

KENVERSITY CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED

MINUTES OF THE 48TH KENVERSITY SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED ANNUAL GENERAL MEETING HELD ON 16TH MARCH 2024 AT KENYATTA UNIVERSITY SCIENCE ZONE 39 HALL STARTING AT 9.30 AM.

Board of Directors present

- | | |
|--------------------------|---------------------------|
| 1. Prof. George Makokha | - Chairman |
| 2. Mr. Patrick Kilonzo | - Vice Chairman |
| 3. Stephen Kiarie | - Hon. Secretary |
| 4. Dr. Ambrose Jagongo | - Treasurer |
| 5. Mrs. Jessica Makokha | - Board Member |
| 6. Dr. Kennedy Awour | - Board Member |
| 7. Dr. Priscilla Gitonga | - Board Member |
| 8. Mr. Andrew Macharia | - Board Member |
| 9. Mrs. Mary Ngugi | - Board Member |
| 10. Mr. Alfred Korir | - Chief Executive Officer |

Supervisory committee members present

- | | |
|----------------------|-------------|
| 1. Dr. Shadrack Bett | - Chairman |
| 2. Mr. Arthur Owino | - Secretary |
| 3. Mr. Joseph Mutata | - Member |

In attendance

- | | |
|---------------------------|----------------------------------------------------------|
| 1. Kennedy Otaji | - Deputy Commissioner of Co-operatives development |
| 2. Mrs. Dolphine Aremo | - Director of Co-operatives, Nairobi city county |
| 3. Mrs. Roseline Nyamache | - Director of Co-operatives, Kasarani- Sub –County |
| 4. Ms. Susan Kerubo | - Co-operative officer, Kasarani –Sub-County |
| 5. Mr. James Ngugi | - Mbiyu Muhia Certified Public Accountants of Kenya |
| 6. CPA. Joshua Meru | - Mbiyu Muhia Certified Public Accountants of Kenya |
| 7. Dr. Peter Kibutu | - Vice Chairman of Kenversity housing Limited |
| 8. Mr. Robert Owino | - Senior Nairobi regional Manager KUSCCO |
| 9. Edward Mutuaruhia | - Co-operative Bank, head of SACCO Banking relationships |
| 10. Mr. Edmond Kuto | - Co-operative Bank, relationship Manager |
| 11. Mr. Collins Randiki | - Representative from Finsco Africa |
| 12. CPA. Patrick Iravo | - Finance and Administration Manager |
| 13. Mr. Cyrus Libogo | - Business and Marketing Manager |
| 14. Mr. Paul Njagatha | - Internal Audit Manager |
| 15. Mr. Philp Omondi | - Sign language interpreter |

Members present

There were four thousand two hundred members (4,200) members in attendance (**Attached list**)

Agenda

1. To confirm Quorum of the meeting to transact business.
2. Reading and adoption of the Notice convening the meeting.

3. To note apologies
4. Consider and confirm the previous minutes of the 47th AGM held on 4th March, 2023
5. Matters arising from previous minutes of the 47th AGM held on 4th March, 2023.
6. Consider and adopt the Chairman's report
7. Address by the Guest of Honor
8. Consider and adopt report of the Supervisory Committee
9. Presentation and adoption of the Audited financial statements and report for the period ending 31st December, 2023.
10. Consider and approve proposed resolutions
11. To consider and appoint External Auditors for the financial year ending 31st December, 2024.
12. To consider and approve borrowing power at a maximum Ksh.200 Million.
13. To consider and approve indemnity at five hundred Kenya Shillings for Board and supervisory committee.
14. To consider issues where due notice was given in accordance with the Society By-Laws
15. Launching of ISO 9001;2015 certification
16. Elections: -

PRELIMINARIES

- i. The meeting started at 10.10 a.m. and was proceeded by a word of prayer from Mrs. Joyce M. Nansongo M/No.7298.
- ii. The Chairman introduced the Guests, Board of Directors, Supervisory committee members Management staff and sign language interpreter to the members.

MIN 1 /AGM/2024 TO CONFIRM QUORUM OF THE MEETING TO TRANSACT BUSINESS

There were 1009 members present constituting a quorum to transact business above the minimum requirement of 100 as per Sec. 35 of Sacco Bylaws.

