

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY

DATE: 10 NOV 2021

Thursday

OF

Hon Kimani Ichungwa, MP
Leader of majority

Samuel Kalou

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**





REPUBLIC OF KENYA



NACADA
FOR A NATION FREE FROM ALCOHOL AND DRUG ABUSE



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021**

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

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 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 facilitate the Alcoholic Drinks Control Act 2010.

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.

(b) Principal Activities

i) Nacada Vision

A nation free from alcohol and drug abuse.

ii) Nacada Mission

To lead and coordinate a multi-sectoral campaign against alcohol and drug abuse through prevention, advocacy, policy development, research, treatment and rehabilitation programs and execution of relevant statutes in Kenya.

iii) Nacada Core Values

Compassion, Integrity, Professionalism, Equity, Courage, Creativity and Innovation

iv) Nacada Objectives

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 collaborate 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 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) In collaboration with other lead agencies and non-State actors, coordinate and facilitate 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 alcohol and drug abuse data 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 2021 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. Simon Mwangi | - | Manager, Corporate Communications |
| 10. Mr. Jeremiah Muchembi | - | Manager, Supply Chain Management |
| 11. Ms. Susan Maua | - | Acting Manager, Public Education and Advocacy |

(e) Fiduciary Oversight Arrangements

Finance Board Committee

- | | | |
|---------------------------|---|-------------|
| 1. Mr. Vincent Muasya | - | Chairperson |
| 2. Dr. Kepha Ombacho, EBS | - | Member |
| 3. Hon. Esther Gathogo | - | Member |
| 4. Ms. Farida Rashid, OGW | - | Member |
| 5. Mr. Arthur Osiya | - | Member |

Staff and Welfare Committee

- | | | |
|---------------------------|---|-------------|
| 1. Dr. Hamisi Massa, MBS | - | Chairperson |
| 2. Mr. Vincent Muasya | - | Member |
| 3. Dr. Fred Owiti | - | Member |
| 4. Mr. Andrew Rukaria | - | Member |
| 5. Ms. Farida Rashid, OGW | - | Member |
| 6. Hon. Esther Gathogo | - | Member |
| 7. Mr. Arthur Osiya | - | Member |

Technical Board Committee

- | | | |
|---------------------------|---|-------------|
| 1. Ms. Margaret Moitalel | - | Chairperson |
| 2. Ms. Acquillyne Mbaka | - | Member |
| 3. Mr. Geroge Ogalo | - | Member |
| 4. Dr. Kepha Ombacho, EBS | - | Member |
| 5. Dr. Fred Owiti | - | Member |
| 6. Dr. Hamisi Massa, MBS | - | Member |
| 7. Ms. Priscila Gathiga | - | Member |

Audit Board Committee

- | | | |
|--------------------------|---|-------------|
| 1. Mr. George Ogalo | - | Chairperson |
| 2. Ms. Margaret Moitalel | - | Member |
| 3. Mr. Andrew Rukaria | - | Member |
| 4. Ms. Acquillyne Mbaka | - | Member |
| 5. Ms. Priscila Gathiga | - | Member |

(f) NACADA Headquarters

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

NACADA Nairobi Region

NSSF Building, Silo 9th Floor.
 P.o Box 10774-00100.
 Nairobi

NACADA Coast Region

NSSF Building, 9th Floor, Nkrumah Road,
 P.O Box 586-80100 GPO Mombasa

NACADA Central Region

Central Regional Commissioner Office Complex,
 Block A, Ground Floor,
 P.O Box, 948-10100,
 Nyeri

NACADA Nyanza Region

New Nyanza regional Headquarters
 Wing 'C' 1st Floor
 P.O. BOX 7783 - 40100
 Kisumu

NACADA North Rift Region

KVDA Plaza 12th Floor
P.O Box 9217 - 30100
Eldoret

NACADA South Rift Region

Rift Valley Regional Headquarters,
Block A, 2nd Floor, Room 5A
P.O Box 10774-00100 GPO
Nakuru

NACADA North Eastern Region

North Eastern Region Headquarters
Social Welfare Children Dept
P.O Box Private Bug, Garissa

NACADA Western Region

Regional Commissioner's Office
Block A, Room 29
P. O. Box 10774 - 00100
NAIROBI

NACADA Eastern Region

Eastern Regional Headquarters
Regional Commissioner's Building
Ground Floor Room No. 34
P.O Box 10774-00100
NAIROBI.

(g) NACADA Contacts

Telephone: (254) 0202 2721994
E-mail: info@nacada.go.ke
Website: www.nacada.go.ke
Helpline: 1192
Facebook: NACADA Kenya
Twitter: @NACADAKenya

(h) 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

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

2. THE BOARD OF DIRECTORS



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

Prof. Mabel Opanda Imbuga, Ph.D., EBS, was born on 7th July 1951 and 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. She is 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 on several Boards. She is the widow of the renowned Prof. Francis Imbuga, a well-known writer, literature scholar, teacher, and professor at Kenyatta University.



**Vincent Muasya Mutua
Vice Chairperson**

Mr. Muasya was born on 11th May 1990. He is an Artist with a passion for community outreach programmes targeting the youth in and out of learning institutions to teach 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.



**Ms. Margret Moitalliel
Board Member**

Ms. Moitalliel was born on 28th February 1980. She 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 was born on 23rd July 1954. She has been 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 was born on 15th April 1974. He is currently the National Coordinator of Fellowship of Christian Unions (Focus-Kenya). He holds a Bachelor of Education (Arts), Master of Divinity, Biblical Studies, and is currently a Ph.D. candidate in the same field. He is a Teaching Fellow at Africa International University, teaching undergraduate students and offering tutorials (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.



**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 holds a Bachelor's Degree in Social Work and an Executive Master of Business Administration from the Management University of Africa. She is an accomplished professional in Social work and management with over 25 years of experience gained within and outside the country.



**Hon. Esther Gathogo
Board Member**

Hon. Esther Nyambura Gathogo was born on 1st January 1971. She is an accomplished and creative Businesswoman and a leader possessing multifaceted experience and proven ability to re-energize and restructure organizations, develop strategic initiatives and

Capture emerging opportunities. She is a results-oriented, decisive leader adept at forging lucrative relationships with key partners to achieve sustained growth.



**Dr. Hamisi Salim Massa
Board Member**

Dr. Hamisi was born on 30th December 1962. He holds a Bachelor of Science Degree in Veterinary Medicine and Surgery from the University of Nairobi and has attended several police and leadership development training 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. Kepha Ombacho, FAIPH, EBS was born on 29th November 1957. He is A Public Health specialist. He is the Director of Public Health Kenya and the Head of the Directorate of Special Programs at the Ministry of Health. Previously head of Research Department of MOH, Member of Global Committee on water and Secretary to Tobacco Control Board and Board to the Science Consortium for Human Health.



Andrew G. Rukaria
Board Member

Mr Andrew Rukaria was born on 27th December 1964. He is currently the Director of Administration in the State Department of Early Learning and Basic Education in the Ministry of Education. In addition, 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

Ms Acquillyne Mbaka was born on 25th May 1970. 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. Arthur Amug Osiya
Board Member

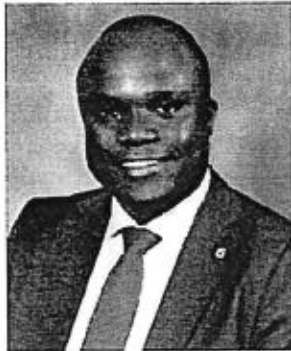
Mr Arthur Osiya was born on 20th October 1967. He is the Alternate to the Principal Secretary, State Department of Interior, and Citizen Services. As Secretary, National Administration, Mr. Osiya Coordinates the work of National Government Administrative Officers (NGAO) comprising of Regional Commissioners, County Commissioners, Deputy County Commissioners, Assistant County Commissioners, Chiefs, and Assistant Chiefs.



**Mr. Victor Okioma, EBS
Chief Executive Officer**

Mr. Victor Okioma was born on 1st January 1959. He 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 has risen to the rank of Secretary, in charge of Rehabilitation and Integration.



**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.

3. MANAGEMENT TEAM

Name	Academic and Professional Qualifications	Key Responsibilities
 <p>Mr. Victor Okioma Chief Executive Officer</p>	<p>Master of Arts in International Studies and a Bachelor's Degree in Economics and Government.</p>	<p>In charge of overall leadership and management of the Authority's operations.</p>
 <p>CPA Patrick Obura Director, Corporate Services</p>	<p>MBA Finance CPA (K)</p>	<p>In charge of overseeing overall operations in the Directorate of Corporate services including Finance, Accounts, Human Resources, ICT and Administration Departments.</p>
 <p>Prof. John Muteti Director, Research, Policy and Planning</p>	<p>Doctorate in Strategic Management; Masters in Economic and Social studies; Postgraduate Certificate in Project Planning, Appraisal and Financing; Post Graduate Diploma in Agri. Economics</p>	<p>In charge of overseeing operations in the following department: Research, Regulatory, Policy and Planning, Monitoring and evaluation.</p>

Name	Academic and Professional Qualifications	Key Responsibilities
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Ms. Yvonne Olando
Director Public Education,
Advocacy and Rehabilitation

Masters of Science in Clinical Psychology
 Bachelor's Degree in Psychology
 Graduate Certificate in Global Tobacco Control
 Diploma in Chemical Dependency Treatment (Addictions)
 Diploma in Public Relations
 ICAP 111
 CTTS- MAYO

In charge of overseeing operations in the following department:
 Public Education and Advocacy
 Counseling and Treatment
 Regional Coordination



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 Lianza
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.

Name	Academic and Professional Qualifications	Key Responsibilities
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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

Name	Academic and Professional Qualifications	Key Responsibilities
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**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, 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, Licenced Supply Practitioner, MCIPS

In charge of Supply Chain Management Dept.

4. CHAIRPERSON'S STATEMENT

On behalf of the Board, I have the pleasure of presenting the Annual Report and Financial Statements for the year ended 30 June 2021. 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 of 30th June, 2021 based on prudence in judgment according to the International Public Sector Accounting Standards (IPSAS).

