

MINUTES OF THE 50 GENERAL MEETING HELD IN THE CCU HALL OF THE UNIVERSITY OF NAIROBI - MAIN CAMPUS ON 18 MARCH 2023.

There were **876** members present.

Board of Management Members Present

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| 1. A.D. Sumaili | Chairman |
| 2. A. N. Wachira | Vice Chairman |
| 3. P.K. Mureithi | Treasurer |
| 4. M.K. Gachanja | Hon. Secretary |
| 5. R.N. Muteshi | Member |
| 6. P.W. Nyaga | Member |
| 7. G.G. Ogutu | Member |
| 8. M.A. Awiti | Member |
| 9. J.M. Mutea | Member |

Supervisory committee members present

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| 1. M. Mwaniki | Chairman |
| 2. G.N. Mburu | Secretary |
| 3. N.W. Muhari | Member |

Secretariat members present

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| 1. B.K. Chumba | Accountant |
| 2. M.A. Opiyo | Assistant accountant |
| 3. J.O. Bosire | Assistant accountant |
| 4. R.N. Wainaina | Loans Officer |
| 5. A.W. Wakaba | Loans Clerk |
| 6. E.M. Misigo | Office Assistant |

Interns

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| 1. Sharon Bomet |
| 2. Emmanuel Shimoli |

Invited guests

There were five invited guests as follows;

1. The Auditor-General
2. Director of Cooperatives - Nairobi City County
3. The Sacco Societies Regulatory Authority (SASRA)
4. Mbaya & Associates
5. The Chairman Ukaguzi Housing

PRELIMINARIES

The meeting was called to order at **9.18 am** after confirmation that 126 members had registered their attendance, the Chair requested Jorum Ngunyi M/No.2500 to offer the opening prayer.

AGENDA

The agenda of the day was as listed below;

1. Reading of notice convening the meeting and adoption of the Agenda.
2. Confirmation of minutes of the 49 General meeting held on 26 March 2022.
3. Report from the Chairman of the Board.
4. Report from the Supervisory Committee.
5. The Financial Statements and Auditor's report for the year ended 31 December 2022.
6. To approve the budget for the year 2024.
7. Appointment of an Auditor for the year 2024.
8. Amendments to bylaws sections 11.1 (Prescribed minimum shares) and 11.2 (Maximum shareholding).
9. Resolutions.
10. To elect Board and Supervisory Committee members.
11. To transact Any Other Business of the Society for which adequate notice is received.

The agenda as read out to the members by the Hon. Secretary was proposed for adoption by Daniel Ng'onga' M/No.2670 and seconded by Simon Muchera M/No. 2739. The agenda was therefore adopted to guide the proceedings of the meeting.

MIN.1/18/3/2023 – EDUCATION TO MEMBERS

The members' training was conducted by J.O. Bosire – an Accountant, who highlighted the Society's products and urged the members to patronize the various products for the continued growth of the Society

MIN.2/18/3/2023-CONFIRMATION OF MINUTES OF THE 49 GENERAL MEETING

The Chairman led members present in observing a moment of silence in honor of deceased members.

The Hon. Secretary then took the meeting through the minutes of the 49 General Meeting that was held on 26 March, 2022. The minutes were confirmed as a true representation of the proceedings of that General Meeting as proposed by Patrick Muriuki M/No. 2921 and seconded by Christine Owala M/No.2602.

MIN.3/18/3/2023- MATTERS ARISING

The Chairman confirmed to the meeting that all resolutions of the 49 General Meeting were implemented as resolved. Members present concurred and confirmed that there were no matters arising.

MIN.4/18/3/2023- REPORT FROM THE BOARD CHAIRMAN

The Chairman introduced members of the Board, Supervisory Committee, and staff, he then proceeded to take the meeting through the report to the 50 General Meeting. The meeting was informed that the Society had been awarded three trophies during the Ushirika day celebrations namely, The Most efficient SACCO Countrywide (Position 3), The most efficient Non-WDT SACCO (Position 3), and the best in savings Non-WDT (Position 3).

MIN.5/18/3/2023-REPORT OF THE SUPERVISORY COMMITTEE

The Chairman of the Supervisory Committee presented their report to the meeting.

