19 pandemic and as a result the actual board expenditure was less than budgeted for.
3. Depreciation of assets was not a budget item in the year under review.
4. Repair and Maintenance costs were less than budgeted as a result of reduced and minimal movement during COVID-19 pandemic
5. The Authority conducts public sensitization across the Country, however due COVID-19 Pandemic, movement around the Country was limited thereby resulting in reduced expenditure for campaign budget item.
6. Travelling expenses were minimal as movement was curtailed due to COVID-19 Pandemic.
7. Training and Research budget item was greatly affected by the COVID-19 Pandemic and as a result, reduced expenditure for this vote item was recorded.
8. Reimbursable expenses are expenses incurred on a cost sharing basis while the Authority conducts public sector trainings. This expense was not budgeted for because one is not able to project how many will request for and take up the trainings.
9. Support to County Governments was not a budgeted item as this depends on requests from the counties and is dependent on need and ability to support.
10. Rehab Centre expenditure depends on County requests for partnership and ability of a specific county to meet conditions for Rehab support
11. Any surplus reported in any financial year, the law requires 90% surrender of the same to KRA; hence Kshs 2,953,526 under note 11 was due to amount remitted to KRA relating to FY 2014/2015.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

NACADA is established by and derives its authority and accountability from 2012 Act. NACADA 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'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 the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 33: First time adoption of Accrual Basis IPSAS	NACADA adopted IPSAS in the year ended 30 June 2014 and therefore provisions of first-time adoption of accrual basis does not apply to the entity.
Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

ii. Early adoption of standards

NACADA adopted IPSAS in the year ended 30 June 2014

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Liquor Licensing

NACADA recognizes revenues from liquor license on cash basis but recognizes direct credit in the Bank Accounts at the end of financial year as revenue. Returns which comprises of deposit slips and a copy of license issued are summarised by the sub counties and delivered to the Authority for confirmation and acknowledgment by issuing receipts. These receipts are booked in the cash book as income from liquor licensing. At the end of each month cash book

and bank reconciliation statement is prepared credits in the banks statements which has not be acknowledge by issuing receipts are regarded as direct credits and recognized as revenue which are subsequently confirmed by returns from the sub counties.

Other Income

If an error of estimation from prior year occurs the same is treated as others income and properly referenced by a note, similarly if cost previously incurred and expensed off in prior years are reimbursed then the amount is treated as other income in the year it was received.

ii. Revenue from exchange transactions

The NACADA does not have any other source of income from exchange transactions.

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly on 14/06/2019. 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 NACADA upon receiving the respective approvals in order to conclude the final budget. Accordingly, NACADA recorded additional appropriations of 536.24 M on the 2019-2020 budget following the governing body's approval.

The NACADA's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on accrual basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation on assets is calculated on a reducing balance basis to write down the cost of assets to their residual values over estimated useful life. The following depreciation rates have been applied:

- Motor Vehicle-25% per annum
- Computer and accessories-33.33% per annum
- Furniture and fittings-12.5% per annum
- Equipment -33.33% per annum.

d) Research and development costs

NACADA is mandated to carry out research in the Country and assess the level of drug abuse with a purpose of assisting the National Government in policy formulation. Public institutions as well as private institutions also engage the Authority in carrying out research on substance abuse parameters in their entities workforce so as to mitigate their effects.

The cost associated with this research is expensed off during the financial year without recognizing any intangible assets.

e) Financial instruments

Financial Assets

Receivables

- Current receivables; these include imprest balance held by staff, prepayment for service, Deposit for service provision, Interest from treasury bills earned but not received. The amount normally has short time duration in converting into service or cash; it is carried in the books at historical cost.
- Noncurrent receivables; these include Fund Balances held by Fund Managers, Mortgage balances held by staff, any deposit or prepayment which can extend to more than one financial year. The balances are carried in the books at historical cost

NACADA periodically reviews these receivables for non-performance and takes the necessary action in their realization including follow up with the staff concerned in case of imprest not Surrendered within the stipulated time

f) Financial liabilities

Payables

These includes amounts which has not been paid for service rendered, amount due to staff but have not paid by closure of the year, staff payroll deductions which has not been submitted to the relevant institutions.

Provision for services including audit fee, commitments made during the financial year and part of the works has been done or deliveries have been made awaiting invoices from the suppliers or consultants.

This includes also any security which may have been paid to secure a tender as per the guideline which may be set out by the Authority.

The amounts are carried in the books on historical cost and efforts are made to monitor the balances for non-performance.

g) Provisions

The Authority doesn't have provision other than provision for Audit fee.