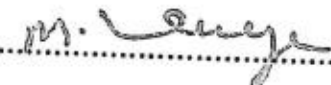
The Authority's Strategic Plan for the period 2019-2022 provides the strategic direction in the campaign against alcohol and drug abuse in Kenya, considering national government policy provisions, devolved governance structures, and emerging alcohol and drug consumption trends.

The Board takes cognizance 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 have necessitated the Authority to use innovative ideas and modalities in implementing its mandate and programmes.

The Authority has identified several gaps in the 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.

As it enters the second half of its Strategic Plan, the Authority has amplified its strategic direction that largely focuses on prevention, treatment, and rehabilitation. In addition, the Authority has enhanced efforts towards collaboration with county governments, non-state actors such as civil society organizations, community-based organizations, religious institutions, and youth and women groups. We are confident that the gains eroded over the years because of drug use and abuse will be reversed with the implementation of these evidence-based prevention interventions.

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: 28/07/2022

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

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

(i) **On strengthening the legal and institutional framework at all levels of government and collaboration with local and international partners on ADA programs.;**

The Authority supported Nairobi, Nyandarua, Kirinyaga, Kiambu, Muranga, Nyeri, Meru, Kilifi, Mombasa, Taita Taveta, Siaya, Kisumu, Migori, Kwale, Garissa, Kisii, Nakuru, Kakamega, Bungoma, Narok, Bomet, Kericho, Laikipia Busia, Vihiga and Mandera counties to conduct crackdowns on illicit brews, counterfeit alcoholic products and drugs to enforce compliance with alcohol and drug control. A total of four thousand seven hundred and thirty outlets (4,730) were inspected, and three hundred and forty-seven (347) persons were arrested for various offenses.

Additionally, the Authority organized a Regional Consultative meeting with Regional Security Committees drawn from Eastern, North Eastern, Central, and Coast Regions to address the influx of cannabis from Ethiopia in Garissa, Wajir, Mandera, Isiolo, and Marsabit counties.

The Authority also organized inter-agency meetings to discuss the emerging concerns around alcohol control in counties located in 9 NACADA regions. The forums were attended by the Regional Commissioners, County Commissioners, County Commanders, Regional Managers Kenya Revenue Authority, Kenya Bureau of Standards, and Anti-Counterfeit Authority.

(ii) **On supporting institutions through training, sensitization, and conducting of baseline surveys towards enhancing workplace, school-based, and family-based prevention intervention ADA programs;**

The Authority surpassed by seventy-five (75) its annual target of promoting workplace prevention programmes in public sector institutions through sensitization/training of ADA control committees, conducting baseline surveys, and developing workplace policies. This was against a projected target of 200 MDAs.

Capacity-building initiatives included the empowerment of three hundred and eighty-three (383) Community Health Workers with basic knowledge and skills on ADA prevention and treatment to provide prevention information to families, conduct early screening and referral for treatment to people with substance use disorders in Nairobi, Makueni, Laikipia, Taita-Taveta, Elgeyo Marakwet, Muranga, Busia, Kisii and Wajir areas.

Public education and advocacy campaigns on Positive Parenting and the need for healthy and supportive social environments were conducted via webinars and radio stations where a total of three million, three hundred and ninety-nine, and eighty-eight (3,399,088) people were reached. This figure represents an over-achievement of one million, three hundred and ninety-nine, and eighty-eight (1,399,088) people reached. Further, four thousand, seven hundred and five (4,705) alcohol selling outlets operators and their employees in the nine NACADA regions were sensitized to their industry dynamics. This represents an overachievement of one thousand five hundred and five (1,505) of its three thousand (3,200) annual target.

The Authority also partnered with various stakeholders to commemorate World Mental Health Day, World Aids Day, and No Tobacco Day on 10th October, 1st December, and 31st May 2021, respectively.

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

The Authority provided counselling services to nineteen thousand six hundred and sixty-five (19,665) persons with Substance Use Disorders representing an overachievement of four thousand six hundred and sixty-five (4,665). In addition, one hundred and sixteen (116) needy women with substance use disorders were issued with NHIF super-cover medical insurance cards to access universal health care.

To ensure treatment and rehabilitation facilities are adhered to, twenty-eight (128) treatment and rehabilitation facilities were inspected, out of which sixty-nine (69) were accredited, having met the national standards for treatment and rehabilitation. During the period under review, the Authority also developed and validated guidelines for after-care and reintegration.

(iv) On provision of leadership on policy development and research coordination on matters on alcohol and drug abuse;

The Authority completed online data collection of fifty-one (51) MDAs that have partnered with NACADA to undertake baseline surveys on the status of alcohol and drug abuse in their workplaces. It also published two policy briefs; *Extent of Heroin Use in Kenya*; and *Emerging Trends on Smokeless Tobacco Use in Kenya*. Additionally, the Authority published the fourth edition of The African Journal of Alcohol and Drug abuse (AJADA).

Taking cognizance of the emerging challenges, the Authority will continue to adopt new strategies to address emerging challenges in the Campaign against Alcohol and Drug Abuse in light of devolution.

Chief Executive Officer:



Date: 28/07/2022

6. STATEMENT OF NACADA'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include a statement of the national government entity's performance against predetermined objectives in the financial statement. The Authority has six (6) strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2019/20- FY 2022/23. These strategic pillars are as follows:

1. Enhance Public Education and Advocacy through demand reduction initiatives
2. To promote quality treatment, rehabilitation, and reintegration for persons with substance use disorders.
3. To enhance enforcement of ADA control legislation and ensure quality assurance of the Authority's deliverables
4. To provide leadership on planning and policy formulation, research coordination, and strengthening the national repository on Alcohol and Drug Abuse
5. To build high-quality and Robust support services for the Authority.
6. To enhance leadership and integrity in the operations of the Authority

The Authority develops its annual work plans based on the above six strategic pillars Assessment of the Board's performance against its annual work plan is done quarterly. The Authority achieved its performance targets set for the FY 2020/2021 period for its strategic pillars, as indicated in the diagram below:

NACADA ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Strategic Objective	Objective	Key Performance Indicators	Activities	Achievements
Enhance Public and Education through Advocacy demand reduction initiatives	Promote skills and opportunities for children and youth to choose healthy lifestyles	Guidelines document Number of dissemination forums	Develop guidelines for school prevention policies and disseminate nationally	The Authority, in partnership with the Ministry of Education and the Teachers Service Commission, developed Draft National Guidelines on Prevention and Management of Alcohol and Substance Use in Basic Education institutions. The guidelines were developed through a deliberate and elaborate consultation process with stakeholders drawn from the public and private sector, civil society, and citizens likely to be affected by it. The guidelines will provide a framework for evidence-based approaches to alcohol and drug abuse demand reduction measures in basic education institutions across the country.
	Develop supportive parenting and healthy social environments	Number of parents reached	Conduct a media advocacy campaign targeting families - radio shows, social media, barazas, IEC materials reaching at least 2 million people annually	The Authority conducted public awareness on positive parenting and the need for healthy and supportive social environments and reached three million, three hundred and ninety-nine, and eighty-eight (3,399,088) parents. This was done through barazas, church forums, community dialogues, media engagements and parents association meetings in schools.

	<p>Facilitate the implementation of appropriately targeted early interventions for people at risk to prevent progression to severe SUDs</p>	<p>Number of caregivers trained on screening</p>	<p>Build capacity of 2400 school counsellors, social workers, community health workers, religious leaders and other caregivers working with youth and children to provide relevant interventions to reach over 24,000 annually</p>	<p>During the period under review the Authority had targeted to equip and empower 360 Community Health Workers (CHEWs) with basic knowledge and skills on ADA prevention and treatment to provide prevention information to families, conduct early screening and referral for treatment to people with substance use disorders in 9 NACADA regions. Cumulatively, the Authority surpassed this target by twenty-three (23), having achieved three hundred and eighty-three (383) out of a target of three hundred and sixty (360). The CHEWs were trained in Nairobi, Makeni, Laikipia, Taita-Taveta, Elgeyo Marakwet, Muranga, Busia, Kisii, and Wajir.</p>
<p>Increase coverage of drug abuse prevention programs and conduct public awareness-raising campaigns</p>		<p>Facilitate training programs to reach at least 9600 entertainment venues through bar owners associations</p>	<p>In collaboration with key stakeholders during the reporting period, the Authority conducted training programs for bar owners and their employees. This exercise aimed to enhance the compliance levels concerning alcohol control legislation and policies at both national and county levels. The Authority also used this exercise to ensure that bars, restaurants, supermarkets, and wine & spirits outlets were operating in conformance with the COVID prevention guidelines issued by the Ministry of Health regarding the sale of alcohol. A total of Three thousand, five hundred and eighty seven (3,587) bar owners were reached in the following counties; Uasin Gishu, Migori, Kiambu, Machakos, Makeni, Kilifi, Kwale, Meru, Kitui, Taita-</p>	

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					<p>Taveta, Nairobi Nandi, TransNzoia, Nakuru, Bomet, Kericho, Garissa, and Kakamega.</p> <p>The Authority partnered with various stakeholders to promote the establishment of workplace prevention programmes. These programs seek to help institutions put in place proper infrastructure and mechanisms to address work-related influences that may affect people's risk of substance use. The program involves undertaking situation analysis on alcohol and drug abuse status, developing workplace policy and programs for early identification, brief interventions, and referrals for treatment and rehabilitation. The Authority trained and supported 26 public sector institutions to conduct their baseline surveys during the period under review. Additionally, the Authority supported this target by seventy-five (75), having achieved two hundred and seventy-five (275) out of a target of two hundred (200) MDAs.</p>
				<p>Promote the establishment of workplace prevention programmes in at least 40 institutions annually</p>	
<p>To promote quality treatment, rehabilitation and reintegration for persons with substance disorders.</p>	<p>Increase access to affordable and quality treatment and rehabilitation services for persons with SUDs</p>	<p>Percentage of completion</p>	<p>Facilitate the establishment of a model treatment and rehabilitation centre</p>	<p>In 2015 the Authority was directed to transform the former National Youth Service Camp located in Miritini, Mombasa County, into a drug rehabilitation centre.</p> <p>The centre is now operational and offers both outpatient and inpatient programs. The Inpatient program was initiated during the reporting period year, and so far 16 clients with various drug use disorders have been admitted to the centre. With regards to the</p> <p>an outpatient programme, the facility is currently offering services to 258 clients. The following services are provided at the center;</p> <ol style="list-style-type: none"> 1. Counseling 2. Medically Assisted Therapy 	

