

**SUPERVISORY COMMITTEE CHAIRPERSON REPORT: PRESENTED TO THE  
POLYTECH SACCO'S ANNUAL GENERAL MEETING HELD ON Sat. 8<sup>TH</sup> MARCH  
2025 AT TECHNICAL UNIVERSITY OF KENYA'S MAIN HALL.**

**OUTLINE**

1. Supervisory committee mandate
2. Nature and scope of work
3. Sacco performance
4. Financial highlights
5. Areas for improvements
6. Conclusion

**1. Supervisory Committee(SC)Mandate**

- The Supervisory Committee has exercised its mandate as stipulated in the by-laws by carrying out quarterly audits on the operations and affairs of the Sacco.
- The Supervisory Committee mandate is to;
  - a) Undertake inspections of the Sacco activities and review both financial and non-financial reports to evaluate the Sacco's operations;
  - b) Verify society's investments;
  - c) Attend to complaints raised by members;
  - d) Prepare and present reports to the Board of directors, the Annual General Meeting and SASRA;

**2. Nature and scope of work**

- Reviewed sample loans disbursed to members
- Reviewed the effectiveness and efficiency of loan recovery from members
- Reviewed financial statements and account to check the completeness and accuracy of the information therein
- Reviewed the expenditure vis a vis to budget to ascertain whether the Sacco is operating within its annual approved budget.
- Reviewed compliance with statutory regulations

### **3. Sacco performance**

#### **Members Growth**

The Sacco has maintained 382 members in the year 2024. Since the number has stagnated, we recommend that members should be aggressive in recruiting more members to the Sacco.

Thus, the Supervisory board urges the Board of Directors to continue marketing Polytech Sacco.

Members are encouraged to take advantage of new member recruitment drive benefit of Ksh. 500 per new member they introduce and have enrolled in the Sacco.

### **4. Financial Highlights.**

#### **a) Membership Deposits**

In the year 2024, member deposit was Ksh. 12,931,344 and refund on the same was Ksh. 13,864,762. This shows a serious shortfall and more effort to be put on this area.

The future of the Sacco is at risk since more members leaving the Sacco means much more members should join the Sacco.

It is the collective responsibility for all of us to recruit more members to join the Sacco. So, we are all encouraged to do our best to ensure each one of us bring at least one member by the next AGM so as to grow our Sacco.

We also encourage the existing members to increase your deposits to the best of your capability as this is the pillar of growth.

**b) Loans and advances to members**

As at 31<sup>st</sup> Dec. 2024, the loans advanced to members decreased from Ksh. 94,061,770 to Ksh. 90,667,016 as compared to the year 2023. This requires a combined effort of all members in marketing the Sacco to turn around this scenario.

Non-performing loans of Ksh. 6,985,764 was noted and members are encouraged to cultivate a culture of financial discipline that promotes increased savings and eliminates defaulting as this is one of the issues hurting our Sacco.

We encourage members to guarantee one another to improve on loan uptake which will increase our revenue.

**c) Non - Remittance by Employer.**

The board has noted with great concern the huge unremitted that TUK owes Polytech Sacco. As at 27<sup>th</sup> Jan. 2025 is Ksh. 19, 025, 032.

The issue has persisted over the years. Therefore, the management should continue looking for ways to resolve the matter.

## **5. Areas of Improvement.**

Complaints and Compliments Register is underutilized and we urge member to make use of it for the growth of the Sacco.

The Sacco to increase the number of products to members. For example, short term loans as per the members' convenience.

Continuous member education and credit product reviews need to be done. Cyber security team needs to conduct a vulnerability and penetration testing of our system as funds allow in order to measure our online safety.

We commend the Management and the Board for developing the strategic plan document which is now in its draft stage. We encourage them to expedite the process so that it can be launched within this year.

We also urge the board of directors to be more vigilant with present and future investments in light of risk assessment to prevent incurring losses such as that suffered recently by many Sacco's in Kenya after KUSCCO was declared insolvent. Fortunately for Polytech, board had managed to make some withdrawal before KUSCCO was declared insolvent, and that minimized the loss slightly.

**6. CONCLUSION**

The Supervisory Committee takes this opportunity to thank all the stakeholders for entrusting us with the oversight of the operations of our Sacco. We remain grateful for the noble opportunity you have entrusted to us to serve you.

The Supervisory Committee wishes to thank the Sacco Management Board and Secretariat for their continued support during our work of records reviews.

Asanteni sana.

And may Almighty God richly bless you all distinguished Polytech Sacco members together with your families. May He shower you with every heavenly and spiritual blessing to not only endure the present difficult times we are in but moreso emerge victorious individually and collectively. Amen.

Signed.......... Date.....*6/3/2025*.....

**Mrs. Eunice Ndegwa**

**Chairperson - Supervisory Board.**