Contingent liabilities

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

Contingent assets

NACADA does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Nacada in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service

potential will arise, and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves:

Capital reserve

This was the initial capital injected in the fund which has consistently been reflected in the books of accounts

Revenue reserves

This is the accumulation of surplus over the period from the date the Alcoholic Drinks Control Act 2010 was operationalized, however the reserves are now depleted after the enactment of the new constitution which devolved the liquor licensing to County Government came into effect from April 2013. Most of the counties enacted the relevant laws to enable them carry out the liquor licensing roles while others are yet to enact the required laws. A few however continued to license as before while submitting the returns to the Authority. Being a fund, the reserves are used to finance the operations of the Authority every financial year.

i) Changes in accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

NACADA has a retirement plan for its permanent employees. This is done by maintaining a retirement benefit pension fund managed by Zamara Pension. The Scheme comply with RBA regulations; employees contributes 10 percent of their basic salary while the employer contributes 20 percent of the basic salary.

In addition, NACADA is a registered contributory member of National social security fund.

k) Foreign currency transactions

NACADA does not deal in foreign currency transactions while operating this fund.

l) Borrowing costs

The Authority has never engaged in fund borrowing since its inception.

m) Related parties

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

n) Service concession arrangements

NACADA does not have service concession arrangements.

o) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 91 days Treasury bills invested in Central Bank through Commercial Banks or directly with Central Bank, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

5. GOK Fund

Description	2019-2020	2018-2019
	Kshs	Kshs
Actual	536,240,000	333,531,297
	536,240,000	333,531,297

6. Public Contributions and Donations

Description	2019-2020	2018-2019
	Kshs	Kshs
Amount received	188,500	-

These were amounts that were donated to NACADA by Colton Hall, Kenya Water Towers Agency and Addiction Prevention and Rehab Association during IDADA celebrations held in June 2019 which amounts are being recognized in this financial period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**7. Liquor Licensing**

Description	2019-2020	2018-2019
	Kshs	Kshs
Amount received for Licensing	3,386,300	13,896,333
Total	3,386,300	13,896,333

Nacada continues to provide licensing services to those counties that are yet to devolve the licensing function.

8. Transfers from Other Governments**(a) Transfer from Parent Ministry**

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	5,000,000	-
Total government grants and subsidies	5,000,000	-

(b) Transfers from Ministries Departments and Agencies

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2019-2020 KShs
Ministry of Interior & National Coordination	536,240,000	-	-	536,240,000	536,240,000
Total	536,240,000	-	-	536,240,000	536,240,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Rendering of Services

Description	2019-2020	2018-2019
	KShs	KShs
Workplace Based Training	2,906,354	
Universal Treatment & Care	3,654,248	
Total	6,560,602	14,150,391

Nacada conducts trainings on Workplace sensitization on Alcohol and Drug Abuse at a cost sharing fee

10. Employee Costs

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	124,235,491	109,280,213
Employee related costs - contributions to pensions and Gratuity	28,603,715	19,521,579
Housing benefits and allowances	94,845,882	88,924,767
Social contributions (NSSF)	309,560	263,200
Employee costs	247,994,648	217,989,759

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Remuneration of Directors

Description	2019-2020	2018-2019
	Kshs	Kshs
Chairman's Honoraria	449,032	960,000
Directors emoluments	9,568,324	11,854,218
Other allowances	3,857,556	4,994,966
Total director emoluments	13,874,912	17,809,184

12. Depreciation and Amortization Expense

Description	2019-2020	2018-2019
	Kshs	Kshs
Motor Vehicles	6,773,387	9,031,183
Furniture & Fittings	4,691,521	3,836,696
Computers & Equipment	5,084,867	3,209,914
Total depreciation and amortization	16,549,775	16,077,793

13. Repairs and Maintenance

Description	2019-2020	2018-2019
	KShs	KShs
Vehicles	7,829,229	8,294,563
Furniture and fittings	1,261,745	184,123
Computers and Other Equipment	987,423	527,494
Total repairs and maintenance	10,078,397	9,006,180

14. Campaign Expenses

Description	2019-2020	2018-2019
	KShs	KShs
Printing & Publishing	889,151	873,805
Advertising & Publicity	108,707,744	47,392,013
Subscription fees for newspapers	309,500	980,725
Catering Expenses	2,768,608	2,615,142
Trade Shows & Exhibitions	174,000	130,041
Consultancy Services	674,360	2,981,280
Total contracted services	113,523,363	54,973,006

NOTES TO THE FINANCIAL STATEMENTS (Continued)**15. Travelling Expenses**

Description	2019-2020	2018-2019
	KShs	KShs
Domestic Travelling	2,139,109	4,821,731
Domestic Accommodation	7,101,989	6,485,845
Foreign Travelling	2,527,595	1,463,338
Foreign Subsistence	2,952,806	5,098,420
Total	14,721,499	17,869,334