			<p>3. HIV testing</p> <p>4. General medical review and check-up, Hepatitis B</p> <p>5. Nutritional support and</p> <p>6. Recreational therapy.</p> <p>During the reporting period the Authority also started the construction of a multipurpose hall and a Kitchen. The two projects will be finalized in the next financial year.</p>	<p>During the period under review the Authority partnered with the Kenya Prison Services to hold educative forums for 99 prison wardens drawn from Kajado, Makueni, and Garissa Prisons. As a result, the wardens were trained on drug addiction counselling, rehabilitation, and reintegration of substance use disorders. They will, in turn, provide counseling services to inmates with Substance use disorders within their respective prisons.</p>
	<p>Ensure compliance to the national standards of treatment and rehabilitation</p>	<p>Number of Inspected Rehabilitation Centres</p>	<p>Create awareness on treatment and rehabilitation targeting vulnerable groups</p>	<p>The Authority inspected one hundred and twenty-eight (128) treatment and rehabilitation centres. Out of these, sixty-nine (69) facilities were accredited, having met the national standards for treatment and rehabilitation.</p>
		<p>Number of forums held</p>	<p>Hold an annual forum with rehabilitation centre owners</p>	<p>The Authority held a virtual meeting with treatment and rehabilitation centre owners. This meeting aimed to provide participants with feedback on emerging issues from the inspection exercise and to sensitize them on their role in implementing the national standards for treatment & rehabilitation for persons with substance use disorders. A total of 101 rehabilitation centres were represented during the meeting</p>

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<p>To enhance enforcement of ADA control legislation and ensure quality assurance of the Authority's deliverables</p>	<p>To provide counselling and referrals through NACADA Helpline</p>	<p>Guidelines document developed</p>	<p>Develop guidelines for aftercare and re-integration</p>	<p>During the reporting period, the Authority developed guidelines for after care and reintegration. This guideline will provide a recovery framework for both state and non-state institutions to effectively facilitate transition of persons in recovery in line with the International Standards for Treatment, rehabilitation and social reintegration.</p>
<p>To enforce compliance with alcohol and drug control laws, regulations and standards</p>	<p>To provide counselling and referral services</p>	<p>Number of clients counselled and referred</p>	<p>Provision of counselling and referral services</p>	<p>During the reporting period the Authority had targeted to provide counselling and referral services to fifteen thousand people (15,000) with substance use disorder. The Authority surpassed this target and reached nineteen thousand six hundred and sixty-five (19,665).</p>
<p>To enhance enforcement of ADA control legislation and ensure quality assurance of the Authority's deliverables</p>	<p>Enforce compliance with alcohol and drug control laws, regulations and standards</p>	<p>Number of crackdowns.</p>	<p>Coordinate multi-agency crackdowns to enforce compliance with alcohol and drug control legislation.</p>	<p>The Authority supported the following county governments to conduct crackdowns on illicit brews, counterfeit alcoholic products and drugs to enforce compliance with alcohol and drug control: Nairobi, Nyandarua, Kirinyaga, Kiambu, Muranga, Nyeri, Meru, Kilifi, Mombasa, Taita Taveta, Siaya, Kisumu, Migori, Kwale, Garissa, Kisii, Nakuru, Kakamega, Bungoma, Narok, Bomet, Kericho, Laikipia Busia, Vihiga and Mandera. A total of four thousand seven hundred and thirty outlets (4,730) were inspected and three hundred and forty-seven (347) persons were arrested for various offenses</p>
	<p>No. of National Interagency coordinating committee forums</p>	<p>Hold quarterly Multi-Agency forums for alcohol control at all levels of government</p>	<p>The Authority organized inter-agency meetings to discuss the emerging concerns around alcohol control in counties located in 9 NACADA regions. The forums were held in 30 counties attended by the Regional Commissioners, County Commissioners, County Commanders, Regional Managers Kenya Revenue Authority, Kenya Bureau of Standards and Anti-Counterfeit Authority.</p>	

<p>To provide leadership on planning and policy formulation, research coordination and strengthening the national repository on Alcohol and Drug Abuse</p>	<p>To provide accurate and timely data on the status of alcohol and drug abuse in Kenya</p>	<p>No. of National Surveys</p>	<p>Hold annual consultative forums with County Government on alcohol and drug control</p>	<p>To respond to the influx of cannabis from Ethiopia, the Authority organized a Regional Consultative meeting with Regional Security Committees drawn from Eastern, North Eastern, Central and Coast Region. The forum was attended by National Government Administrative Officers, County Police Commanders, Regional Managers from Kenya Revenue Authority, Kenya Bureau of Standards and Anti-Counterfeit Authority, County Government Leadership drawn from the following counties Garissa, Wajir, Mandera, Isiolo and Marsabit</p>
<p>To provide leadership on planning and policy formulation, research coordination and strengthening the national repository on Alcohol and Drug Abuse</p>	<p>To provide accurate and timely data on the status of alcohol and drug abuse in Kenya</p>	<p>No. of National Surveys</p>	<p>Conduct ADA related research to fill existing and emerging data needs to inform policy and programs</p>	<p>In the reporting period, the Authority commissioned a survey on the "Status of Alcohol and Drug Abuse in the Public Sector Workplace in Kenya." NACADA partnered with 50 Ministries, Departments and Agencies (MDAs). This survey sought to determine the status of alcohol and drug abuse (ADA) among employees in the public sector workplace in Kenya.</p> <p>The Authority also collaborated with the county governments of Meru and Narok to undertake the following county-based surveys:</p> <ol style="list-style-type: none"> a. Baseline Survey on the "Status of Alcohol and Drug Abuse in Meru County, Kenya"

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				<p>b. Baseline Survey on "Alcohol Use Patterns and its Effects in Narok County, Kenya"</p>
	No. of Policy Briefs developed	Develop and disseminate policy briefs on emerging trends in alcohol and drug matters at national and county levels	<p>The Authority published two policy briefs during the reporting period; Extent of heroin use in Kenya; and Emerging trends on smokeless tobacco use in Kenya.</p>	
Ensure effective knowledge management for quality service delivery	Number of ADA Journals	Coordinate development and continuous publishing of the ADA journal	<p>The Authority published the third and fourth edition of The African Journal of Alcohol and Drug Abuse (AJADA). The Journal is not only established to fulfil the mandate of NACADA but also offers credible information to the public while strengthening research development. Submitted articles spanned a full spectrum of multidisciplinary practitioners and researchers with interest in alcohol and drug abuse within the following thematic areas: Prevention and Advocacy; Enforcement; Policy and Legislation; Treatment and Rehabilitation; Education, training and capacity building</p>	
	Multi-Agency meetings Report	Prepare the Bi-Annual Reports on ADA and other international obligatory reports	<p>The Authority prepared and published the thirteenth (13th) edition of biannual report on the status of alcohol and drug abuse control in Kenya. This report covered the period of 1st July – 31st December 2020 and was published in compliance with the provisions of Section 5(J) and 26(C) of the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA) Act, 2012. It updates both Houses of Parliament on the status of alcohol and drug abuse control in the country to facilitate strategic decision making.</p>	

7. 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 NACADA Board and Management framework entail 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 applying principles and practices 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.

In the FY 2020-2021, the Board held five Board meetings. The dates and attendances at the meetings are indicated in the matrix below:

S/ No	Name	Designation in Board	47 th Ordinary Full Board 4/8/20	Special Full Board (Board Evaluation) 11/8/20	48 th Ordinary Full Board 26/11/20	54 th Special Full Board 30/12/20	49 th Ordinary Full Board 23/3/21
1.	Prof. Mabel Imbuga, EBS	Chairperson	√	√	√	√	√
2.	Mr. Arthur Osiya, EBS	Alternate to PS, Interior	n/a	n/a	x	√	√
3.	Dr. Kepha Ombacho, EBS	Alternate to PS, Health	√	√	√	√	√
4.	Mr. Andrew Rukaria	Alternate to PS, Education	√	√	√	√	√
5.	Ms. Acquillyne Mbaka	Alt. PS – State Department for Youth Affairs	√	√	√	√	x
6.	Dr. Hamisi Massa	Anti-Narcotics Police Unit	√	√	√	√	√
7.	Ms. Margret Moitallel	Independent Member	√	√	√	√	√
8.	Ms. Esther Gathogo	Independent Member	n/a	n/a	n/a	√	√
9.	Mr. Vincent Muasya Mutua	Independent Member/Vice Chair	√	√	√	√	√
10.	Ms. Farida Rashid	Religious Representative	√	√	√	√	√
11.	Mr. George Ogalo	Religious Representative	√	√	√	√	√
12.	Dr. Fredrick Owiti	Rep. Medical Practitioners & Dentists Board	√	√	x	x	√
13.	Priscilla Gathiga	Rep of Youth Organizations	√	√	√	√	√
14.	Mr. Victor Okioma, EBS	CEO/Board Secretary	√	√	√	√	√

** n/a means Not yet Appointed at the time of the board meeting**

Board Appointments

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

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

The Board does not have its own customised Charter; however, its operations are guided by the Mwongozo Code of Governance for State Corporations.

Roles and functions of the Board:

Under section 6(4) of the NACADA Act, 2012, the functions of the Board are the following:

- a. Ensure proper and efficient exercise of the powers and performance of the functions of the Authority;
- b. Advise the management of the Authority generally on the exercise of the powers and the performance of the functions of the Authority;
- c. Approve the estimates of the revenue and expenditure of the Authority
- d. Perform such other functions as are provided for under this Act or any other written law.

Induction and training:

In the FY 2020-21, all the new Board members attended an induction Workshop for Board members of State agencies conducted by the Kenya School of Government. In addition, members of the Audit Committee attended specialized training by the Institute of Internal Auditors. Other members underwent various internally organized capacity-building activities.

