



The 38th Annual General Meeting held on 9th March 2019 at the Desmond Tutu Conference Centre, Nairobi

Present

There were 490 Members present (See attached list)

In Attendance

There were 2 in attendance (See attached list).

Absent with Apology

Written apologies were received from 282 members (See attached list).

Agenda

1. Call to order, opening prayers and welcome remarks.
2. To read the notice convening the 38th Annual General Meeting.
3. To adopt the agenda of the 38th Annual General Meeting.
4. To confirm and adopt the minutes of the 37th Annual General Meeting held on Saturday 24th March 2018.
5. Presentation of the Central Management Committee (CMC) report for the year 2018;
6. Presentation of the Supervisory Committee report for the year 2018
7. To receive, consider and adopt the financial report for the period ended 31st December 2018.
8. To receive, consider and approve the revised budget for 2018 financial year and the proposed budget for the 2019 financial year.
9. To appoint an external auditor for the year 2019.
10. To receive, consider and adopt the proposed resolutions.
11. To elect, pursuant to Rule 28(1) of the Cooperative Societies Rules, the one (1) member of the Supervisory Committee retiring each year by rotation.
12. To elect, pursuant to Rule 23 of the Cooperative Societies Rules, the three (3) members of the Central Management Committee (CMC) retiring each year by rotation.

13. To transact any other business whose notice will have been received by the Secretary in accordance with the Society's By-laws.

Min. 01/38/AGM/09/03/2019: Call to Order, Confirmation of the Quorum and Opening Prayer

The Annual General Meeting was called to order by the Chairperson, Bernard Okok at 8.20am having ascertained the quorum as per the society's By-laws Sub-section 6.3 (a) which provides that:

'the presence of at least 25% of the total members of the Society or 75 members of the Society, whichever is lower, shall constitute a quorum for the conduct of the business at a General Meeting'.

The meeting opened with a word of prayer said by **Rev. John Gichimu MNO KS00066**

Min. 02/38/AGM/09/03/2019: Welcome Remarks and reading of the Notice Convening the Annual General Meeting

The Chairperson welcomed members to the meeting while recognizing in particular, those who were attending Kanisa SACCO AGM for the first time. He then read the notice convening Kanisa SACCO 38th Annual General Meeting (AGM) as required.

Min. 03/38/AGM/09/03/2019: Adoption of Agenda

The agenda was proposed for adoption by James Sudi Nabangi Mno. KS01237 and seconded by Charles Lwanga Simiyu **MNO. KS00846**.

Min. 04/38/AGM/09/03/2018: Confirmation of the Minutes of the 37th Annual General Meeting

The Chairperson sought clarification from the members if the minutes should be read word by word or go straight to the matters arising. Florence Iminza proposed that we go straight to the matters arising since the minutes were forwarded to members early in advance for them to read. This suggestion was seconded by Lydia Mugambi **MNO.KS02487**.

The minutes were thereafter received for discussions after being proposed by Mochama Mogaka Ombuki, **MNO KS01089** and seconded by Irene Kizito **MNO KS1110**.



MINUTES OF THE 38TH ANNUAL GENERAL MEETING HELD ON 9TH MARCH 2019 AT THE DESMOND TUTU CONFERENCE CENTRE, NAIROBI (Cont..)

Min. 06/38/AGM/25/03/2018: Matters Arising

- a) Nelson Opany **MNO. KS01343** noted that his name was misspelt as Nelson Mbayia on page 15 of the report. This was corrected to read Nelson Opany.
- b) Maureen Etemesi **MNO. KS02535** observed that some members had not read through the minutes and therefore requested the moderator to summarize the issues for their benefit. The moderator noted her concern but also indicated that the minutes had been sent prior to the meeting for members to read.

Min. 06/38/AGM/09/03/2019: The Central Management Committee (CMC) Report

The Management Committee report was presented by the Chairperson, Bernard Okok Obuoga. He started his presentation by recognizing the presence of Francis Asena **MNO. KS00005** who had tirelessly served the SACCO in different capacities in leadership and management since the Society's inception in 1981 to 2016. Key highlights of the report were:

- a. **Leadership, Management and office reorganization and strengthening:** - During the FY2018, all operations planned were realized as planned. Two policies were developed namely the *acquisition, management and disposal of collateral and CRB listing policy and guidelines*. The Management urged members to find time and get full orientation of these policies for understanding.
- b. **Leadership and Management Transition** where members were informed that during FY2018 the Society Finance and Administration Manager CPA Godfrey Mwangi, exited the SACCO for career growth. Following this, the Management appointed CPA Charity Mwangi as the Finance and Administration Manager. Further the Management appointed Casper Mutoro as the Credit Officer and recruited one staff Quinter Anyango Otieno to the position of Customer Relations Officer (CRO). During the same period a total of four students were admitted in and benefited from the Society's Academic attachment programme.