ADOPTION OF REPORTS

The reports of the Board and Supervisory committee were proposed for adoption by Sammy Ng'ati M/No. 1927 and Seconded by Priscilla Mwaniki M/No.2236

MIN.6/18/3/2023 - AUDITOR'S REPORT FOR THE YEAR ENDING 31 DECEMBER 2022

The Auditor, Mbaya & Associates, presented his report on the Financial Statements for the year ended 31 December 2022 and stated that in his opinion, the financial statements presented fairly in all material respects the financial position of the Society as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with international financial reporting standards (IFRS) and the requirements of the Cooperative Societies Act Cap. 490 as well as SASRA regulations.

ADOPTION OF THE AUDITOR'S REPORT AND FINANCIAL STATEMENTS

The report of the Auditor and the financial statements was proposed for adoption by Jacqueline Isiaya M/No. 1960 and seconded by Jane Mutugi M/No.2216

MIN.7/18/3/2023 – REACTIONS TO THE REPORTS

The members reactions to the reports.

Name	Reaction	Comment
Simon Muchera M/No.2739	The member expressed concern over the frequent requests for post facto authority for the over-expenditure on Software maintenance. He further suggested that the budget process should be looked into to ensure adequate budget.	The Treasurer informed the meeting that the increase was a result of the change from the local server to Cloud processing, this resulted in increased cost as there was more storage space required on the cloud as well as connectivity charges.
Arthur Karagu M/No.1060	<p>The member proposed the increase in minimum share capital, by capitalizing interest on deposits to shares instead of member deposits, he further proposed that cash would then be required from those whose amounts would not amount to KES.10,000.00.</p> <p>The member sought clarification on the proposed KES. 30 Million for Office space.</p> <p>Audit report He noted that the figure of Loans to members in the</p>	<p>The member was informed that his proposal would be considered during the making of resolutions.</p> <p>The meeting was informed that the Inadequacy of office space had been a challenge, which was highlighted by the External and internal auditors as well as regulator during authorization. It was noted that the current space was not adequate for staff and the Society would not have space for an additional staff should the need arise.</p> <p>The variance between the Financial Statements and the Supervisory report was due to the impairment provision, the</p>

	<p>Financial Statements varied with that in the supervisory committee report by approx. KES. 25 Million, he wanted the variance explained.</p> <p>He noted a variance on Audit fees KES.309,000.00 as stated in The Financial Statements, and Supervisory report KES.313,000.00.</p> <p>He questioned the rationale for the Madison Investment of KES. 70 million, noting that the amount would earn better returns if invested in Govt. papers.</p>	<p>Supervisory Committee having stated the gross figure.</p> <p>The separation of Audit and supervision functions.</p> <p>The meeting was informed that the Madison Investment was Fixed for 3 months since it offered better returns than CIC, Members were further informed that Madison is regulated by CMA and the investment was only made after thorough due diligence.</p> <p>The meeting was informed that the investment was occasioned by the management's desire to earn reasonable returns on excess funds, which would not generate any income if left in the Society's current account. Members were informed that the management would prefer that all society cash is with members in the form of loans.</p> <p>The Board agreed that the Govt. Papers (Bills & Bonds) were earning good returns and informed the meeting that the process of opening a CDS account had been considered and was being pursued.</p>
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	<p>He questioned the high retaining rate instead of distributing to members, he noted that the reserves had hit KES.300 Million.</p>	<p>The meeting was informed that due to the moving trend as noted in changes in deposits and loans, the current ratio is 9.4% while the regulator is at 8%. The Society is in a good position, the reduction of reserves as proposed may result in the Society being below the regulatory ratio.</p>
<p>Sammy Ng'ati M/No.1927</p>	<p>The member wanted a justification for the proposed increase in minimum share capital, he sought clarification on whether the share capital was within the SASRA Requirements.</p> <p>On the proposed Office acquisition, the member wanted it to be confirmed, if the BBF bylaws provided for such an investment. He observed that the BBF lends to the Society and suggested that more research and consultation be carried out.</p> <p>The member expressed concern with the Supervisory Committee report on the lack of a dividend policy and drew attention to the 44 General Meeting resolution.</p> <p>Auditor's report He sought clarification from the Auditor on the emphasis of matter, in relation to IAS 706 on interest earned from loans to members, and sought an</p>	<p>It was observed that the Society was within the SASRA requirements, the meeting was informed that the increase would provide adequate provisions in terms of Capital Ratios, and in enhancing cash flow.</p> <p>The meeting was informed that the figures were reconciled, the variance of appr KES.950,000.00 was well</p>