MIN 2/AGM/2024 READING AND ADOPTION OF THE NOTICE CONVENING THE MEETING

The Hon. Secretary read the 47th AGM notice convening the meeting which was proposed by Alfred Simiyu Wawire M.NO. 4685 and seconded by Humphrey Mwangi Waweru M/NO. 6988 for adoption.

MIN 3/AGM /2024 TO NOTE APOLOGIES

There were no apologies recorded.

MIN 4/AGM/2024 CONSIDER AND CONFIRM THE PREVIOUS MINUTES OF THE 47TH AGM HELD ON 4TH MARCH, 2023

The Minutes of the 47th AGM held on 4th March, 2023 were read by the Hon. Secretary. They were proposed and seconded by Peter Amos Onyango MNO. 5112 and Stephen Monanda MNO. 12199 respectively as true record.

MIN 5/AGA/2024 MATTERS ARISING FROM PREVIOUS MINUTES OF THE 47TH AGM HELD ON 4TH MARCH, 2023

1. Non remittances owed by Kenyatta University decreased from KES 197 Million reported in 2022 to KES 170 Million as at 31st December, 2023. Other institutions had fully settled their obligations.
2. Bylaws amendments were circulated to the members through KENVERSITY official website. Members were requested to forward their views to the office before adoption during the next special general meeting.
3. Delegates system of governance was to be entrenched in the bylaws for members' adoption after incorporating their views.
4. Branch and satellite offices expansion were on course of establishment for increased membership and Sacco presence in Kenya.
5. Micro-Credit members accessed Tujijenge Tuinuke, Tujijenge Super and Tujijenge premier loans to a maximum of KES 500,000 and maximum repayment period of 60 months.
6. The elections at Kenversity Sacco were not discriminative and were managed by election Board comprising of the Sub -County Director of Co-operatives, Chief Executive Officer and a Lawyer. Members were encouraged to apply for the positions.
7. Members were jointly and severally liable for guaranteed default loans. They were to be careful while guaranteeing.
8. Sacco Regulatory Authority (SASRA) had stopped allotment of free shares to members since Kenversity Plot and Plaza was constructed through loans proceeds. Members were advised to separate the business of savings and credit and housing which other Co-operatives had adopted.

MIN6/AGM/2024 CONSIDERATION AND ADOPTION OF THE CHAIRMAN'S REPORT

The Chairman's report adopted after being proposed and seconded by Catherine Wanja Njeru MNO. 10,007 and seconded by James Odhiambo Alai MNO. 5954 respectively.

Noted: -

1. That Loans interest to members did not increase despite increase in the banking Sector to 17.96% and 18.24% during the year due to distinguished Co-operative business model.
2. Growth in membership increased by 13% to 7,906 above the recommended 5% for growing SACCOs by world council of credit unions of whom 52% were male and 32% below youthful age of 35.
3. That 301 members were dormant and 375 withdrew from the SACCO because of retirement, financial distress and death.
4. Delegates system of governance was to enhance equitable member representation in decision making process and governance of meetings.
5. Total assets of the SACCO increased by 5% to KES 3.7 Billion, 72% were loans to members totaling to KES2.7 Billion.
6. Non-performing loans increased from KES 206 Million reported in 2022 to KES227 Million as at 31st December, 2023.

7. That KES517Million revenue was raised for the financial year ending 31st December,2023 representing 13% growth of the previous year.
8. Savings mobilization increased to KES 2.7Billion and liquidity ratio to 19.5% as at 31st December, 2023.
9. Insurance to loans increased to KES29Million reporting a net loss of KES1.6Million. The Chairman proposed increase of the risk fund contribution to KES500 or KES300 with an additional of 2% insurance charge on loans. The fund could be applied to refund deposits at two (2) times, payment of fifty thousand (KES50,000) last funeral expense for a principal member and twenty thousand Kenya Shillings (KES 20,000) for any four (4) nominees upon death.
10. Share Capital had increased to KES 102 Million with 1246 members having contributed above the minimum of KES10,000 while Core Capital had increased to 591 million. Members were to purchase the minimum shareholding of KES10,000 for increase of Core capital and liquidity.
11. Members were educated during the education day, at their respective regions, Board of Directors and Staff on governance in Co-operatives Societies and emerging issues.
12. The SACCO carried out corporate social responsibilities of growing threes at Kenya Institute of Special Education (KISE) and painting Ruiru Market during the financial year ending 31st December, 2023.
13. The Chairman thanked the three retiring Board and one Supervisory committee members for their exemplary contribution to the SACCO during their tenure and requested members to elect candidates diligently.
14. The Society was on the course of transforming to full National payment system during the year.

