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19/11/25

REPUBLIC OF KENYA


THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FOURTH SESSION (2025)

PUBLIC PETITIONS COMMITTEE

REPORT ON

THE CONSIDERATION OF PUBLIC PETITION NO. 20 OF 2024 BY KENYA RETIRED TEACHERS AND RESIDENTS OF NANDI COUNTY REGARDING MISMANAGEMENT OF NANDI TEACHERS' SACCO AND OWNERSHIP OF MWALIMU PLAZA BUILDING IN KAPSABET TOWN

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 NOV 2025	DAY: WED
TABLED BY:	Chair, Public Petitions Hon. Eric Muchangi
CLERK-AT THE-TABLE:	Mado Atabo

The Directorate of Audit, Appropriations
& General Purpose Committees

The National Assembly

Parliament Buildings

NAIROBI

November, 2025

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CHAIRPERSON'S FOREWORD

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my pleasant privilege and honour to present to this House the Report of the Committee on the Public Petition No. 20 of 2024 regarding mismanagement of Nandi Teachers' SACCO and ownership of Mwalimu Plaza, formerly Barclays Bank building in Kapsabet town, Nandi County.

The petition was presented to the House pursuant to Standing Order No. 225 (2) (a) by the Member for Nandi Hills Constituency (Hon. Benard Kitur, M.P.) on behalf of Kenya Retired Teachers and residents in Nandi County.

The petitioners prayed that the National Assembly, through the Public Petitions Committee, recommends that —

- a) Investigations be carried out to determine whether the Nandi Teachers SACCO Society officials fraudulently swindled the members' funds as alleged, and if found culpable, the officials be prosecuted; and that the retirees who originally purchased the said building be compensated for the loss.
- b) The property and building known as Kapsabet Municipality I 181/3705806 be reverted to the founding teacher retirees of the Nandi Teachers SACCO Society; and
- c) Trans-elite County SACCO Society Ltd. be compelled to remit rental collections from the property and building from 2004 to date to the Nandi Teachers SACCO Society retirees through their Community-Based Organisation (CBO) Nandi Teachers 2000.

The Committee observed that both the petitioners and Trans Elite County Sacco Limited Sacco agreed that, initially, the Sacco, then known as Nandi Teachers Sacco, intended to construct a storey (Plaza) on one of the Sacco's plots within Kapsabet Town. The arrangement was that the members would own 70% of the shares, while the Sacco would own 30%.

The Committee further observed that after shelving the decision to build a plaza on one of the Sacco's plots and instead purchasing property from Barclays Bank with a loan from the National Bank, the Sacco's decided to refund paid-up members their shares. However, there was no confirmation that the members had been refunded their contributions for the shares. Further, in 2003, the then Nandi Teachers SACCO used the petitioners' dividends as collateral for the building to secure a loan amounting to Kshs—60,000,000 from an offshore financial institution instead of refunding the members.

Further, the Committee noted that the Commissioner for Cooperative Development, in an inquiry conducted in 2006, found former officers of the SACCO Society (Board and staff) guilty of mismanagement and abuse of office and imposed a surcharge totalling KShs. 68.6 million. In addition, KShs 181 million in unaccounted cash was reported to have been paid by the Cooperative Bank without any record of payees. Further, KShs 177.78 million was lost due to land purchases reportedly made by the former management on behalf of the SACCO Society.

The Committee recommends that the Ethics and Anti-Corruption (EACC) conducts further investigation into:

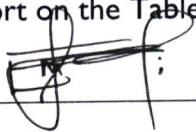
- (a) Whether action was taken against the persons surcharged for withdrawing the secured loan amounts on 5th May 2005 amounting to Kshs.. 60, 000,000 in 5 batches as detailed in the report of the inquiry into the affairs of Nandi Teacher SACCO Society Ltd. (2709), as detailed by the Commissioner of Cooperatives dated 20th June 2006 within six months of the tabling of this report.
- (b) The payees of the Kshs. 181 million in unaccounted cash by the Cooperative Bank of Kenya.
- (c) The Kshs. 177.78 million lost in land purchase by the former management of the Nandi Teachers' Sacco Society.

The Committee also recommends that the Ethics and Anti-Corruption (EACC) conducts investigations into the ownership of Mwalimu Teachers Plaza (Kapsabet Municipality I181/3705806) with a view to determining the petitioners' stake in the property.

The Committee appreciates the Offices of the Speaker and Clerk of the National Assembly for providing guidance and necessary technical support, without which its work would not have been possible. The Chairperson expresses gratitude to the Committee Members for their devotion and commitment to duty during the consideration of the petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now wish to lay the Report on the Table of the House.

Signed: _____



Date: _____

19/11/2025

THE HON. KAREMBA MUCHANGI, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

ACRONYMS

SACCO

Savings and Credit Cooperative Society (SACCO)

SASRA

Societies Regulatory Authority

PART ONE

I. PREFACE

I.1 Establishment and Mandate of the Committee

The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:

- a) considering all public petitions tabled in the House;
- b) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;
- c) recommending whether the findings arising from consideration of a petition should be debated; and
- d) advising the House and reporting on all public petitions committed to it.

I.2 Committee Membership

The Public Petitions Committee was first constituted in October 2022 and reconstituted in March 2025, and comprises the following Members:

Chairperson

Hon. Ernest Kivai Ogesi Kagesi, M.P.
Vihiga Constituency

Amani National Congress (ANC)

Vice Chairperson

Hon. Janet Jepkemboi Sitienei, M.P.
Turbo Constituency

United Democratic Alliance (UDA)

Hon. Bernard Muriuki Nebart, M.P.
Mbeere South Constituency

Independent

Hon. Patrick Makau King'ola, M.P.
Mavoko Constituency

Wiper Democratic Movement-Kenya **(WDM-K)**

Hon. Beatrice Elachi KAdeveresia, M.P.
Dagoretti North Constituency

Orange Democratic Movement **(ODM)**

Hon. Edith Vethi Nyenze, M.P.
Kitui West Constituency

Wiper Democratic Movement-Kenya **(WDM-K)**

Hon. John Bwire Okano, M.P.
Taveta Constituency

Wiper Democratic Movement-Kenya **(WDM-K)**

Hon. Nimrod Mbithuka Mbai, M.P.
Kitui East Constituency

United Democratic Alliance (UDA)

Hon. Peter Mbogho Shake, M.P.
Mwatate Constituency

Jubilee Party (JP)

Hon. Maisori Marwa Kitayama, M.P.
Kuria East Constituency

United Democratic Alliance (UDA)

Hon. Sloya Clement Logova, M.P.
Sabatia Constituency

United Democratic Alliance (UDA)

Hon. Joshua Chepyegon Kandie, M.P.
Baringo Central Constituency

United Democratic Alliance (UDA)

Hon. Suzanne Ndunge Kiamba, M.P.
Makueni Constituency

Wiper Democratic Movement-Kenya **(WDM-K)**

Hon. John Kuhungi Irungu, M.P.
Kangema Constituency

United Democratic Alliance (UDA)

I.3 Committee Secretariat

The secretariat comprises the following:

Mr. Leonard Machira
Principal Clerk Assistant II

Mr. Benard Kipchumba
Clerk Assistant III

Ms. Nancy Akinyi
Research Officer III

Ms. Roselyn Njuki
Senior Sergeant at Arms

Ms. Felister Muiya
Public Communications Officer

Mr. Clinton Sindiga
Legal Counsel II

Mr. Arkan Mumin
Research Officer III

Mr. Calvin Karungo
Media Relations Officer

Mr. Peter Mutethia
Audio Officer

PART TWO

2. BACKGROUND OF THE PETITION

2.1 Introduction

1. Public petition No. 20 of 2024 regarding mismanagement of Nandi Teachers' SACCO and ownership of Mwalimu Plaza, formerly Barclays Bank building in Kapsabet town, Nandi County, was presented to the House on 3rd December, 2024 by the Member for Nandi Hills Constituency (Hon. Benard Kitur, M.P.) on behalf of Kenya Retired Teachers and residents of Nandi County.
2. The petitioners stated that 1,787 members of the defunct Nandi Teachers SACCO Society purchased the Barclays Bank Building at Kapsabet Municipality, 1181/370, herein referred to as Mwalimu Plaza, in Kapsabet Town, Nandi County, at a cost of Ksh12,000,000 in 2000.
3. In the process of purchasing the property, members, through the delegates meeting of 18th March 2000, consented to use their 1999 dividends to pay Barclays Bank.
4. The petitioners further stated that on 25th April 2000, a down payment of 10 per cent, herein referred to as the commitment fee, was paid by cheque No. 00018479 for Kshs 1.2 million, with a further subscription of Kshs 10,000, equivalent to 100 shares.
5. Further, on 27th December 2000, Barclays Bank transferred the property to the Nandi Teachers SACCO, having received full payment of Kshs. 12,000,000.
6. The petitioners also submitted that in 2003, some teachers were paid KShs 400 in dividends. However, in the following year, 2004, instead of paying dividends, the Nandi Teachers SACCO management used the dividends as collateral for the building to secure a loan amounting to Kshs. 60,000,000 from an offshore financial institution known as "OIKO."
7. The petitioners also submitted that the secured loan of Kshs. 60,000,000 was credited to the Nandi Teachers SACCO Current Account No. 0137000014, K-Rep Bank Limited, Head Office, on 4th May 2005, through electronic funds transfer (EFTS) from Co-operative Bank.
8. However, the funds were withdrawn the following day on 5th May 2005, leaving a balance of Kshs 64,200 in the account.

9. The Kshs. 60,000,000 was withdrawn on 5th May 2005 in five batches, namely-
- a) Kshs. 1,000,000 in cash through Cheque No. 00000000022
 - b) Kshs. 5,000,000 through a BCHQ Issued Transfer Debit Cheque
 - c) Kshs. 9,920,251 in TFR, Funds Savings A/C 4154000007; and
 - d) Kshs. 40,000,000 in TFR, Funds Savings A/C 4154000007
10. The petitioners also averred that in 2015, the Nandi Teachers SACCO defaulted on its loan payments to the alleged offshore financial institution, OIKO. As a result, Valley Auctioneers, under instructions, undertook to recover the loan by selling the property by public auction on 31st March 2015.
11. During the 31st Annual Delegates Meeting on 22nd April 2015, the then Chairman, Alfred Ng'etuny, gave an undertaking that teachers who were members when the building was purchased in 2000 would be considered and given preference in dividend compensation and in ownership of the property.
12. Teachers whose dividends were used to purchase the building have never benefited. Thereafter, the 1,788 retired teachers formed a group called "Nandi Teachers 2000".
13. On 4th August 2016, the chairperson of the Nandi Teachers 2000 wrote a letter to the SACCO Societies Regulatory Authority (SASRA) regarding the ownership of the building. SASRA, in response to the letter from the chairperson of the Nandi Teachers 2000, affirmed ownership and provided a copy of the attached loan, which the Society secured in 2002, two years after the payment was completed and transferred to the Nandi Teachers SACCO Society.
14. In 2021, the retired teachers, through their registered group, filed a case under Cooperative Tribunal No. 347 of 2021 against Trans-elite County SACCO. However, on 9th December 2021, the case was struck out in Kakamega because the teachers were no longer members of the Society.
15. Efforts by relevant authorities to have the building revert to the owners have been futile. Over the years, some members have passed away without benefiting from their savings and investments.

2.2 Petitioner's Prayers

16. The Petitioners prayed that the National Assembly, through the Public Petitions Committee, recommends that —

- d) Investigations be carried out to determine whether the Nandi Teachers SACCO Society officials fraudulently swindled the members' funds as alleged, and if found culpable, the officials be prosecuted; and that the retirees who originally purchased the said building be compensated for the loss.
- e) The property and building known as Kapsabet Municipality I I 81/3705806 be reverted to the founding teacher retirees of the Nandi Teachers SACCO Society; and
- f) Trans-elite County SACCO Society Ltd. be compelled to remit rental collections from the property and building from 2004 to date to the Nandi Teachers SACCO Society retirees through their Community-Based Organisation (CBO) Nandi Teachers 2000.

PART THREE

3. STAKEHOLDERS' SUBMISSIONS ON THE PETITION

3.1 Submission by the Petitioners

Hon. Bernard Kitur, M.P., the Member for Nandi Hills Constituency, appeared before the Committee on 22nd April, 2025, on behalf of petitioners and submitted as follows —

17. The SACCO finished paying for the building by December 2000. However, from 2001 to 2004, mismanagement at the institution culminated in the management applying for a loan.
18. The account holders of the four accounts that the Kshs. 60 million was disbursed to, undertook to provide certified bank statements showing how they withdrew funds.
19. The 1,787 members identified themselves as Nandi 2000 to pursue their interests in the Mwalimu Plaza building as shareholders in the investment.
20. The building's title was in the name of the Trans Elite SACCO. However, Nandi 2000, who sought rightful shares as the individuals involved in its purchase, laid claim to the building.
21. An auction of the property in question by Valley Auctioneers did not happen because Trans Elite SACCO rescued the building just as it was about to be sold.

3.2 Site Visit to Nandi County

22. The Committee met the petitioners, the Ministry of Lands, Public Works, Housing and Urban Planning, the County Government of Nandi, and the National Land Commission on Thursday, 22nd May 2025, at the Deputy County Commissioner's office in Nandi Hills Sub-County, Emgwen Constituency, Nandi County.

3.2.1 Submissions by the advocate of Trans Elite County Sacco Limited

Mr. Joseph Songol, the advocate representing Trans Elite County Sacco Limited (the successor to the Nandi Teachers Sacco), submitted as follows—

23. He stated that the property in question, known as IR No. 5806, Land Reference No 1181/370 measuring 0.1400 Ha as contained in the survey plan No.181607 as deposited in the survey records at Nairobi, was purchased at Kshs—12,000.000/= from Barclays Bank of Kenya (now Absa Bank).

24. He acknowledged that the property was acquired using the 1999 dividends and members' contributions of Kshs 10,000, which was equivalent to 100 shares, as alleged in the Petition.
25. He submitted that the transfer was completed on 19th January 2001, and that a charge in favour of National Bank was also registered on the same day, which was typical of a transaction involving both a transfer and a charge. The property was purchased through financing taken by the Sacco from the National Bank for Kshs. 10,800,000/- as shown by the title, the balance of Kshs. The Sacco paid 1,200,000/= as part of the 10% purchase price.
26. He also informed the Committee that the 1999 dividends were paid to the membership. Samples of the payouts of dividends paid out to the membership for the year 1999 were duly paid from the sample cashbook, and cheque counterfoils were as follows—
- i. Mr. Zacharia Kuto, member no 00089011, who was an official of the Sacco, received dividends for 1999 on his own behalf and on behalf of other members who authorized him to do so. For instance, on 27th July 2000, he received Kshs. 3,848.55/= on his own behalf and Kshs. 14,345/= on behalf of others.
 - ii. Ms Pascaliah Too, member No. 00270610, received her dividends via a cheque dated 26th June 2000 for Kshs 2,317, representing 1999 dividends.
 - iii. Samwel K. Letting member No 00138592 received a cheque for Kshs—53,365 on his behalf and on behalf of other members who authorized him to do so.
 - iv. Mrs. Ann Birgen, Member no 00300221, received a cheque on 10/7/2000 for Kshs 2,678 as the dividends for 1999.
27. Further, he submitted samples to reproduce the cashbook and counterfoils, demonstrating every dividend payment. The support documents were bulky because the payments were made on various dates.
28. He further submitted that the members of the Sacco initially intended to construct a storey (Plaza) on one of the Sacco's plots within the town. The initial arrangement was that the members would own 70% of the shares, while the Sacco would own 30%. However, the plan was later shelved when members realised that paying for shares would take a long time. The Sacco membership identified a building that had been put up for sale by Barclays Bank.
29. At the time of negotiation and purchase, the members were in the process of paying for the shares. After shelving the decision to build a plaza on one of the Sacco's plots and instead purchasing property from Barclays Bank with a loan from the National Bank, it became prudent to refund all paid-up members their shares.

30. On the alleged claim of payment of dividends, where members were paid Kshs 400 in dividends. He stated that it was unclear whether this payment resulted from the shares paid for the construction of the plaza or from the initial membership share contribution. There is no evidence in the books to confirm when and why those shares were paid.
31. Regarding the allegation of the mismanagement of funds, He submitted that whereas Trans Elite County Sacco Limited indeed borrowed a loan of Kshs. 60,000,000/- from Oiko Credit Ecumenical Development Co-operative Society, the money received on the 4th May 2005 was utilized as follows:
- (i) Kshs. 25,000,000 was paid out to members as 2004 dividends.
 - (ii) Kshs. 14,000,000 was used to clear the K-Rep loan balance.
 - (iii) Kshs. 21,000,000 in loans was given to members.
32. He further stated that the payments indicated in the petition were made from one account of the Sacco to another for operational purposes, and were not withdrawals by individuals, as alleged by the petitioners.
33. In 2006, members ousted the previous administration from office due to mismanagement. A caretaker committee was appointed, and then, thereafter, the current committee was appointed in acting capacity and later confirmed.
34. There was no handover, resulting in many documents being misplaced, which Trans Elite County Sacco Ltd believes were illegally held by the petitioners and other third parties.
35. When the current committee assumed office, the operational capital was a paltry Kshs. 800,000/=. It was impossible to service a loan that could not be authenticated while also ensuring the Sacco stayed afloat.
36. Due to financial constraints, the Sacco's management decided to file a case in court against Oiko Credit. The case proceeded to the Court of Appeal and was referred back for retrial in the High Court. The High Court subsequently transferred the case to the Cooperative Tribunal.
37. The management devised an ingenious plan: allowing one of the officials to bid in the auction and, by being the highest bidder, foiling the plan to sell.
38. At the tribunal, the matter was settled, and Sacco successfully paid the entire due amount, recovering the title documents held under charge by Oiko.

39. The current management deserves due acknowledgement for turning around the fortunes of the Sacco and recovering the SACCO's otherwise lost property under very difficult and stringent circumstances.

40. In an inspection report done by the Commissioner of Co-operatives, previous officials were surcharged as follows—

NAME	2002	2003	2004	2005	TOTAL
Henry Birgen		40,000	150,000	950,000	1,140,000
Paul Korir				4,540,000	4,540,000
Sammy Kirwa	100,000	7,700,000	4,390,000	19,110,000	31,300,000
Patrick Lelei		2,955,000	6,271,630		9,226,630
Antony Tarus				4,740,000	4,740,000
Ruth Serem				750,000	750,000
Sub total	100,000	10,695,000	10,811,630	30,090,000	51,696,630
Others (Payees not known)		2,155,000	5,975,475	4,156,000	12,286,475
GRAND TOTAL	100,000	12,850,000	16,787,105	32,246,000	63,983,105

41. The parties were surcharged, and their attempts to quash the report in a Judicial review application in the High Court were unsuccessful. The SACCO, following the High Court's decision in the judicial review, filed a reference with the cooperative tribunal.

42. The allegation that during the 31st Annual Delegates Meeting on 22nd April 2015, the then Chairperson, Alfred Ng'etuny, gave an undertaking that teachers who were members of the SACCO when the building was purchased in 2000, would be considered and given preference regarding dividend compensations, and ownership of the property was not part of the agenda.

43. No dividends were ever used to purchase the property; therefore, it is not true that 1,788 retired teachers did not benefit, as they were paid all their dividends as demonstrated.