16. General Expenses

Description	2019-2020	2018-2019
	KShs	KShs
Communication & supplies	10,324,048	9,685,872
Rent & Parking	38,558,954	38,622,397
Audit Fees	580,000	580,000
Office & General Supplies	4,546,358	2,793,300
Medical Insurance	20,153,042	24,201,269
Motor Vehicle Insurance	1,337,216	1,945,715
Bank Charges	289,388	321,288
Fuel, oil & Lubricants	5,960,679	4,824,880
Cleaning services & Contracted Guards	2,904,001	2,540,448
Water Bills	154,880	-
Total	84,808,566	85,515,169

17. Staff Training and Research

Description	2019-2020	2018-2019
	KShs	KShs
Research	4,517,318	670,500
Staff Training	14,263,725	6,013,768
Hire of Training Facilitate	1,503,298	2,198,850
TOTAL	20,284,341	8,883,118

18. Support to County Governments

Description	2019-2020	2018-2019
	KShs	KShs
Support to sub county liquor licensing Committees	2,990,200	4,631,840
Total gain	2,990,200	4,631,840

19. Reimbursable Expenses

Description	2019-2020	2018-2019
	KShs	KShs
Hire of training facility & Consultants	5,947,441	27,311,467
Total	5,947,441	27,311,467

NOTES TO THE FINANCIAL STATEMENTS (Continued)**20. Surplus Remitted to KRA**

Description	2019-2020	2018-2019
	KShs	KShs
90 % surplus for 2017-2018	2,953,526	-
Income tax expense reported in the statement of financial performance	2,953,526	-

21. Cash and Cash Equivalents

Description	2019-2020	2018-2019
	KShs	KShs
Current account	83,008,768	76,384,324
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	62,927,730
Others(specify) cash in hand	69,377	25,858
Total cash and cash equivalents	83,078,145	139,337,912

22. Detailed Analysis of Cash and Cash Equivalents

		2019-2020	2018-2019
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1125676671	3,126,875	5,784,870
Kenya Commercial bank	1142111814	126,808	116,408
Kenya Commercial bank	1142111962	16,246	116,707
Kenya Commercial bank	1142112098	254,761	5,539
Kenya Commercial bank	1149503823	163,387	107,154
Kenya Commercial bank	1103199439	55,692,261	44,188,024
Kenya Commercial bank	1142112187	(2,873)	(11,720)
Coop Bank		1,252,051	16,972,050
Equity Bank, etc		22,379,252	9,105,292
Sub total		83,008,768	76,384,324
b). Staff Car/Home Mortgage			
Housing Finance Bank HFC	2016343201	-	62,927,730
Sub- total		-	62,927,730
c). Others(specify)			
cash in hand		69,377	25,858
Sub- total		69,377	25,858
Grand total		83,078,145	139,337,912

NOTES TO THE FINANCIAL STATEMENTS (Continued)**23. Receivables from Exchange Transactions****(a)**

	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Trade receivables	5,202,679	2,093,023
Other exchange debtors	-	-
Less: impairment allowance	(812,292)	-
Sub-total current receivables	4,390,387	2,093,023

(b)

Description	2019-2020	2018-2019
	KShs	KShs
Non-current receivables		
Rental Deposits	3,170,365	3,170,365
Staff Mortgage Balances	-	184,284,705
Earnest and Young-Legal Dispute	3,119,986	3,119,986
Less: impairment allowance	-	-
	6,290,351	190,575,056
Current portion transferred to current receivables	-	-
Sub-total non-current receivables	10,680,738	192,668,079

(c) Receivables from Non-Exchange Contracts

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Legal Deposit	100,000	100,000
Statutory Deductions -KRA	103,403	88,289
Imprest debtors	4,102,568	3,681,204
Staff debts	425,080	213,508
AIE Outstanding	200,010	4,103,000
CO-OP Bank	58,053	58,053
Prepayments	430,241	-
Less: impairment allowance	(-)	(-)
Sub-total current receivables	5,419,355	8,244,054
Grand total (a+b+c)	16,100,093	200,912,133

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. Property Plant and Equipment

	Motor vehicles	Furniture and fittings	Computers	Total
Cost	KShs	KShs	KShs	KShs
At 1 July 2018	48,594,836	11,816,784	22,374,350	82,785,970
Additions	19,575,725	18,314,230	600,000	38,489,955
Disposals	-	-		
Transfers from ADC Fund Account	47,923,135	13,262,304	41,522,906	102,708,345
At 30 th June 2019	116,093,696	43,393,318	64,497,256	223,984,270
Additions	-	10,675,295	8,193,041	18,868,336
At 30 th June 2020	116,093,696	54,068,613	72,690,297	242,852,606
Depreciation and impairment				
At 1 July 2018	36,241,367	4,434,596	14,339,656	55,015,619
Depreciation	9,031,183	3,836,696	3,209,914	16,077,793
Transfers from ADC Fund Account	43,727,599	8,265,152	39,457,885	91,450,636
At 30 June 2019	89,000,149	16,536,444	57,007,455	162,544,048
Depreciation	6,773,387	4,691,521	5,084,867	16,549,775
At 30 th June 2020	95,773,536	21,227,965	62,092,322	179,093,823
Net book values				
At 30 th June 2020	20,320,160	32,840,648	10,597,975	63,758,783
At 30 th June 2019	27,093,547	26,856,874	7,489,801	61,440,222