MIN 7/AGM/2024 ADDRESS BY THE GUEST OF HONOR

Noted: -

1. Co-operatives were change agents in Social economic growth through improvement of people's lives through savings mobilization for affordable loans and creation of jobs.
2. The Co-operative bill 2020 was before Parliament with proposals to entrench National payment system, share transfers, inter sacco borrowings for improvement of liquidity and Sacco guarantee fund among others.
3. The Society was applauded for not using external borrowing to finance its core activities,
4. Revenue, assets and capital increased during the financial year ending 31st December,2023.
5. Investments in Technology, innovation and research was integral to the SACCO for enhanced propositions and value addition.

MIN8/AGM/2024 CONSIDERATION AND ADOPTION OF THE SUPERVISORY COMMITTEE REPORT.

The Supervisory committee report was proposed by Ronald Bukachi Ingunzi MNO.4787 and seconded by Francis Omweri Onsongo MNO. 7210 for adoption.

Noted: -

- a) Revenue generated of KES517 Million was in variance of the projection for the financial year ending 31st December, 2023 by KES56Million.
- b) The Society budgeted expenditure was above by KES13Million before interest and dividends.
- c) Delays in non-remittances was affecting liquidity negatively, revenue growth and core capital.
- d) Delinquency loans ratio of 7.7% was above the industry benchmark of 5%. Communications to members and recoveries delayed, internal controls were weak and guarantors were not cushioned against loans defaulters.
- e) Claims of KES7,652,437.42 for the year 2022/2023 and deposit refunds from KUSCCO delayed affecting members negatively.
- f) Mid-term review of Strategic plan implementation and alignment of resources was long overdue.
- g) The SACCO was to speed the implementation of modern call center, integrated accounting system (Navision) and Electronic data management system (EDMS) for enhanced delivery of services.
- h) Communication to members on drastic changes were to be effected in advance, refunds overduction on loans and interest and address lapses in internal control system for customer satisfaction.
- i) The Board was to enhance performance on good governance, Savings mobilization, membership growth and expansion to branches to guarantee awards during Ushirika day among peer reviews.
- j) The SACCO was to build relationships with key stakeholders for enhanced competitiveness and value proposition.

MIN9/AGM/2024 PRESENTATION AND ADOPTION OF THE AUDITED FINANCIAL STATEMENTS AND REPORT FOR THE PERIOD ENDING 31ST DECEMBER, 2023.

The external Audit report and financial statements for the period ending 31st December, 2023 were proposed by Shadrack Maina Mambo MNO. 7078 and seconded by Lawrence Nyaga Njeru MNO. 8681 for adoption.

Noted: -

- 1. The external auditors observed that the books of Accounts prepared by the Board were in agreements with the financial statements, reflected true and Fairview and were prepared in accordance with International Accounting Standards.
- 2. The assets, revenue and core capital increased as per the audited report for the period.
- 3. That KES173,830,607 were owed to KENVERSITY SACCO by Kenyatta University and other institutions coding employees' salaries.
- 4. The Society met Regulatory requirements as therein stated and nothing material was foreseen to jeopardize the going concern during the twelve months' period.
- 5. The Society made surplus from which 20% dividends was proposed to share capital of shillings 20 each and 10.9% on interest on non-withdrawable interest.