Member performance:

From the Board Evaluation of the year 2020/2021; the following was the performance of the Board and the Members:

	Name of Director	Position	Date of Appointment	Expiry of term	Mean Score	%age Score
1.	Prof. Mabel Imbuga	Chairperson	13 th May 2020	12 th May 2023	4.8485	96.97
2.	Dr. Fredrick Owiti	Member	12 th Nov 2019	11 th Nov 2022	4.5967	91.93
3.	Dr. Hamisi Massa	Member	6 th March 2013	N/A	4.8247	96.49
4.	Dr. Kepha Ombacho, MBS	Member	16 th Dec 2013	N/A	4.8857	97.71
5.	Mr. George Ogallo	Former Member	5 th June 2018	5 th June 2021	4.7494	94.99

	Name of Director	Position	Date of Appointment	Expiry of term	Mean Score	%age Score
6.	Mr. Vincent Mwasya	Former Member	5 th June 2018	5 th June 2021	4.7122	94.24
7.	Mr. Andrew Rukaria	Member	9 th Aug 2018	N/A	4.8285	96.57
8.	Mr. Arthur Osiya, EBS	Member	22 nd Oct 2020	N/A	4.7107	94.21
9.	Ms. Esther Gathogo	Member	10 th Dec 2020	10 th Dec 2023	4.6945	93.89
10.	Ms. Farida Rashid	Member	7 th Dec 2019	6 th Dec 2022	4.7830	95.66
11.	Ms. Margret Moitallel	Member	7 th Dec 2019	6 th Dec 2022	4.8602	97.20
12.	Priscilla Gathiga	Member	17 th June 2020	16 th June 2023	4.7641	95.28
13.	Mr. Victor Okioma, EBS	CEO	30 th May 2018	29 th May 2023	4.8694	97.39
Corporate Board Performance					4.7207	94.41

Functions of the Committees of the Board:

i. Human Resource Committee:

- Recruitment, management, and overseeing the staffing needs, establishment, and development for the Authority
- Overseeing the development and implementation of the human Resource policies and instruments as guided by the national government offices and the public service commission
- Regulating the remuneration of the staff of the Authority
- Overseeing the disciplinary function and processes over the staff of the Authority
- Overseeing the implementation of the administrative functions of the Authority.

ii. Finance Committee:

- Overseeing the development and implementation of the Budget of the Authority
- Mobilization of resources for the Authority from both within the organization as well as from external stakeholders.
- Ensuring compliance with the public finance laws and policies of the government as they relate to the Authority.

iii. Technical Committee:

- Overseeing the development, implementation and supervision of the Authority's Annual Work Plan.
- Overseeing the implementation of the programmes of the Authority
- Managing the stakeholder engagement framework for the Authority
- Monitoring and guiding the implementation of the Performance Contract between the Authority and the Parent Ministry.

iv. Audit and Risk Management Committee:

- General oversight over the governance aspects of the Authority's structures, programmes and administration
- Risk management: identification, profiling, mitigation, and prevention
- Engagement with and ensuring the implementation of the internal audit reports
- Engagement with and ensuring the implementation of the external audit reports
- Advisory on the maintenance of quality assurance over the services provided by the Authority.

Board Remuneration:

The Board members are remunerated as provided by the Salaries & Remuneration and further guided by the State Corporations Advisory Committee and the Head of Public Service in the manner of a sitting allowance of Kshs. 20,000 for every sitting.

Ethics, Conduct and Governance Audit:

A customized Code of Ethics is due for development. The Board presently implements the statutory Code of Ethics in the Leadership & Integrity Act, 2012. Governance audits are due to be instituted

Conflict of Interest:

The Board keeps a Conflict of Interest Register in which any possible conflict in the agenda of each meeting is sought and recorded where applicable.

NACADA Risk Management Framework

The Authority has embarked on implementing the risk management framework that addresses all significant strategic, financial, operational, and compliance-related risks that could undermine the Authority's ability to sustain its mandate. The risk management framework is designed to be flexible to ensure that it remains relevant at all levels of the organization given the diversity of the Authority's stakeholders to ensure that it remains current and responsive to the dynamic Alcohol & Drug Abuse regulatory environment. Continuous monitoring of risk and control processes across all key risk areas provides the basis for regular reports to Management, the Board Audit Committee, and the Full Board quarterly.

Risk management system

The Board Audit Committee independently monitors the effectiveness of the risk management system and follows action plans for major risks on behalf of the Board. The NACADA's Directorate of Compliance, Quality Control & Risk Management is responsible for coordinating the risk management process and risk reporting within the Authority. The risk owners (Departmental heads) are responsible for risk in the operating units and are responsible for implementing the agreed mitigation measures.

The Risk Management Committee is a management committee that examines and analyses the Risk reports before they are presented to the Board Audit Committee and ask critical questions of risk owners. The committee is also responsible for follow-up action plans recommended by the Board Audit Committee, approve of mitigating risk actions taken as delegated by the Board to contribute to the development of the Risk Management process. The Risk Management Committee presents its report on risk management to the Board Audit Committee through the Director Compliance, Quality Control, and Risk Management.

Risk recognition, evaluation, and Management

The management team of each operating unit within the Authority analyses the significant risks affecting that unit. The risk Champions in the various departments categorize each risk they have identified and evaluate it in terms of criteria determined centrally, including the potential impact of the risk on the Authority and the expected probability of its occurrence. When analyzing the impact of the risk, the risk champions will consider the impact on the results of operations and the impact on non-monetary aspects such as operations, reputation, and strategy.

For each risk, the next step for those in charge is to plan the mitigation measures taken to manage the risk, so that the risk may be reduced to an acceptable level. The Management of the risk comprises a selection or a combination of measures to avoid risk, transfer risk, reduce risk, and control risk. For each risk, responsibility for the risk is assumed by the departmental head.

Risk reporting

The Director Compliance, Quality Control, and Risk Management are central in risk reporting through the Coordination of units included in the risk reporting process. Uniform standards apply throughout the Authority to report the status of any significant risks and any changes in those risks. Departmental Risk champions make their risk reports using the predetermined template to be forwarded to the Risk owners for concurrence.

Every quarter, the Risk Champions forum discusses the critical risks for the Authority and a risk report is prepared, which is then addressed in the Risk Management Committee meeting. In addition, the Risk Management Committee presents a report on the significant risks at the quarterly meetings of the Board Audit Committee meeting.

The risk report submitted to the Full Board comprises information relating to the status of significant risks in terms of strategic and operational risks and any changes in those risks and a description of the activities in the risk management process. The significance of each risk is evaluated and reported using the central risk assessment system to award risk ratings based on the potential impact of the risk and the expected probability of its occurrence.

8. MANAGEMENT DISCUSSION AND ANALYSIS

To deliver on various aspects of NACADA's mandate, the following activities were accomplished during the period.

NACADA's Operational and Financial Performance

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

Core Mandate

Provision of Counselling Services to People with Substance Use Disorders

The quarterly target was to provide counselling and referral services to three thousand seven hundred and fifty (3750) people with substance use disorders in 9 NACADA Regions. During the quarter, three thousand, two hundred and sixty-nine people (3,269) were reached. The Authority missed this target by four hundred and eighty-one (481). Cumulatively, the Authority surpassed this target by four thousand six hundred and sixty-five (4,665), having achieved nineteen thousand six hundred and sixty-five (19,665), out of a target of fifteen thousand (15,000).

Mainstreaming of prevention of alcohol and drug abuse in public sector institutions

The annual target was to promote workplace prevention programmes in at least 200 public sector institutions through sensitization/training of ADA control committees, conducting baseline surveys, and developing workplace policies. During the period under review, the Authority trained and supported 26 MDAs to conduct their baseline surveys. Cumulatively, the Authority surpassed this

target by seventy-five (75), having achieved two hundred and seventy-five (275) out of a target of two hundred (200) MDAs.

Support 500 persons with SUDs to access universal health care.

The annual target was to facilitate 500 needy persons with SUDs to acquire NHIF medical insurance cover in 5 NACADA regions. In addition, the Authority issued NHIF super-cover medical insurance cards to one hundred and sixteen (116) women with substance use disorders during the period under review. This was against a five hundred (500); therefore, the annual target was missed by three hundred and eighty-four (384).

Capacity Building Undertaken

The annual target was to equip and empower 360 Community Health Workers with basic knowledge and skills on ADA prevention and treatment to provide prevention information to families, conduct early screening and referral for treatment to people with substance use disorders in 9 NACADA regions. Cumulatively, the Authority surpassed this target by twenty-three (23), having achieved three hundred and eighty-three (383) out of a target of three hundred and sixty (360). The CHEWs were trained in Nairobi, Makueni, Laikipia, Taita-Taveta, Elgeyo Marakwet, Muranga, Busia, Kisii, and Wajir.

Public Education and Advocacy

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

- The Authority conducted public awareness on positive parenting and the need for healthy and supportive social environments and reached three hundred and forty-seven (347) parents through webinar meetings. Cumulatively, the Authority surpassed this target by one million, three hundred and ninety-nine, and eighty-eight (1,399,088) having achieved three million, three hundred and ninety-nine, and eighty-eight (3,399,088);
- The Authority further conducted sensitization programs during the quarter to reach one eighty-five (185) alcoholic selling outlets operators and their employees in Kisumu and Uasin Gishu Counties. The annual target was to equip 3,200 alcoholic selling outlets in 9 regions; cumulatively, the Authority surpassed this target by one thousand five hundred and five (1,505) having achieved four thousand, seven hundred and five (4,705); and
- Lastly, the Authority partnered with various stakeholders to commemorate World Mental Health Day, World Aids Day, and No Tobacco Day on 10th October, 1st December, and 31st May 2021.

Counseling and Rehabilitation

- The Authority inspected one hundred and twenty-eight (128) treatment and rehabilitation centres. Out of this sixty-nine (69) facilities were accredited having met the national standards for treatment and rehabilitation; and
- During the period under review, the Authority also developed and validated guidelines for after-care and reintegration.