44. Although there was correspondence between Trans Elite County Sacco Limited and SASRA regarding the ownership of the building, Trans Elite County Sacco Limited has consistently stated that the property was purchased with a loan from National Bank. SASRA lacked the capacity to determine land ownership based on the available documentation.
45. When the Cooperative tribunal in Kakamega struck out the case, the parties were advised to sue in their individual capacities, provided they proved that they were still members of the Sacco.
46. The prayers of the petitioners were all disregarded as lacking in accuracy, in fact, and in law.
47. In conclusion, Trans Elite County Sacco Limited submitted that the Public Petitions Committee recommends that the relevant authorities conduct further investigation into the lost funds, as detailed in the investigation report dated 2nd June 2006, and that legal action be taken against those found culpable.

3.2.2 Submissions by the Chairperson of Trans Elite County Sacco Limited

Mr. Alfred Ngetuny, the Chairperson of Trans Elite County Sacco Limited, submitted as follows—

48. Trans Elite County Sacco, formerly known as Nandi Teachers Sacco, was established and officially registered on 26th July 1977 by a group of visionary teachers.
49. Over the years, the Sacco experienced significant growth in assets and finances, eventually becoming a major player in Kenya's cooperative movement. By 2005, it had amassed savings totalling Kshs. 324,596,422 held substantial fixed deposits, and its membership had exceeded 10,000.
50. Around the year 2000, the Sacco made a notable investment by purchasing EATEC plots in Uasin Gishu, a transaction that lacked transparency. It also took on loans to pay dividends, in an attempt to maintain member confidence.
51. However, warning signs began to emerge as early as 1996 when the Sacco struggled to meet loan repayments. Instead of full payments, members received partial disbursements. This marked the beginning of financial mismanagement, with members' savings and deposits eventually disappearing.
52. By 2005, concerned members took decisive action to regain control of the deteriorating Sacco. They voted out the then board and management, prompting the Commissioner of Cooperatives to initiate an official inquiry. An interim committee was appointed to oversee operations temporarily.

53. A new management team assumed office in 2006 with the mandate to rescue and revive the troubled cooperative. Upon taking over, the team encountered numerous challenges, including TSC remittances amounting to only Kshs. 800,000, dependence on costly bank overdrafts, failure to pay dividends for five consecutive years, absence of a formal handover process, loss of member trust, membership plummeting from over 15,000 to fewer than 2,000 and EATEC farm properties still registered under unclear ownership.
54. In addition, the team started operations with financial liabilities such as Kshs. 200 million loan from Cooperative Bank, KRA tax arrears totalling Kshs. 4.5 million, Kshs. 4 million in unremitted CIC insurance premiums, Kshs. There was also an 82 million loan from Oiko Credit, with a discrepancy in financial records amounting to Ksh 177 million, including Kshs 68 million in misappropriated funds and Kshs. 8 million lost in transit between Eldoret and Kapsabet.
55. Despite the immense challenges, the new management recorded several achievements, including successfully clearing all outstanding loans, resolving discrepancies in financial records, and writing off Kshs. 177 million and Kshs. 68 million with plans to fully clean the books within a year, restored member trust and confidence, reinstated dividend payments with a current rate of 9%, enhanced loan servicing efficiency, opened a new branch and laid the groundwork for further expansion, and invested in information technology, enabling many products and services to be accessed digitally by both our local members and those in the diaspora.

3.2.3 The petitioners - Nandi Teachers 2000

Mr. Fredrick Songol, the Chairperson, on behalf of the petitioners who were Members of the defunct Nandi Teachers SACCO between 1978 and 2010, submitted as follows—

56. The defunct Nandi Teachers Sacco was founded in 1978 by Lawrence Sitienei Kilel Sawe. The offices were in the KNUT building, now Mwalimu Housing and later moved to KCB.
57. In 1981, the sacco decided to put up a building owned by teachers to house the society and teachers (members) to supplement their dividends. The first contributions for the project were deducted from their salaries as follows:

YEAR	AMOUNT PER MONTH	TOTAL DEDUCTIONS
1981	Kshs. 200	5,000
1982	Kshs. 500	6,000
1983	Kshs. 300	3,000

1984	Kshs. 775	22,000
1985	Kshs. 250	3,000
1989	Kshs. 200	35,000

58. In 1997, at the annual delegation meeting held on 9th May 1997, Kshs. 1.5M was deducted from the 1996 dividend to save for the construction of the said building. By then, the society had acquired three plots in Kapsabet town where Sacco offices could be constructed.

59. Vide the meeting held on 29th May 1999, the building was to be constructed and owned as follows:

- a) Cost per share Kshs. 10,000
- b) Total cost Kshs.32, 000,000
- c) Sacco to own 30% Kshs. 9.6M and Teachers 70% - Kshs. 22.0 M.

60. On 28th January 2000, Barclays Bank gave notice of the closure of the Kapsabet branch. On 1st February 2000, the management approached the bank to purchase the building. On 22nd February 2000, the management. On 6th March 2000, management held a meeting, and on 18th March 2000, the special administration approved the purchase.

61. A down payment of 10% made, and subsequent payments were made as follows—

DATE	DOCUMENT NO.	AMOUNT	
4-2000	Cheque 18479	1.2 M	10%deposit
9 th May 1997	Minutes	1.5 M	Dividends for 1996
3 rd June 2000	Minutes	3.3 M	Members contribution from the previous Mwalimu Plaza
	Dividends for the year 1999		
27 th Dec 2000	Transfer		

62. On 27th December 2000, the bank effected a transfer to Nandi Teachers Sacco.

63. Collateral to secure the loan was obtained as follows—

BANK	AMOUNT	YEAR
National Bank	10.8M	2001 -2002
KREP bank	50M	2003 - 2005
Oiko	60M	2005

64. The Sacco management committee's understanding at the time was that members who contributed to the purchase of the building could receive share certificates based on their contributions, and that the society would pay them dividends in the form of rent.

65. The retirees formed a self-help group known as the Nandi Teachers 2000 self-help group and elected Mr. Fredrick Songol as their chairman, who then wrote a letter to Governor Nandi. Subsequently, the Governor instructed his attorney to assist the Ministry of Co-operative in investigating the matter and make recommendations.

66. The Director of the Co-operative of Nandi, after investigations, recommended in a letter dated 22nd March 2019 that the building belonged to retirees. Later, the matter was transferred to cooperative tribunal case number 347/2021. The same was dismissed.

67. On 4th May 2005, Kshs. 60M was credited to the KREP account through a loan from Oiko, which was withdrawn at the Nairobi-Naivasha branch by the following officials—

- a) Sammy Kirwa – manager
- b) Benjamin Kosgei -Treasurer
- c) Paul Korir - Vice chairman
- d) Henry Birgen - Chairman

68. The petitioners prayed that the Committee recommend that the building belongs to teachers who were members of the defunct Nandi Teachers Sacco in 2000 and had money deducted from them since 1981. It is also the prayer of the retirees that the rent dividends from 2001 to date be paid.

3.2.4 Submissions by the Chief Executive Officer, the SACCO Societies Regulatory Authority (SASRA)

69. The Ag Chief Executive Officer, Sacco Societies Regulatory Authority, appeared before the Committee on 2nd October, 2025, and submitted as follows:
70. The Trans-Elite (formerly Nandi Teachers) Sacco Society Ltd is a deposit-taking SACCO (DT-SACCO) licensed, regulated, and supervised by SASRA.
71. It was first licensed in 2011 and maintained its licensing status with the Authority up to and including 2025. As a deposit-taking SACCO Society, the Authority expected to renew its license for the ensuing years in accordance with the law.
72. The Chief Executive Officer submitted that initially, the SACCO Society in question was registered as Nandi Teachers SACCO Society Ltd. It later changed its name to Trans-Elite SACCO Society Ltd in 2015. The reason for the name change was to give other Kenyans the opportunity to patronise its services.
73. He confirmed that Trans-Elite (formerly Nandi Teachers) SACCO Society Ltd was initially registered on 27th June 1977 pursuant to the provisions of the Cooperative Societies Act, certificate registration No. 2709, and operated for several years as a savings and credit cooperative society, before being licensed as a deposit-taking SACCO by SASRA in 2011.
74. Regarding the SACCO's current financial status, the Committee was informed that as of December 2024, the SACCO reported total assets of KShs 1.8 billion, gross loans of KShs 1.04 billion, member deposits of KShs 816 million, and an income of KShs 283 million. Core capital stood at KShs 482 million, significantly above the KShs 10 million regulatory requirement, indicating a robust capital adequacy.
75. The Authority confirmed that there have been no incidents of fraud or misappropriation under its regulatory watch since licensing began in 2011.
76. Regarding allegations of mismanagement prior to 2011, the Chief Executive Officer stated that the SACCO Society in question was involved in multiple long-standing court cases that commenced in 2005, before it applied for a deposit-taking license in 2011. The cases involved the SACCO itself, as well as its former board members and staff, who were implicated in a 2006 Inquiry Report by the Commissioner for Cooperatives Development
77. The Committee was further informed that the Commissioner for Cooperative Development, in the said inquiry, found former officers of the SACCO Society (Board and staff) guilty of mismanagement and abuse of office and imposed a surcharge totalling KShs. 68.6 million. The court cases were therefore an attempt to recover the surcharge amounts imposed on those former officers.

- a) KShs. 68.86 million in cash was defrauded by the former directors and staff
- b) KShs 181 million unaccounted cash paid by the Cooperative Bank without any record of payees
- c) KShs 177.78 million was lost in land purchases reportedly made by the former management on behalf of SACCO Society.

78. In addition, he informed the Committee that, upon being licensed, the SACCO was required to make adequate provisions for these sums recorded in its books as receivables, thereby overstating its actual total asset base. As of December 2024, the SACCO Society had made provisions for these receivables, leaving a balance of KShs. 43.65 million.

79. On the other hand, the former officials whom the Commissioner of the Cooperative Tribunal surcharged were still being pursued in pending cases at the Cooperative Tribunal.

80. Consequently, the information on the operations, activities, and governance of the Nandi Teachers SACCO by the SACCO Society before 2011 was based solely on the records provided by the SACCO Society during that period, along with other secondary validated records. This included allegations of mismanagement and the dispute over the ownership of all the land and buildings registered and known as LR. No. 1181/370-35, SACCO Plaza (formerly Mwalimu Plaza) Building, situated along Kapsabet - Chavakali Road, Kapsabet Town, Nandi County (hereinafter the SACCO Building).

81. Regarding the ownership of Mwalimu Plaza (Now SACCO Plaza), the Ag Chief Executive Officer informed the Committee that it was not exactly clear when the dispute regarding the ownership of the building arose

82. However, according to the SACCO Society's current officers, some members who contributed money towards the initial plan to build a building in Kapsabet Town formed a group called the Nandi Teachers 2000 Self-Help Group.

83. Furthermore, the initial intention of the members of the said SACCO Society on hand and the SACCO Society itself was to construct a storied building in Kapsabet town, which was to be co-owned by the two parties

84. Further, the Committee was informed that when the initial plan failed to materialize, the SACCO Society later accepted a request that had been floated by Barclays Bank for the sale of their building, then known as the Barclays Bank building in Kapsabet town.

85. Following the acceptance, the SACCO Society proceeded to purchase the building from Barclays Bank at a purchase price of Kshs 12 million, with the members' consent, as determined at a meeting held on 25th April 2010, under Minute Number Min. 2/19/4/2000.

86. He also stated that in 2001, the group filed a case under CTC No. 347 of 2021 against the SACCO Society at the Cooperative Tribunal in Eldoret. Their claims against the SACCO Society were for the SACCO to vacate the premises or to pay rent from 2003.
87. He submitted that the SACCO Plaza is lawfully owned by Trans-Elite SACCO Society Ltd, having been purchased using its funds and loan facilities. While acknowledging that some contributors may not have been refunded, he clarified that such claims cannot be tied to the ownership of the Plaza.
88. The Commissioner for Cooperative Development found former officers of the SACCO Society (Board and staff) guilty of mismanagement and abuse of office and imposed a surcharge totalling KShs. 68.6 million. The court cases were therefore an attempt to recover the surcharge amounts imposed on those former officers.
- d) KShs. 68.86 million in cash was defrauded by the former directors and staff
 - e) KShs 181 million unaccounted cash paid by the Cooperative Bank without any record of payees
 - f) KShs 177.78 million was lost in land purchases reportedly made by the former management on behalf of SACCO Society.
89. Regarding the possibility of recovering the funds lost by Nandi Teachers SACCO, he explained that the refund figures were derived from the 2006 Inquiry Report. According to the report, out of the KShs 4 million contributed, KShs 1.1 million was refunded, leaving KShs 2.8 million outstanding at that time.
90. Since then, the SACCO has been making refunds progressively; however, SASRA did not have tangible documentation to ascertain the exact status of the refunds. Therefore, while refunds were made, the precise balance yet to be cleared could not be confirmed without updated records from the SACCO.
91. He reiterated that the Authority continued to supervise the SACCO in line with the Sacco Societies Act, and that all pending litigation and recovery processes remain under active monitoring.
92. On the status of the case lodged in the Cooperative Tribunal in Eldoret, he informed the committee that the Authority had not received a formal determination from the Tribunal and committed to providing the Committee with official updates within two weeks. The Authority emphasized that the claim remains unsubstantiated as the SACCO legally owns the property, and the list of members who were not refunded remains incomplete.
93. The Ag. Chief Executive Officer concluded that the subject SACCO Plaza is legally and rightfully owned by the said SACCO Society, having been purchased using the SACCO Society's funds, including a facility from the National Bank of Kenya.

94. He also acknowledged that some former members of the SACCO Society contributed money towards the initial construction of a building in Kapsabet town, intended to be co-owned with the SACCO Society. However, this plan was shelved after some members failed to meet their end of the bargain, resulting in refunds of the contributions.
95. In addition, some contributors may not have been refunded their money, but the non-refund cannot be attributed to the building or any income generated from it. However, he informed the Committee that there was no credible data to validate the list of contributors who did not receive a refund, except for those who filed cases at the tribunal.

PART FOUR

4. COMMITTEE OBSERVATIONS

Upon hearing from the Petitioner and other stakeholders, the Committee observed that —

96. Both the petitioners and Trans Elite County Sacco Limited Sacco agreed that, initially, the Sacco, then known as Nandi Teachers Sacco, intended to construct a storey (Plaza) on one of the Sacco's plots within Kapsabet Town. The arrangement was that the members would own 70% of the shares, while the Sacco would own 30%.
97. After shelving the decision to build a plaza on one of the Sacco's plots and instead purchasing property from Barclays Bank with a loan from the National Bank, the Sacco's decided to refund paid-up members their shares. However, there was no confirmation that all members had been refunded.
98. There is no evidence that the Petitioners were refunded in full, as demonstrated by Trans Elite County Sacco, aside from a few cashbook entries and cheque counterfoils. This does not constitute payment in full to the petitioners.
99. A loan amounting to Ksh. 60,000,000 was secured using dividends and the building as collateral from an offshore financial institution. The loan was credited to the Nandi Teachers SACCO Current Account Number 0137000014, K-Rep Bank Limited, Head Office on 4th May 2005, and funds were withdrawn the very next day, leaving a balance of Ksh 64,200 in the account.
100. The petitioners, through their registered group, filed a case, Cooperative Tribunal No. 347 of 2021, in Kakamega against Trans-elite County SACCO. However, the case was struck out on 9th December 2021 because the teachers were no longer members of the Society. The parties were advised to sue in their individual capacities, provided they could prove they were still members of the Sacco.
101. The Commissioner for Cooperative Development, in an inquiry conducted in 2006, found former officers of the SACCO Society (Board and staff) guilty of mismanagement and abuse of office and imposed a surcharge totalling KShs. 68.6 million. In addition, KShs 181 million in unaccounted cash was reported to have been paid by the Cooperative Bank without any record of payees. Further, KShs 177.78 million was lost due to land purchases reportedly made by the former management on behalf of the SACCO Society.
102. In Case Number: CTC/E001/2021- Nandi Teachers 2000 Self Help Group Versus Trans Elite County Sacco Ltd and Chairman Trans Elite County Sacco, the Tribunal held that it lacked jurisdiction to deal with the matter, as the Claimant is not a Cooperative Society, and the suit was dismissed in its entirety.

PART FIVE

5. COMMITTEE RECOMMENDATIONS

105. Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows—

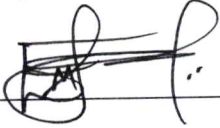
1. On the prayer that investigations be carried out to determine whether the Nandi Teachers SACCO Society officials fraudulently swindled the members' funds as alleged and if found culpable, the officials be prosecuted; and that the retirees who originally purchased the said building be compensated for the loss; the Committee notes that the Commissioner for Cooperative Development, in an inquiry conducted in 2006, found former officers of the SACCO Society (Board and staff) guilty of mismanagement and abuse of office and imposed a surcharge totalling KShs. 68.6 million, while the Cooperative Bank paid Kshs 181 million in unaccounted cash without any record of payees, and KShs 177.78 million was lost in land purchases reportedly made by the former management on behalf of the SACCO Society.

The Committee recommends that, within six months of the tabling of this report, the Ethics and Anti-Corruption (EACC) conducts further investigation into:

- a. **Whether action was taken against the persons surcharged for withdrawing the secured loan amounts on 5th May 2005, amounting to Kshs.60, 000,000 in 5 batches as detailed in the report of the inquiry into the affairs of Nandi Teacher SACCO Society Ltd. (2709) as detailed by the Commissioner of Cooperatives dated 20th June 2006.**
 - b. **The payees of the Kshs. 181 million in unaccounted cash by the Cooperative Bank of Kenya.**
 - c. **The Ksh.177.78 million lost in land purchase by the former management of the Nandi Teacher's Sacco Society.**
2. On the prayer that the property and building known as Kapsabet Municipality 1181/3705806 be reverted to the founding teacher retirees of the Nandi Teachers SACCO Society, the Committee notes there was no confirmation that the members who contributed the initial capital for the purchase of the buildings were fully refunded. Further, in 2003 the then Nandi Teachers SACCO used the petitioners' dividends as collateral for the building to secure a loan amounting to Kshs. 60,000,000 from an offshore financial institution instead of refunding the members.

The Committee recommends that, within six months of the tabling of this report, the Ethics and Anti-Corruption (EACC) conducts investigations into the ownership of Mwalimu Teachers Plaza (Kapsabet Municipality 1181/3705806), with a view to determining the petitioners' stake in the property and any illegality in its acquisition.

3. On the prayer that the Trans-elite County SACCO Society Ltd. be compelled to remit rental collections from the property and building from 2004 to date to the Nandi Teachers SACCO Society retirees through their Community-Based Organisation (CBO) Nandi Teachers 2000. **The Committee recommends that, within six months of the tabling of this report, the Ethics and Anti-Corruption (EACC) conducts investigations into the ownership of Mwalimu Teachers Plaza (Kapsabet Municipality 1181/3705806), with a view to determining the petitioners' stake in the property and any illegality in its acquisition.**

Signed:  _____

Date: 19/11/2025

THE HON. KAREMBA MUCHANGI, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART SIX

ANNEXURES

Annex 1: The Adoption List

Annex 2: Public Petition No. 20 of 2024 regarding mismanagement of Nandi Teachers' SACCO and ownership of Mwalimu Plaza, formerly Barclays Bank building in Kapsabet town, Nandi County

Annex 3: Minutes of the 11th Sitting held on 22nd April, 2025

Annex 4: Minutes of the 46th Sitting held on 12th November, 2025


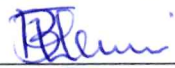


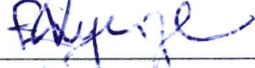
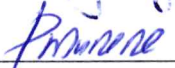
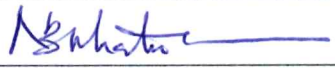
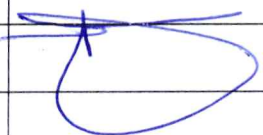

PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

- (i) Consideration and adoption of the report on Public Petitions No. 20/2024 by Hon. Bernard Kitur, MP, Member for Nandi Hills constituency on behalf of Kenya retired teachers and residents of Nandi County regarding the mismanagement of Nandi Teachers Sacco and ownership of Mwalimu Plaza Building in Kapsabet Town.