	<p>explanation regarding the variance as generated by the system and schedules presented he further noted that the Auditor cannot have an emphasis of matter on an issue the management have not disclosed.</p> <p>The member noted that the Loan product of 84 months had been the best-earning product, and expressed concern with the duration of the loan. He noted that the long tenure may constitute a risk.</p> <p>The member sought an explanation on the Reduction of interest income from investment with CIC.</p>	<p>explained to the Auditor during the audit process.</p> <p>The meeting was informed that the members preferred the long tenure loans, due to the monthly deductions, the management noted that with the introduction of the 96 months loan, there is likely to be a shift, which will result in the product doing better than the 84 months.</p> <p>The meeting was informed that the Society mitigates the long-tenure loan risk by choice of members, during admission, which provides assurance for recovery, the Board undertakes a risk assessment on the members qualifying for loans during appraisal.</p> <p>The Board noted that the Audited Financial Statements confirmed the sustainability of revenue income.</p> <p>The meeting was informed that the investment was a MMF and that there had been a general reduction in the industry, however, CIC still remained one of the best MMFs in the market. The Board had taken cognizance of the reduction in interest and had begun plans to open a CDS account by obtaining a mandate card to enable the purchase of Government papers.</p>
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	<p>He requested clarification on whether the capitalization of interest on members' deposits was done in 2021</p> <p>He supported the proposal to Capitalize 2.7% to share capital instead of Member deposits.</p>	<p>The member was informed that the amount was capitalized to members' deposits.</p> <p>The meeting was informed that the board would consider the proposal, after a resolution of the AGM to increase Share capital, as proposed by the Board.</p> <p>The meeting was further informed that plans had been made to issue share certificates to members and that a notice board may be erected for the purposes of informing members who want to buy or sell shares.</p>
Joash Ogutu M/No.1176	<p>The member Sought clarification on whether the procurement process was followed in procuring Software support.</p> <p>The member sought justification for the KES. 5 Million for Software acquisition. He further wanted an explanation on the identified software vendor.</p> <p>He sought justification on the proposed purchase of office space using BBF.</p>	<p>The meeting was informed that EOI to supply the Society with MIS was advertised in the Nation newspaper on 11 March 2023, the meeting was further informed that the specifications were prepared after benchmarking on societies of similar size and larger ones.</p> <p>The meeting was informed that the KES.5Million was approved in the previous General Meeting and noted that the amount was not spent, hence the reason for the request for the year 2023.</p> <p>The member was referred to the response provided to the</p>

	<p>He also sought an explanation on the reason for changing the County Cooperatives Auditors with private auditors.</p>	<p>other member who had sought clarification on the matter.</p> <p>The member was informed that it was a requirement under Section 45(b) of the Sacco Societies Act, that regulated society can only appoint auditors on the authorization list issued by SASRA every year. The meeting was informed that the County Cooperatives Auditors were not on the list of authorized auditors.</p>
Kenneth Mugambi M/No.2520	<p>The member supported the proposal to purchase office space with BBF funds, he noted the continued growth of the fund and observed that there were sufficient funds. He emphasized his observation by drawing the meeting to Public Health and safety laws on work space noting that the current space may not be within the requirements of the law. He highlighted the risk of closure due to failure to provide staff with acceptable office space.</p> <p>The member supported the proposal to capitalize the interest on deposits to share capital and cash injection be required from those members where the required amount of KES.10,000.00 cannot be attained.</p>	<p>The Chairman noted the member's concerns and thanked him for the observations.</p>
Lillian Mwakali M/No.2844	<p>The member noted that the office space was quite small, and asked if the Board had considered requesting the AG for more office space</p>	<p>The meeting was informed that the OAG had a challenge of office space, they are not very likely to provide additional space, when the OAG does not</p>