c. Achievements where the management reported the following:

- i. *Awards and recognition:* - The Society, during the year under review, took part in the SACCOs adjudications process under the National Council for Ushirika Day Celebrations where it managed to scoop two awards - First runners up, the Best in Savings Management; and First runners up, the Most Efficient SACCO - in the *Community-based Cooperative Society* sector.
- ii. *Membership development and retention:* - Membership growth realized an increase of 206 implying 12.9% which was better than the previous year, 2017's 10% but still fell below the projected SP's 30%; Dormancy increased from 617 in 2017 to 668 implying 51 members became dormant in 208 implying 8.3% as compared to 64% in 2017; and a total of 87 members withdrew from the Society as compared to 104 in 2017.
- iii. *Finances and Incomes— during the year under review, the Society realized positive growth in all financial sectors.*
 - a) Deposits grew Ksh. 306,337,750 in 2017 to Ksh. 348,584,712 an increase of Ksh. 42,246,962 implying a 13.8% growth.
 - b) Jiokee Savings scheme grew by 19.2% growth from Ksh. 6,425,242 in 2017 to Ksh. 7,660,854 in 2018 (an increase of Ksh. 1,235,612).
 - c) Share capital grew by Ksh. 2,901,339 from Ksh. 13,207,350 in 2017 to Ksh. 16,108,689 in 2018 translating to 22%;
 - d) Turnover increased by Ksh. 5,323,186 from Ksh. 31,983,189 in 2017 to Ksh. 37,306,375 reflecting a 16.6% increase;
 - e) Loan performance in 2018 proved to be among the best in the life of the Society. As compared to 2017, in which the loan performance was at Ksh. 339,181,150, the year in question realized Ksh. 388,492,713 which is Ksh. 49,311,563 translating to



14.5% growth; and

- f) Dividends and Interest on deposits realized growths of 3.8% and 6.4% respectively in which dividends increased from 11.36% in 2017 to 11.79% in 2018 while interest on member deposits managed a growth of 6.6% to 7.0% in the same period. The Management proposed through a resolution, interest on members deposits of 7% with payment of 6% and 1% to be retained in deposits and Dividends of Ksh. 2.36 per share or 11.79% to be capitalized to shares.
- d. **New software implementation** where the management reported to have fully initiated the process of software implementation and, during the year under review, a lot of tasks were realized. These included advertisement and recruitment of the contractor and signing of the contract agreement, purchase of laptops and purchase and installation of softwares into the laptops; office networking and purchase of computer hardware. The Management informed the members that the process of migrating into the new software was set to begin in April 2019 with the launch expected to be done after 2 months.
- e. **Loan Default Mitigation:** During the year under review, the Management, following the finalization of CRB listing policy and guidelines, initiated the listing of individuals that have totally failed, albeit of numerous reminders, to service their loans. To this end, a total of seven (7) names had been listed in the CRB and the Management planned to undertake this process on a continuous basis. As well as following up members who have defaulted their loans to their new employers / locations urging members to inform the SACCO the whereabouts if known of members whom they have guaranteed and have defaulted.
- f. **Overall Challenges were reported as follows:**
- i. Low deposit and saving culture – which was still low given the direction the Society was supposed to move. The Management called upon members to consider, voluntarily, increasing what they invest in the Society for the purpose of both securing their future as well as enhancing their borrowing power;
 - ii. Challenging membership development and retention – membership growth rate was way below the Strategic Plan expectations. While this could be attributed to several factors including the shrinking marketing space, the Management called upon members to be good ambassadors of the SACCO and help in the recruitment of more members;
 - iii. Low diaspora recruitment where the management was proposing, through a resolution of a diaspora product and called upon members to support it;
 - iv. Unidentified receipts – this continued to grow and the management introduced a communication strategy aimed at ensuring that members pass over the bank slips whenever they make remittance to the Society. In addition, the Management appealed to members to ensure that any evidence of payment to the Society accounts is passed through to the office for accounts update;
 - v. Membership withdrawal – this increased as various reasons including loss of employments and relocations were given for the withdrawals. The Management reminded members that they can continue being a member even after they lose their job or relocated by getting in touch with the Management and agree on the payment and remittance mechanism;
 - vi. Low investment in the Subsidiary – the year 2018 realized the lowest members' investment in the KHL. The Management reminded members of great investment opportunities being offered by the KHL and mechanisms of acquiring such. This included the KHL Property loan whose terms of acquisition by members is very friendly and were asked to contact the office on the available opportunities on how they can get these investments; and
 - vii. Loan default – this continued to hamper the smooth provision of credit services. While the Management developed strategies to mitigate the default rate, they also called upon the members to be responsible both in their guarantorship as well as meeting their own credit obligations.



g. Prospects:

The Management report also came with prospects where the management viewed 2019 as a year of enhancing systems and approaches to continue reducing levels of defaults through, among others, finalizing of software implementation, increased engagement with members facing challenges, following those who have defaulted and working; enhancing CRB mechanism; and strengthening working relationships with public institutions that relate to integrity. Further increasing membership development and reducing the rate of withdrawals and dormancy; development of policies or mechanisms to provide guidance on and toward debt management (including write off) and unclaimed assets as per the existing laws of the land; and policy on the attachment and internship. The management also reported that the Society's current Strategic Plan (2015 – 2019) was coming to an end this year. To this end, the Management reported that it is planning to undertake its comprehensive review outlining areas of success as well as gaps and challenges encountered. Out of this, the Management will initiate and facilitate development of a five-year (2020 – 2024) Strategic Plan for the Society.