We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 12/11/2025

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba, CBS, M.P. (Chairperson)	
2.	Hon. Janet Jepkemboi Sitienci, CBS, M.P. (Vice Chairperson)	
3.	Hon. Patrick Makau King'ola, M.P.	
4.	Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	
5.	Hon. Joshua Chepyegon Kandie, M.P.	
6.	Hon. Maisori Marwa Kitayama, M.P.	
7.	Hon. Edith Vethi Nyenze, M.P.	
8.	Hon. Patrick Ntwiga Munene, M.P.	
9.	Hon. Bidu Mohamed Tubi, M.P.	
10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
11.	Hon. Peter Mbogho Shake, M.P.	
12.	Hon. Suzanne Ndunge Kiamba, M.P.	
13.	Hon. John Bwire Okano, M.P.	
14.	Hon. Sloya Clement Logova, M.P.	
15.	Hon. Peter Irungu Kihungi, M.P.	

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

MINUTES OF THE 46TH SITTING OF THE PUBLIC PETITIONS COMMITTEE
HELD ON TUESDAY, 12TH NOVEMBER 2025, IN COMMITTEE ROOM 25, 5TH
FLOOR BUNGE TOWER, PARLIAMENT BUILDINGS AT 11:30 AM

PRESENT

1. Hon. Eric Muchangi Karemba, M.P. - Chairperson
2. Hon. Edith Vethi Nyenze, M.P.
3. Hon. Maisori Marwa Kitayama, M.P.
4. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
5. Hon. (Eng.) Bernard Nebart Muriuki, M.P.
6. Hon. Patrick Ntwiga Munene, M.P.
7. Hon. Joshua Chepyegon Kandie, M.P.
8. Hon. Peter Irungu Kihungi, M.P.
9. Hon. John Bwire Okano, M.P.

APOLOGIES

1. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - Vice-Chairperson
2. Hon. Patrick Makau King'ola, M.P.
3. Hon. Suzanne Ndunge Kiamba, M.P.
4. Hon. Peter Mbogho Shake, M.P.
5. Hon. Sloya Clement Logova, M.P.

SECRETARIAT

- | | |
|--------------------------|-------------------------------|
| 1. Mr. Leonard Machira | Principal Clerk Assistant II |
| 2. Mr. Bernard Toroitich | Clerk Assistant III |
| 3. Ms. Roselyn Ndengi | Senior Serjeant at Arms I |
| 4. Mr. Clinton Sindiga | Legal Counsel II |
| 5. Ms. Nancy Akinyi | Research Officer III |
| 6. Mr. Arkan Mumin | Research Officer III |
| 7. Ms. Felister Muiya | Public Communications Officer |
| 8. Mr. Peter Mutethia | Audio Officer |

MIN./PPETC/2025/232:

PRELIMINARIES

The Chairperson called the meeting to order at 11:45 am, followed by a word of Prayer.

MIN./PPC/2025/233:

ADOPTION OF AGENDA

The Committee then adopted the agenda as listed hereunder on the proposal by Hon. (Eng.) Bernard Nebart Muriuki, M.P, and seconded by Hon. Beatrice Kadeveresia Elachi, CBS, M.P.

AGENDA

1. Prayer and preliminaries;
2. Adoption of the agenda;
3. **consideration and adoption of the following reports:**
 - (i) Report on Public Petitions No. 20/2024 by Hon. Bernard Kitur, MP, Member for Nandi Hills constituency, on behalf of Kenya retired teachers and residents of Nandi County regarding the mismanagement of Nandi Teachers Sacco and ownership of Mwalimu Plaza Building in Kapsabet Town.
 - (ii) Report on Public Petitions No.15/2024 by Hon. Vincent Musyoka, MP, Member for Mwala Constituency, on behalf of residents of Mwala constituency, regarding the gazettelement of Mwala and Kalama Sun Counties as hardship areas.

(iii) Report on Public Petitions No. 76 of 2023 by Kenya Union of Post-Primary Education Teachers (KUPPET) regarding discrimination by TSC on career progression guidelines for special needs education teachers

4. Any Other Business; and
5. Adjournment

MIN./PPC/2025/234: CONSIDERATION AND ADOPTION OF REPORT ON PUBLIC PETITIONS NO. 20/2024 REGARDING THE MISMANAGEMENT OF NANDI TEACHERS SACCO AND OWNERSHIP OF MWALIMU PLAZA BUILDING IN KAPSABET TOWN.

The Committee unanimously adopted the report, having been proposed by Hon. Maisori Marwa Kitayama, M.P and seconded by Hon. (Eng.) Bernard Nebart Muriuki, M.P The Committee made the following observations and recom:

The Committee made the following observations:

1. Both the petitioners and Trans Elite County Sacco Limited Sacco agreed that, initially, the Sacco, then known as Nandi Teachers Sacco, intended to construct a storey (Plaza) on one of the Sacco's plots within Kapsabet Town. The arrangement was that the members would own 70% of the shares, while the Sacco would own 30%.
2. After shelving the decision to build a plaza on one of the Sacco's plots and instead purchasing property from Barclays Bank with a loan from the National Bank, the Sacco's decided to refund paid-up members their shares. However, there was no confirmation that all members had been refunded.
3. There is no evidence that the Petitioners were refunded in full, as demonstrated by Trans Elite County Sacco, aside from a few cashbook entries and cheque counterfoils. This does not constitute payment in full to the petitioners.
4. A loan amounting to Ksh. 60,000,000 was secured using dividends and the building as collateral from an offshore financial institution. The loan was credited to the Nandi Teachers SACCO Current Account Number 0137000014, K-Rep Bank Limited, Head

Office on 4th May 2005, and funds were withdrawn the very next day, leaving a balance of Ksh 64,200 in the account.

5. The petitioners, through their registered group, filed a case, Cooperative Tribunal No. 347 of 2021, in Kakamega against Trans-elite County SACCO. However, the case was struck out on 9th December 2021 because the teachers were no longer members of the Society. The parties were advised to sue in their individual capacities, provided they could prove they were still members of the Sacco.
6. The Commissioner for Cooperative Development, in an inquiry conducted in 2006, found former officers of the SACCO Society (Board and staff) guilty of mismanagement and abuse of office and imposed a surcharge totalling KShs. 68.6 million. In addition, KShs 181 million in unaccounted cash was reported to have been paid by the Cooperative Bank without any record of payees. Further, KShs 177.78 million was lost due to land purchases reportedly made by the former management on behalf of the SACCO Society.
7. In Case Number: CTC/E001/2021- Nandi Teachers 2000 Self Help Group Versus Trans Elite County Sacco Ltd and Chairman Trans Elite County Sacco, the Tribunal held that it lacked jurisdiction to deal with the matter, as the Claimant is not a Cooperative Society, and the suit was dismissed in its entirety.

The Committee made the following recommendations:

- I. The Committee recommends that, within six months of the tabling of this report, the Ethics and Anti-Corruption (EACC) conducts further investigation into:
 - a. Whether action was taken against the persons surcharged for withdrawing the secured loan amounts on 5th May 2005, amounting to Kshs.60, 000,000 in 5 batches as detailed in the report of the inquiry into the affairs of Nandi Teacher SACCO Society Ltd. (2709) as detailed by the Commissioner of Cooperatives dated 20th June 2006.
 - b. The payees of the Kshs. 181 million in unaccounted cash by the Cooperative Bank of Kenya.
 - c. The Ksh.177.78 million lost in land purchase by the former management of the Nandi Teacher's Sacco Society.
2. The Committee recommends that, within six months of the tabling of this report, the Ethics and Anti-Corruption (EACC) conducts investigations into the ownership of

- Mwalimu Teachers Plaza (Kapsabet Municipality 1181/3705806), with a view to determining the petitioners' stake in the property and any illegality in its acquisition.
3. The Committee recommends that, within six months of the tabling of this report, the Ethics and Anti-Corruption (EACC) conducts investigations into the ownership of Mwalimu Teachers Plaza (Kapsabet Municipality 1181/3705806), with a view to determining the petitioners' stake in the property and any illegality in its acquisition.

MIN./PPC/2025/235: **CONSIDERATION AND ADOPTION OF THE REPORT ON PUBLIC PETITIONS NO.15/2024 REGARDING THE GAZETTMENT OF MWALA AND KALAMA SUN COUNTIES AS HARDSHIP AREAS.**

The Committee unanimously adopted the report, having been proposed by Hon. (Eng.) Bernard Nebart Muriuki, M.P, and seconded by Hon. Edith Vethi Nyenze, M.P.

The Committee made the following observations:

1. The right to fair labour practices, as enshrined in Article 41 of the Constitution of Kenya, 2010, includes, among others, fair remuneration and reasonable working conditions. Section C.10 of the Human Resource Policies and Procedures Manual for the Public Service (2016) provides for the payment of a hardship allowance to officers stationed in designated hardship areas as an incentive to compensate Public Servants working in such areas partially.
2. The Committee also noted that Mwala and Kalama Sub-County is geographically located adjacent to or surrounded by already gazetted hardship areas like Yatta, Kitui Rural, and Mbooni East, all of which are hardship zones, but Mwala and demonstrate similar conditions but lack hardship designation.
3. The core issue arising from the petition is the disparity and lack of harmonization in the policies employed by various Public Service jurisdictions, including the Civil Service, the Teachers Service Commission (TSC), and the Judiciary, in designating hardship areas and compensating employees. Currently, the TSC operates under its own policy, specifically outlined in Legal Notice No. 534 of 1997 and the Code of Regulations (COR).

4. The Ministry of Public Service, Human Capital Development and Special Programmes established an Inter-Agency Technical Committee in March 2019 to address these disparities and develop a uniform policy. The Committee comprised of representatives from the then Ministry of Public Service and Gender, Ministry of Interior and Co-ordination of National Government, Ministry of Education, The National Treasury and Planning, the Judiciary, Public Service Commission, Teachers Service Commission, Salaries and Remuneration Commission, Commission on Revenue Allocation, the Kenya National Bureau of Statistics (KNBS) and the Council of Governors.
5. The key findings and recommendations of the report from the Inter-Agency Technical Committee were as follows:
 - a) There are areas currently designated as hardship or petitioned by stakeholders to be categorized as 'hardship'; however, upon review they were found not to be 'hardship'.
 - b) The severity of hardship in the reviewed areas varies from moderate to extreme.
 - c) Some of the currently designated hardship areas cover an entire County/Sub-County/Division uniformly. It is, however, noted that some regions have only specific locations with moderate or extreme hardship conditions. The areas were therefore reviewed and categorized as "Moderate" and "Extreme" hardship areas.
 - d) Not all Public officers working in hardship areas are currently paid a hardship allowance. This is due to disparities in the current policy guidelines on designated hardship areas in the Public Service.
 - e) Some areas that were previously designated as hardship and have acquired different status following the implementation of the devolved system of governance and improved socio-economic development across the country have been reviewed and recommended for de-gazettement.

6. The report of the Inter-Agency Technical Committee on the review of designated hardship areas and payment of hardship allowance in the Public Service was finalized and submitted to the Salaries and Remuneration Commission (SRC) for concurrence. However, its implementation is awaiting Cabinet consideration.

The Committee made the following recommendations:

The Committee recommends that the Cabinet Secretary, Ministry of Public Service, Human Capital Development and Special Programmes, fast-track the approval of the Inter-Agency Technical Committee Report by the Cabinet with a view to designating all regions meeting the set-out criteria as hardship areas, and submit the report to the National Assembly within six (6) months upon the adoption of this report by the House.

MIN./PPC/2025/236: **CONSIDERATION AND ADOPTION OF THE REPORT ON PUBLIC PETITIONS NO. 76 OF 2023 REGARDING DISCRIMINATION BY TSC ON CAREER PROGRESSION GUIDELINES FOR SPECIAL NEEDS EDUCATION TEACHERS**

The Committee unanimously adopted the report, having been proposed by Hon. Maisori Marwa Kitayama, M.P., and seconded by Hon. Patrick Ntwiga Munene, M.P. The Committee observed as follows—

The Committee made the following observations:

1. Job titles of SNE teachers in the payroll differ from those outlined in the Career Progression Guidelines. For instance, teachers designated as "Senior Teacher II" in the payroll should be titled "Primary Teacher II (SNE)" according to the CPG. This inconsistency has contributed to confusion and delayed the teachers' rightful recognition and progression within their roles.
2. The Teachers Service Commission had yet to align the grading structure for Special Needs Education (SNE) teachers with the 2018 Career Progression Guidelines (CPG).
3. The delay in the alignment was caused by the Government's payroll system, managed by the State Department of Public Service, which has been undergoing re-configuration to facilitate migration to a new payroll system.

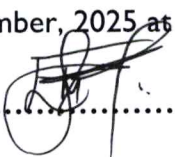
4. Despite the lack of change in the job group title for SNE Teachers in the payroll, the Commission ensured that teachers received salaries commensurate with their designation.
5. Even though the mismatch between the titles in the 2018 Career Progression Guidelines and those in payroll, did not adversely affected their salaries or career advancement it impacted of others benefits including allowances related to the scale.

The Committee made the following recommendations:

The Committee recommends that within six months of the adoption of this report by the House, the Teachers Service Commission in collaboration with the Cabinet Secretary, Ministry of Public Service, Human Capital Development and Special Programmes align grades for the job titles in the payroll to reflect those in the Career Progression Guidelines of 2018 specific to Special Needs Education (SNE) Teachers; and backdates the implementation of the same to 2017 to ensure that Special Needs Education Teachers (SNE), get their rightful benefits accrued since the roll-out of the new payroll system.

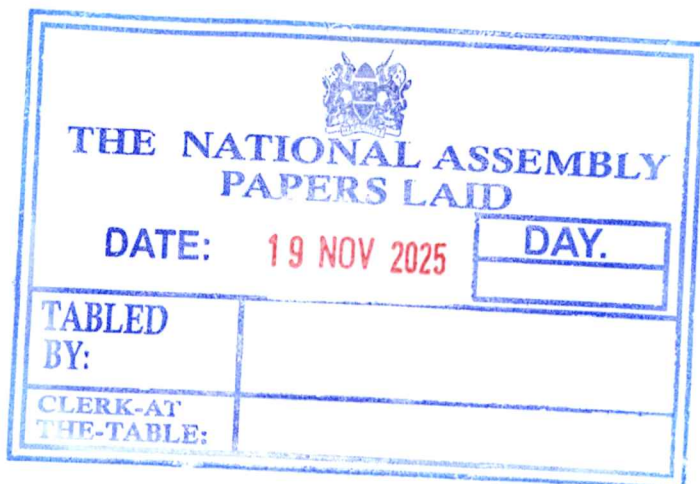
MIN./PPC/2025/237: ADJOURNMENT AND DATE OF NEXT MEETING

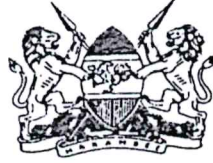
The Chairperson adjourned the meeting at 01:45 p.m. The next meeting will be on Wednesday, 13th November, 2025 at 11:30 a.m.

Sign:  Date: 19/11/2025

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE





REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

MINUTES OF THE 11TH SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON
TUESDAY, APRIL 22, 2025, IN COMMITTEE ROOM 12, MAIN PARLIAMENT BUILDINGS
AT 12.00. P.M

PRESENT

1. Hon. Ernest Ogesi Kivai, M.P.	Chairperson
2. Hon. Joshua Chepyegon Kandie, M.P.	Member
3. Hon. Edith Vethi Nyenze, M.P.	Member
4. Hon. Maisori Marwa Kitayama, M.P.	Member
5. Hon. Bidu Mohamed Tubi, M.P.	Member
6. Hon. (Eng.) Bernard Nebart Muriuki, M.P.	Member
7. Hon. Peter Irungu Kihungi, M.P.	Member

APOLOGIES

1. Hon. Janet Jepkemboi Sitienei, CBS, M.P.	Vice-Chairperson
2. Hon. Patrick Makau King'ola, M.P.	Member
3. Hon. Suzanne Ndunge Kiamba, M.P.	Member
4. Hon. Nimrod Mbithuka Mbai, M.P.	Member
5. Hon. John Bwire Okano, M.P.	Member
6. Hon. Peter Mbogho Shake, M.P.	Member
7. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	Member
8. Hon. Sloya Clement Logova, M.P.	Member

SECRETARIAT

1. Ms. Roselyne Ndegi	Senior Serjeant-At-Arms
2. Ms. Miriam Modo	Clerk Assistant I
3. Ms. Anne Shibuko	Clerk Assistant I
4. Mr. Isaac Nabiswa	Legal Counsel II
5. Mr. Calvin Karungo	Media Relations Officer
6. Ms. Nancy Akinyi	Research Officer III
7. Ms. Felistus Muiya	Public Communications Officer III
8. Mr. Cosmas Akhonya	Audio Officer

MIN./PPETC/2025/053: PRELIMINARIES

The Chairperson called the meeting to order at 12:00 p.m. and proceedings began with prayers by Hon. Joshua Chepyegon Kandie, M.P.

MIN./PPETC/2025/054: ADOPTION OF AGENDA

AGENDA

1. Prayer
2. Adoption of the Agenda
3. Confirmation of minutes of previous sittings
4. Matters Arising
5. Consideration of P/No.20 of 2024 regarding Mismanagement of Nandi Teachers Sacco and ownership of Mwalimu Plaza Building in Kapsabet Town, Nandi County
 - *Meeting with the Petitioner (Hon. Bernard Kitur, MP)*
6. Any Other Business
7. Adjournment

The Agenda was adopted to constitute business of the Meeting having been proposed by Hon. Edith Vethi Nyenze, M.P. and seconded by Hon. Maisori Marwa Kitayama, M.P.

MIN./PPETC/2025/055: CONFIRMATION OF MINUTES OF PREVIOUS SITTINGS

The agenda was deferred.

MIN./PPETC/2025/056: CONSIDERATION OF P/NO.20 OF 2024 REGARDING MISMANAGEMENT OF NANDI TEACHERS SACCO AND OWNERSHIP OF MWALIMU PLAZA BUILDING IN KAPSABET TOWN, NANDI COUNTY

Meeting with the Petitioner (Hon. Bernard Kitur, MP)

The Petitioner appeared before the Committee and submitted as follows:

1. In the year 2000, 1,787 Members of the defunct Nandi Teachers Sacco Society acquired a property through a purchase of Barclays Bank Building at Kapsabet Municipality 1181/370 and herein referred to Mwalimu Plaza in Kapsabet Town, Nandi County at a cost of Twelve Million shillings (Kshs. 12,000,000).
2. In the process of purchasing the property, members vide the delegates meeting of 18th March 2000 consented that their dividends of the year 1999 be used to pay Barclays Bank.
3. On 25th April 2000, a downpayment of 10% herein referred to as Commitment fee was paid *vide* cheque No. 00018479 of Kshs. 1.2 million, with further subscription of Kshs. 10,000 equivalent to 100 shares.