	<p>She observed that there was a marginal increase in membership, of 65 new members, and asked the Board to give strategies being taken to increase membership as enumerated in the Strategic plan.</p> <p>Audit report The member noted that the Total assets increase is projected to be 3.6 Billion in 2025, and asked how the Society would attain the KES.4Billion as stated in the Strategic Plan.</p>	<p>have adequate space for its staff.</p> <p>The meeting was informed that the Society's common bond is the Public Service, the Society, therefore, has limited catchment but has increased efforts to recruit more members. By offering a token for any member who recruits.</p> <p>The meeting was informed that the SP is a planned target, and that the 96 months loan is expected to increase loans uptake, the bank loans are expected to hit the 18% interest rate mark, and therefore improve the uptake of SACCO loans.</p>
Titus Mutai. M/No.3800	The member expressed concern over the IT System and noted the post facto request for software over expenditure, he suggested that it would be prudent for the Society to recruit an IT staff to handle software challenges.	The meeting was informed on the need to review staff cost, and office space if recruitment was to be considered. The management informed the meeting that there are inherent risks associated with the recruitment of IT staff. The meeting was further informed that the Society has been Tapping into officers at the OAG to assist whenever there was a need.
Martin Kilungu M/No.2680	The member suggested that the Society may consider holding Hybrid meetings, he sought confirmation on the provisions of the bylaws.	The meeting was informed that the Society bylaws provide for both Physical, Virtual, and Hybrid meetings. The management informed the meeting that the choice is determined by the approved budget.
Mary Ojakaa M/No.2742	The member requested the management to consider payment of special allowance	The Lunch shall be maintained and revised in the next AGM

	and transport for retired members.	The transport allowance for retirees shall be given as per rates for each region.
Carilus Mc'affulo M/No.3947	The member sought clarification on how effective the recruitment for new members was being undertaken. He suggested that the management should redouble their efforts in the recruitment of new members.	The meeting was informed that the Society has been relaying on its members to recruit new members. The members were informed of the token consisting of KES.500.00 for every new member recruited.

MIN.7/18/3/2023 - RESOLUTIONS ON THE CHAIRMAN'S REPORT

No.	Resolution	Proposer and Seconder
1.	Dividends/Interest Distribution The Board proposal for the payment 20% Dividends on share capital and 12.7% interest on deposits and the Board recommendation to capitalization to member deposits of 2.7% and a payment in cash of the remaining (10%). Were approved.	Proposed. Pricilla Maina M/No.2232 Seconded. Sammy Ngati M/No.1927 <i>Capitalization to share capital, cash expected from those who cannot attain KES.10,000.00</i>
2.	Increase in Minimum share capital The Board's proposal to increase the Minimum share capital from KES.10,000.00 to KES.20,000.00 was approved and in compliance with the SASRA regulations, the increase was agreed to be done through fresh cash injection The meeting further resolved that members finish payment for the additional shares on or before 30 June 2023.	Proposed. Jeriah Amenya M/No.2902 Seconded. Jane Mutugi M/No.2216
3	Maximum Share Capital The Board proposal for the amendment to By-Law 11.1 to set a maximum shareholding by a member at KES.500,000.00 from the current level of 1/5 of the total share capital was approved.	Proposed. Andrew Mwambua M/No.3857 Seconded. Philemon Ngaira M/No.3395