Discussions on the Management report:

1. **Angeline Okola MNO. KS00359** raised a concern regarding leadership and management section on the next of kin form. She noted that this is a very sensitive form, why are people not filling the form, is there possibility of changing and checking if the form is available even during loan application. She further suggested that the forms be included during the education days to emphasize and educate members on the importance.

The management reported that counterchecking during the loan application process can be tedious but requested members to cooperate and fill the form.

2. **Nelson Opany MNO. KS01343-** noted on staffing that there was a slow process from SACCO during the transition process in terms of disbursement of loans and withdrawing savings.

The management acknowledged the challenge and stated that these were transitional problems and have since been rectified.

3. **Francis Mwangi Hillary MNO. KS00450** asked in regards to development of policies, the Management should inform members on the use of collateral in terms of charging and discharging since the process seems to be somehow complicated.

The management explained that it is working towards ensuring that the process is simplified and ensuring that the service providers are increased. It was also noted that the KHL properties are not valued when one wants to take a loan.

4. **Minoo Kyalo MNO. KS00021** suggested that the software should be able to capture all members' details in the records.

The management explained that this is being done and will give clear way of addressing the challenges. The software will come with the membership portal and will also ensure good operations.

5. **Pascal Bwire MNO. KS00388** – Enquired on whether in case of demise, the SACCO has a burial benevolent fund, insurance policy on medical grounds. He also asked on the issue of defaulters, whether besides the CRB listing, there are other measures from the management to recover the funds.

The management explained that the current loan insurance scheme with CIC has a burial package and all the loans are paid by the insurance. Listing with CRB is a mechanism being implemented to ensure that the defaulters are not able to access financial services anywhere else and hence make them pay up their loans.

6. **Grace Mwangima MNO.KS01344** asked whether Kanisa SACCO is trying to understand the reasons why the members are joining other SACCOs. She asked the Management to consider regular communication to Diaspora members and going to exhibition at various events that can help in membership recruitment drive.



The management appreciated the proposal informing the member that the SACCO has social media platforms in place and encouraged members to follow the Society's social media platforms.

- Violet Yimbo MNO.KS02318** proposed that the Management can have an exit form that the members note the reasons for withdrawal and this can be used when conducting a SWOT analysis.

The management appreciated the proposal

- Ann Muteti MNO. KS00007** – Proposed to the Management on having a Product for the children in university that they can be allowed to save in the SACCO, where they can have a reduced minimum deposits contribution and as they grow they can be members later.

The management appreciated the proposal noting that the Society has Mwanangu savings account for children which members they can make use of.

- Minoo Kyalo MNO. KS00021** – asked the Management to consider having incentives for members who participate in membership recruitment. **Florence Iminza MNO KS01054** on the other hand proposed that the Society give targets for recruitments to members for use in determining the incentive.

The management appreciated the proposals and stated that it will put them into consideration.

- Mutembei Nancy MNO. KS02086** – asked the management to do something not to lose members and not to affect guarantorship. She also encouraged members to form guarantor ship groups to guarantee one another. She proposed that the maximum loan to be guaranteed should be 2million.

The management appreciated the proposals and stated that it will put them into consideration.

- Kamau Waweru MNO. KS01622** – Asked why KHL is charging registration fee for plots if you are paying the plot upfront. He asked if this can be exempt for the ones that are paying directly and look at other means of making it much easier.

The management appreciated the proposals and stated that it will put them into consideration. It stated that several factors are considered when pricing such as cost of buying the plot, administrative costs, surveying fee, land boards and even the mark-up.

- Nelson Opany MNO. KS01343** – Appreciated the proposal on the software stating the members need to go digital and is happy with the progress.
- Claire Minoo MNO.KS00021** – concerning KANISA Holding suggested that when plots are advertised and at that time members have big loans, the SACCO should look at how to help members who are interested but have huge loans or don't have.

The management stated that it will puts into consideration requests by members who show interest and are credit worthy. The KHL Loan is not pegged on deposits and therefore even those with low deposits can considered on case by case basis.

- Barbara Muchinyi MNO. KS01190** – on Page 27 stated that she does not understand what IFRS is.