4. On 27th December 2000, the Barclays Bank transferred the property to Nandi Teachers SACCO having received full payment of Twelve Million shillings (12,000,000).
5. In the year 2003, some teachers were paid Kshs. 400 as dividends for the year. However, in the following year, 2004, Nandi Teachers SACCO Management instead of paying dividends, allegedly used the dividends as collateral charge and the building in securing a loan to a tune of Sixty Million Shillings (60,000,000) from an off-shore financial institution known as "OIKO.
6. The secured loan of Sixty Million Shillings (60,000,000) was credited to the Nandi Teachers Sacco Current Account No.0137000014 K-Rep Bank Limited, Head Office on 4th May 2005 through EFTS from Co-operative Bank. However, the funds were withdrawn the following day on 5th May 2005 leaving a balance of Kshs, 64,200 in the account.
7. The Sixty Million Shillings (60,000,000) were withdrawn on 5th May 2005 in five batches, namely-
 - a) Kshs. 1,000,000 in Cash through Cheque No. 00000000022;
 - b) Kshs. 5, 000,000 in BCHQ Issued Transfer Debit Cheque;
 - c) Kshs. 9,920,251 in TFR. Funds Savings A/C4 4154000007; and
 - d) Kshs. 40, 000, 000 in TER. Funds Savings A/C 4154000007).
8. In 2015, the Nandi Teachers SACCO defaulted payment of the loan to the alleged off-shore financial institution, *OIKO*. As a result, the Valley Auctioneers under instructions, undertook to recover the loan through sale of the property by public auction on 31st March 2015.
9. During the 31st Annual Delegates Meeting on 22nd April 2015 the then Chairman Alfred Ngetuny gave an undertaking that teachers who were members when the building was purchased in the year 2000, would be considered and given preference in regard to dividend compensations and ownership of the property.
10. Teachers whose dividends were used to purchase the building have never benefited; and, thereafter the 1,788 retired teachers later registered a group by the name Nandi Teachers 2000.
11. On 4th August 2016, the Chairman of the Nandi Teachers 2000 wrote a letter to the Sacco Societies Regulatory Authority (SASRA) over the ownership of the said building, who responded in a letter to the Society now known as Trans-elite County/Sacco.
12. SASRA in response to the letter by the Chairman of the Nandi Teachers 2000 affirmed the ownership and provided a copy of the attached loan secured by the Society in the year 2002, two years after the payment completion and transfer to Nandi Teachers Sacco Society.
13. In the year 2021, the retired teachers through their registered group filed a case in a Co-operative tribunal No. 347 of 2021- against Trans-elite County Sacco.

However, on 9th December 2021, the case was struck out in Kakamega on grounds that the teachers were no longer members of the society.

14. All the efforts by relevant authorities to have the building revert to the owners have failed to give a satisfactory response and over the years some members have since passed away without benefiting from their savings and investments.

15. The Petitioners pray that the National Assembly through the Public Petitions Committee;

(i) Recommends that investigations be carried out to determine whether the Nandi Teachers Sacco Society officials fraudulently swindled the members funds as alleged and if found culpable, the officials be prosecuted, and, that retirees who originally purchased the said building be compensated for the loss;

(ii) Recommends that that the property and building known as *Kapsabet Municipality 118/1/3705806* be reverted to the founding teacher retirees of Nandi Teachers Sacco Society; and

(iii) Recommends that the Trans Elite County Sacco Society Ltd be compel to remit rental collections form the property and building from 2004 to date to the Nandi Teachers Sacco Society retirees through their CBO Nandi Teachers 2000.

Committee concerns

Regarding the necessity of taking the Kshs. 60 M loan despite having cleared payment for the building, the Petitioner explained that the SACCO had finished paying for the building by December 2000. However, from the year 2001 to 2004, there was a spiral mismanagement of the institution that culminated in applying for the loan by the then management.

On who the account holders of the 4 accounts that the Kshs. 60 M was disbursed were, the petitioner stated that they were persons in management at the time, and undertook to provide certified bank statements on the manner in which funds were withdrawn by the individuals.

On why the retirees want to be recognised as Nandi 2000 instead of trans elite, the Petitioner clarified that only interested Members of the Nandi Teachers SACCO Society purchased shares in Nandi Tea Estate. They therefore identified themselves as Nandi 2000 in order to pursue the interests in Mwalimu Plaza building as shareholders in the investment.

On who the owners of the building was and who held the title, the Petitioner clarified that the title of the building was in Trans Elite SACCO name. However, Nandi 2000 who wanted rightful shares as the persons who were involved in its purchase laid claim on the building.

On when the auction by Valley Auctioneers took place, it was clarified that the auction did not happen, as Trans Elite SACCO rescued the building when it was to be sold.

On whether Trans Elite SACCO begun with new membership or the 1787 teachers were part of it, it was clarified that the 1787 were the Members interested in investing in the building and formed the Nandi 2000 group for lobbying purposes.

Regarding the current status of Trans Elite SACCO, the Committee was informed that Transelite SACCO is a robust SACCO that was revived by the then chairman Alfred Ng'etuny in the year 2015.

Committee Resolution


The Committee directed that the Petitioner submits the following documents by Wednesday 30th April 2025—

- (i) Minutes of the 31st Annual Delegates Meeting that took place on 22nd April 2015 to provide the financial status of the institution at the time and resolutions made.
- (ii) The ruling in the Co-operative tribunal No. 347 of 2021- against Trans-elite County Sacco that was struck out in Kakamega on 9th December 2021; and
- (iii) Sales agreements to clarify whether Trans-elite County Sacco SACCO took over all assets and liabilities

MIN./PPETC/2025/057:

ADJOURNMENT AND DATE OF NEXT MEETING

The Chairperson adjourned the meeting at 1:40 p.m. The date of the next meeting will be Wednesday, 23rd April 2025.

Sign: 

Jw (CHAIRPERSON)

Date 19-06-2025

Approved
SNA
28/11/24



Hon SNA
You may
approve
27/11/24

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT (THIRD SESSION)

PUBLIC PETITION

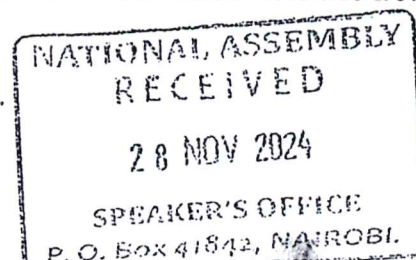
(No. 20 of 2024)

REGARDING MISMANAGEMENT OF NANDI TEACHERS SACCO AND OWNERSHIP OF MWALIMU PLAZA, FORMERLY BARCLAYS BANK BUILDING IN KAPSABET TOWN, NANDI COUNTY

I, the **UNDERSIGNED**, on behalf of Kenya Retired Teachers and Residents Nandi County;

DRAW the attention of the House to the following:

1. **THAT**, in the year 2000, 1,787 Members of the defunct Nandi Teachers Sacco Society acquired a property through a purchase of Barclays Bank Building at Kapsabet Municipality 1181/370 and herein referred to as Mwalimu Plaza in Kapsabet Town, Nandi County at a cost of Twelve Million shillings (Kshs. 12,000,000);
2. **THAT**, in the process of purchasing the property, members vide the delegates meeting of 18th March 2000 consented that their dividends of the year 1999 be used to pay Barclays Bank;
3. **THAT**, on 25th April 2000, a downpayment of 10% herein referred to as commitment fee was paid *vide cheque No. 00018479* of Kshs. 1.2 million, with further subscription of Kshs 10,000 equivalent to 100 shares;
4. **THAT**, on 27th December 2000, the Barclays Bank transferred the property to Nandi Teachers SACCO having received full payment of Twelve Million shillings (12,000,000);
5. **THAT**, in the year 2003, some teachers were paid Kshs. 400 as dividends for the year. However, in the following year, 2004, Nandi Teachers SACCO Management instead of paying dividends, allegedly used the dividends as collateral charge and the building in securing a loan to a tune of Sixty Million Shillings (60,000,000) from an off-shore financial institution known as "OIKO";



1,787,000

**REGARDING MISMANAGEMENT OF NANDI TEACHERS SACCO AND
OWNERSHIP OF MWALIMU PLAZA, FORMERLY BARCLAYS BANK
BUILDING IN KAPSABET TOWN, NANDI COUNTY**

6. **THAT**, the secured loan of Sixty Million Shillings (60,000,000) was credited to the Nandi Teachers Sacco Current Account No. 0137000014 K-Rep Bank Limited, Head Office on 4th May 2005 through EFTS from CO-OP Bank. However, the funds were withdrawn the following day on 5th May 2005 leaving a balance of Kshs. 64,200 in the account.
7. **THAT**, the Sixty Million Shillings (60,000,000) were withdrawn on 5th May 2005 in five batches, namely -
 - a) Kshs. 1,000,000 in Cash through Cheque No. 00000000022;
 - b) Kshs. 5,000,000 in BCHQ Issued Transfer Debit Cheque;
 - c) Kshs. 9,920,251 in TFR. Funds Savings A/C 4154000007; and,
 - d) Kshs. 40,000,000 in TFR. Funds Savings A/C 4154000007).
8. **THAT**, in 2015, the Nandi Teachers SACCO defaulted payment of the loan to the alleged off-shore financial institution, *OIKO*. As a result, the Valley Auctioneers under instructions, undertook to recover the loan through sale of the property by public auction on 31st March 2015;
9. **THAT**, during the 31st Annual Delegates Meeting on 22nd April 2015, the then Chairman *Alfred Ng'etuny* gave an undertaking that teachers who were members when building was purchased in the year 2000, would be considered and given preference in regard to dividend compensations and ownership of the property;
10. **THAT**, teachers whose dividends were used to purchase the building have never benefited; and, thereafter the 1,788 retired teachers later registered a group by the name *Nandi Teachers 2000*;
11. **THAT**, on 4th August 2016, the Chairman of the Nandi Teachers 2000 wrote a letter to the Sacco Societies Regulatory Authority (SASRA) over the ownership of the said building, who responded in a letter to the Society now known as Trans-elite County/Sacco;
12. **THAT**, SASRA in response to the letter by the Chairman of the Nandi Teachers 2000 affirmed the ownership and provided a copy of the attached loan secured by the Society in the year 2002, two years after the payment completion and transfer to Nandi Teachers Sacco Society;
13. **THAT**, in the year 2021 the retired teachers through their registered group filed a case in a cooperative tribunal No. 347 of 2021 against Trans-elite County Sacco. However, on 9th December 2021, the case was struck out in Kakamega on grounds that the teachers were no longer members of the Society;

REGARDING MISMANAGEMENT OF NANDI TEACHERS SACCO AND OWNERSHIP OF MWALIMU PLAZA, FORMERLY BARCLAYS BANK BUILDING IN KAPSABET TOWN, NANDI COUNTY

14. **THAT**, all the efforts by relevant authorities to have the building revert to the owners have failed to give a satisfactory response and over the years some members have since passed away without benefiting from their savings and investments; and,
15. **THAT**, the matter presented in this petition is not pending before any tribunal, court of law, or any constitutional or legal body.

THEREFORE, your humble Petitioners pray that the National Assembly through the Public Petitions Committee;

- i. Recommends that investigations be carried out to determine whether the Nandi Teachers Sacco Society officials fraudulently swindled the members funds as alleged and if found culpable, the officials be prosecuted; and, that retirees who originally purchased the said building be compensated for the loss;
- ii. Recommends that that the property and building known as *Kapsabet Municipality 1181/3705806* be reverted to the founding teacher retirees of Nandi Teachers Sacco Society;
- iii. Recommends that the Trans Elite County Sacco Society Ltd be compel to remit rental collections form the property and building from 2004 to date to the Nandi Teachers Sacco Society retirees through their CBO Nandi Teachers 2000; and,
- iv. Make any other recommendations that it may deem fit in addressing the plight of the Petitioners.

And your **PETITIONERS** will ever pray.

PRESENTED BY:



**THE HON. BENARD KITUR, MP
MEMBER FOR NANDI HILLS CONSTITUENCY**

Date

st
bought 3 plots
Wanted to build Mwalimu plaza each 10,000/- contribution.
Dividends - '99/2000 - used for deposit.
Why was the use re mortgaged by 4 persons.

first loan 10m, then 50 m
10-yr rep
Samy Kirwa
Benjamin Kestice
two others
took a loan of 60m
and withdrew it

Trans-elite Sacco.

2006 found sacco in debts.

No dividends because of losses.

- 200 m loan
- 4.5 m KRA
- 4
- 60 m
- 177 m.
- 16 m
- 8 m cost

Building bought 12m with Loan from National Bank, a charge of 10.

25 m dividends | 60 m accounted for

- evidence of loans given to teachers.

KKWT - are Stake holders of the Sacco

Savings 1.2 m

dividends 8 m.

Shares

Loans

Investments

1.5 m was retained of 1996

27th Dec 2000 -

THE CLERK OF THE NATIONAL
ASSEMBLY

PARLIAMENT BUILDINGS

P.O. BOX 41482-00100

NAIROBI

Email:

nationalassembly@parliament.go.ke

RE: PETITION TO NATIONAL ASEMBLY CONCERNING

Mwalimu Plaza (Formerly Barclays Bank Building – Kapsabet-Nandi county.

We the undersigned Citizens of the Republic of Kenya retired teachers and residents of Nandi county, P.O. Box 991, Kapsabet draw the attention of the national assembly to the following:

1. In the year 2000, the members of the defunct Nandi teachers Sacco through the said Sacco purchased Barclays bank building known as Kapsabet municipality 1181/370 here in after referred to as the Mwalimu Plaza at the cost of Kshs. 12,000,000 Twelve Million Kshs only.
 - 1.1 The members vide the delegates meeting of 18/3/2000 consented that their dividends of the year 1999 be used to pay Barclays Bank
 - 1.2 On 25/4/2000 down payment of 10% herein referred to as commitment fee was paid vide cheque no. 00018479 of Kshs. 1.2 m
 - 1.3 The members subscribed a further Kshs. 10,000 equivalent to 100 shares.
2. On 27/12/2000 Barclays bank transferred the same to Nandi teachers having received full payments of Khs. 12,000,000
3. In the year 2003 some teachers were paid Kshs. 400 as dividends for the year.
4. In the year 2004 the management then used the same as a collateral

to secure kshs. 60,000,000 from an off-shore financial institution known as "OIKO"

5. The society did default the said payment
6. On 31/3/2015 the chargee instructed valley auctioneers to sell by public Auction the said building in order to recover the said sum
7. On 22/4/2017 during the 31st annual delegates meeting the chairman Alfred Ngetuny told the delegates that teachers who were members when the building was acquired be given preference in ownership
8. The loan so secured was credited to Sacco current Account no. 0137000014 in K-Rep Bank on 4/5/2005 Naivasha Branch Nairobi.
9. The money was withdrawn the same day and the balance of Kshs. 64,200.23 remained in the account.
10. The teachers whose dividends was used to purchase the building have never benefited.
11. The retired teachers later on registered a group by the name Nandi Teachers 2000
12. On 4/8/2016 the chairman wrote a letter to SASRA over the ownership of the said building.
13. SASRA wrote a letter to the society now Trans-elite County \ Sacco.
- 1.4 The society through Ezekiel Sawe who was acting CEO replied and gave us a copy attached a loan secured by the society in the year 2002, 2 years after the payment completion and transfer sign to Nandi teachers.
15. Being aggrieved by the same in the year 2021 the retired teachers through their registered group did file a case in a cooperative tribunal No. 347 of 2021. Against Trans-elite County Sacco.
16. On 9/12/2021 the said case was struck out by the chairman at Kakamega on the ground that we were no longer members of the society.
17. Since some of the members have since died without benefiting \



from their sweats, we have decided to petition the National Assembly through Hon. Kitur MP Nandi Hills constituency.


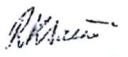
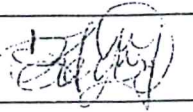
18. We have made all the efforts to have the said building revert to the owners by relevant authorities all of which have failed to give a satisfactory response.
19. None of the issues raised in this petition is pending in any court of law, constitutional or any other legal body.
20. Petition to National Assembly by the retired teachers who purchased the building in the year 2000 through Nandi Teachers Sacco then.

WHEREFORE

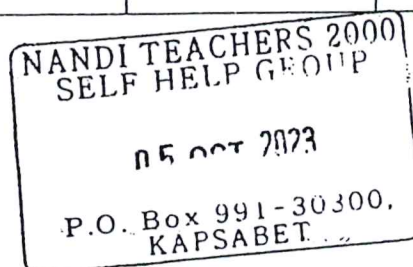
Your humble petitioners pray that the National assembly

1. Have the building known as Kapsabet municipality 1181/3705806) be transferred to the retirees through their CBO Nandi teachers 2000.
2. Trans Elite County Sacco Society ltd to pay rent from 2004 to date to the retirees.
3. Compensate the retirees who purchased the said building.

Dated this.....*20th*.....day of *Sept*.....2024.

NAME	ADDRESS	ID NO	MOBILE NO	SIGNATURE
Fredrick Songol	P.O. Box 991 Kapsabet	5616785	0720694548	
Robert Saina	P.O. Box 991 Kapsabet	3445475	0726868806	
Benson Chirchir	P.O. Box 991 Kapsabet	1250490	0725329466	
Joel Kenduiywo	P.O. Box 991 Kapsabet	1322479	0727066373	

Petitioners.





PARLIAMENTARY RESEARCH SERVICES

PARLIAMENT OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT –FOURTH SESSION

BRIEF ON PUBLIC PETITION NO. 20 OF 2024 REGARDING MISMANAGEMENT OF NANDI TEACHERS' SACCO AND OWNERSHIP OF MWALIMU PLAZA, FORMERLY BARCLAYS BUILDING IN KAPSABET TOWN, NANDI COUNTY

SUMMARY OF THE PETITION

1. Hon. Bernard Kitur tabled the Petition on 3rd December, 2024 on behalf of Kenya retired teachers and residents of Nandi County concerning the alleged mismanagement of the Nandi Teachers SACCO Society and the undisputed ownership of Mwalimu Plaza in Kapsabet Town, Nandi County.
2. The petitioners raise concern over 1,787 retired members of the former Nandi Teachers SACCO Society who invested in a property through a purchase of Barclays Bank Building at Kapsabet Municipality, 1181/370, referred to as Mwalimu Plaza in the year 2000.
3. The property was bought using Ksh12,000,000 utilizing their 1999 dividends with a further subscription of Ksh10,000 equivalent to 100 shares.
4. In 2003-2005, the Nandi Teachers SACCO management, allegedly used the dividends as collateral in securing a loan of Ksh. 60,000,000 from an off-shore financial institution known as "*OIKO*".
5. The loan of Ksh60,000,000 was electronically transferred (EFTS) on 4thMay 2005 and on 5th May 200 in five batches leaving a balance of Ksh 64,200 in the account:
 - i. **Ksh1,000,000 in cash through Cheque No. 00000000022;**
 - ii. **Ksh5,000,000 through a BCHQ Issued Transfer Debit Cheque;**

- iii. **Ksh9,920,251 in TFR, Funds Savings A/C 4154000007; and,**
- iv. **Ksh40,000,000 in TFR, Funds Savings A/C 4154000007).**

- 6. In 2015, the Nandi Teachers SACCO defaulted payment of the loan leading to an auction of Mwalimu Plaza by Valley Auctioneers on 31st March 2015. Assurance of compensation and preferential treatment for original members are allegedly not honored.
- 7. In 2016 *Nandi Teachers 2000* chairman wrote a letter to the SACCO Societies Regulatory Authority (SASRA) over the ownership of the said building. SASRA affirms ownership by Tran-Elite County SACCO, based on loan secured in 2002.
- 8. In 2021, the retired teachers *Nandi Teachers 2000*, filed a case in a cooperative tribunal No.347 of 2021 against Trans-elite County SACCO. However, on 9th December 2021, the case was struck out in Kakamega on the grounds that the teachers were no longer members of the Society.