4	Staff Bonus The Board proposal for the payment of staff bonus of KES. 700,000 was approved.	Proposed. Martin Kilungu M/No. 2680 Seconded. Anne Kairu M/No. 2314
5	Maximum Loan Ceiling The Board proposal to retain the maximum loan limit to members at KES.10Million, was approved.	Proposed. Samuel Kinyanjui M/No.3964 Seconded. Sharon Bett M/No.3377
6	Honoraria The Board's proposal to pay a honoraria of KES.1, 500,000 was approved.	Proposed. Jacqueline Isaya M/No.1960 Seconded. Lucy Njerenga M/No.2487
7	Acquisition of office space The Board proposal to spend KES. 30 Million from the BBF fund for the purposes of acquiring an office space was approved.	Proposed. Kenneth Mugambi M/No.2520 Seconded. Julie Musandu M/No.2474
8	Maximum Borrowing Powers The maximum borrowing powers of the Society was retained at KES. 120 million.	Proposed. Joash Ogutu M/No.1176 Seconded. Aaron Onchoke M/No.2964
9	Appointment of Auditor The Board recommendation for the appointment of M/s Mbaya and Associates to Audit the Society's records for the year 2023 was approved. In compliance with Sacco Societies Act Sec.45 (b) The Firm was confirmed to be on the list of SASRA Approved Auditors for 2023.	Proposed. Daniel Ngonga M/No.2760 Seconded. Anne Chege M/No.2990
10	Elections Vetting committee The term of the vetting committee was extended, Mr. J.V.K. Michuki, Mrs. R. W. Githiaka, and Mr. O.G. Chweya shall serve in 2023. The Board proposal for retirement by rotation shall take effect from the year 2024.	Proposed. Arthur Karagu M/No. 1060 Seconded. Fred Makori M/No.2942
11	Post Facto approval The meeting approved the over-expenditure of the amounts and items listed below. Software support; 512,000.00 Education to members; 93,546.00 General Meeting; 854,240.00 Office expenses; 249,878.00	Proposed. Peter Soi M/No.2817 Seconded. Kenneth Mugambi M/No.2520

12	Supplementary Budget The meeting approved the supplementary budget on items as listed below to add to the year 2023 budget. Software acquisition 5,000,000.00 Governance & Consultancy 500,000.00 Printing & Stationery 100,000.00 Postage & Telephone 50,000.00 50th Anniversary Celebrations 500,000.00	Proposed. Samuel Kinyanjui M/No. 3964 Seconded. James Meeme M/No. 3101
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MIN.8/18/3/2023 – REMARKS BY INVITED GUESTS.

Guest	Institution	Remarks
Jacqueline Isaya	Ukaguzi Housing	She thanked the Board for the invitation and gave the meeting a brief history of the Housing Society. <ul style="list-style-type: none"> ➤ The members were informed of the completed and upcoming projects and were urged to join to enable their participation in the proposed projects
Mr. Davis Kathurima County Cooperatives officer - Nairobi City County.	Nairobi City County	He noted the following <ul style="list-style-type: none"> ➤ He commended the Board and members for the double-digit interest on deposits and for conducting the AGM within the stipulated timelines. ➤ He emphasized on the need for vetting all prospecting candidates to ensure effective governance of the Society. ➤ He observed the need to leverage on technology to serve members better and urged management to take note on the need for Cyber Security, which he noted was a major risk. ➤ He informed members that the department was cautioning Saccos not to over focus on generating more interest on deposits, he noted that under the movement, dividends and interest on deposits should not be the main focus.

		<ul style="list-style-type: none"> ➤ He Commended the proposed increase in share capital as it would help strengthen the institution. ➤ He informed the meeting that the proposed bill on cooperatives shall have radical changes to the movement, and the department would be guiding the Movement. Some of the proposals in the bill shall be the need for Societies to set up a fund to buy shares from members who exit the Society and wish to dispose their shares. ➤ He commended the members for turning up in large numbers and for the active participation during the General Meeting.
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MIN.9/18/3/2023- BUDGET FOR THE YEAR 2024

The Treasurer presented the budget for 2024 with a gross income of KES. 358,400,000.00 and gross Expenditure of KES.357,410,000.00 resulting in a surplus to appropriations of KES. 990,000.00 The Capital expenditure of KES. 300,000.00 for Furniture and fittings and KES.500,000.00 for Computer accessories was also presented for approval. The budget was proposed for adoption by Simon Muchera M/No. 2739 and seconded by Carol Abongo M/No. 3034

REACTIONS TO THE BUDGET

Name	Issue	Reaction
Sammy Ng'ati	Requested for a justification for the increase in Audit and supervision fees, noting that difference with the actual expenditure.	The Treasurer noted that the ensuing year would be the first year that the Regulator would start charging fees at a rate of 0.1% of the KES. 2.7 billion loans to members.
Kenneth Mugambi	Sought clarification on the recruitment of a marketer and proposed that the token for recruitment be increased to KES.1000	The meeting was informed that there was a need for someone/a marketer to spearhead and monitor the recruitment of new members.