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

- The Authority organized inter-agency meetings to discuss the emerging concerns around alcohol control in counties located in 9 NACADA regions. The forums were attended by the Regional Commissioners, County Commissioners, County Commanders, Regional Managers Kenya Revenue Authority, Kenya Bureau of Standards and Anti-Counterfeit Authority;
- Additionally, the Authority organized a Regional Consultative meeting with Regional Security Committees drawn from Eastern, North Eastern, Central, and Coast Region in Ezri Hotel, Meru. The meeting was aimed at addressing the influx of cannabis from Ethiopia in the following counties; Garissa, Wajir, Mandera, Isiolo, and Marsabit counties; and
- The Authority supported the following county governments to conduct crackdowns on illicit brews, counterfeit alcoholic products, and drugs to enforce compliance with alcohol and drug control: Nairobi, Nyandarua, Kirinyaga, Kiambu, Muranga, Nyeri, Meru, Kilifi, Mombasa, Taita Taveta, Siaya, Kisumu, Migori, Kwale, Garissa, Kisii, Nakuru, Kakamega, Bungoma, Narok, Bomet, Kericho, Laikipia Busia, Vihiga and Mandera. A total of four thousand seven hundred and thirty outlets (4,730) were inspected and three hundred and forty-seven (347) persons arrested for various offenses

Research, Policy and Planning

- During the period under review, the Authority completed online data collection of fifty-one (51) MDAs that have partnered with NACADA to undertake baseline surveys on the status of alcohol and drug abuse in their workplaces; and
- The Authority also published two policy briefs; Extent of heroin use in Kenya; and Emerging trends on smokeless tobacco use in Kenya. Additionally, the Authority published the fourth edition of The African Journal of Alcohol and Drug abuse (AJADA).

9. ENVIRONMENTAL SUSTAINABILITY REPORTING

Nacada exists to transform lives. This is our purpose, the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

i) Sustainability strategy and profile

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

a) Africa Agenda 2063

Agenda 2063 is Africa's blueprint and master plan for transforming Africa into the global powerhouse of the future. It encapsulates seven aspirations and flagship programs to be undertaken in a series of 10-year implementation plans to deliver quantitative and qualitative sustainable outcomes for the African people. NACADA has drawn its programs from Agenda 2063 in executing its mandate.

b) UN Sustainable Development Goals

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

The Authority has also integrated national development priorities in the Nations Vision 2030 and the Constitution in its programs and activities.

c) Measures to address corruption and risks faced by the Authority

The Authority has developed and operationalized an Anti-Corruption Policy; this policy seeks to enable the Authority to deal with corruption issues in an open, decisive and timely manner to promote good governance and attainment of zero tolerance to corruption.

Additionally, the Authority has also developed a Risk Management Framework that will enable the Authority to focus on all risks faced comprehensively and comprehensively. The development of this Risk Management Policy is one step towards ensuring that NACADA manages risks at all levels and simplifies the understanding of risk management and description of various terms. The Authority has also put in place monitoring, reporting mechanisms, and implementation time frame. The Board and management have been using this policy to improve the Authority's operations and achieve strategic objectives continuously.

ii) Environmental Performance

As part of institutionalizing services offered at the Miritini Treatment Centre, the Authority plans to develop guidelines for waste management in the next financial year. In addition, during the reporting period, the Authority partnered with Fort Reitz Hospital to leverage its existing structures for management and disposal of medical waste. The Authority has also onboarded a service provider to help with the disposal of e-waste.

iii) Employee welfare

The Authority has in place the following human resource instruments approved by the Parent Ministry and the State Corporations Advisory Committee:

- (a) Human Resource Policies and Procedures Manual
- (b) Organizational Structure and Staff Establishment
- (c) Career Guidelines

The instruments guide the Authority in the management of human resource functions. Within the Human Resource Policies and Procedures Manual is the policy on performance management where employees are required to set targets with the Supervisors in line with the Authority Performance Contract and strategic plan. The targets are reviewed on a need basis, and appraisals are conducted at the end of the financial year to assess employee performance. During this assessment, gaps are identified where training/development needs for employees in line with the existing gaps are drawn towards improving employee performance. The policy on recruitment provides the different methods in the recruitment of employees based on the nature of the job. The policies are reviewed in line with the Public Service Commission guidelines and subjected to all the key stakeholders, including the employees, the Board, parent Ministry, SCAC, and SRC. The Authority is bound by the provisions and guidelines of the policy on safety and compliance with the Occupational Safety and Health Act of 2007 (OSHA). It has constituted a committee that oversees the safety of employees at the workplace.

iv) **Market place practices-**

The organisation should outline its efforts to:

a) **Responsible competition practice.**

NACADA ensures Procurement competition through advertisement opportunities on its website and Government tender portal.

b) **Responsible Supply chain and supplier relations**

As part of efforts to enhance relations with its various stakeholders, NACADA undertakes various initiatives to ensure supplier satisfaction.

Prior to engaging suppliers, NACADA undertakes continuous supplier registration to ensure as many potential suppliers as possible are enlisted as service providers for the Authority.

NACADA sensitizes current and potential suppliers on procurement processes and opportunities using its online media platforms such as the website (www.nacada.go.ke), Facebook, Twitter, Instagram and LinkedIn pages. In addition, NACADA disseminates information on procurement issues via its in-house quarterly newsletter, NACADA Quarterly.

NACADA also carries out in-person sensitizations especially for special groups as identified under AGPO such as women, youth and persons with disabilities. This ensures uptake of procurement opportunities by these groups under the principles of Access to Government Procurement Opportunities for special groups.

NACADA ensures strict adherence to provisions of the Public Procurement and Asset Disposal Act in terms of engagement through to timely payments to suppliers who satisfactorily offer goods and services to the Authority.

c) **Responsible marketing and advertisement**

NACADA conforms to Government Advertisement guidelines and maintains ethical marketing practices by ensuring information reaches as many of its customers as possible especially when vacancies arise; or when opportunities for procurement of good and services for the Authority arise. When placing advertisements, NACADA affirms its consideration for special and marginalized groups through a statement at

the end of each advert that 'Persons with disabilities, women and marginalized communities are particularly encouraged to apply.' In addition, NACADA indicates in some of its adverts pertaining to procurement of goods and services to specifically target special groups under AGPO.

d) Product stewardship

NACADA does not provide products in its operations.

v) Corporate Social Responsibility / Community Engagements

The Authority takes cognizance of the fact that it does not operate in isolation. It thus has to give back to society through strategic CSR activities which address wider societal issues.

Alcohol and drug abuse continue to be one of the biggest threats to health, socio-economic and political development across the globe. In Kenya, alcohol and drug abuse has significantly increased in the country over the last decade. The adverse effects of this vice have not spared the youth and children in school and out of school.

Two of NACADA's core functions are to carry out public education on alcohol and drug abuse directly and in collaboration with other public or private bodies and institutions and coordinate and facilitate public education in controlling alcohol and drug abuse.

In fulfillment of these functions, and as part of CSR, the Authority sponsored an anti-drug song by an artist from Kisii County, Miggy De Champion (Echambioni). He is a household name in the Kisii/Nyamira region. He is a talented young artist who educates and advocates for positive lifestyles by making informed decisions.

"Amarwa" Song

This is the song composed in the Gusii language that is the local dialect of the region. It was inspired by the alarming increasing alcohol and drug abuse trends, especially during the Corona virus pandemic. The song acknowledges that as the country is progressively opening up and alcoholic drinks outlets are opened, there is a need for the youth to be careful and avoid slipping into substance use addiction and dependency.

The Authority spent Kshs 195,000/= (read as one hundred and ninety-five thousand shillings only) to support the production.

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the NACADA's affairs.

i) Principal activities

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

ii) Results

The results of the Authority for the year ended June 30, 2021, are set out on page 24

iii) Directors

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

iv) Surplus Remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund ninety percent of its surplus funds reported in the audited financial statements after the end of each financial year.

NACADA did not realize any surplus in the financial year under review and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of the NACADA per 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: 23/07/2022

11. 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, 2021. 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, 2021, 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
 Nacada's financial statements were approved by the Board on 21 10 2021 and signed on its behalf by:

Signature..... <i>M. Leung</i>	Signature..... <i>[Handwritten Signature]</i>
Name <i>PROF. MABEL IMBUGA</i>	Name <i>V. K. Othman</i>
Chairperson of the Board	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 (NACADA) FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal 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 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA) set out on pages 1 to 36, which

comprise the statement of financial position as at 30 June, 2021, 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 (NACADA) as at 30 June, 2021, 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.

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

Basis for Conclusion

1. Failure to Collect Long Outstanding Debts

The statement of financial position reflects long outstanding receivables from exchange transactions totalling Kshs.15,292,100 and as disclosed in Note 23 to the financial statements. Review of the debtors' aging analysis showed that debts amounting to Kshs.6,382,036 had been outstanding for more than one year. Included in these debts

were AIEs issued to Regional and County Commissioners of Kshs.1,319,200 and dues from an audit firm of Kshs.3,119,986 which had been outstanding for more than three (3) years as at 30 June, 2021. The Management did not provide any evidence of the action being taken to recover these debts.

2. Failure to Acquire Property Ownership Documents

The Presidential and the Ministry of Interior and Coordination of National Government directives dated 28 August, 2015 and 13 August, 2019, respectively resulted in the renovation and transformation of the National Youth Service - Miritini Camp into a rehabilitation centre for youths affected by drug and substance abuse. However, by the time of audit, the land was yet to be transferred legally to the Authority. This is contrary to Section 79(1)(c)(i) of the Public Finance Management Act, 2015, which requires the Accounting Officer to ensure that adequate arrangements are made for the proper use, custody, safeguarding and maintenance of public property.