PRAYERS SOUGHT BY THE PETITIONERS

- 9. Therefore, your humble petitioners pray that the National Assembly, through the Public Petitions Committee;
 - i. Recommends that investigations be carried out to determine whether the Nandi Teachers SACCO Society officials fraudulently swindled the member's funds as alleged and if found culpable, the officials be prosecuted; and that the retirees who originally purchased the said building be compensated for the loss;
 - ii. Recommends that the property and building known as Kapsabet Municipality 1181/3705806 be reverted to the founding teacher retirees of the Nandi Teachers SACCO Society;
 - iii. Recommends that the Trans-elite County SACCO Society Ltd be compelled to remit rental collections from the property and building from 2004 to date to the Nandi Teachers SACCO Society retirees through their Community-Based Organisation (CBO) Nandi Teachers 2000; and,
 - iv. Makes any other recommendations that it may deem fit in addressing the plight of the petitioners

ANALYSIS OF THE PETITION

10. The Petition underscores significant regulatory oversight by SASRA and the Registrar of Cooperatives amid a dispute over ownership of Mwalimu Plaza, in affirming ownership by Trans Elite County SACCO based on a loan.
11. The alleged actions of the SACCO officials raise concerns about breach of fiduciary duty to act in the best interest of the members. Misusing dividends as collateral and failing to account for the loan funds.

LEGAL FRAMEWORKS

The Petition invokes the following constitutional and legal frameworks relevant to the dispute-

- a) **Article 40 (1) of the Constitution of Kenya** - Guarantees every person the right to acquire and own property any part of Kenya
- b) **The Cooperatives Societies Act Cap (490)** - provides legal framework for registration and regulation of co-operatives societies
- c) **The SACCO Societies Act, 2008** - strengthens supervision and regulation of cooperatives societies to protect the interests of depositors and maintain the financial stability of the SACCO

PROPOSED WAY FORWARD

The Committee is urged to summon and engage the following stakeholders for a through inquiry;

- i. The petitioners (The Nandi Teachers 2000);
- ii. The CEO Trans-Elite County SACCO;
- iii. The CEO SASRA and the Registrar of Cooperatives Societies;
- iv. The CS, Ministry of Cooperatives and MSME Development;
- v. OIKO Credit International and K-Rep Bank; and
- vi. The Valley Auctioneers





TRANS ELITE COUNTY SACCO

SUBMISSION

BY MR ALFRED

NGETUNY, CHAIRPERSON

22/MAY/2025

Trans Elite County Sacco: A Journey of Resilience and Recovery

Trans Elite County Sacco, formerly known as Nandi Teachers Sacco, was established and officially registered on July 26, 1977, by a group of visionary teachers. Over the years, the Sacco experienced significant growth in assets and finances, eventually becoming a major player in Kenya's cooperative movement. By 2005, it had amassed savings totaling Ksh 324,596,422, held substantial fixed deposits, and its membership had exceeded 10,000.

Around the year 2000, the Sacco made a notable investment by purchasing EATEC plots in Uasin Gishu, a transaction that lacked transparency. It also acquired loans to pay dividends in an attempt to maintain member confidence.

However, warning signs began to emerge as early as 1996 when the Sacco struggled to meet loan repayments. Instead of full payments, members received partial disbursements. This marked the beginning of financial mismanagement, with members' savings and deposits eventually disappearing.

By 2005, concerned members took decisive action to regain control of the deteriorating Sacco. They voted out the then-board and management, prompting the Commissioner of Cooperatives to initiate an official inquiry. An interim committee was appointed to oversee operations temporarily.

A new management team assumed office in 2006 with the mandate to rescue and revive the troubled cooperative. Upon taking over, they encountered numerous challenges, including:

- TSC remittances amounting to only Ksh 800,000.
- Dependence on costly bank overdrafts.
- Failure to pay dividends for five consecutive years.
- Absence of a formal handover process.
- A long list of financial liabilities:
 - Ksh 200 million loan from Cooperative Bank.
 - KRA tax arrears totaling Ksh 4.5 million.
 - Ksh 4 million in unremitted CIC insurance premiums.
 - Ksh 82 million loan from Oikocredit.



- Discrepancy in financial records amounting to Ksh 177 million.
- Ksh 68 million in misappropriated funds.
- Ksh 8 million lost in transit between Eldoret and Kapsabet.
- Loss of member trust.
- Membership plummeting from over 15,000 to fewer than 2,000.
- EATEC farm properties still registered under unclear ownership.

Achievement

Despite the immense challenges, the new management has recorded several key achievements:

- Successfully cleared all outstanding loans.
- Resolved discrepancies in financial records, writing off Ksh 177 million and Ksh 68 million, with plans to fully clean the books within a year.
- Restored member trust and confidence.
- Reinstated dividend payments, with a current rate of 9%.
- Enhanced loan servicing efficiency.
- Opened a new branch and laid the groundwork for further expansion.
- We have made significant investments in information technology, enabling many of our products and services to be accessed digitally by both our local members and those in the diaspora.

Conclusion

I wish to extend my sincere gratitude to the Parliamentary Petitions Committee for granting us the opportunity to clarify and set the record straight. I am confident that addressing this matter—which has significantly disrupted our SACCO's business environment—will bring it to a final resolution. This will allow our strategic community institution to move forward and be passed on to the next generation with integrity and renewed purpose.

Alfred Ngetuny
Board Chairman
22nd May 2025

Bought by those in office 2000.

Buyer for Corn from NBK and KAP

and other of GOM.

branch 4/5/1

NBK to KAP November

Chairman withdrew case of court 7 appeal
and decided to go to ~~Court~~ Tribunal Court.

10,000 almost 100 for

22 Feb 2000 - Chairman Kungu's title deed.

Lefted 2000 Zakaria Kuto

2001 new management came in.

Required GOM.

Stalin director wrote them a letter.

Burgut title and left in the 5 years
Zakaria Kuto.

Old Mutual Tower,
19th Floor,
Upper Hill Road, Upper Hill
P.O. Box 25089-00100,
Nairobi, Kenya

02 OCT 2025



DLP 5
8
11/10/25

(ii) MAETHRA
Please deal

Tel: +254 (20) 2935101
Toll-free line: 0800 724 422
WhatsApp: 0796-488-200
E-mail : info@sasra.go.ke
Web: www.sasra.go.ke

FAA
02/10/25

**THE SACCO SOCIETIES REGULATORY AUTHORITY
(SASRA)**

Your Ref: NA/DAA & GPC/PPC/2025/005
Our Ref: SASRA/700/CS.2466/0088/Vol. IX/ (87)

(1)
(2)
Director, AA & GPC
1st October, 2025
(This is redacted.)
Agaphine
2/10.

Clerk of the National Assembly
Main Parliament Buildings
P.O Box 41842 - 00100
Nairobi

Advance email copy to: [-lucy.kimathi@parliament.go.ke](mailto:lucy.kimathi@parliament.go.ke)
Leonard.ongegu@parliament.go.ke

Dear Sir,

INVITATION FOR SUBMISSIONS WITH PUBLIC PETITION COMMITTEE ON PUBLIC PETITION REGARDING MISMANAGEMENT OF NANDI TEACHERS SACCO AND OWNERSHIP OF MWALIMU PLAZA BUILDING IN KAPSABET TOWN, NANDI COUNTY

Reference is made to your letter **Ref. No.** NA/DAA & GPC/PPC/2025/005 dated 11th September 2025 inviting the Authority to attend the Public Petitions Committee meeting to be held on **Wednesday, 1st October 2025.**

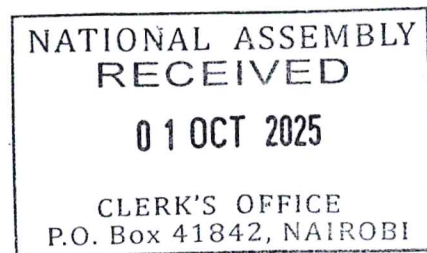
The invitation requires the Authority to respond to issues raised on the Petitions on allegations of Mismanagement of Nandi Teachers SACCO Society Ltd, and the dispute relating to the ownership of the building known as SACCO plaza (formerly SACCO plaza), Kapsabet Town, Nandi County. In this regard, kindly find an advance copy of the Authority's written submissions on the issues for your appreciation and further action.

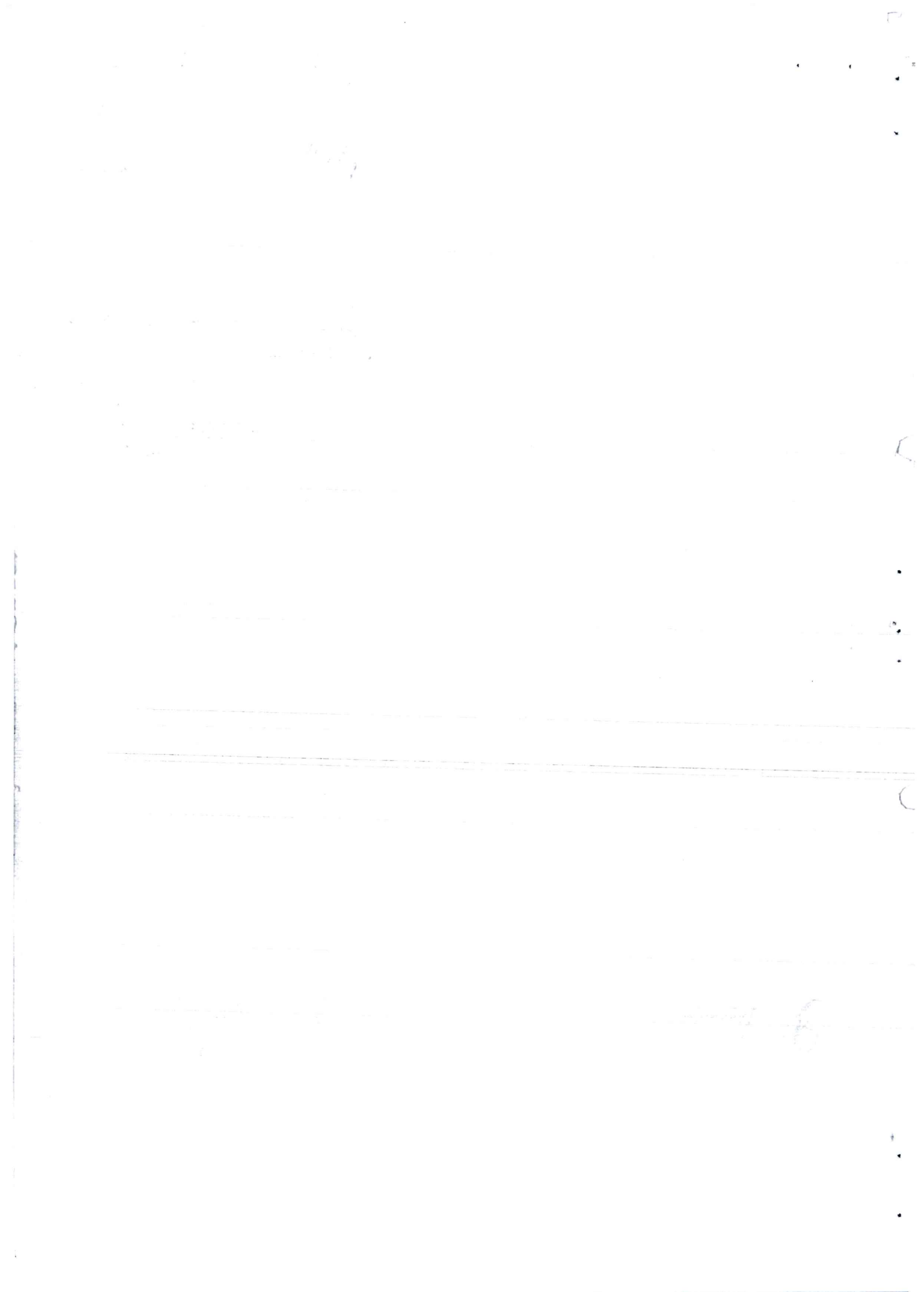
The Authority shall equally attend the Committee's session on the designated date, venue and time, to answer any questions that may arise from the Petition, the written submissions, and other any other matters as the Committee will guide.

Thank you for your continued support.

Yours faithfully,

David Sandagi
Ag. Chief Executive Officer







**SUBMISSIONS TO THE PUBLIC PETITIONS COMMITTEE OF THE NATIONAL
ASSEMBLY**

**REGARDING THE MISMANAGEMENT OF NANDI TEACHERS SACCO SOCIETY LTD AND
OWNERSHIP OF MWALIMU PLAZA BUILDING IN KAPSABET TOWN, NANDI COUNTY**

A. THE INVITATION

1. The SACCO Societies Regulatory Authority (*hereinafter referred to as SASRA*) is in receipt of the invitation letter dated 11th September 2025 from the National Assembly's Public Petitions Committee, regarding allegations of mismanagement of Nandi Teachers Sacco Society Ltd and on the ownership of Mwalimu Plaza Building in Kapsabet Town, Nandi County.
2. The invitation letter indicated that the Public Petitions Committee intends to deliberate with the Authority on a petition which was presented to the House by the Honourable Member of Parliament for Nandi Hills Constituency, Hon. Benard Kitur, MP concerning the said allegations of mismanagement of Nandi Teachers Sacco Society Ltd and on the ownership of Mwalimu Plaza Building in Kapsabet Town, Nandi County.

B. BACKGROUND INFORMATION

I. SASRA and Trans-Elite (formerly Nandi Teachers) SACCO Society Ltd.

1. SASRA is a State Corporation established under the provisions of the Sacco Societies Act No. 14 of 2008, (Laws of Kenya) (*herein after referred to as the Act*). The principal statutory mandate of SASRA as prescribed in Section 5 of the Act is to among other things to –
 - a) ***license of SACCO Societies to undertake deposit- taking Sacco business in Kenya (popularly known as Front Office Service Activity or FOSA)***, and
 - b) ***supervise and regulate SACCO Societies in Kenya*** (both deposit taking (DT-SACCOs) and specified non-deposit taking SACCOs (NWDT-SACCOs))
2. The **Trans-Elite (formerly Nandi Teachers) SACCO Society Ltd** (*hereinafter the SACCO Society*) is one of the deposit-taking SACCOs (DT-SACCOs) licensed, regulated, and supervised by SASRA.
3. It was first licensed in 2011 and has maintained its licensing status with the Authority up to and including the present year 2025, and being a deposit-taking SACCO Society, the Authority expects to renew the license for the ensuing years in accordance with the law.

(Annexed hereto is a copy of the current license for the year 2025 marked "SASRA-1")

4. It is however important to state initially that the said SACCO Society was registered as Nandi Teachers SACCO Society Ltd, but it changed its name to Trans-Elite SACCO Society Ltd sometimes in 2015. The reason for change in name was to accommodate its strategies of



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expanding its common bond beyond teachers and accord other Kenyans opportunity to patronize its services.

II. Trans-Elite (formerly Nandi Teachers) SACCO Society Ltd prior to 2015.

1. The said SACCO Society was registered on 27th June 1977 pursuant to the provisions of the Cooperative Societies Act, *certificate registration No. 2709*, and had been in operation for several years as a savings and credit cooperative society, prior to being licensed as a deposit-taking SACCO by SASRA in 2011.
2. Consequently, the information on the operations, activities and governance of the said SACCO Society prior to 2011 is based only on the records availed by the SACCO Society during that period, and a few other secondary validated records. This includes allegations of mismanagement and on the dispute relating to the ownership of all that land and building registered and known as LR. No. 1181/370-35, SACCO Plaza (*formerly Mwalimu Plaza*) Building, situated along Kapsabet - Chavakali Road, Kapsabet Town, Nandi County (*hereinafter the SACCO Building*).
3. But the Authority can state right at the outset that from 2011 to date the said SACCO building has been and still is registered in the names of the said SACCO Society (of course with the successive changes in its name), and albeit with various charges on the title in favour of various lenders.
(Attached herein is a copy of the title marked SASRA-2)
4. Additionally, it is a matter within the Authority's knowledge and information that the said SACCO Society has since the date of its licensing in 2011 has occupied the said SACCO Building as its principal and licensed place of business.

III. Allegations of Mismanagement of the SACCO Society prior to 2011

1. From the records available, the Authority learnt that the said SACCO Society was prior to applying for deposit-taking license in 2011, dealing with multiple long-standing court cases which had commenced in 2005 or thereabouts. These cases involved the SACCO itself and its former board members and staff, who were implicated in a 2006 Inquiry Report by the Commissioner for Cooperatives Development.
(Annexed hereto is a copy of the Inquiry Report marked SASRA-3)
2. In that Inquiry Report, the Commissioner for Cooperative Development found former officers of the said SACCO Society (Board and staff) individuals guilty of mismanagement and abuse of office and surcharged them a total of Kshs. 68.6 million. The court cases were therefore an attempt to recover the amounts of surcharge imposed on those former officers.



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3. In particular, the Inquiry Report detailed the misappropriation as follows -
 - a) Kshs. 68.86 million in cash that was defrauded by the former directors and staff.
 - b) Kshs. 18.1 million in unaccounted cash paid by Cooperative Bank without any record of the payees.
 - c) Kshs. 177.78 million that was lost on land purchases reportedly made by the former management on behalf of the SACCO Society.

4. In accordance with the prudential standards, including the IFRS standards of reporting for financial standards, the said SACCO Society was upon being licensed required to make adequate provisions for these sums of money, which they had been recording in their books as receivables thereby overstating their actual total assets base. As at the year ended December 2024, the SACCO Society had made provisions for these receivables leaving a balance of Kshs 43.65 million.
(Annexed is an extract of the audited Financial Statements of the SACCO Society for the year ended December 2024 marked SASRA-4)

5. On the other hand, the former officials who were surcharged by the Commissioner of Cooperative Tribunal is still being pursued in the pending at the Co-operatives Tribunal.
(Attached is a copy of the status report of the cases Marked SASRA-5)

6. Other than the foregoing the SACCO Societies financial performance, stability and soundness as at August 2025 remains sound as provided in **Table 1** and **Table 2** herein.