The management explained that stated that this will be answered when the audited accounts will be presented by the auditor

- Angeline Okola MNO. KS00359**- on membership development and retention proposed that the management to come up with 5 or 3 core things that can sell the SACCO with key points as to why one would save with KANISA SACCO, advertising the SACCO strong points. Come up with means of awarding supersavers and recruiters even with certificates not necessarily monetary.

The management appreciated the proposals and stated that it will put them into consideration.

- Elijah Muriuki MNO. KS01007** - on unidentified receipts noted that there is a reduction from last year to this. However, he noted that the leadership and management is failing in terms of sensitizing the members on the importance, the management should institute strict measures to trigger a system of getting statements on random basis so that they are able to reconcile their accounts?



The management appreciated the proposal and stated that it is expected that the web portal will be utilized by members to check on their statements and in case of any inconsistencies report immediately.

17. **Johnson Manyanza MNO. KS01105** on page 26 asked the **MOU with organizations** whether it covers default mitigations and if it is with all organizations or some. In case of default the guarantors suffer. How fast does it happen when members report that members are working with institutions and nothing is done?

The management acknowledge the challenge caused by default and stated that it is working on strengthening the mechanisms of mitigating it.

18. **Mutua Mulonzya MNO. Ks 00017**- commend the management for putting together the report. On page 23 sec 3.2 he asked the management whether they have clear strategy of addressing dormant members. He noted that with 914 active members when will the management declare interest of more than 10%?

The management appreciated the comment and stated that for the Society to have money to do alternative investments, members have to save more and accepting to retain a % if not all of their interest on deposits. The Society has the capacity to deliver and to generate money and takes advantage of the investments opportunities available. Members have a role to play to be able to have high interest on deposits.

19. **Florence Iminza MNO. KS01054** - on loan default stated that the Society should tackle the person who has defaulted and not seeking to address the guarantors. As soft landing. There should be a way that the guarantors are not touched. Engaging defaulters in different forums so that the guarantors don't suffer the burden alone.

The management appreciated the comment and stated that the suggestion well taken and will be implemented.

20. **Lydia Mugambi MNO. KS02487**- stated that on the next of KIN form a big number of members come to member's events and the management

should make use of such events to get members if possible to fill the forms.

The management appreciated the comment and stated that the suggestion well taken and will be implemented.

Min. 07/38/AGM/09/03/2019: Supervisory Report

The report was presented by the Supervisory Committee (SC) Chairperson Joyce Kangogo. The key highlights of the report were on the observations and findings made by the Supervisory Committee during the year under review. The SC reported that during the reviews, they observed that internal controls put in place by the management were adequate and that the SACCO affairs were compliant with the by laws though there is still room for improvement. The Supervisory Committee report was received for discussion after being proposed by Charles Simiyu **MNO. KS 00846** and seconded by Pamela Konya **MNO. KS00223**.

Discussions and Questions on the Supervisory Committee Report

- a. **Kamau Waweru MNO KS01622** sought to know the planned outcome aimed to be achieved by the software.
- b. **Sandra Nyanchama KS01034**- stated that for loanes background sensitizing the Sacco to know what to do is important
- c. **Johnson Manyanza KS01105** – stated that he had an issues with his balance of accounts and people he guaranteed had not paid, loan had not been serviced and had not received letter for 6 months.
- d. **Nancy Mutembei MNO. KS02086**- suggested that it is a guarantors' responsibility to make follow up in the office if the person they guaranteed has paid. She said that she follows up with the members of her group to ensure that they have paid.

The supervisory committee appreciated the comments and explained that it is following up on the software implementation process and noted that last year there were logistical challenges which have now been resolved. The management has signed the contract and the software vendor has visited the office to assess its readiness and the process is on course



to commence the implementation. The Office sends an SMS to guarantors for them to confirm that they have guaranteed the person taking the loan to avoid forgery on the part of the guarantor. They encouraged the members to ask for the guarantors statements. The office always confirms with the guarantors and in case of default guarantors are notified in writing.

Min. 8/38/AGM/09/03/2019: Presentation of the Society Audited Accounts

The Audited Accounts of Kanisa SACCO Society Limited for the FY2018 were presented by Lydia Wainaina, an Auditor from the Department of Cooperatives, Ministry of Industrialization and Enterprise Development. Key highlights were as follows:

- a. *Income Statement* - Net income realized was Ksh. 34,692,522.80 in 2018 from Ksh. 30,536,440.51 in 2017. Interest expenses to be paid to members at 7% were proposed leaving a net interest income of Ksh. 10,609,029.80;
- b. *Expenditure* - Administration expenses stood as Ksh. 8,687,219.28;
- c. *Retained earnings* - recommended that the Society should consider increasing its retained earnings and allocated 55,476.14;
- d. *Assets* - the Society's assets had increased to 418,393,237.15 from Ksh. 365,026,007.23
- e. *Total liabilities and Shareholders' funds* - the figures had increased from Ksh. 365,026,007.23 in 2017 to Ksh. 418,393,237.15 in 2018; and
- f. *Trade and other receivables* -
- g. *Unidentified receipts* – increased from Ksh. 797,720 to 1,795,783 in 2017. Members were urged to be informing the office once they make deposits and also to indicate their membership numbers for ease in identification.
- h. *IFRS the standards that are required to guard and ensure that the financial institutions are doing well.* International standards that ensure that accounts are presented in a particular way.