Carilus Mc'affulo	The member was concerned about the Staff costs on insurance and medical costs and recommended that the Society takes out medical insurance for staff.	The meeting was informed that the Society had undertaken insurance for the medical Inpatient and was refunding outpatient claims. The management informed the meeting that it shall consider taking out Group Accident Cover insurance cover for staff.
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RESOLUTION

The meeting approved the proposed budget as proposed by Daniel Ngonga M/No.2760 and seconded by Samuel Kinyanjui M/No. 3964.

MIN.10/18/3/2023 - ELECTIONS

The elections were preceded by the tabling of the vetting committee report by the Chair. The report highlighted the names of the members approved to vie for positions in the Board of Management and supervisory committee as follows;

1. Alfred D. Sumaili – Board of Management
2. George G. Ogutu – Board of Management
3. Sammy M. Ng'ati – Board of Management
4. Lilian B. Mwikali – Board of Management
5. Fredrick O. Oluoch – Board of management
6. James M. Meme – Board of management
7. Nancy W. Muhari – Supervisory
8. Priscillah W. Mwaniki – Supervisory

The returning officer invited those retiring by rotation and proceeded to declare the positions vacant. He then invited all candidates to make brief remarks to the members, and he then conducted the elections.

Board of management election results.

Candidate	Proposer/ Seconder	Votes
Alfred D. Sumaili M/No.1017	Proposed. Samuel Kinyanjui. M/No.3964	331

	Seconded. Lucy Njerenga M/No.2487	
George G. Ogutu M/No.1627	Proposed. Simon Muchera M/No. 2739 Seconded. Eunita Gathee M/No. 3026	337
Sammy M. Ng'ati M/No.1927	Proposed. Lucas Oranga M/No. 3834 Seconded. Fredrick Mwangi M/No. 3332	258
Lilian B. Mwikali M/No.2844	Proposed. Fred Makori M/No. 2942 Seconded. Emmaculate Cherop. M/No 2763	92
Fredrick O. Oluoch M/No.2158	Proposed. Patrick Muriuki M/No. 1921 Seconded. Jackline Akelo M/No. 2429	248
James M. Meme M/No.3101	Proposed. John Leaduma M/No. 3142 Seconded. Sharon Bett M/No. 3377	233

RESOLUTION

The election results were as listed above; **George G. Ogutu M/No.1627, Alfred Sumaili M/No.1017, and Sammy Ng'ati M/No.1927** were declared as duly elected members of the **Board of Management**.

Supervisory Committee Election

The returning officer invited the two candidates for the position in Supervisory committee to make brief introductory remarks before the elections. The voting was then conducted and the results were as listed below;

Name of Candidate	Proposer and Seconder	Votes obtained
Nancy Muhari M/No.2022	Proposed. Jacqueline Isiaya M/No.1960 Seconded. Violet Odera M/No. 2543	190
Priscillah Mwaniki M/No.2236	Proposed. Joseph Wainaina M/No.2598 Seconded. Samuel Kinyanjui M/No. 3964	72

RESOLUTION

Nancy Muhari M/No.2022 was declared a duly elected member of the **Supervisory Committee**.

MIN.11/18/3/2023 - VOTE OF THANKS

The Chairman invited Herrik Ondigo M.No.1701 to give a vote of thanks, he began by thanking God for enabling the members to attend the meeting, and he thanked the cooperators for attending the important meeting to deliberate on their investment in the Society. He commended the Board and staff for the stellar performance, as evidenced by the two digits interest on deposits, which he noted was very good when compared with other SACCOs, he urged the Board and staff not to rest on their laurels, but to continue stirring the Society to better performance. He then wished members present safe journeys to their respective destinations.

MIN.12/18/3/2023 – ADJOURNMENT

The meeting was adjourned at 4.35 pm with a closing prayer by Jane Mutugi M/No.2216.

Prepared by:**Mark K. Gachanja****Hon. Secretary****Sign.....****DATE.....****Confirmed by:****Alfred D. Sumaili****Chairman****Sign.....****DATE.....**