Table 1: Stability Indicators

Key Financial Indicators	2020	2021	2022	2023	2024
Total Assets	747,794,572	1,479,682,298	1,525,812,847	1,601,248,247	1,882,797,435
% Growth		49%	3%	5%	15%
Total Deposits	539,970,780	687,300,612	697,771,864	752,626,721	816,242,413
% Growth		21%	2%	7%	8%
Gross Loans	613,873,373	612,450,976	692,970,900	868,900,548	1,042,488,570
% Growth		0%	12%	20%	17%
Total Investments	4,228,556	553,777,738	543,895,875	547,165,800	578,715,155
% Growth		99%	-2%	1%	5%
Non-Earning Assets	19,198,379	261,425,367	210,465,189	174,640,305	163,852,757
% Growth		93%	-24%	-21%	-7%
Total Equity	111,745,308	642,807,794	631,410,050	654,736,272	827,115,820.00
% Growth		83%	-2%	4%	21%
Total Income	125,316,872.00	181,556,031	237,140,538	239,645,423	283,661,203
% Growth		31%	23%	1%	16%
Total Expenses	106,144,360.00	135,116,456	146,055,304	180,565,738	184,575,334
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Table 2: Prudential Ratios

Prudential Ratios	2020	2021	2022	2023	2024
Core Capital (Kshs. 10M)	179,885,971.40	304,431,030	344,029,287	387,574,123	482,205,958
Core Capital/Total Assets (Min 10%)	24.6%	20.6%	22.5%	24.2%	25.6%
Core Capital/Total Deposits (Min 8%)	33.3%	44.3%	49.3%	51.5%	59.1%
Share Capital/Total Assets (Max 2%)	3.8%	0.8%	1.2%	1.3%	1.4%
Institutional Capital/Total Assets (Min 8%)	20.8%	19.8%	21.3%	22.9%	24.2%

Observations

Besides the historical issues associated with the Inquiry Report which took place long before the Authority was established, and the fact that the same are being addressed by the SACCO Society from an accounting perspective and recovery through the established legal framework, the Authority is not privy to any other incidence of mismanagement of the said SACCO Society.

IV. Purchase and Ownership of the SACCO Plaza

1. It is important to state from the beginning that the said SACCO Society was first licensed by the Authority in 2011 or thereabouts, and that as at that time the said SACCO Plaza was reported and recorded in its books of accounts under property, plant and equipment totaling Kshs 34 million, out of which Kshs 12 million was specifically attributable to the said SACCO Plaza. As indicated hereinabove, the SACCO Society's registered and licensed place of business was then and remains the said SACCO Plaza, strictly for its business and not necessarily for rental.

(Annexed is an extract of the audited Financial Statements of the SACCO Society for the year ended December 2011 marked SASRA-6)

2. At that point of licensing by SASRA, there was no mention of disputed ownership of the said Plaza. Consequently, the information about the ownership dispute by some members with regard to the Plaza is a matter that has come to the attention of the Authority thereafter.
3. But when the matter was brought to SASRA's attention and upon inquiry about this dispute, it was noted that the facts of the disputes actually took places sometimes in 1999 and 2000, long before SASRA was established. Thus, the response by the Authority is solely dependent on the information and documentations availed by the SACCO Society to reconstruct the actual history of the matter.



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4. In this regard SASRA noted that it was the initial intention of the members of the said SACCO Society on one hand, and the SACCO Society itself on the other hand, to put up a storied-building within the Kapsabet town. This arrangement also provided that the building will be co-owned by both the individual members and the SACCO Society through shares. This is reflected in the delegates meeting dated 25th May 1999 under Minute No. *Min. 3/ADM/29/5/99*. The proposed joint ownership was for members of the SACCO Society to own 70% and for the SACCO Society itself to own 30%.

(Annexed is copy of the Minutes Marked SASRA-7)

5. It is, however, stated this planned arrangement was shelved and did not materialize because only a few members of the SACCO Society paid the required Kshs. 10,000 per member. According to the Inquiry Report by the Commissioner held in 2003, only 424 members made contributions which altogether amounted to Kshs 4,009,500, and it was expected that the balance of the funds for construction would be contributed by the SACCO Society itself.
6. But because the planned arrangement did not materialize and was shelved, some of the members who had made contributions demanded to be refunded their contributions. The record provided by the SACCO Society shows that a total sum of Kshs 1,119,789 was actually refunded, leaving a balance of Kshs 2,889,711, even though there is no credible record to support the list of individual members whose contributions were not refunded.

(Annexed is the list provided for the members whose contributions were refunded marked SASRA-8)

7. When the initial plan was shelved the SACCO Society did later accept a request that had been floated by Barclays Bank for sale of their building, then known as Barclays Bank Building in Kapsabet Town. Consequent to the acceptance, the SACCO Society proceeded to purchase the building from Barclays Bank at a purchase price of Kshs 12 million, with members' consent at a meeting held on 25th April 2000, under Minute Number *Min. 2/19/4/2000*.

(Annexed is a Minutes marked SASRA-9)

8. It is also important to note that the purchase of the building was actually financed by a loan facility granted to the Sacco Society by the National Bank of Kenya. This is the reason why the land on which the building sits was upon being transferred to the SACCO Society on 19th January 2001, concurrently charged in favour of the National Bank of Kenya. It is not clear how much loan was issued by National Bank of Kenya, even though the minutes had indicated that the purchase price was to be Kshs 12 million, with the SACCO Society paying an initial 10% deposit which amounted to Kshs 1.2 million.

(Annexed is a copy of the Title of the said building showing the entries of transfers and charges on 19th January 2001 SASRA-10)



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9. It is not exactly clear when the dispute regarding the ownership of the building arose or started to occur. However, according to the SACCO Society's current officers, some members of the SACCO Society who had contributed money towards the initial plan of putting up a building in Kapsabet town formed a group called Nandi Teachers 2000 Self-Help Group. The group claims in general was that they had not sufficiently benefited from the building which was purchased by the SACCO Society from the Barclays Bank, despite their contributions to the said purchase.
10. This group filed a case against the SACCO Society at the Cooperatives Tribunal in Eldoret under CTC No. 347 of 2021. Their claims against the SACCO Society were for the SACCO to vacate from the premises or pay rent from the year 2003. The Authority has not been able to verify the current status this claim.

(Annexed are copy of the Claim filed in the Tribunal and decisions of the Tribunal marked SASRA-11)

V. Conclusions

1. The subject SACCO Plaza is legally and rightfully owned by the said SACCO Society having been purchased using the SACCO Society's funds, including a facility from the National Bank of Kenya.
2. That it is true that some former members of the SACCO Society contributed money towards an initial intended construction of a building in Kapsabet town to be co-owned with the SACCO Society, but this plan was shelved after some members failing to meet their end of the bargain resulting in refunds of the contributions.
3. It is apparent that some contributors may not have been refunded their monies, but the non-refunding of the same cannot be attributed to the building or any income generated from the building.
4. The list of contributors who did not receive refunds is not clear or foolproof and there is no credible data to validate the same, except probably those who filed cases at the tribunal.

Prepared & Presented to the Committee by:

David A. Sandagi
AG, CHIEF EXECUTIVE OFFICER



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6. But because the planned arrangement did not materialize and was shelved, some of the members who had made contributions demanded to be refunded their contributions. The record provided by the SACCO Society shows that a total sum of Kshs 1,119,789 was actually refunded, leaving a balance of Kshs 2,889,711, even though there is no credible record to support the list of individual members whose contributions were not refunded.

(Annexed is the list provided for the members whose contributions were refunded marked SASRA-8)

7. When the initial plan was shelved the SACCO Society did later accept a request that had been floated by Barclays Bank for sale of their building, then known as Barclays Bank Building in Kapsabet Town. Consequent to the acceptance, the SACCO Society proceeded to purchase the building from Barclays Bank at a purchase price of Kshs 12 million, with members' consent at a meeting held on 25th April 2000, under Minute Number *Min. 2/19/4/2000*.

(Annexed is a Minutes marked SASRA-9)

8. It is also important to note that the purchase of the building was actually financed by a loan facility granted to the Sacco Society by the National Bank of Kenya. This is the reason why the land on which the building sits was upon being transferred to the SACCO Society on 19th January 2001, concurrently charged in favour of the National Bank of Kenya. It is not clear how much loan was issued by National Bank of Kenya, even though the minutes had indicated that the purchase price was to be Kshs 12 million, with the SACCO Society paying an initial 10% deposit which amounted to Kshs 1.2 million.

(Annexed is a copy of the Title of the said building showing the entries of transfers and charges on 19th January 2001 SASRA-10)



SUBMISSIONS TO THE PUBLIC PETITIONS COMMITTEE OF THE NATIONAL ASSEMBLY

REGARDING THE MISMANAGEMENT OF NANDI TEACHERS SACCO SOCIETY LTD AND OWNERSHIP OF MWALIMU PLAZA BUILDING IN KAPSABET TOWN, NANDI COUNTY

9. It is not exactly clear when the dispute regarding the ownership of the building arose or started to occur. However, according to the SACCO Society's current officers, some members of the SACCO Society who had contributed money towards the initial plan of putting up a building in Kapsabet town formed a group called Nandi Teachers 2000 Self-Help Group. The group claims in general was that they had not sufficiently benefited from the building which was purchased by the SACCO Society from the Barclays Bank, despite their contributions to the said purchase.
10. This group filed a case against the SACCO Society at the Cooperatives Tribunal in Eldoret under CTC No. 347 of 2021. Their claims against the SACCO Society were for the SACCO to vacate from the premises or pay rent from the year 2003. The Authority has not been able to verify the current status this claim.

(Annexed are copy of the Claim filed in the Tribunal and decisions of the Tribunal marked SASRA-11)

V. Conclusions

1. The subject SACCO Plaza is legally and rightfully owned by the said SACCO Society having been purchased using the SACCO Society's funds, including a facility from the National Bank of Kenya.
2. That it is true that some former members of the SACCO Society contributed money towards an initial intended construction of a building in Kapsabet town to be co-owned with the SACCO Society, but this plan was shelved after some members failing to meet their end of the bargain resulting in refunds of the contributions.
3. It is apparent that some contributors may not have been refunded their monies, but the non-refunding of the same cannot be attributed to the building or any income generated from the building.
4. The list of contributors who did not receive refunds is not clear or foolproof and there is no credible data to validate the same, except probably those who filed cases at the tribunal.

Prepared & Presented to the Committee by:

David A. Sandagi
AG, CHIEF EXECUTIVE OFFICER



SASRA

THE SACCO SOCIETIES REGULATORY AUTHORITY (SASRA)

L I C E N C E F O R D E P O S I T - T A K I N G S A C C O B U S I N E S S

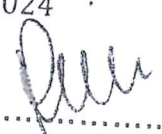
This license is granted to *TRANS ELITE COUNTY SACCO SOCIETY LTD*, CS/NO. 2709 of address P.O. Box 547 - 30300, KAPSABET and authorizes the said Sacco Society to conduct deposit-taking Sacco business in Kenya. This license is issued subject to the provisions of the Sacco Societies Act No.14 of 2008 and the regulations issued there under and to any conditions endorsed here on.

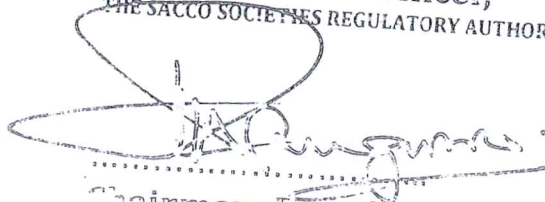
This license covers the period FROM 1st January, 2025 TO 31st December, 2025 for the Sacco Society's head office situated at L.R No. 1181/370-35, SACCO PLAZA, KAPSABET-CHAVAKALI ROAD in KAPSABET TOWN within NANDI COUNTY.

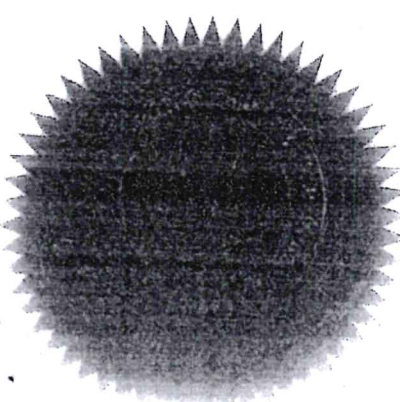
The Sacco Societies Regulatory Authority (SASRA) may at any time revoke, amend or restrict this license or vary any terms and/or conditions of its issuance.

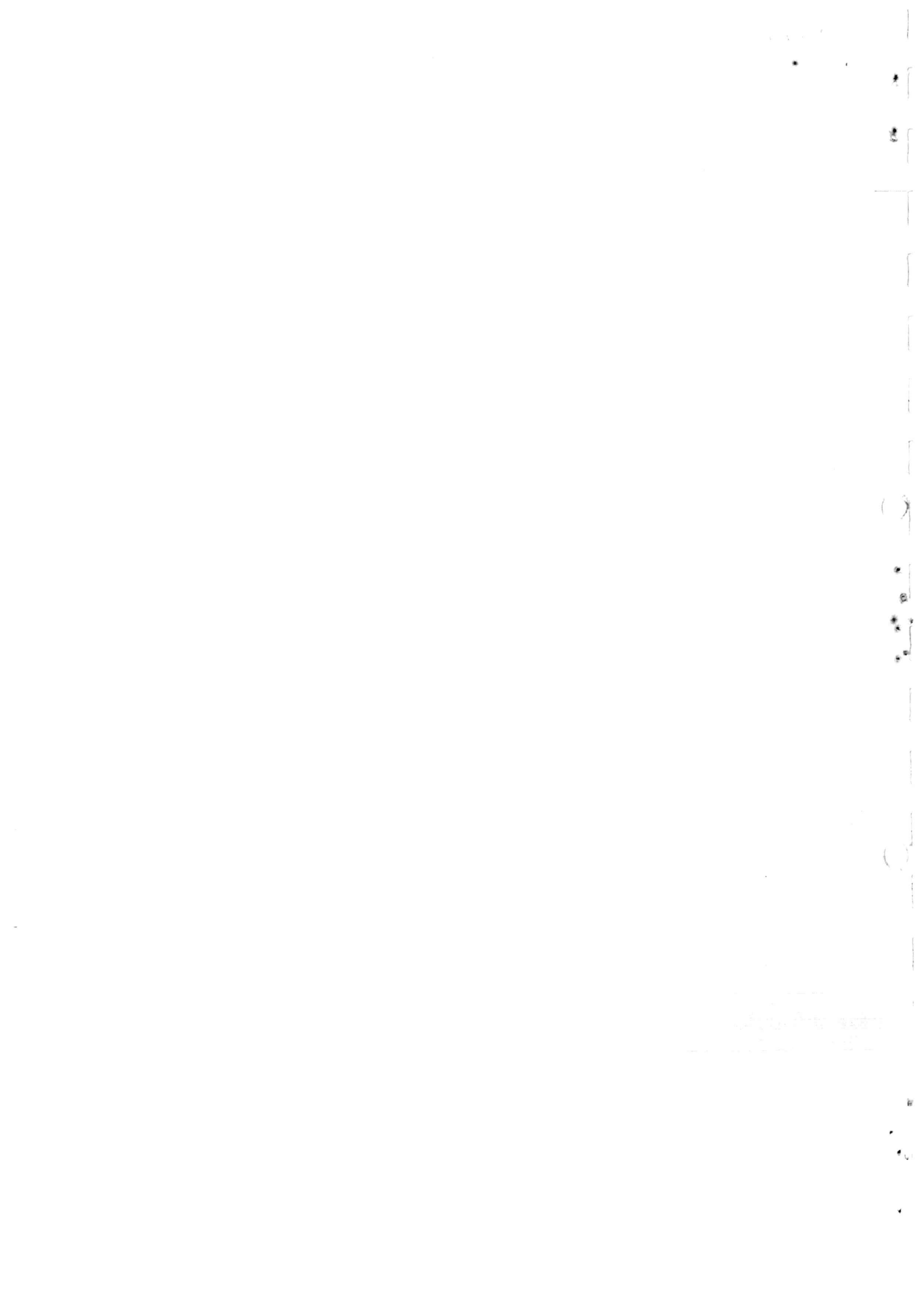
Issued under the common seal of THE SACCO SOCIETIES REGULATORY AUTHORITY

Dated this 16th day of December, 2024


.....
Chief Executive Officer,
THE SACCO SOCIETIES REGULATORY AUTHORITY


.....
Chairman, Board of Directors
THE SACCO SOCIETIES REGULATORY AUTHORITY







REPUBLIC OF KENYA

SO E 42
Bule
SASRA 2

REGISTRATION OF TITLES ACT

(Chapter 281)

1910 49



GRANT: No. I.R.N. 5806

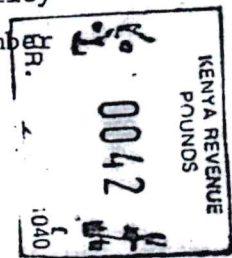
ANNUAL RENT: Sh. 3,800/- (REVISABLE)

TERM: Ninety-nine (99) Years from 1.1.1989

KNOW ALL MEN BY THESE PRESENTS that in consideration of the sum of Shillings Nineteen thousand (shs.19,000/-) by way of Stand Premium paid by way of Stand Premium paid on or before the execution hereof the COUNTY COUNCIL OF NANDI (hereinafter called "the Council") a body corporate duly established under Local Government Regulation



hereby GRANTS unto BARCLAYS BANK OF KENYA LIMITED a alimited liability Company having its registered office at Nairobi (Post Office Box Number 30120)



(hereinafter called "the Grantee ") ALL that piece of land situate in the Kapsabet Twon in the Nandi District containing by measurement. Nought decimal one four nought nought (0.1400)

hectare or thereabouts that is to say Land Reference Number 1181/370 which said piece of land with the dimensions abuttals and boundaries thereof is delineated on the plan annexed hereto and more particularly on Land Survey Plan Number 181607 deposited in the Survey Records Office at Nairobi To HOLD

for the term of Ninety-nine years from the first (1st) day of January One thousand nine hundred and eighty nine SUBJECT to (a) the payment in advance on the first day of January in each year of the annual rent of Shillings Three thousand eight hundred (Shs.3,800/-) (Revisable) w.e.f. 1.1.1989 (b) the provisions of the Trust Land Act (Cap. 288) (c) the provisions of the Town Planning Act (Chapter 134) and (d) the following Special Conditions (namely):—

SPECIAL CONDITIONS

1. No buildings shall be erected on the land nor shall additions or external alterations be made to any buildings otherwise than in conformity with plans and specifications previously approved in writing by the local authority. The local authority shall not give approval unless satisfied that the proposals are such as to develop the land adequately and satisfactorily.

2. The grantee shall within six months of the ~~commencement of the term~~ actual registration of the Grant submit in triplicate to the local authority plans (including block plans showing the positions of the buildings and a system of drainage for the disposal of sewage surface and sullage water) drawings elevations and specifications of the buildings the grantee proposes to erect on the land and shall within 24 months of the ~~commencement of the term~~ actual registration of the Grant complete the erection of such buildings and the construction of the drainage system in conformity with such plans drawings elevations and specifications as amended (if such be the case) by the local authority.

Provided that notwithstanding anything to the contrary contained or implied by the Trust Land Act if default shall be made in the performance or observance of any of the requirements of this condition it shall be lawful for the county council or any person authorized by the county council to re-enter into and upon the land or any part thereof in the name of the whole and thereupon the term hereby created shall cease but without prejudice to any right of action or remedy of the county council in respect of any antecedent breach of any condition herein contained.

3. The grantee shall maintain in good and substantial repair and condition all buildings at any time erected on the land.

4. Should the grantee give notice in writing to the local authority that it is unable to complete the buildings within the period aforesaid the local authority shall (at the grantee expense) accept a surrender of the land comprised herein:—

- (i) Provided further that if such notice as aforesaid shall be given within 12 months of the ~~commencement of the term~~ actual registration of the Grant the local authority shall refund to the grantee fifty per centum of the stand premium paid in respect of the land or
- (ii) at any subsequent time prior to the expiration of the said building period the local authority shall refund to the grantee twenty-five per centum of the said stand premium. In the event of notice being given after the expiration of the said building period no refund shall be made.

5. The land and the buildings shall only be used for Banking Hall, Offices and one Flat for the Caretaker.

6. The buildings shall not cover more than fifty (50%) per centum of the area of the land or such lesser area as may be laid down by the Local Authority in its by-laws.