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

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 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 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 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.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

of internal controls, risk management and 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 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 Authority'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 Authority to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

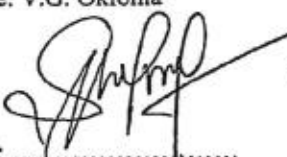
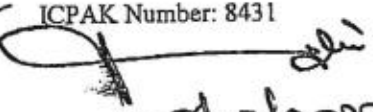
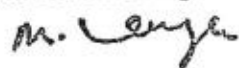
Nairobi

16 August, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
Revenue from Non Exchange Transactions Gok Fund	6	469,490,000	536,240,000
Liquor Licensing	7	14,837,495	3,386,300
Donations	8	1,697,362	188,500
		<u>486,024,857</u>	<u>539,814,800</u>
Revenue from Exchange Transactions Rendering of Services	9	28,885,471	6,560,602
Total Income		514,910,328	546,375,402
Expenses			
Employee costs	10	263,426,471	247,994,648
Remuneration of directors	11	14,366,467	13,874,912
Depreciation and amortization expense	12	14,103,252	16,549,775
Repairs and maintenance	13	11,151,830	10,078,397
Campaign Expenses	14	85,343,230	113,523,363
Traveling Expenses	15	15,785,770	14,721,499
General expenses	16	85,639,360	84,808,566
Training & Research	17	18,087,539	20,284,341
Support to County Government	18	-	2,990,200
Rendering of service Expense	19	7,818,719	5,947,441
		<u>515,722,638</u>	<u>530,773,142</u>
Total Expenses		(812,310)	15,602,260
Net Surplus			
Attributable to:			
Surplus Attributable to GOK		(812,310)	15,602,260

The notes set out on pages 8 to 39 form an integral part of these Financial Statements.

Chief Executive Officer Name: V.G. Okioma	Head of Finance Name: Samuel Makini	Chairperson of the Board Name: Prof. M. Imbuga
	 ICPAK Number: 8431	
Date: <u>28/07/2022</u>	Date: <u>28/07/2022</u>	Date: <u>28/07/2022</u>

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		2020-2021 Kshs	2019-2020 Kshs
Assets			
Current assets			
Cash and cash equivalents	21	31,170,888	83,078,145
Receivables from exchange transactions	23	15,292,100	10,680,738
Receivables from Non-exchange transactions	24	48,596,036	5,419,355
		95,059,024	99,178,238
Non-current assets			
Property, plant and equipment	25	71,540,204	63,758,783
Total assets		166,599,228	162,937,021
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	26	82,976,314	76,905,061
Provisions-Audit Fee	27	580,000	580,000
Total liabilities		83,556,314	77,485,061
Net assets			
Reserves-Capital Fund		26,783,428	26,783,428
Accumulated surplus		27,367,472	41,607,953
Rehabilitation Centre		8,892,014	17,060,579
Miritini Rehabilitation		20,000,000	-
Total Net Assets and Liabilities		166,599,228	162,937,021

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

Chief Executive Officer
Name: V.G. Okioma

Date: 28/07/2022

Head of Finance
Name: Samuel Makini

ICPAK Number: 8431

Date: 28/07/2022

Chairperson of the Board
Name: Prof. M. Imbuga

Date: 28/07/2022

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

			Reserves		
	Miritini Rehabilitation Project	Rehabilitation Reserve	Capital Replacement Development Reserve/Capital Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs	Kshs
Balance as at 1 July 2019		17,060,579	26,783,428	270,687,345	314,531,352
Prior year adjustment				5,486,384	5,486,384
Restated Opening balances 1 st July 2019		17,060,579	26,783,428	276,173,729	320,017,736
Reserves Transfer to Staff Mortgage Account				(247,214,510)	(247,214,510)
Prior year Surplus 90% remitted to KRA				(2,953,526)	(2,953,526)
Surplus for the Period				15,602,260	15,602,260
Balance as at June 30 2020		17,060,579	26,783,428	41,607,953	85,451,960
Balance as at July 1		17,060,579	26,783,428	41,607,953	85,451,960
Prior year adjustment				613,863	613,863
Development fund received	20,000,000				20,000,000
Rehabilitation Centers		(8,168,565)			(8,168,565)
Prior year 90% Surplus remitted to KRA				(14,042,034)	(14,042,034)
The deficit for the Period				(812,310)	(812,310)
Balance as at 30 June 2021	20,000,000	8,892,014	26,783,428	27,367,472	83,042,914

16. STATEMENT OF CASH FLOWS AS AT 30 JUNE 2021


	Notes	2020-2021 Kshs	2019-2020 Kshs
Revenue from Non exchange Transactions			
Receipts			
Gok Fund-Recurrent	28	424,490,000	536,240,000
Liquor Licensing	7	14,837,495	3,386,300
Donations	8	1,697,362	188,500
		441,024,857	539,814,800
Revenue from Exchange Transactions			
Rendering of Services	29	23,294,864	6,560,602
Total Cash received		464,319,721	546,375,402
Expenses			
Employee Costs	30	263,146,178	247,994,648
Remuneration of Directors	31	14,308,517	13,874,912
Repairs & Maintenance	32	10,329,040	10,078,397
Campaign Expenses	33	87,571,371	113,523,363
Travelling Expenses	34	15,730,212	14,721,499
General Expenses	35	74,630,814	84,808,566
Training & Research	36	17,506,149	20,284,341
Support to County Government	18	-	2,990,200
Rendering of Services Expenses	37	6,985,919	5,947,441
Remission to National Treasury	20	14,042,034	2,953,526
Total Expenses		504,250,234	517,176,893
Net cash flows from operating activities		(39,930,513)	29,198,509
Cash flows from investing activities			
Cash received for Development of Miritini Rehab		20,000,000	-
Cash paid for Purchase of Fixed Assets		(21,884,378)	(18,868,336)
Cash paid in support of Rehabilitation Centre		(8,168,565)	-
Decrease in Liabilities			(9,673,854)
Increase /Decrease in Non-Exchange Receivables		(1,923,802)	184,812,040
Reserves transferred to staff Mortgage Account			(247,214,510)
Net cash flows used in investing activities		(11,976,745)	(90,944,660)
Cash flow from Financing Activities			
Prior year adjustment of Expenses/Liabilities			5,486,384
Net increase /(Decrease) in cash and cash equivalents		(51,907,257)	(56,259,767)
Cash and Cash equivalents at 1July		83,078,145	139,337,912
Cash and cash equivalents at 30 June	21	31,170,888	83,078,145

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:


Accounting Officer
Name: V.G. Okioma

Head of Finance
Name: Samuel Makini
ICPAK Number: 8431

Chairman of the Board
Name: Prof. M. Imbuga


Date: 28/07/2022


Date: 28/07/2022


Date: 28/07/2022

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR PERIOD ENDED 30 JUNE 2021

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Variance percentage
	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	
Income											
GOK- Recurrent	494,490,000		(55,000,000)		439,490,000		439,490,000		-		
GOK - Development	100,000,000		(50,000,000)		50,000,000		50,000,000		-		
Other Income	44,845,625		-		44,845,625		45,420,328		574,703		(1%)
Total income	639,335,625		(105,000,000)		534,335,625		534,910,328		574,703		(1%)
Expenses											
Miritini Project	80,000,000		(50,410,827)		29,589,173		17,443,210		12,145,963		41%
Purchase Furniture/Fittings	4,000,000		(2,000,000)		2,000,000		2,880,108		(880,108)		(44%)
Purchase Computer /IT	25,000,000		(21,500,000)		3,500,000		2,509,000		991,000		28 %
Recurrent											
Staff cost	279,909,635		(23,726,351)		256,183,284		263,426,471		(7,243,187)		(2%)
Board Expenses	17,960,000		(1,800,000)		16,160,000		14,366,467		1,793,533		11%
Depreciation	-		-		-		14,103,252		(14,103,252)		(100%)
Repairs & Maintenance	12,000,000		(1,000,000)		11,000,000		11,151,830		(151,830)		(1%)
Campaign Expenses	87,876,000		87,178		87,963,178		88,161,949		(198,771)		(1%)
Travelling Expenses	18,254,990		(3,000,000)		15,254,990		15,785,770		(530,780)		(3%)
General Expenses	89,030,000		(1,650,000)		87,380,000		85,639,360		1,740,640		2%
Training & Research	17,900,000		-		17,900,000		18,087,539		(187,539)		(1%)
Rehab Centre Expenses	7,405,000		-		7,405,000		8,168,565		(763,565)		(10%)
Excess Surplus remitted to KRA	-		-		-		14,042,034		(14,042,034)		(100%)
Total expenditure	639,335,625		(105,000,000)		534,335,625		555,765,555		(21,429,930)		(4%)
Surplus for the period	-		-		-		(20,855,227)		(20,855,227)		

Budget Notes

1. Miritini Project is ongoing, hence the variance in the budget
2. Some of the furniture and fittings purchased was for Miritini Project
3. By the closure of the year part of the items planned for purchase were under the procurement process hence the positive variance
4. Board activities were severely curtailed due to the COVID-19 pandemic, and as a result, the actual board expenditure was less than budgeted.
5. Depreciation of assets was not a budget item in the year under review.
6. Rehabilitation Centre Expenses surpassed the budgeted amounts as we started admitting clients with substance use disorders within the financial year under review hence the over expenditure.
7. Any surplus reported in any financial year, the law requires 90% surrender of the same to KRA; hence Kshs 14,042,034 under note 11 was due to the amount remitted to KRA relating to FY 2019/2020.

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of NACADA.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard	Impact
IPSAS13: Improvements/Amendments to IPSAS	Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting

Standard	Impact
	Nacada did not have any major impairment to be reported.

ii. **Early adoption of standards**

Nacada did not early – adopt any new or amended standards in year 2020/2021.

4. **Summary of Significant Accounting Policies**

a) **Revenue recognition**

- i. Revenue from non-exchange transactions

Liquor Licensing

NACADA recognizes revenues from liquor licenses on a cash basis but recognizes direct credit in the Bank Accounts as revenue at the end of the financial year. Returns comprising deposit slips and a copy of the 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, a cash book and bank reconciliation statement is prepared. Credit in the bank's statements that have not been acknowledged by issuing receipts are regarded as direct credits and recognized as revenue, which are subsequently confirmed by returns from the sub-counties.

Transfers from GOK

NACADA receives transfers from its Parent Ministry – The State Department for Interior and Co-ordination of National Government, for both Development and Recurrent expenditures.

