



MINUTES OF THE
DUDU COOPERATIVE SAVINGS & CREDIT SOCIETY LTD.
35TH ANNUAL GENERAL MEETING
SATURDAY, 24TH MARCH 2018,
THOMAS ODHIAMBO CONFERENCE HALL,
icipe DUDUVILLE CAMPUS
NAIROBI

The total number of members who attended the 35th AGM was 171 (Duduville) and 54 (Mbita) making a total of 225 members.

The Master of Ceremony called the meeting to order at 9.30 am. The meeting started with a word of prayer by Gerishon Ongeche.

35TH AGM/MIN1 INTRODUCTION OF SACCO COMMITTEE MEMBERS/GUESTS

The Chairman introduced the team as follows:

Executive Team:

- | | | |
|----------------------|---|----------------|
| 1. Joel Bargul | - | Chairman |
| 2. Lamberts Moreka | - | Vice Chairman |
| 3. Robertson Nyikuli | - | Treasurer |
| 4. Carolyne Akal | - | Hon. Secretary |

Credit Team:

- | | | |
|-------------------|---|-----------|
| 5. Nelson Suchi | - | Chairman |
| 6. Simprose Oyugi | - | Member |
| 7. Julius Obonyo | - | Secretary |

Education Team:

- | | | |
|--------------------|---|-----------|
| 8. Lamberts Moreka | - | Chairman |
| 9. Janet Ambale | - | Secretary |
| 10. Gerphas Okuku | - | Member |

Supervisory Team:

- | | | |
|--------------------|---|-----------|
| 11. Eunice Musyoka | - | Chairlady |
| 12. Silas Ojwang | - | Secretary |
| 13. David Mbesi | - | Member |

Office bearer:

- | | | |
|-----------------------|---|----------------|
| 14. John Kasiera | - | Office Manager |
| 15. Jacqueline Kageni | - | Staff |
| 16. Isaac Akuma | - | Staff |

In-attendance:

17. Mr. Gatigwa Kimana – Representing Director General, *icipe*
18. Ms. Evelyn Werunga – Ministry Supervisor, Kasarani District, Nairobi
19. Ms. Anne Mucheke – Representative, Credit Reference Bureau

Management Representation

Mr. Gatigwa Kimana attended the meeting as a representative of *icipé* management and also as a member of Dudu Sacco. He shared the Director General's apologies for not attending the meeting due to unavoidable circumstances.

Debrief of the Management statement:

1. He expressed his total commitment to work with the Sacco to help build this very important institution. He posed a question: *“Imagine if we didn't have it?”* The institution has helped so many members who have literally walked their lives through support received from the Sacco. The Saccos helps balance the cash flow to better lives and help complete development projects.
2. He further clarified that *Icipe* is donor-funded organization and all funds received are audited and accounted for to the last cent spent. Hence getting financial support from management for the Saccos will be difficult. However, he encouraged the Board to try and reach out to all hosted institutions and push for numbers by getting the groups that are not on board. He is ready to help in the strategy to achieve this.

How do we move forward to capture all? The critical issues raised by Mr Gatigwa included:

1. Financial governance:

- This is key and very important for every Sacco/institutions. It is very difficult to penetrate through the hosted organizations and other non-members when you “don't get real” with financial issues/status.
- Also, ensure that the systems are in place and functioning well.
- Officials/Staff must have very high standards of integrity, ethics and discipline
- Handle cash flow with uttermost discipline/trust.

2. Maintaining proper systems

- The systems in place must protect assets which are people's savings. This can be achieved by choosing the right people in office. The elected officials urged to remain true to their objectives.
3. Always dream BIG but don't forget the objectives when introducing new products.
 4. Stick to key objectives of giving loans to members for good returns.

Presentation by Anne

A brief highlight of the presentation made by a representative of Credit Reference Bureau was as follows:

Introduction - CRB is an institution that stores information which comes from loan/credit providers like Saccos, banks etc. This information is used by the institution to make certain decisions on members who default loans and/or have non-performing loans. Currently, CRB is still operational locally but plans are underway to go international.

Benefits - The benefits of registering with this institution is to help reduce defaulting/non-performing loans from members. The information is web-based hence any time a loan is issued, the information on creditworthiness becomes available in real time through the systems.

How it works - Defaulters who are listed under CRB cannot borrow funds from other institutions as the CRB platform will be accessible to these lenders. However, once the defaulted loan is fully paid, the CRB will clear the name from its system but shall still be active in their system for 5 years. The Sacco must ensure that all loan application forms clearly indicate that DUDU Sacco is subscribed to CRB and in case of default the loanee will be listed.