The opinion was expressed that the financial statements give a true and fair view of the state of the Society's

financial affairs for the financial year in question and results of its operations and cash flow for the year were in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Kenya Cooperative Societies Act. The audited accounts were received for discussions after being proposed by Christopher Okoth **MNO. KS02562** and seconded by Grace Mwangima **MNO. KS01344**.

Discussions and questions on the Audited Accounts

Members, in their various statements appreciated the Management for managing the costs by largely adhering to the approved budget. Specifically, managing administration expenses was highlighted as commendable and one member stated that it is in line with good financial practices which dictates that on salaries and wages – 70% goes to staff and supplies takes 30% of this budget. The following comments and questions were raised namely: -

- a. Nelson Opany **MNO. KS01343**- requested for more information on changes in income tax law in terms of dividends.

It was explained that this ranges from 5% to 10% classified into 5-12 different categories. There are different categories depending on the different tax charged. Interest on deposits for Sacco's will remain 5% withholding tax charge.

- b. Raphael Kigo **MNO. KS00008** on note 9 noted rebates from Kanisa holding noting audited accounts operating profit of 4000 and wondered if this is sustainable.

Explanation was given that the 300,000 is the expense refund to the SACCO. Paid by the SACCO required to refund at the end of the year.

- c. John Njenga **MNO. KS01984** on note 11 communication expense social media is duplication. Is there a report on the social media outcome and has it been beneficial as it brought in more members?

It was explained that it was difficult to singularly locate the impact on a particular item. However, the impact has been huge and inquiries have increased with those inquiring giving feedback to the office. The budget line also caters for the office day to day communication expenses and social media accounts



requires boosting the post with payments to reach out to wider audience.

The Management appreciated the comment and advised members to bring forth ideas that could help the Management in improving investments portfolios of the Society.

Min. 9/38/AGM/09/03/2019: Presentation and Adoption of the Budget

The budget proposals for the year 2020 and the revised 2019 budget were presented by Boniface Maina, the Treasurer. The budget was received for discussions after being proposed by Charles Simiyu **MNO. KS00846** and seconded by Apollo Obiero **MNO.KS00368** seconded the budget for discussion.

Key budget items that had changes included:

- a. *Interest on loans to members* - revised in the proposed budget for 2020 by 5% increasing from Ksh. 36083.511.77 in 2019 to Ksh. 41162678.30 in 2020;
- b. *Interest income* – remained the same on approved Ksh. 920000.00 (2019) and Ksh. 920,000 (proposed 2020);
- c. *Expenditure* – key budget items that were revised were as follows: -
 - i. *Salaries and wages amount* - revised by 9% from Ksh. 3,500,000 approved in 2019, revised to 3,825,000 in 2019.
 - ii. *AGM expenses* - revised by 6% from Kes 1,365,000 approved in 2019 to Kes 1450564.50 in 2019 and proposed Kes 1523092.73 in 2020.
 - iii. *Printing cost* – increased by 25% from approved 200,000 in 2019 to 250,000 in 2020
 - iv. *Personnel development* - increased by 38% from approved to 157500 to Ksh. 217350 revised in 2019;
 - v. *Transport* - increased by 8% to Ksh. 453,200;
 - vi. *Communication* - increased by 26%
 - vii. *Ushirika celebrations* increased by 108%
 - viii. *Strategic plan implementation* increased by 62%
 - ix. *Provision for loan loss as directed by the IFRS 9*
 - x. *Total expenditure* – was revised from Ksh. 11,039,236

approved in 2018 to the revised to 14,946,421.40 in 2019.