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

Other Income

Suppose an error of estimation from the prior year occurs. In that case, the same is treated as others income and properly referenced by a note; similarly, if costs 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 other than Trainings

b) Budget information

The National Assembly approved the original budget for FY 2020-2021 on 14/06/2020. 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 to conclude the final budget. Accordingly, NACADA recorded additional appropriations of Kshs 489M on the 2020-2021 budgets following the governing body's approval.

NACADA's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance. In contrast, the budget is prepared on accrual basis. Accordingly, 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 to present the financial statements and the approved budget.

c) Taxes

NACADA is a tax agent for the government and therefore withholds VAT for Merchants, Withholding tax for consultancies and Paye taxes.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

NACADA does not hold any Investment property.

e) 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.

f) Research and development costs

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

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

- v) The ability to measure reliably the expenditure during development.

NACADA is mandated to carry out research in the Country and assess the level of drug abuse to assist the National Government in policy formulation. Public institutions and private institutions also engage the Authority in carrying out research on substance abuse parameters in their entity's workforce to mitigate their effects.

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

g) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

NACADA does not hold any financial assets as at the date of reporting.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

NACADA does not hold any financial Instruments.

b) Financial Liabilities

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

This includes any security that may have been paid to secure a tender as per the guideline 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.

h) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity

i) Provisions

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

j) Contingent liabilities

MACADA 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.

k) Contingent assets

MACADA 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 Macada 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.

l) 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 the County Government came into effect from April 2013. Most of the counties enacted the relevant laws to enable them to carry out the liquor licensing roles while others have 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.

m) 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.

n) Employee benefits

Retirement benefit plans

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

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

o) Foreign currency transactions

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

p) Borrowing costs

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

q) Related parties

The MACADA 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.

r) Service concession arrangements

MACADA does not have service concession arrangements.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprints and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

t) Comparative figures

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

u) 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, 2021.

5. Significant Judgments and Sources of Estimation Uncertainty

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

stimates and assumptions

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

- (i) The Covid-19 pandemic will be curtailed in the near future
- (ii) The collection of revenues by KRA will be realised to enable the National Treasury to fund the Authority
- (iii) The current collection of revenue from Liquor licensing (imports and manufacturing) will improve to sustain the operations of the Authority
- (iv) The Kenyan economy will be stable, thereby providing a conducive environment for businesses to thrive.
- (v) The upcoming National elections will not disrupt the operations of the Authority.

NOTES THE FINANCIAL STATEMENTS (Continued)

Useful lives and residual values

No revaluation of assets was carried out during the year under review

6. Transfer from Government Entities

a)

Description	2020-2021 Kshs	2019-2020 Kshs
Actual Received	389,490,000	536,240,000
Miritini Project Operations	30,000,000	-
Cash in Transit-Supplementary II	45,000,000	-
TOTAL	464,490,000	536,240,000

b)

Description	2020-2021 Kshs	2019-2020 Kshs
Development – Miritini Project	20,000,000	-

The Authority received Kshs 50M towards operationalization of Miritini. Out of the Kshs 50M, Kshs 30M was spent on Miritini Operations while Kshs 20M was used for renovations of the dormitory blocks.

c) **Transfer from Parent Ministry**

Description	2020-2021 KShs	2019-2020 KShs
Unconditional grants		
Operational grant	5,000,000	5,000,000
Total government grants and subsidies	5,000,000	5,000,000

d) 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.	2020-2021	
				Total grant income during the year	KShs
Ministry of Interior & National Coordination	469,490,000	-	20,000,000	489,490,000	536,240,000
Total	469,490,000	-	20,000,000	489,490,000	536,240,000

7. Liquor Licensing

Description	2020-2021		2019-2020	
	Kshs		Kshs	
Liquor licensing by Sub county Committees	837,495		3,386,300	
Import/export License	14,000,000		-	
Total	14,837,495		3,386,300	

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

8. Public Contributions and Donations

Description	2020-2021 Kshs	2019-2020 Kshs
Amount received	1,697,362	188,500

Kshs 1,000,000 was donated by Kenya Ports Authority in support of Miritini project, while Kshs 697,362 was donated by Women Empowered Incorporation in support of NHIF subscriptions for vulnerable women affected by Substance Use Disorders.

9. Rendering of Services

Description	2020-2021 KShs	2019-2020 KShs
Workplace Based Training	24,160,507	2,906,354
Universal Treatment & Care	664,963	3,654,248
Baseline Surveys	4,060,001	-
Total	28,885,471	6,560,602

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

10. Employee Costs

	2020-2021 KShs	2019-2020 KShs
Salaries and wages	138,378,260	124,235,491
Contributions to pensions and Gratuity	25,397,189	28,603,715
Housing benefits and allowances	99,356,622	94,845,882
Social contributions (NSSF)	294,400	309,560
Employee costs	263,426,471	247,994,648

11. Remuneration of Directors

Description	2020-2021	2019-2020
	Kshs	Kshs
Chairman's Honoraria	960,000	449,032
Directors emoluments	9,498,600	9,568,324
Other allowances	3,907,867	3,857,556
Total director emoluments	14,366,467	13,874,912

12. Depreciation and Amortization Expense

Description	2020-2021	2019-2020
	Kshs	Kshs
Motor Vehicles	5,080,040	6,773,387
Furniture & Fittings	4,658,589	4,691,521
Computers & Equipment	4,364,623	5,084,867
Total depreciation and amortization	14,103,252	16,549,775

13. Repairs and Maintenance

Description	2020-2021	2019-2020
	KShs	KShs
Vehicles	9,638,729	7,829,229
Furniture and fittings	439,973	1,261,745
Computers and Other Equipment	1,073,128	987,423
Total repairs and maintenance	11,151,830	10,078,397

14. Campaign Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Printing & Publishing	3,237,976	889,151
Advertising & Publicity	73,708,537	108,707,744
Subscription fees for newspapers	500,000	309,500
Catering Expenses	4,786,104	2,768,608
Trade Shows & Exhibitions	-	174,000
Consultancy Services	3,110,613	674,360
Total contracted services	85,343,230	113,523,363

15. Travelling Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Domestic Travelling	3,539,541	2,139,109
Domestic Accommodation	12,246,229	7,101,989
Foreign Travelling	-	2,527,595
Foreign Subsistence	-	2,952,806
Total	15,785,770	14,721,499

16. General Expenses

Description	2020-2021 KShs	2019-2020 KShs
Communication & supplies	10,694,951	10,324,048
Rent & Parking	37,937,409	38,558,954
Audit Fees	580,000	580,000
Office & General Supplies	4,395,677	4,546,358
Medical Insurance	20,406,398	20,153,042
Motor Vehicle Insurance	1,209,294	1,337,216
Bank Charges	303,372	289,388
Fuel, oil & Lubricants	5,677,853	5,960,679
Cleaning services & Contracted Guards	4,215,045	2,904,001
Water Bills	219,360	154,880
Total	85,39,360	84,808,566

17. Staff Training and Research

Description	2020-2021 KShs	2019-2020 KShs
Research	5,938,857	4,517,318
Staff Training	9,843,592	14,263,725
Hire of Training Facilitate	2,305,090	1,503,298
TOTAL	18,087,539	20,284,341

18. Support to County Governments

Description	2020-2021 KShs	2019-2020 KShs
Support to sub county liquor licensing Committees	-	2,990,200
Total gain	-	2,990,200

19. Rendering of services Expenses

Description	2020-2021 KShs	2019-2020 KShs
Hire of training facility & Consultants	7,818,719	5,947,441
Total	7,818,719	5,947,441

20. Surplus Remitted to KRA

Description	2020-2021 KShs	2019-2020 KShs
90 % surplus for 2017-2018/2019-2020	14,042,034	2,953,526
Income tax expense reported in the statement of financial performance	14,042,034	2,953,526

21. Cash and Cash Equivalents

Description	2020-2021 KShs	2019-2020 KShs
Current account		
On - call deposits	31,171,358	83,008,768
Fixed deposits account		-
Staff car loan/ mortgage		-
Others(specify) cash in hand	(470)	69,377
Total cash and cash equivalents	31,170,888	83,078,145

22. Detailed Analysis of Cash and Cash Equivalents

Financial institution	Account number	2020-2021 KShs	2019-2020 KShs
a) Current account			
Kenya Commercial bank	1125676671	15,370,042	3,126,875
Kenya Commercial bank	1142111814	144,833	126,808
Kenya Commercial bank	1142111962	(47,859)	16,246
Kenya Commercial bank	1142112098	257,188	254,761
Kenya Commercial bank	1149503823	4,209	163,387
Kenya Commercial bank	1103199439	4,013,295	55,692,261
Kenya Commercial bank	1142112187	(1,631)	(2,873)
Coop Bank	1141134561900	3,856,451	1,252,051
Equity Bank, etc		7,574,830	22,379,252
Sub- total		31,171,358	83,008,768
b) Others(specify)			
cash in hand		(470)	69,377
Sub- total		(470)	69,377
Grand total		31,170,888	83,078,145

23. Receivables from Exchange Transactions

(a)	202-2021	2019-2020
	KShs	KShs
Current receivables		
Trade receivables	9,814,041	5,202,679
Other exchange debtors	-	-
Less: impairment allowance	(812,292)	(812,292)
Total current receivables	9,001,749	4,390,387

(b)

Description	2020-2021	2019-2020
	KShs	KShs
Non-current receivables		
Rental Deposits	3,170,365	3,170,365
Earnest and Young-Legal Dispute	3,119,986	3,119,986
Less: impairment allowance	-	-
	6,290,351	6,290,351
Current portion transferred to current receivables	-	-
Total non-current receivables	6,290,351	6,290,351
Total receivables (a+b)	15,292,100	10,680,738

24. Receivables from Non-Exchange Contracts

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Legal Deposit	100,000	100,000
Statutory Deductions -KRA	103,403	103,403
Other debtors (non-exchange transactions)	48,392,633	5,215,952
Less: impairment allowance	-	(-)
Total current receivables	48,596,036	5,419,355

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. Property Plant and Equipment