How is money recovered from defaulters? - CRB will only list you in the system. However, this will hinder you from accessing any kind of credit facility. The Sacco has to organize through debt collection services to help members get back their money.

Advise - the presenter advised members to close all the inactive bank accounts. This is because as the accounts continue to remain dormant they still attract ledger fees charges which with time is accumulated as a debt. Hence members were advised to close such accounts and ensure only active accounts are retained.

What happens when you are listed erroneously? - One can always visit the CRB offices for empowerment and have information on the facility. However, if listed wrongly visit the office immediately and have it sorted out. The offices are available in Nairobi, Kisumu, Mombasa, Nyeri & Uganda. Once you have been cleared please ensure you receive a certificate which costs Kshs 2,200. The government is working towards having this certificate of clearance compulsory to every Kenyan seeking new employment, starting a business, or traveling abroad.

How do I check whether I am listed without visiting the offices? - On your phone dial *433# agent number. For more information, Anne Mucheke shared her contacts just in case any member needed further clarification and/or more information - 0726530097.

How long can one be listed? – You will be listed on CRB for at least 90 days. When you start making payments and the Sacco must communicate the current status. Then you will have to pay for the issuance of the clearing certificate.

How is the debt collection done from defaulters who have lost jobs and have no income? – The Sacco is encouraged to ensure that all possible avenues have been explored before listing a member. In most cases, the member gets a credit facility and if they default, the guarantors pay back the money to the Sacco and eventually debt collectors recovers the money and pay back to the member, in this case, the guarantor.

Request: Mr. Ongeche requested the management to find amicable ways of sorting out defaulters issue before listing members with CRB.

The Chairman thanked the CRB personnel for creating time to come and educate members on the same. He requested her to inform the IT team within the CRB to update information on the website to enable the public educate themselves more by reading the website page.

35TH AGM/MIN4 ANNOUNCEMENT OF THE AGENDA

Agenda

The agenda of the meeting was read and confirmed as circulated.

35TH AGM/MIN5 CONFIRM AND APPROVE MINUTES OF THE LAST ANNUAL GENERAL MEETING

The minutes were read by the Hon. Secretary. Thereafter proposed by Mr David Orinda and seconded by Mr Mustafa Juma as true records of the meeting.

Matter arising from the previous minutes:

Mr Ongeche requested the Board to help educate members to understand the importance of interest on share deposit and consequently ensure a better understanding of dividend capitalization in term of increasing borrowing powers for members. He went further to challenge the Board to explore more ways to encourage members to increase their share capital.

The Vice-Chairman reported to the members that as a society we can only borrow up to Kshs 25 Million. This only happened once, 5 years back when the Sacco borrowed 12 Million which was paid in 13 months. Currently, the share capital account is only Kshs 5,000 for each member, what we accumulate on a monthly basis is deposits.

The minutes were confirmed as a true copy for the 2017 meeting.

35TH AGM/MIN6 RECEIVE CHAIRMAN'S REPORT

BY DR. JOEL BARGUL

The Chairman welcomed all members to the meeting and assured them that:

- Their money is safe
- The Sacco will always invest wisely
- All applied loans that qualify and meet the thresh hold will be paid immediately
- The society's financial status currently is liquid
- In 2017 the Sacco invested Kshs 6 Million with CIC Insurance

The Chairman also urged members to familiarize themselves with the Sacco's By Laws.

He went further to promise the members that the current management will work towards reducing the expenditure without compromising the quality of service.

He urged all to help recruit new members to at least help reach the target of 500 members by the next AGM meeting.

The report was proposed by Mr Peter Nyongesa and seconded by Mr Peter Ahuya.

Matters arising from the Chairman's Report

CIC Investment

Mr Nahashon Otieno questioned the Chairman on CIC investment and asked for an explanation on the Pros and cons of such a commitment.

Response: The Chairman informed the members that there is no need of keeping so much money in the bank and yet it can be fixed somewhere to earn the Sacco some extra money in terms of interest. The fixed cash is flexible in a way that whenever a need arises the Sacco is able to access its money easily.

Credit Reference Bureau (CRB)

Mr Geoffrey Nyangao commended the Board on the steps already made on CRB. However, he requested that the Board should swing into action to save the members servicing loans from defaulters.

Staff Contracts

The DFA commended the Chairman for a report well presented. He informed the meeting that as the management they are working towards eliminating short term contracts. The *icipe* HR is looking into the historical existing positions for management review consideration in the future.

Comment by Mr Musau

Mr Henry Musau mentioned that the report was so exciting and urged members to boost their deposits to enable them self-guarantee when applying for a loan. This is the best way to avoid CRB.