7. The land shall not be used for the purpose of any trade or business which the local authority considers to be dangerous or offensive.

REPUBLIC OF KENYA

DISTRICT OF *NANDI*

Locality *Kapsabet Town*

Reference Map *North. A. 36*
X. III. c 2

Land Reference No. *1181/370*

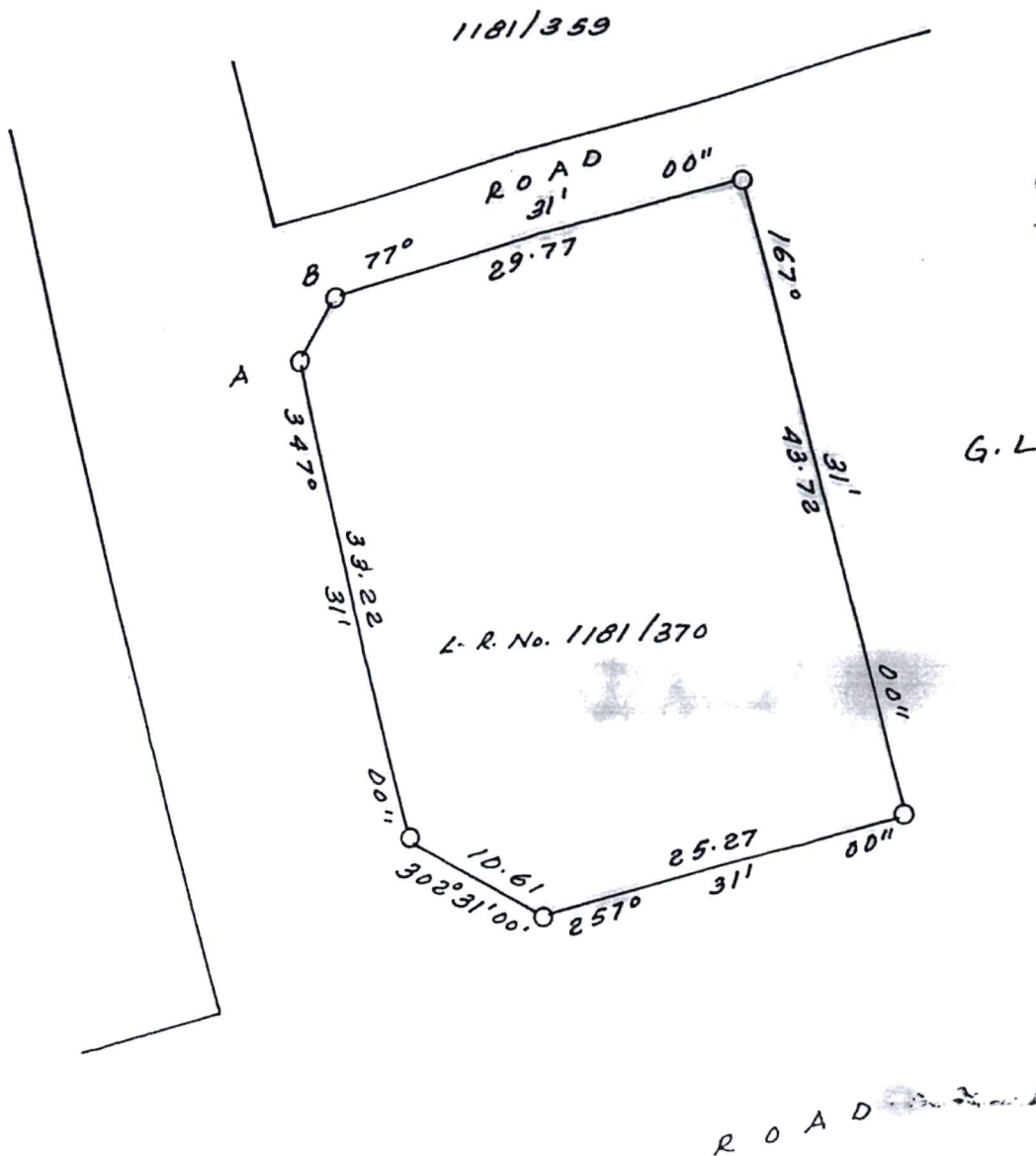
(Orig No.

Sub division No. (Orig No.

of Section No.

Area = *0.1400 Ha. (Appr.*

	Bearings			Distances Metres
	°	'	"	
A-B	32	31	00	4.24



8. The grantee shall not subdivide the land without prior consent in writing of the local authority and the Commissioner of Lands.

9. The grantee shall not sell transfer sublet charge or part with the possession of the land or any part thereof or any buildings thereon except with the prior consent in writing of the local authority. No application for such consent (except in respect of a loan required for building purposes) will be considered until special condition No. 2 has been performed.

10. The grantee shall pay to the local authority on demand such sums as the local authority may estimate to be the proportionate cost of constructing all roads and drains and sewers serving or adjoining the land and shall on completion of such construction and the ascertainment of the actual proportionate cost either pay (within seven days of demand) or be refunded the amount by which the actual proportionate cost exceeds or falls short of the amount paid as aforesaid.

11. The grantee shall from time to time pay the local authority on demand such proportion of the cost of maintaining all roads and drains serving or adjoining the land as the local authority may assess.

12. Should the local authority at any time require the said roads to be constructed to a higher standard the grantee shall pay to the local authority on demand such proportion of the cost of such construction as the local authority may assess.

13. The grantee shall pay such rates taxes charges duties assessments or outgoings of whatever description as may be imposed charged or assessed by any Government or local authority upon the land or the buildings erected thereon including any contribution or other sum paid by the local authority or county council in lieu thereof.

14. The county council or such person or authority as may be appointed for the purpose shall have right to enter upon the land and lay and have access to water mains service pipes and drains telephone telegraph wires and electric mains of all descriptions whether overhead or underground and the grantee shall not erect any buildings in such a way as to cover or interfere with any existing alignments of main or service pipes or telephone or telegraph wires and electric mains.

15. The county council reserves the right to revise the annual ground rental payable hereunder after the expiration of the 33rd and 66th year of the term hereby granted. Such rental will be at a rate of 4 per cent of the unimproved freehold value of the land as assessed by the Commissioner of Lands.

IN WITNESS WHEREOF I, SAMMY SILAS KOMEN MWAITA)
the Commissioner of Lands thereto lawfully)
authorised on behalf of NANDI COUNTY COUNCIL)
hereunto set my hand this 12th day of May)
Two thousand in the presence of:)

[Handwritten signature]

[Handwritten signature]
REGISTRAR OF TITLES

GPK 159-3m-1/76

LAND TITLES REGISTRY - NAIROBI REGISTRY
REGISTRATION OF TITLE ACT

REGISTERED AS No. I.R.N. 5806/1

PRESENTED 13TH JUNE 2000

TIME 11:25hrs *[Handwritten signature]*
Registrar of Titles

2

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Transfer to Nandi Teachers Co-operative
Savings and Credit Society Limited

Registration No. 454 Date of Registration 19-1-2001
JANE KANJA (13)

3

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Charge to National Bank of Kenya
limited

Registration No. 455 Date of Registration 19-1-2001
JANE KANJA (13)

4

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Discharge of Charge No. 3
above

Registration No. 750 Date of Registration 17-4-2002
R. N. MULE (15)

5

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Charge to K-Rep Bank Limited

Registration No. 751 Date of Registration 17-4-2002
R. N. MULE (15)

6

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Discharge of Charge No 5 above

Registration No. 86 Date of Registration 2-3-2001
F. P. Lubulella (13)

7

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE
Charge to OIKOCREDIT, Ecumenical Co-operative
Society U.A

Registration No. 87 Date of Registration 2-3-2001
F. P. Lubulella (13)

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE ...
Discharge of charge NO. 7 above

Presentation No: 2217 Date of Registration: 27-1-2021

[Signature]
Registrar
S. C. Ngonze *294

THE CO-OPERATIVE SOCIETIES ACT
NO.12 OF 1997 (AMENDMENT 2004)
(LAWS OF KENYA)



INQUIRY ORDER

WHEREAS, I have on my own accord, decided that an Inquiry be held into the by-laws, Working and Financial Conditions of **NANDI TEACHERS SACCO SOCIETY LTD.- CS/2709** and in accordance with Section 58 of the Co-operative Societies Act No. 12 of 1997 (Amendment 2004).

operative Auditor R. J. authorize, (1) Mrs. Agnes Machora – Senior Co-Examiner 1 Provincial Co-operative Auditor's Nakuru. (3) Mr. Philip Agola K'oremo – Co-operative Officer Headquarters. (4) Mr. Joel Barbengi – District Co-operative Auditor Marakwet District. to hold an Inquiry within thirty (30) days from the date thereof at such place and time as may be expedient and duly notified by them.

The attention of all officers and members of the Society is directed to the following Sections of the Co-operative Societies Act.

- Section 60(1) - Cost of Inquiry
- Section 60(2) - Recovery of Costs of Expenses
- Section 94 - Offences
- Section 73 - Inquiry into the conduct of Management Committee members.

DATED at Nairobi this 18th day of October 2005.

F. F. Odiambo
F. F. ODIAMBO, DSM
COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT

This is the exhibit marked SKIB Annexed to the Affidavit/Declaration of SAMMY KIRWA Sworn/Declared before me this 20th day of JUNE 2006 at ELDERET in the Republic of Kenya

[Signature]
Commissioner for Oaths

54212

MINISTRY OF CO-OPERATIVE DEVELOPMENT & MARKETING

Telephone: 053 - 52033
Fax 053 - 52299



DISTRICT CO-OPERATIVE OFFICE
NANDI NORTH DISTRICT
P.O. Box 259,
KAPSABET

When replying please quote

Ref No: CS/2709/32
and date

Date: 27/5/2006

DELEGATE

.....Electoral Area.

RE: NOTICE OF SPECIAL DELEGATES MEETING

In exercise of the powers conferred on the Commissioner for Co-operative Development by Section 27(8), and (10) of the Co-operative Societies Act, you are hereby notified that a Special Delegates Meeting has been convened on **Saturday 10th June, 2006** at 9:00 am at Kipchoge Keino Stadium at which the following agenda shall be discussed:-

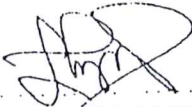
AGENDA

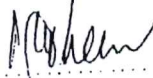
1. Prayer
2. Introduction and Confirmation of Elected Delegates
3. Reading of the Inquiry Report
4. Resolutions on the Inquiry Report
5. Reading of the Society Audited Accounts - 2005
6. Election of Management Committee Members
7. Appointment of Auditors
8. Fixing the borrowing power
9. AOB

This is the exhibit marked "SK 2"
Annexed to the Affidavit/Declaration of
Sanny KIRWA
Sworn/Declared before me this 20th
day of JUNE 2006 at ELDORESA
in the Republic of Kenya

.....
Commissioner for Oaths

Please observe time so as to be able to dispose of the business of the meeting in time
Bring along this invitation letter with you, as it will be required at the gate


.....
E. F. W. MOYWAYWA
DISTRICT CO-OPERATIVE OFFICER
NANDI SOUTH DISTRICT


.....
MUSA K. CHEBON
DISTRICT CO-OPERATIVE OFFICER
NANDI NORTH DISTRICT

CC

Commissioner for Co-operative Development,
P.O. Box 40811
NAIROBI

District Commissioner
Nandi North

Provincial Co-operative Officer,
Rift Valley Province,
P.O. Box 960
NAKURU

District Commissioner
Nandi South



2.0 BACKGROUND

Nandi Teachers SACCO Society Ltd. was registered on 27th June 1977 but started operations in January 1978. The society head office is located in Kapsabet Town and serves members from the greater Nandi districts. The society has intentions to open a branch office at Nandi Hills town.

The society has grown over the years from a small entity to a medium size outfit which, as at the end of 2005 was serving 4,394 members who had accumulated savings and share capital to the tune of Kshs. 324,596,422.00. On the other hand, members had benefited through loans which were standing at Kshs.112,142,740. The society operates a Front Office services Activity (FOSA) which has increased the risk exposure to members' funds and which require proper management to sustain the continued existence of the society. Besides, the society operates a bookshop. The society is run by a committee of nine elected members which has deployed 19 employees to carry out the day to day operations of the society. The elected society officials duties and responsibilities are mainly policy in nature whereas employees are to implement the policies. However, the overall direction of the society is nevertheless in the hands of the elected officials.

The society's primary objective for which the society was registered is to offer its members' savings facilities to accumulate funds thereby creating a pool from where the society can afford productive and provident loans to the members at an affordable rate of interest. Subsidiary activities are those that will complement the primary objective and those that do not offer conflict.

3.0 INQUIRY FINDINGS

The Inquiry made findings solely on the evidence gathered during the cause of the exercise. Any findings that were not properly supported after subjecting them to evaluation were not considered for this report.

3.1 SOCIETY BYLAWS

The Inquiry established that the society's bylaws were last amended on 25th February 2005 when they were registered by the Commissioner for co-operative Development. The amendments were necessary to comply with the review of the co-operative societies Act (amended, 2004) and in compliance with the directives issued by the commissioner. However, upon thorough scrutiny of members' complaint that the bylaws had never been discussed by the ADM; it was infact established to be the case. Whereas it would appear that the society's by-laws were amended and approved to conform with the current Co-operative legislation Co-operative Societies Act and Rules (amendment 5th Nov. 2004), we established that the by-laws in question were not formally presented and approved by the delegates before being submitted to the Commissioner for Co-operative Development and Marketing for approval as required by the Law.



CONFIDENTIAL

During our interviews over the matter, the committee admitted that the By-laws were not formally approved in an Annual Delegates Meeting or Special Delegates Meeting as required by the law. Instead the committee faked minutes to appear that there was a meeting which approved these bylaws. These minutes were used to make the Commissioner believe that there was a meeting which approved the bylaws. The committee asserted that they did this in order to beat the deadline set by the Hon. Minster for Co-operative Development & Marketing for societies to amend their bylaws to comply with the Co-operative Societies Act and Rules (amended, 2004). This was a serious breach of the Co-operative Societies Act which should not be repeated at any cost in future.

Apart from the fact that the society did not follow the proper procedure to get the bylaws amended, the inquiry feels that it is a useful document which should be given a chance. One only needs to remember that bylaws are an internal governing constitution for an institution to realize the importance of according members through their delegates a chance to provide that critical nod.

3.2 SAVINGS

As already noted the society's primary role is to mobilize savings and after pooling these funds, only then is the society able to make loans to its members. Savings mobilization is important since it is the foundation upon which the society enables members to access affordable financial services. Since inception, the society employed the use of monthly incremental savings deducted directly by the employer and remitted to the society otherwise known as the back office operations. The savings so mobilized are also leveraged for loans which are assessed at three times the amount in savings. Through this system the society has mobilized to the tune of Kshs. 324,596,422 as at 31st December 2005. However the inquiry found that there is a common tendency of members withdrawing part of their shares instead of taking loans contrary to society bylaw No 25 (f) and besides reducing the society's ability to grow. A good example of this is that of M/s Phelista J. Rono, TSC 317628 who withdrew part of her shares instead of getting loans.

To augment the efforts of mobilizing funds, the society started to offer a teller service and processing of salaries alongside the traditional system thus enhancing members' capacity to increase savings. The Front Office Services Activity (FOSA) forms an integral section of the society which provides affordable quasi banking services. However the society instead of integrating the service with the traditional system runs it as if it is independent from other SACCO operations. It does its investments, provides advances and offers fixed deposit accounts to its members. The inquiry noted that FOSA operations have attracted non members (the public) to fix their funds with Nandi teachers SACCO at competitive interest rates.



(iii) Oiko Credit Loan

Due to severe liquidity constraints, the society opted to seek financial assistance from formal financial institutions to enable it meet its obligations especially issuing loans to members. The inquiry established that the society had taken loans from the Co-operative Bank of Kenya and Oiko credit. The total loans from the Co-operative Bank as at 31.12.2005 stood at Kshs. 71,339,855 whereas those from Oiko Credit Ecumenical Development Co-operative stood at Kshs. 56.5 Million; all totalling to Kshs. 127, 839,855. We noted that some of these borrowed funds were not put into proper use as will become clear elsewhere in this report. Such funds are not only expensive to the society but also interrupt the general operations of the society. For instance, society standing orders to these organizations consume almost the entire remittance such that the society is forced to operate on overdrafts throughout which is very expensive.

(vii) External Borrowings

The inquiry found that the savings activity in Nandi Teachers SACCO is not organised properly, thus prompting the management to look for funds elsewhere to satisfy member loan needs. To this end the society has relied either on a large portfolio of external borrowing or arrangements with financiers. The borrowings constitute approximate $\frac{1}{3}$ of its total assets. This we consider to be unsound since it is excessive and expensive especially that one financier is lending in Euros which are subject to currency exchange risks that the society is ill prepared to absorb. The society **MUST Cease and Desist** from any further borrowings. The headache is how to counter the impact of the already acquired portfolio. This is because repayments of these facilities consume nearly the entire remittances from member emolument deductions which exposes the society to inadequate finances to offer financial services and actually impoverishes the members.

3.3 LOAN EVALUATION

The primary objective of the society is to mobilize savings and appropriate the funds so mobilised as member loans or advances. In this the management committee has failed. There were many irregularities noted. The effect for not planning this activity well has paralyzed the operations of the FOSA which has also led to the bouncing of cheques being issued to schools as school fees loans on behalf of members. The inquiry noted that there is little harmonization between the back office and FOSA operations thus causing confusion and impairing FOSA services. The inquiry was appalled to note that a member with a savings account could come to withdraw his/her money only to be told that the funds were not available and that he/she should come some other time, a thing which is unusual to holders of savings account.

Perhaps the cause of the problem could be due to the use of several cheque books at the same period. This has led to confusion since it makes the reconciliation of



Records indicate that as of December 2005, the society was offering interest rates on fixed deposits as follows:-

AMOUNT IN KSHS	RATE IN % P.M.	
	2004	2005
1,000 TO 100,000	4	1
101,000 TO 200,000	5	2
201,000 TO 300,000	6	3
301,000 AND OVER	7	4

The inquiry established that the notice offering prospective investors competitive interest rates was posted on the FOSA Banking Hall but no management committee minutes were availed which discussed and approved the same. It would also seem that very few members were aware of these Products due to the low number which was participating or that the society was suffering from a credibility crisis and members did not want to risk their funds. Due to lack of prudence the society has lost money in respect of such unsound savings mobilization practices since most of these funds were invested in low interest accounts like advances or loans to member.

The inquiry noted that the society flouted sound operating principles of the FOSA. First the society serves persons who are not within the common bond (termed as customers) and secondly that most accounts are always overdrawn and treated as advance yet no effort is made by the society to recover the same. Overdrawn accounts stood at Kshs. 24, 386,290 against members' savings of Kshs. 31,083,290 as at 31st December, 2005. It took the society too long (i.e. until July 2005) to realize that the system depends on Minimum savings balance as a critical principle for the proper functioning of the systems which now stands at Kshs. 600 by December 2005. Some of the overdrawn accounts include KNUT Kapsabet Branch which like any other customers of the society opened an account at FOSA on 2nd September 2000 where they have been channelling Cheques for their Branch. This account was operated properly until when they stopped channelling their cheque through the FOSA and thereafter started overdrawn. The account stands at an overdraft of Kshs. 2,782,667 as at 31st December 2005.