	Work in Progress- Property, Land & Buildings Kshs	Motor vehicles		Furniture and fittings		Computers		Total	
		KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
Cost									
At 1 July 2019	-	116,093,696		43,393,318		64,497,256		223,984,270	
Additions	-	-		10,675,295		8,193,041		18,868,336	
At 30h June 2020	-	116,093,696		54,068,613		72,690,297		242,852,606	
Prior Year Adjust-Estimation Error				(1,083,024)				(1,083,024)	
Additions	14,947,610			5,375,709		2,509,000		22,832,319	
At 30 th June 2021	14,947,610	116,093,696		58,361,298		75,199,297		264,601,901	
Depreciation and impairment									
At 1 st July 2019	-	89,000,149		16,536,444		57,007,455		162,544,048	
Depreciation	-	6,773,387		4,691,521		5,084,867		14,681,324	
At 1 July 2020	-	95,773,536		21,227,965		62,092,322		179,093,823	
Prior year adjust -Estimation Error				(135,378)				(135,378)	
Depreciation		5,080,040		4,658,589		4,364,623		14,103,252	
At 30 June 2020		100,853,576		25,751,176		66,456,945		193,061,697	
Net book values									
At 30 th June 2021	14,947,610	15,240,120		32,610,122		8,742,352		71,540,204	
At 30 th June 2020	-	20,320,160		32,840,648		10,597,975		63,758,783	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. Trade and Other Payables from Exchange Transactions

Description	2020-2021	2019-2020
	KShs	KShs
Trade payables	46,281,746	40,193,248
Payments received in advance		-
Employee Fund	23,627,216	21,471,427
Third-party payments-Statutory Deductions	13,067,352	10,240,386
Other payables-Fund from Ministry	-	5,000,000
Total trade and other payables	82,976,314	76,905,061

27. Current Provisions

Description	Audit fee	Total
	2020-2021	2019-2020
	KShs	KShs
Balance b/d (1.07.2019)/2020	580,000	3,480,000
Additional Provisions	580,000	580,000
Provision utilised	-	(1,160,000)
Change due to discount and time value for money	-	(2,320,000)
Transfers from non-current provisions	(580,000)	-
Provision for 30.6.2021	580,000	580,000

28. GOK Cash receipt

Description	2020-2021	2019-2020
	KShs	KShs
Recurrent Allocation for the Period	469,490,000	536,240,000
Less Cash in transit by 30 th June	(45,000,000)	-
Cash received by 30th June	424,490,000	536,240,000

29. Lending of services

Description	2020-2021	2019-2020
	KShs	KShs
Amount invoiced by 30 th June	28,885,471	6,560,602
Decrease in Receivables –Exchange Transaction	939,674	
Increase in Receivables –Exchange Transaction	(6,530,281)	
Total Cash received by 30th June	23,294,864	6,560,602

30. Employees Cost

Description	2020-2021	2019-2020
	KShs	KShs
Amount Expensed off as at 30 th 30 June	263,426,471	247,994,648
Decrease in Payroll liabilities	10,949,867	
Increase in payroll liabilities	(11,230,160)	
Total Cash payment as at 30th June	263,146,178	247,994,648

31. Remuneration of Directors

Description	2020-2021	2019-2020
	KShs	KShs
Amount Expensed off at 30 th June	14,366,467	13,874,912
Decrease in Liabilities –Directors Due	20,000	
Increase in Liabilities –Board Expenses	(77,950)	
Total Cash payment as at 30th June	14,308,517	13,874,912

32. Repairs & Maintenance

Description	2020-2021	2019-2020
	KShs	KShs
Amount Expensed off at 30 th June	11,151,830	10,078,397
Decrease in liabilities	1,278,666	
Increase in liabilities	(2,101,456)	
Total Cash payment as at 30th June	10,329,040	10,078,397

33. Campaign Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Amount Expensed off at 30 th June	85,343,229	113,523,363
Decrease in Liabilities	5,555,734	
Increase in liabilities	(3,327,592)	
Total Cash Payment by 30th June	87,571,371	113,523,363

34. Travelling Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Amount Expensed off at 30 th June	15,785,770	14,721,499
Decrease in liabilities	315,682	-
Increase in Liabilities	(371,240)	
Total Cash Payment by 30th June	15,730,212	14,721,499

35. General Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Amount Expensed off at 30 th June	85,639,360	84,808,566
Decrease in liabilities	355,078	
Increase in liabilities	(11,363,624)	
Total Cash Payment by 30th June	74,630,814	84,808,566

36. Staff Training & Research

Description	2020-2021	2019-2020
	KShs	KShs
Amount Expensed off at 30 th June	18,087,539	20,284,341
Decrease in Liabilities	191,260	
Increase in Liabilities	(772,650)	
Total Cash Payment by 30th June	17,506,149	20,284,341

37. Training Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Amount Expensed off at 30 th June	7,818,719	5,947,441
Increase in Liabilities	(832,800)	-
Total Cash Payment by 30th June	6,985,919	5,947,441

38. Cash Generated from Operations

	2020-2021	2019-2020
	KShs	KShs
Surplus for the year before tax	(812,310)	15,602,260
Adjusted for:		
Depreciation	14,103,252	16,549,775
Remittance to KRA	(14,042,034)	(2,953,526)
Increase/ Decrease in Receivables	(45,250,673)	3,313,850
Increase/ Decrease in liabilities	6,071,253	9,673,854
Net cash flow from operating activities	(39,930,513)	42,186,213

39. Employee Benefit Obligations

NACADA operates a defined contribution scheme for all full-time employees from May 1, 2012. Zamara Pension administers the scheme. The scheme is based on 10 percent of basic salary of an employee and the employer tops up 20 percent of an employee's basic salary.

NACADA also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. NACADA'S obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 200 per employee per month. Other than NSSF, the Authority also has a defined contribution scheme operated by Zamara Pension Fund. Employees contribute 10% while employers contribute 20% of the basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

40. Financial Risk Management

NACADA's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. NACADA'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. NACADA does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

NACADA's financial risk management objectives and policies are detailed below:

i) Credit risk

NACADA has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the NACADA's management based on prior experience and their assessment of the current economic environment.

Although NACADA is not a trading institution, its major sources of income are generated from liquor licensing and with the devolvement of this function to the counties. 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:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	15,292,100	15,292,100	-	812,292
Receivables from non-exchange transactions	48,596,036	48,596,036	-	-
Bank balances	31,170,888	31,170,888	-	-
Total	95,059,024	95,059,024		812,292
At 30 June 2020				
Receivables from exchange transactions	4,390,387	1,485,072	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

ii) Liquidity risk management

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

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	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables			45,701,746	45,701,746
Statutory Deductions		13,067,352		13,067,352
Provisions	580,000		580,000	1,160,000
Deferred income-Interior				
Employee benefit obligation			23,627,216	23,627,216
Total	580,000	13,067,352	69,908,962	83,556,314
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

iii) Market Risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures

within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

NACADA’s Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to NACADA’s exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

NACADA does not deal in foreign currency or transactions.

b) Interest rate risk

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

Management of interest rate risk

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

NACADA does not currently have exposure to interest rate risk as it does not have fund reserves to deposit for gain.

iv) Capital Risk Management

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

40. 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	2020-2021	2019-2020

a) Key Management Personnel	56,870,847	57,717,948
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b) Government of Kenya

The Government of Kenya is the principal shareholder of Nacada, holding 100% of Nacadas equity interest. The Government of Kenya has provided full guarantees to all its long-term lenders, both domestic and external.

Other related parties include:

- i) The Parent Ministry;
- ii) County Governments
- iii) Other SCs and SAGAs

Relates Party Disclosures

- iv) Key management;
- v) Board of directors;

41. Contingent Assets and Contingent Liabilities

Contingent Assets

NACADA currently has no feasible contingent assets to report.

Contingent Liabilities

	2020-2021	2019-2020
	Kshs	Kshs
Contingent liabilities		
Court case CMCC NO. 3075 OF 2013 against NACADA	8,891,090	-
Total	8,891,090	-

42. Capital Commitments

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for	100,000,000	-
Authorised and contracted for	87,891,676	-

43. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Nacada did not realise any surplus in the financial year under review and hence no remittance was made to the Consolidated Fund.

44.Events After the Reporting Period

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


45.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.

46.Currency

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

Mr. Victor G. Okioma, EBS
Chief Executive Officer


Date
28/07/2022

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


Date.....28/07/2022.....

APPENDIX

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Nacada did not have any unresolved issues with the external auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
n/a	n/a	n/a	n/a	n/a



VICTOR G. OKIOMA (CEO NACADA)

Date 28/07/2022

APPENDIX II: PROJECTS IMPLEMENTED BY THE NACADA

Projects implemented by NACADA Funded by the Government.

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

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Miritini	1.2B	100,000,000	5	100,000,000	50,000,000	GOK

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Interior				
FY 2020/2021				
a. Recurrent Grants				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		12/8/2020	122,372,500	2020-2021
		9/11/2020	122,372,500	2020-2021
		04/2/2021	122,372,500	2020-2021
		26/4/2021	22,372,500	2020-2021
		05/7/2021	45,000,000	2020-2021
		Total	434,490,000	
b. Martini Project				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		5/10/2020	50,000,000	2020-2021
		Total	50,000,000	
c. Direct Payments				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
d. Donor Receipts				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Kenya Ports Authority	31/08/2020	1,000,000	2020-2021
	Women Empowered Inc.	23/09/2020	697,362	2020-2021
		Total	1,697,362	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager
NACADA

15. Sign

28/07/2022

DEPUTY ACCOUNTANT GENERAL
STATE DEPARTMENT FOR INTERIOR
Head of Accounting Unit 20510 - 00100
Ministry of Interior NAIROBI

Sign

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year	
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables		Others - must be specific
Ministry of Interior and Co-ordination of Government	31/12/2020	Recurrent	5,000,000	Statement of Financial Performance	-	-	-	-	5,000,000
Total			5,000,000	-	-	-	-	-	5,000,000

APPENDIX V: IMPLEMENTATION STATUS OF AUDITOR-GENERAL'S RECOMMENDATIONS

No issues raised by the external auditor that needed management comments.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A				