Comment from Mr David Orinda

He also went commended the Chair for a good report. However, he urged the Board to instead encourage members to increase their share capital compared to monthly deposits. This will enable us together to make our Sacco stronger. At least members should consider having an increase of 5% of the share capital which is Kshs 250.

35TH/MIN7 RECEIVE SUPERVISORY COMMITTEE'S REPORT

BY MS. MUSYOKA EUNICE

The Chairlady Supervisory committee presented the report to members. Thereafter the report was proposed by Mr Isaiah Rachami and seconded by Mr Chris Momanyi.

Matters arising from the report:

Mercy Kariuki noted that there were contradicting records on the number of members the Sacco had in year 2017. Response: The office promised to synchronize and have the same number in all reports.

Mr Geoffrey Sune from Mbita requested that the Supervisory team to also plan some visits to the Mbita station to have interactive sessions and get to listen to their issues as well. As the oversight team, they need to also take time to interact with all members.

Mr Aloise Ndiege requested the office to ensure that the information posted on the website particularly on the members account status is up to date and accurate.

Ms Lavine Ndelase of Mbita was concerned with the issue of loan defaulters and dormant members. It has been an existing major problem, the reason she has always hesitated to join for fear of guaranteeing members who later default. She urged the Board to find better ways to handle the matter and also consider penalties for such members.

Response: The Chairman informed the meeting that the Sacco has made good progress on the Credit Reference Bureau (CRB) subscriptions. The processes will be dully followed before members are enlisted with CRB. Once the process is finalized the defaulters will be served with letters at least 3 months prior to. However, any defaulter who begins to pay the amount defaulted will not be listed.

The Auditor Mr. Peter Maina Kimani thanked the members for the opportunity granted to serve the Sacco. Thereafter he took the members through the report covering the period 2017. The report was thereafter proposed by Mr Elijah Asami and seconded by Mr Margaret Ayugi.

There being no matter arising from the report the auditor promised to share with the Board the letter of management.

BY ROBERT NYIKULI

The Sacco's treasurer first thanked the members for giving him the opportunity to serve. He anticipates more income in the next coming years. He read the budget to members and made certain emphasis on computer internet charges and adapting to international reporting standards. These expenses on the budget can't be controlled because for internet recharges which are guided by *icipe's* rates, and we have no control. The report was proposed by Mr Brain Mwashu and seconded by Mr Boaz Ojwang.

Matters arising from the treasurer's report:

1. AGM Budget

Godfrey Sune from Mbita inquired to know why the Sacco has still retained the same AGM budget as last year and yet members are meeting from their respective stations.

Response: The Vice-Chair informed the members that this budget was already prepared in the previous year. However, the figures are just for budgetary purpose but at the end of every calendar year, the actual spent amount will be posted on to the ledger. Consequently, he ask them to consider that during the last AGM, the sitting allowance paid was less than what is being paid this year. Compared to 2017, this year's AGM meeting had a large attendance.

2. Corporate Social Responsibility (CSR)

The Mbita members requested that some funds be allocated to the Mbita activities on this line to create awareness of the Sacco's existence in the area. The Board requested the Mbita team to come up with an initiative that will be deliberated on how best to come in as a Sacco.

3. Office refurbishing

There were queries on the budget allocation for office refurbishing. The Treasurer informed the meeting that some funds have been set aside to help facelift the Sacco's working area. Considering that the office space is given at no cost by the host some of the allocated funds will be used for repair and purchase of items needed to make the office habitable.

4. Marketing

The marketing team used quite some substantial amount of money for the activation that took place in both Mbita and Duduville station. These saw the Sacco receive a good number of new members. Banners and brochures and PR T-shirts were as well printed for the activation for visibility.

35TH AGM/MIN10 CONSIDER AND APPROVE THE MAXIMUM BORROWING POWER FOR THE SOCIETY

Upon members deliberation, the meeting came to a consensus to maintain it at the same amount Kshs 25M.

35TH AGM/MIN11 FIX INDEMNITY FOR MANAGEMENT COMMITTEES

The indemnity for every committee member was fixed to Kshs 280,000 each. The meeting unanimously approved the amount with a proposal from Silas Ouko and seconding from Gerishon Ongeche.

35TH AGM/MIN12 CONSIDER AND RESOLVE THE MANNER IN WHICH ANY SURPLUSES MAY BE DISTRIBUTED

It was agreed that a surplus of 5.6% is to be paid in cash to members. This was proposed by Mr Peter Muasa and seconded by Mr Boaz Ooko. Upon voting the majority (95 members) overwhelmingly voted against the minor group (8) to have dividend interest paid to members as opposed to ploughing back of share capital.