Discussions, Comments and Questions on the Budget were done as follows: -

- a. A member stated that communication from the SACCO was not efficient as some members were not receiving sms or emails.
- b. Ishmael Ochola **MNO. KS02023**- was concerned by the allocation to social media marketing and queried the increase stating that there ought to be allocation for monitoring and evaluation to see the progress.
- c. Sandra Nyanchama **MNO. KS01034** queried the provision for software noting that it was such a big cost allocated to communication while the software should address some of these expenses.
- d. Claire Minoo **MNO. KS00021**- on office rent appreciated the AACC noting that the amount allocated for rent was way below the market rate and not available anywhere in Nairobi.
- e. Nelson Opany **MNO. KS01343** on KHL asked if the management was not ambitious enough or was fearing to risk. On Audit fees he said that the amount for audit verses the actual cost was still high in the revised budget. He argued that while the Society is able to get it cheaply elsewhere, it is important that every year we bring resolution according to the quotations, and depend on the members' proposal of the auditors.
- f. Esther MWAI **MNO. KS01101** on investments from note 6 cooperative bank savings account was low maybe due to interest rate capping the banks have really been low while there are viable financial institutions out there. Ushirika day celebrations why is it high?.
- g. Jerald Ogada **MNO. KS00975**- he stated that provision of bad debts was replaced with IFRS 9.
- h. Johnson Manyanza **MNO. KS01105** – on charges of the AGM he noted an increase and asked if there were mechanisms in place to make members attend the AGM.
- i. John Njenga **MNO. KS01984** - stated that analysis



of Facebook page showed that close to 15 posts were done and in analyzing how they are performing, the posts that were made were on meetings and not on the products and services. In future how do you make it more articulate?

- j. Sylus Adionga **MNO. NO. KS01925** - on printing costs asked if this was for the loan forms as some members print these forms in the cyber therefore a possibility to make savings. AGM booklets, are they categorized under printing or under AGM expenses?

The management in response to the above questions stated as follows: -

- a. **On communication: - members not getting emails and sms were advised to get in touch with the SACCO office so that they update all their contacts for ease of communications. Even with the improved communication, some expenses in communication cannot be reduced by the software. The proposed software is new and the management is not yet to understand how effective it will be in addressing communication challenges.**
- b. **Audit fees these are the expenses spent as paid to the ministry auditor.**
- c. **Dividend are from the shares the society has at CIC and cooperative bank.**
- d. **Ushirika day budget was high due to the Society's participation in the adjudication process.**
- e. **It was noted that with the increase in membership, the charges for non-attendance were bound to increase.** It was clarified that the AGM books were categorised under AGM expenses. The printing costs incurred also include the members' handbook booklets and membership cards.

After the above explanation and clarification on the budget, it was approved and adopted after being proposed by Millicent Nyando **MNO. KS01063** and seconded by David Okoba **MNO. Ks01761**

Min. 10/38/AGM/09/03/2019: Remarks by the County Cooperative Officer, Westlands Sub County

Mr. Njoroge Mwangi from the Co-operative Development Department (Westlands Sub-County), in his remarks, appreciated members on their conduct and management for providing information and clarification to the questions answered. He said that the future belongs to those who plan and prepare for it. In terms of default management, he noted that the SACCO has done well and urged the members to take a duty to repay the loans that they have taken as the management has done well in safeguarding members funds. Return on investment has improved, and he challenged members to pull their socks in terms of savings for KANISA SACCO to also join the billionaire club. He noted Cyber-crime as one of the challenges facing the industry. He explained that IFRS 9 requires that all cooperatives make provisions for loan loss. He said that the Ministry is working closely with SACCOS to mitigate the rates of default.

Min. 11/38/AGM/09/03/2019: Appointment of Auditors

Mr. Njoroge of the Department of Co-operative Development, Nairobi County, Westlands Sub-County, presented the list of shortlisted 9 Candidates firms as follows:

No	Name of the Audit Firm	Audit Fee
1	EKV & Associates.	Kes 342,200 Incl VAT
2	Ronalds & Associates	Kes 174,000 Incl VAT
3	Biticha & Associates	Kes 150,000 Excl VAT
4	Maingi Jackson & Associates	Kes 130,000 Excl VAT
5	Kuguru & Associates	Kes 100,000 Excl VAT
6	Chacha Joel Managing Partner Mcjoel & Associates	Kes 100,000 Excl VAT
7	Erastus Hae And Partners	Kes 100,000 Incl VAT
8	Njagi Isaac & Associates	Kes 65,000 Excl VAT
9	State Department for Co-operative Audit in the ministry of Industry, Trade and Co-operative	Kes 47,800 Incl VAT

- a. No 5. Was removed from the list as they are not registered to conduct cooperative audit.
- b. Martin Nyongesa KS00615- Proposed the State cooperative as the auditors and Lydia Mugambi KS02487 seconded. This proposal was unanimously appointed as there were no other proposal.



MINUTES OF THE 37TH ANNUAL GENERAL MEETING HELD ON 24TH MARCH 2018 AT THE DESMOND TUTU CONFERENCE CENTRE, NAIROBI (Cont..)

Min. 12/38/AGM/09/03/2019: Election of Office Bearers

The elections of office bearers were supervised by Mr. Njoroge Mwangi, of the Co-operative Development Department assisted by Aisha. They were conducted as follows: -

- a. **Central Management Committee (CMC):** - Three members were retiring. These were:
 - i. Patrick Gathenya - AACC, retiring on rotational basis, not seeking re-election
 - ii. Janet Masese- RSC - not seeking for re-election for their personal decision.
 - iii. Wilfred Gitau- Formerly RSC -Seeking re-election.