MIN10/AGM/2024 CONSIDERATION AND APPROVAL OF PROPOSED RESOLUTIONS

1. The members approved 20% dividends on Share Capital for the financial year ending 31st December,2023 from surplus. This was proposed by Samuel Micheni Mucheke MNO. 11589 and seconded by Pamela Owiyo Awour MNO. 3161 for adoption.
2. Interest on members non withdrawable deposits of 10.9% from surplus was anonymously approved. This was proposed by Ephraim Wang'ombe MNO. 1881 and seconded by Joseph Ouma MNO. 4931 for adoption.
3. Honorarium for the Board of Directors and Supervisory committee members of three Million three hundred and twenty-seven thousand one sixty-seven Kenya Shillings. (KES 3,327,167) was approved. This was proposed by Belta Makato MNO.687 and seconded by Duncan Owiti MNO. 1755.
4. Dr. Stephen Molanda MNO. 12199 and Christopher Maura MNO.7886 proposed and seconded for adoption of staff Bonus respectively of Three Million Two hundred and Twenty-Seven eight thousand Kenya Shillings (KES 3,278,000). The Members approved the award of bonuses.
5. Monthly Risk Management fund was proposed to be increase from Three hundred Kenya Shillings (KES300) to four hundred Kenya Shillings (KES400) by Eugene Mutembei MNO. 687and seconded by Ephraim Wangombe' MNO. 1881. The contribution will cater for loans insurance, two (2) times members' non withdrawable deposits refunds, fifty thousand Kenya Shillings (KES50,000) for Principal Member as last funeral expense and Twenty thousand Kenya Shillings (KES20,000) for any four nominees upon death. This was approved by members with effect as from January 2025.

MIN 11/AGM/2024 TO CONSIDER AND APPOINT EXTERNAL AUDITORS FOR THE FINANCIAL YEAR ENDING 31ST DECEMBER, 2024

Three (3) names were presented to the general members to fill the office of external Auditor for the period ending 31st December,2024 for adopt.

Table 1- External Auditors

NO.	NAME OF THE AUDIT FIRM	AUDIT FEES	SACCO CLIENTELE
1	Gachau Maina & Company	232,000	Ammar Sacco Ltd, Azima Sacco Ltd, Capwell Sacco Ltd, Nath Brothers Sacco Ltd, Gatanga Farmers Co-op Soc. Ltd
2	ElitePro CPA & Associates	249,400	BAT Sacco, GS4 Sacco, Jogoo Regulated, Jungle Nut Sacco, Ubora Sacco, Transcom Sacco, Sauti Sacco, KITE Sacco, Lontels Sacco, Uchapaji Sacco

3	J. Memba & Associates	696,000	Afya Sacco, NACICO Sacco, Sheria Sacco, Hazina Sacco, Egerton University Sacco
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The list of external Auditors was proposed by Monicah Wambui Kimani MNO. 2230 and seconded by Rose Kinyanjui MNO. 7149 for adoption.

Agreed: -

That Gachau Maina & Company was selected to audit the Society financial statements and records for the financial year ending 31st December,2024 at an audit fee of two hundred and thirty-two thousand Kenya shillings (KES232,000) VAT inclusive.

MIN12/AGM/2024 TO CONSIDER AND APPROVE BORROWING POWER AT A MAXIMUM KSH.200 MILLION

The agenda was proposed by Peter Njogu Kibutu MNO. 9068 and seconded by Robert Luvisi MNO. 5554 for adoption. Members resolved to maintain borrowing powers at two hundred Million Kenya Shillings (KES, 200,000,000).

MIN 13/AGM/2024 TO CONSIDER AND APPROVE INDEMNITY AT FIVE HUNDRED KENYA SHILLINGS FOR BOARD AND SUPERVISORY COMMITTEE

This was proposed by Dr. Stephen Monanda MNO. 12,199 and seconded by Joseph Owino Buong' MNO.5554 for adoption. It was resolved that indemnity for Board of Directors and Supervisory committee be maintained at five hundred thousand Kenya Shillings (KES500,000).

MIN14/AGM/2024 TO CONSIDER ISSUES WHERE DUE NOTICE WAS GIVEN IN ACCORDANCE WITH THE SOCIETY BY-LAWS

The peoples' agenda moved by Dr. Meshack Onyambu MNO.7601 was proposed by Stephen Monanda MNO.12199 and seconded by Gideon Omondi MNO. 7258 for adoption.