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. Trade and Other Payables from Exchange Transactions

Description	2019-2020	2018-2019
	KShs	KShs
Trade payables	40,193,248	66,805,297
Payments received in advance	-	-
Employee Fund	21,471,427	9,974,768
Third-party payments-Statutory Deductions	10,240,386	6,244,150
Another payables-Fund from Ministry	5,000,000	74,700
Total trade and other payables	76,905,061	83,098,915

26. Current Provisions

Description	2019-2020	2018-2019
	KShs	KShs
Balance b/d (1.07.2019)	4,060,000	3,480,000
Additional Provisions-Audit fee	580,000	580,000
Provision utilised	(1,160,000)	-
Change due to discount and time value for money	(2,900,000)	-
Transfers from non -current provisions	-	-
Total provisions as at 30.6.2020	580,000	4,060,000
Grand Total	77,485,061	87,158,915

27. Cash Generated from Operations

	2019-2020	2018-2019
	KShs	KShs
Surplus for the year before tax	15,602,260	(93,857,539)
Adjusted for:		
Depreciation	16,549,775	16,077,793
Non-cash grants received	-	-
Remittance to KRA	(2,953,526)	(40,073,200)
Impairment	-	-
Gains and losses on disposal of assets	-	-
Net cash flow from operating activities	29,198,509	(77,779,745)

28. Financial Risk Management

Although NACADA is not a trading institution, its major sources of income is generated from liquor licensing and with the devolvment of this function to the counties, then unless alternative measures are put in place its operations may come to a halt in the near future.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions	4,390,387	1485, ,072	2,905,315	812,292
Receivables from non-exchange transactions	11,709,706	11,709,706	-	-
Bank balances	83,078,145	83,078,145	-	-
Total	99,178,238	96,272,923	2,905,315	812,292
At 30 June 2019				
Receivables from exchange transactions	2,905,315	-	2,905,315	812,292
Receivables from non-exchange transactions	198,006,818	198,006,818	-	-
Bank balances	76,384,324	76,384,324	-	-
Total	277,296,457	274,391,142	2,905,315	812,292

(i) Liquidity risk management

NACADA is currently in a position to meet its financial obligation but this may not be sustainable in the near future.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month Kshs	Between 1- 3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2020				
Trade payables	-	-	44,683,950	44,683,950
Statutory Deductions	5,749,684	-	88,289	5,837,973
Provisions	580,000		-	580,000
Deferred income-Interior	5,000,000		-	5,000,000
Employee benefit obligation			21,471,427	21,471,427
Total	11,329,684	-	66,243,666	77,573,350
At 30 June 2019				
Trade payables			66,805,297	66,805,297
Statutory Deductions	6,155,861	-	88,289	6,244,150
Provisions	580,000		2,900,000	3,480,000
Deferred income-Interior	-	74,700	-	74,700
Employee benefit obligation			9,974,768	9,974,768
Total	6,735,861	74,700	79,768,354	86,578,915

(ii) Market risk

NACADA is not a trading institution and as such it's not exposed to Market risk

Foreign currency risk

NACADA does not deal in foreign currency or transactions.

iii) Capital Risk Management

The objective of the Nacada's capital risk management is to safeguard the Board's ability to continue as a going concern.

29. Related Party Balances

a) Nature of related party relationships

NACADA regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over Nacada, or vice versa. Members of key management are regarded as related parties and comprise the Directors, the CEO, senior managers, the parent Ministry and the National Government as well.

Related Party Balances	2019-2020	2018-2019
a) Directors'	57,717,948	17,809,184

30. Contingent Assets and Contingent Liabilities

NACADA currently has no feasible contingent assets or contingent liabilities

31. Events After the Reporting Period

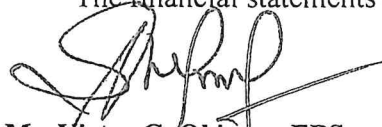
There were no material adjusting and non- adjusting events after the reporting period

32. Ultimate and Holding Entity

NACADA is a State Corporation under the Ministry of Interior and Coordination of Government. Its ultimate parent is the Government of Kenya.

33. Currency

The financial statements are presented in Kenya Shillings (Kshs).



Mr. Victor G. Okioma, EBS
Chief Executive Officer



Prof. Mabel Opanda Imbuga, PhD, EBS
Chairperson of the Board

Date 2/2/21

Date 02.02.2021