This agreement was proposed by Mr Nahashon Otieno and seconded by Mr Chris Momanyi.

35TH AGM/MIN13 APPROVE HONORARIA FOR THE OFFICIALS

The members agreed that the Board's honoraria should remain the same. This was proposed by Mr Ibrahim Kiche and seconded by Mr Brian Mwashii.

35TH AGM/MIN14 PROPOSE AUDITORS FOR 2018 ACCOUNTS

The Society auditors are appointed up to 3 years if they deliver satisfactorily. They can be considered for an extension of 3 years after which the Sacco is forced to source for a new one.

The list for new auditors was not presented to the meeting .Upon extensive discussions, an agreement was reached to renew the appointment of the current auditor to enable him complete his term as per the policy.

The auditor's appointment for 2018 was proposed by Mr Simon Aritho and seconded by Mr George Omweri.

35TH AGM/MIN15 ANY OTHER BUSINESS

1. There was a request that the names of retiring officials be shared with members prior to the next AGM to allow members think through and make an informed decision when choosing the new ones. **Action – The Board**
2. The Board should find ways of assisting the Mbita members mostly when the loan application forms are declined due to guarantors. It gets challenging to correct and revert back taking a lot of time before the loan is approved. **Action – Credit Committee**
3. Since there was a reduction in AGM expenses due to the video link to Mbita. Members would like to be informed about where the reserves are ploughed back to. **Action – Chairman to capture in the next AGM**
4. Mr. Ongeche a member commended the Board for a work well done. At least the progress is evident where we save cost by; video link to Mbita; reducing on sitting allowance expenses; interest on deposits has gone up; short term investment made so far are encouraging and the staff has done a good job. **Food for thought to members** – They should think of how they can engage on capitalization because the more liquid the Sacco is the more power we have as members.
5. The members request the Board and office staff to improve on communication with the outside members. Always ensure that all members within common bond and outside receive all communications.
6. The supervisory committee was urged to perform its duty as the watchdog and to always inform members of what is happening at the Sacco. **Action – The Supervisory committee**
7. The members requested the Board to find better ways of handling members who cancel standing orders at the bank. **Action – Board/Credit committee**

8. The members also requested the Board to investigate on the delay caused immediately the loans are approved by the committee. Sometimes they take too long to be released after approval. **Action – Credit committee**

LAUNCHING OF THE NEW SACCO LOGO

In the Chairman's report, it was mentioned that the Board would like to launch a new Sacco logo. Before that, a presentation of the two shortlisted designs was done and after numerous discussion and comments for improvement made, the meeting unanimously selected the best design. This design was considered for some amendment and thereafter adoption as the new logo for the Sacco.

The approval of the new logo was proposed by Joseph Makumi and seconded by Ibrahim Kiche.

REMARKS FROM THE MINISTRY OFFICIAL – Mrs. Werunga

The following are the highlights of the brief given by the ministry official:

1. She encouraged members to sacrifice and increase their deposits for the betterment of the Sacco and members themselves. The Board can consider having a different rate of monthly subscription cupping groups depending on salary paid. Where higher earners can save more considering their power on the payslip.
2. Encouraged members who take loans to always ensure that they have their friends to guarantee the loans. Consequently urged members to pay for their loans to avoid defaulting and being listed on CRB.

35TH AGM/MIN 16 ELECTION

During the 34th AGM, elections were done and the board consequently experienced good progress from the office bearers. The Chairman went further to appeal to members that the office should remain as it was to ensure a complete and successful transition from the long-serving officials to the new officers.

The officers due for retirement were as follows:

1. Gerphas Okuku - Member Education Committee
2. Julius Obonyo – Member Credit Committee
3. Lambert Moreka – Vice-Chairman
4. David Mbesi – Supervisory Committee

Mr. Ndiege of Mbita consented to the Chairman's plea and proposed continuation of the ones to retire then seconded by Ms Margaret Ochanda.

On the supervisory team, Mr Nahashon Otieno proposed continuation seconded by Ms Petronila Ochola.

CLOSING REMARKS

The Chairman thanked all the members for attending the 35th AGM meeting in great numbers. He promised that his team will be very transparent/open in all its undertakings. He further assured them the Sacco is very liquid and they should come for more loans. Dividends will also be paid through DuscoPesa for those who have subscribed will receive their money instantly.

The meeting adjourned at 13:45 with a word of prayer from Ms Carolyne Akal.

MINUTES APPROVED AND SIGNED BY:



Ms. Carolyne Akal

Hon. Secretary



Dr. Joel Bargul

Chairman



Mr. Lamberts Moreka

Vice Chairman



Mr. Robert Nyikuli

Treasurer