1. A proposal to introduce one thousand five hundred Kenya Shillings (KES1,500) as transport allowance during election and an increase of general meetings allowance to two thousand Kenya Shillings (KES2000) per member excluding Cakes, Milk and Sodas was defeated.
2. Proposal to start general meetings at 8am and end by 3pm to encourage members' participations was defeated.
3. A proposal to hire a private Auditor to cause an independent audit on Society under an independent committee appointed by the members to investigate allegations on skewed employment, misappropriation and irregular allocation of tenders failed to attract enough votes.
4. Board of Directors instituting legal suits against members were proposed to step aside until such suits were determined to their logical conclusion by the courts was rejected.
5. Introduction of two term limits of six years for the Board and Supervisory committee members was rejected.

6. Suspension of Board and Supervisory Committee members benchmarking trips to foreign countries and non-essential employment at the SACCO as a measure to minimize expenditures for improvement of interest on deposit to 12% was declined.
7. A proposal to make full disclosures of the expenses during general meetings was declined.

MIN 15/AGM/2024 LAUNCHING OF ISO 9001: 2015 CERTIFICATION

The launching of ISO 9001:2015 certification was adjourned because the Certification Certificate was not issued on time.

MIN16/AGM/2024 ELECTIONS

The Sub-County Director of Co-operatives presented the aspirant to members who had been vetted by the election Board on table 2- Elections.

(i) Board of Directors

Table 2-Elections

NO.	Name of candidate	Status	Proposer	Secunder	Number of votes
1.	Prof. George Makokha	Chairman retiring and seeking re-election after serving for three terms.	Joel Okundi MNO. 10527	Gideon Omondi MNO.7258	1,182
2.	Mr. Patrick Kilonzo	Vice Chairman retiring and Seeking for re-election after serving for four times.	Bernard Sitanda MNO.9459	Linus Thomi MNO.7639	183
3.	Dr. Priscilla Gitonga	Board member retiring and seeking for re-election after serving for one year	Jackline Tuwei MNO. MFI594	Vitalice Omondi MNO.7469	1,529
4.	Ms. Hannah W. Mwangi	New candidate	Rose Kinyanjui MNO.7149	Martin Kinyanjui MNO.12119	1,447
5.	Mr. Alphonse M. Sila	New candidate	Andrew Bugo MNO.10615	Alfred Wawire MNO.4685	979
6.	Dr. David Osebe	New candidate	Meshack Onyambu MNO.7601	Japheth Omboi MNO.3833	1,662
7.	Dr. Daniel N. Akunga	New candidate	Linus Thomi MNO. 7639	Anthony Omondi MNO.12020	745
(ii)	Supervisory committee members				

1.	Dr. Daniel Okun	Former Supervisory committee chair seeking election after a one year break and served for one term	Duncan Witi MFIMNO.1755	Peter Onyango MNO.5112	675
2.	Dr. Francis P. Kerre	New candidate	Joseph Muiruri MNO.9986	John Kimathia MNO.2630	925
3.	Mr. Arthur Owino	Retiring and seeking for re-election after serving for one year.	Stanley Njoroge MNO.5554	Jonathan Kituku MNO.9988	1078

The votes were as detailed above and the following candidates with the highest votes count were declared as Board and Supervisory Committee members respectively.

BOARD OF DIRECTORS

- 1. Mr. David M. Osebe Position- 1
- 2. Dr. Priscilla Gitonga Position -2
- 3. Mrs. Hannah W. Mwangi Position -3

SUPERVISORY COMMITTEE MEMBER

- 1. Mr. Author Owino Position 1

The members will serve for a term of three (3) years each as per the SACCO bylaws and Co-operatives Act and Regulations.



The Vice Chairman Mr. Patrick Kilonzo passed a vote of thanks to all stakeholders which was proceeded with award of closing prayer from Mr. Andrew Bugo MNO. 10615 from Kenya Institute of Special Education.

The meeting was adjourned for election on 20th Wednesday March, 2024 starting at 8.00AM.

Minutes have been signed for confirmation as per Sec. 348(1) and 78 of the bylaws of by; -

Approved for

circulation by: -

Chairman

Sign

Date

Confirmed by :

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Board Member

Sign

Date

Confirmed by:-

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Chairperson

Sign

Date