In addition to the above, 4 other candidates were vying for posts in the CMC namely Richard Kola, Nelson Opany, Grace Mwangima and Sandra Nyanchama. Elections were therefore conducted and votes obtained as follows: -

No	Name of Candidate	Proposed by	Seconded by	Votes
1	Richard Kola AACC MNO. KS00039	FRANCIS ASENA MNO. KS00005	CLAIRE MINOO MNO. KS00021	92
2	Wilfred Gitau Individual MNO. KS00176	PASCAL BWIRE MNO. KS00388.	NANCY MUTEMBEI MNO. KS02086	54
3	Charles Simiyu RSC MNO. KS00846	ALBERT MACKENZIE MNO. KS01717	ISHMAEL OCHOLA MNO. KS02023	57
4	Nelson Opany WSB MNO. KS01343	Terry Ambani MNO. KS02431	JANE NJENGA MNO. KS00041	116
5	Grace Mwangima PROCMURA MNO.KS01344	Nancy KAMAU MNO. KS00231	FLORENCE IMINZA MNO. KS01054	130
6	Sandra Nyanchama Individual MNO. KS01034	DANIEL KONES MNO. KS02515	HELLEN MURUGI MNO KS00861	110

From the above votes, three members were declared as elected to the office namely: -

- i. Grace Mwangima
 - ii. Nelson Opany
 - iii. Sandra Nyanchama
- b. **Supervisory Committee:** Two positions were vacant and only two candidates had expressed interest

as follows: -

No	Name of Candidate	Proposed by	Seconded by	Votes
1	Salome Kihara	Martin Nyongesa	Pamela Konya MNO. KS00223	
2.	Esther Mwai	Angeline Okola MNO. KS00359	Patrick Gathenya MNO. KS00361	

Since there were no other proposals, Salome Kihara and Esther Mwai were declared elected unopposed.

Min. 13/38/AGM/09/03/2019: Resolutions

The chairperson took the members through the resolutions as follows:

The Kanisa SACCO Management proposes the following resolutions for consideration at the Society's 38th Annual General Meeting held on Saturday 9th March 2019

1. Disposal of Surplus

That members resolve to dispose the FY2018 surplus realized as follows: -

- a. Declaration of disposal of interest on deposits at a rate of 7% calculated on a weighted average (pro-rata) basis, with a pay-out of 6% and retaining of 1% to deposits; and
- b. Declaration of dividends of Ksh 1.02 per share (5.1%) and that this be capitalized to shares.

The resolution was adopted.

2. New products proposal

a) Health and Wellness Loan Product

This loan product will enable members purchase a medical cover from recognized institutions and pay upfront at ease. The following features shall apply:

- i. The cover should be provided by a recognized and registered health insurance service provider;
- ii. Applicant will have to meet the terms and conditions of the respective service provider;
- iii. Loan applied shall not exceed the total premium payable;
- iv. An interest of 0.83% per month (10% per annum) calculated on a reducing balance basis will be charged;
- v. The maximum loan repayment period will be twelve (12) months;



- vi. The loan amount applied is payable to the service provider against the issued invoice;
- vii. The applicant can use this product to purchase cover for and enroll their relatives and friends;
- viii. In procuring this product, members can either pay upfront in lump sum at no charge or proceed to take a loan with the stated conditions; and
- ix. All other loan terms and conditions of the Society shall apply.

Peter Ngoha MNO. KS01603 proposed subject to further to management explores ways of making sure that the SACCO operates as an umbrella. The proposal was unanimously agreed.

b) Diaspora Loan Product

This product will enable the Diaspora members achieve their dreams while abroad with a loan from Kanisa SACCO. The following features shall apply:

- i. This loan will be eligible for diaspora members only (Any member living and working outside Kenya);
- ii. Proof of foreign residence will be required;
- iii. The loan will be advanced in the currency of the loanee's choice and the loanee will meet all the transactions charges where applicable;
- iv. The loan must be fully guaranteed or within a member's free deposits;
- v. Collateral provided must be within Kanisa SACCO jurisdiction (Republic of Kenya) and under the existing terms and conditions of collateral management ;
- vi. The loan will be advanced three times of the member's deposits up to a maximum of Seven (7) Million;
- vii. The maximum loan repayment period will be thirty six (36) months;
- viii. The interest rate will be 1.042% per month (12.5% per annum) calculated on a reducing balance basis; and
- ix. All other loan terms and conditions of the Society shall apply.

This resolution was unanimously opposed.

3. Products Realignment

The Management proposed to re align the following loan products to include the following features:

a) Enhanced Karibu Loan

The current Karibu loan conditions are:

- i. This loan product is meant to benefit new members who have not finished six (6) months as required by the By-laws.
- ii. Amount applied should not be more than the members' deposits;
- iii. Interest of 10% and insurance charges shall be deducted upfront from the applied and approved amount;
- iv. Repayment period shall not be more than a period of Twelve (12) months from the date of approval;
- v. A member should have fully paid share capital as required by the by -laws;
- vi. No guarantors needed; and
- vii. All other credit terms and conditions apply

b) Enhanced Karibu loan will have the following enhanced features:

- i. Loan will be granted up to four (4) times of the members deposits up to a maximum of Ksh 100,000;
- ii. The maximum loan repayment period will be twelve (12) months;
- iii. An interest of 1% per month (12% per annum) calculated on a reducing balance will be charged;
- iv. The loan must be fully guaranteed unless covered by the members' deposits;
- v. A third (1/3) of the applied amount will be retained to the applicant's deposits;
- vi. The retention as per clause (v) above shall not be applicable if the applied amount is within the member's
- vii. free deposits;
- viii. The applicant must have saved consistently for at least four (4) months; and



ix. All other loan terms and conditions of the Society shall apply.

This was proposed by Agnes Ogola MNO KS01485 and seconded by Elizabeth Akinyi MNO.KS01963. The resolution was adopted.

b) KHL Property Loan

The following shall be part of the existing features

i. *In case of default or withdrawal from the KHL project, the loanee will be paid the refund less any encumbrances to the Society.*

Waweru Kamau Mno.KS01622 asked if there is collateral for this loan, it was clarified that there is no other security or collateral apart from the land being acquired.

This proposed by Daniel Kones MNO KS02519 and Seconded by Alex Mwangi MNO KS02216

c) Mjengo Loan

To be expanded to include projects that will empower and enhance member's lives which include: purchase of off plan houses, purchase of already done houses, construction of green houses, and any other value addition to the property.

- i. Reduce the interest rate from 13.5% per annum (1.125% per month) to 12.5% per annum (1.042% per month) calculated on amortisation basis;
- ii. The applicant will be required to provide proof of the intended project work to be undertaken;
- iii. The plans submitted will be subjected to a verification process by an independent SACCO service provider at the cost of the loanee where applicable; and
- iv. All other loan terms and conditions of the Society shall apply.

Proposed by Violet OYIMBO KS02318 and seconded by Martin Nyongesa KS00615

d) Review of the Loan Refinancing terms and conditions

- i. Applicant will only be allowed to refinance twice

every six (6) months or four (4) times every twelve (12) months;

ii. The first loan refinancing within six months will not attract any loan refinancing fee, while the second loan refinancing within the six (6) months' period will attract a loan refinancing fee of 5% of the amount applied; and

iii. All other loan terms and conditions of the Society shall apply.

Proposed by Joshua Kigo MNO. KS02476 seconded by Silas Negesa KS00642

4. Group Membership

- i. The Management request this 38th AGM to give it mandate to explore, develop and implement
- ii. Mechanisms for admitting and maintaining group membership to the Society; and
- iii. Upon realisation of the above mechanisms and being satisfied with the status of *Celebrating Parents Welfare Group* facilitate its group membership to the Society

Nicholas MNO. KS00763 proposed the resolution and was seconded by Nelson Opany **MNO KS01343. The resolution was adopted.**

5. Society Borrowing Power

Resolve that the Society borrowing power remain at a limit of Kenya Shillings Twenty Million (Ksh. 20,000,000.00)

Proposed by Angela Ogola KS01485 seconded by John Kimanzi MNO. KS01440. The resolution was adopted.

6. Honoraria

Declare to pay Four Hundred Thousand Kenya Shillings (Ksh. 400,000) as honoraria to the Management and Supervisory Committee members and as bonus to staff.

This was proposed by **Alice Mwamba MNO. KS00153 and seconded by Francis Asena KS00005, it was then unanimously accepted.**

Min. 14/38/AGM/09/03/2019: AOB

The Chairperson informed the meeting that only one AOB was received and had been discussed and therefore



there was no AOB. He said that the Society managed to hold the AGM early in the month due to the early preparations and interim audits. He noted that this year's AGM had recorded the highest number of contestants. He congratulated the new members elected into the management and appreciated the outgoing management members. Recognized the presence of KUSCO in the AGM.

Min. 15/38/AGM/09/03/2019: - Vote of Thanks

Peter Ngoha MNO KS01603 gave vote of thanks, He cited lots of preparation for successful AGM had been done by the management which was commendable. He

thanked the staff for brightening the office. He stated that he has seen the old members showing confidence in Kanisa Sacco as a place of sustainability and direction. He thanked the management and also appreciated the report by the auditor. He thanked the members for their good number attendance.

Closing

The chair declared the 38th AGM closed and adjourned at 3.51pm. **Grace Mwangima MNO.KS01344** closed with a word of prayer.

Signed on 05/03/2020 for and on Behalf of the Annual General Meeting:

Chairperson:.....

Hon. Secretary:.....