The inquiry noted that the account started being overdrawn on 23rd March 2001 such that by 11th February 2002, Kshs. 376,000 had been overdrawn. The withdrawals were as follows: -

<u>Date</u>	<u>Payee</u>	<u>Amount</u>
09.04.2001	Tarus	230,000
10.04.2001	Sitienei	57,500
26.04.2001	Kemboi	23,000



18.06.2001	Kemboi	23,000
02.08.2001	Sang	11,500
14.11.2001	KNUT	10,000
05.02.2002	Joseph Sang	5,000
11.02.2002	Tarus	16,000
	TOTAL	<u>376,000</u>

The above advance attracted an interest of 15% per month from the year 2001 resulting into total interest on this Account as of 31.12.2005 to be Kshs. 2,406,667. The society was reluctant in making a follow up of the above debtors to pay for the advances granted, and recover the interest earned.

Another important aspect for the survival of FOSA operations, include institutionalized internal control systems that engender good governance. For instance cash handling procedures in terms of opening and closing of daily cash reconciliations are extremely important to determine the correctness of the transactions and the assurance that there are no pilferages of the funds of the society. The inquiry noted that there was a lack of not only cash reconciliation but also bank reconciliation. We also noted through the tellers' payments that there are huge amount of expenditure treated as "others" which are made outside the normal FOSA operations. These are moneys which are normally requested by management without supporting documents, then later could not be accounted for and much later cleared through fictitious ways. There is also no proper co-ordination of finances for the operations of FOSA and may operate until all the money in the society treasury is exhausted without planning for replenishments to the extent customers in the queue waiting to be served are surprised to be told that there are no funds available and therefore cannot be served on that particular day.

The lack of adequate cash planning causes serious inconveniences to members sometimes taking about a whole day without explanation as the staff are not aware on when the money could be availed by the management. The worst case scenario is where management could divert the cash meant to pay salary to meet other society's operations e.g. giving out emergency loans thus denying members their right of access to finances. The other problem noted was that the cashier could make manual payments because the programme in place is extremely slow but could mistakenly not complete transaction in a proper manner. Thus there were also some instances when the cashier could indicate having been given money yet the treasury does not show any transfers. This shows laxity in record keeping which is not done on daily basis. Transfers of cash from banks to the Treasury is being recorded in treasury book, without showing the reference and the person delivering or requisitioning the cash, but only indicate "money IN & money OUT". No document of transfer is checked by Chief Cashier to ensure that the correct amounts withdrawn have been transferred. In some cases two withdrawals are



lumped together and entered in the Treasury book, causing a lot of confusion as to the figure as per each of the cheques used. Issues of cash to tellers from Treasury are also not properly documented, and it is hard to establish the cashier to whom the money was given, for none of them signs for the money issued from Treasury. There were also no clear guidelines on what to do, when tellers have either deficit or excess by the end of the day.

All these loopholes go un-noticed due to laxity in the management of the society. It seems everyone is left to carry out his/her own business without supervision from the senior staff/head of section or management. The society has experimented in a number of ways to bridge the extremely big gap between the sources of funds and the uses of funds. These ways include: -

(i) Arrangements with Co-operative Bank

The society entered into an arrangement with the Co-operative Bank of Kenya whereby members of a society obtain loans from the bank through recommendation and appraisal by the society who also act as an agent and a guarantor. The funds are channelled through the society. The bank grants loans to members at an interest rate of 13% per annum, while the society charges members 12% per annum and the loans are recovered direct from the TSC through check off system. The society shares in the earnings on the basis of 2:11. The loan if recovered promptly and in full enables the society to increase income. The society was granted a total of over Kshs. 53 Million by Co-operative Bank as loans to members who are then recovered through check-off system by the society and the society has a standing order for recoveries of the same to the bank. However, the inquiry found that the bookkeeping of the society is so mixed up such that one cannot be able to tell sources of income to monitor the source that sustains the society.

(ii) Arrangements with National Bank

Another source of funds for member loans or advances at the Nandi Teachers SACCO is the National Bank of Kenya. The society entered into an arrangement with the bank to provide funds at 18% interest per annum. The society management advises members that should a member get a loan from the bank, the society would meet the difference of 6% interest per annum so that the members comfortably services the bank loan as if he had got the loan from the society. However as things turned out the society was unable to meet the difference putting members into an awkward situation. The inquiry observed that this was a misguided decision made by the management since by paying 6% interest for the members; they were exposing the society into meeting unnecessary expenses. The management also cheated and lured the members into making very expensive decision.



one year as a result of society not able to secure funds to grant loans due to huge bank loans. The inquiry noted that out of a Kshs. 16 Million remittances, about Kshs. 15 Million is used to repay the more than Kshs. 127 Million external loans that the society sourced from the Co-operative Bank and Oiko Credit.

We observed that the loans given out to members by society are far much less compared to the Share Capital of the society of over Kshs. 300 Million. It would seem that these huge borrowings have eaten up the savings of the society and made it even poorer. Why? Simply, that total funding which constitutes Members savings/Share capital which works out to approximately Kshs. 481.7 million out of which one expects that between 70 – 80% should be invested in members loans. However, the inquiry found that the circulating amount is only Kshs. 166 Million and Kshs. 54 million in non earning assets made up as follows:-

Loans & Advances to members	Kshs. 136,429,030
Bank and Cash balances	Kshs. 30,455,607
Fixed Assets Kshs.	Khsh. 13,646,018
Investments	<u>Kshs. 40,987,600</u>
	<u>Kshs. 221,518,255</u>

We question the apparent difference of approximately **Kshs. 260.2** million between sources and application of funds. The issues to be answered involve where part of members' savings and the loans from the bank are tied to? One may not thoroughly answer this question since society records are in a mess. There are several leads which include loss of funds through non deductions of loans granted which are soon forgotten, depleting of equity due to financing of the loans which form about 1/3 of the total liabilities of the society, fraud, payment of interest on overdrawn accounts, double crediting of interest on fixed deposits and payment of dividends over the years from share capital.

(i) Loan concentrations

The largest single loan was granted by the society on 23rd November, 2005 to the society manager. The loan amount was Kshs. 600,000. The other person given a loan was the FOSA Manager who was granted Kshs. 578,127. It looks that the staff are some of the beneficiaries to huge loans. The average loan per members works as Kshs. 57,000.

(ii) Delinquencies

There were also cases of loans granted and recorded but not being serviced by members due to either laxity with staff to effect recoveries or the member have no capability of repaying the loan due to exhaustion beyond 2/3 rule. Other members have reluctantly refused to repay the loans and the society have also not taken action.



where delegates have been able to discuss and deliberate on all the agenda. However, the inquiry was concerned with the fact that delegates seemed not to be keen on the agenda. The meetings flow very fast such that there are rarely no critical issues that are raised on any matter under discussion even when its impact to the society is serious. Management are then left to run the society as they wish.

Although interviewees indicated that they raise issues at these meeting, it was not evidenced from the record of minutes that were availed to the inquiry. This flies in the face of the fact that there are numerous problems affecting the proper running of the society which include ghost loans, wrong deductions, poor service, and even staying without loans for longer periods. Most of the proposals presented by the management pass through without any amendment. For instance we noted that the budget being a very important tool for the management of society assets was not being analyzed properly to check actual figures spent previously and the figures given to them.

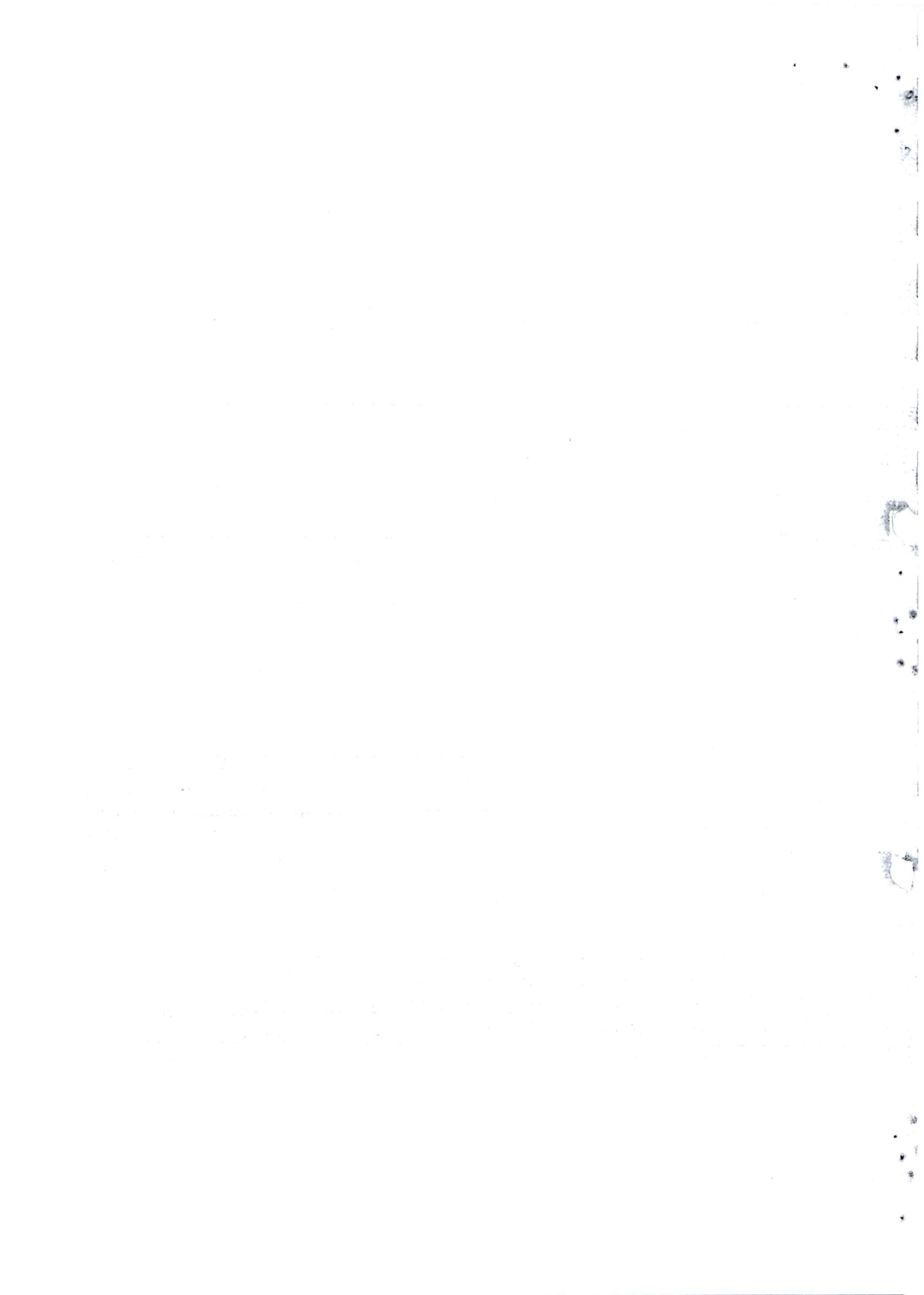
In order to run the society, it would seem that the committee adheres to the convening of monthly meetings. These are supported by subcommittee meetings which for the year 2005 were held for management, ten times; Supervisory committee, six times, Credit committee, eight times, education subcommittee five times, executive committee, four times and investment sub-committee, once. In spite of these meetings, the inquiry noted major weaknesses as follows: -

- i) Some meetings took such a short time to make any meaningful contribution to the running of the society until one is left to question the real or true motive of calling members to spend time and money to come to a meeting that lasts for less than an hour or so. Granted that it is not the amount of time spent on meetings that matters but the quality of discussion, but perhaps a quality meeting should last between two to three hours. Some meetings actually took as short as 20 minutes. For instance consider the following:-

<u>Committee Meeting</u>	<u>Date Held</u>	<u>Time Taken</u>
Management meeting	23.9.2005	20 minutes
Executive meeting	8.9.2005	85 minutes
Education Meeting	16.8.2005	45 minutes
Management Meeting	18.7.2005	55 minutes

- (ii) Committee members made a tendency of visiting the society frequently even when there were no meetings with an aim of drawing allowances which were not explained.

- (iii) What the inquiry seemed to deduce is that executive committee members seem to be the overall decision makers since other members of the



Although the inquiry delved into staff issues that members complained of some were akin to returning us back to Stone Age period when one person was utilised for one job. Members should concern themselves on whether or not they are served efficiently and with courtesy but not who served them and what his job title is. The current economic environment encourages multi-tasking of employees to offer all round service. But, be it what it may, the inquiry established that there are no defined duties and responsibilities which engender job descriptions. Apart from this being a serious omission since you cannot hold someone responsible, it should not be construed to mean that one person cannot carry out a certain function because of his/her job description. The society regards four of the staff to be in management although no record is maintained for the same. The other members of staff are regarded to be non management. They may be unionized but currently are not and remain in their position on the whims of the management committee. They have no security of tenure and that the society does not maintain files for staff in which to keep proper records of qualifications, appraisal and careers progression of every personnel.

It was noted that some of the staff do not have job title while those who have no documents are kept. The inquiry also noted that members of staff are allocated duties not related to their qualification for it depends on who is trusted by the management. For instance the Book-shop Manager is always used to transport cash from Eldoret while persons responsible for the same are left out. The Manager also more often than not is not available to serve members, which defeats the purpose for which he was employed.

(c) Members' Register

Strangely, it was established that the society does not maintain a members' register contrary to Rule 14 (2)(a). Rather the society relies on TSC numbers. We find this most unacceptable since Nandi Teachers SACCO is not in anywise synonymous with the Teachers Service Commission and never will it be. The lack of a members' Register puts into question the membership of the society. Secondly, a members' register is a statutory requirement for each society.

(d) Assets Register

The society despite having a large asset portfolio of about Kshs. 13 Million has not maintained an Assets Register and only relies on the Fixed Assets schedule in the audited accounts. It is therefore very difficult to establish the cost of a particular Asset since the time of purchase and also which items have not been entered in the list. It is very important that the society introduce and keep this document.

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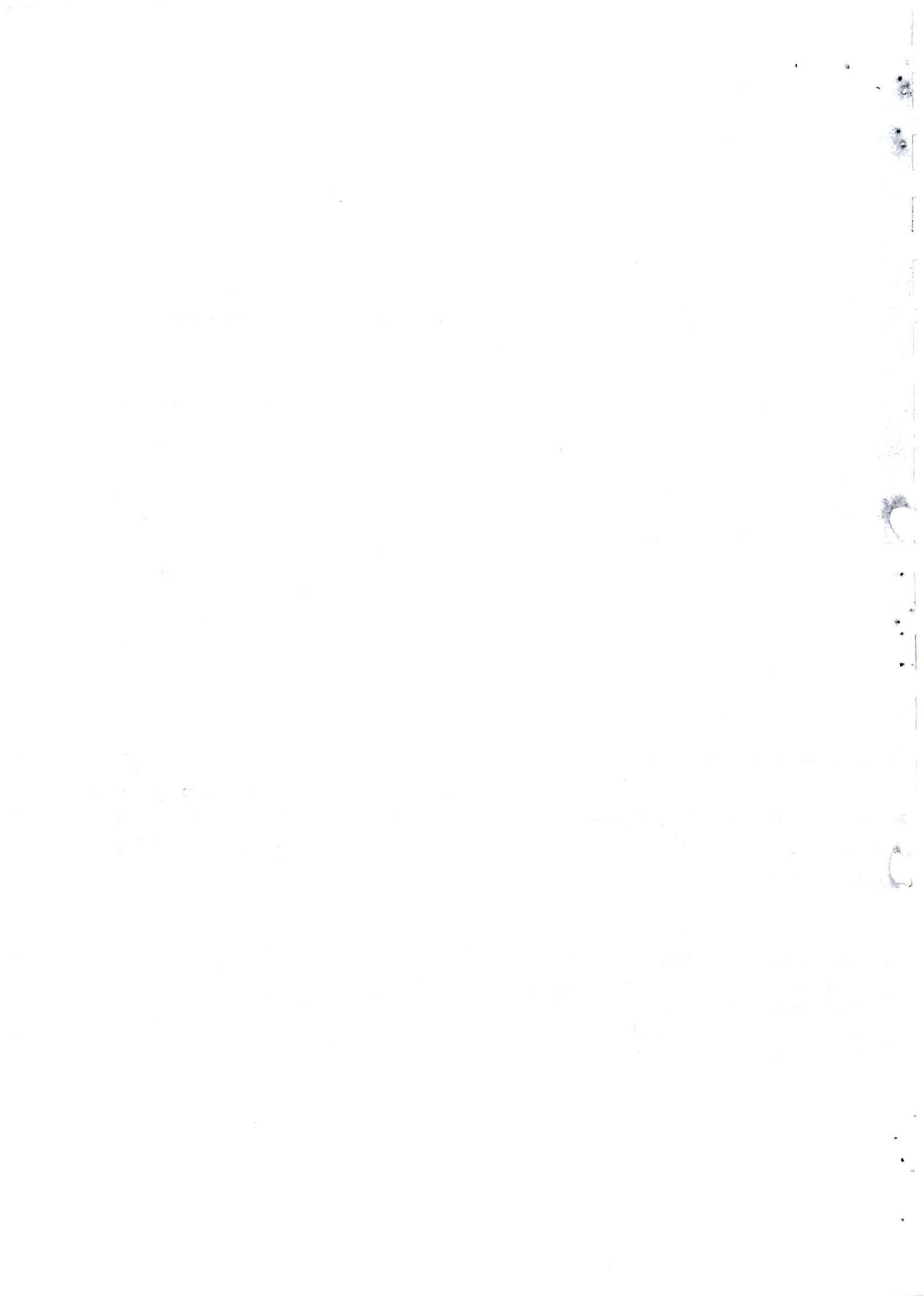
that budgets are prepared and approved annually as a ritual but are never adhered to when undertaking society transactions. Budgeted Income is more often than not lower compared to actual income earned. But, actual expenditure is always way above budgetary provisions. We need to understand that in this the committee was acting beyond their mandate. Members authorise expenditure and management needs to account to the same members. Budgets are prepared without explanatory notes to members.

No trial balances are prepared either monthly or quarterly to compare with the budget to check whether income matches expenditures. A trial balance is a tool to monitor income and expenditure or to review the transaction in order to achieve the planned goal and should always be prepared. Economic report as a means of budgetary control are not prepared and presented in the management committee meetings.

(h) Payments through FOSA

The inquiry scrutinized the payments being made by the society and noted that not all payment vouchers were authorized by society officials and that some payments in FOSA treated as "others" were paid without any payment vouchers raised. Some payments had no narrations as to the purpose of payments as well as no supporting documents for the payment were attached. Management committees were frequently visiting the society to draw allowances as well as make regular travel without reason or the purpose of travel indicated. We also noted that there are instances where money is being spent without any proper reason and later the management and the manager attributes these payments to some things which never took place. As in the case below they are indicating to have used the money on payments to Income Tax, while others were being paid for Nandi Tea Dividends and other payments have no reasons given, on the payment vouchers and the following are such payments made without proper mandate given to the management and those involved be made to pay back.

Date	Document No. (PV)	Amount	Payee	Purpose
01.11.2005	2580	25,000	S. Kirwa	-
11.11.2005	2590	200,000	H., Birgen	Dividend payment
11.11.2005	2595	15,000	P. Lelei	-
11.11.2005	2598	50,000	H. Birgen	-
11.11.2005	2597	50,000	P. Morir	-
11.11.2005	5814	100,000	P. Korir	-
25.11.2005	5813	50,000	S. Kirwa	-
29.11.2005	5758	100,000	S. Kirwa	Income Tax
29.11.2005	5757	150,000	S. Kirwa	Nandi Tea Div.
29.11.2005	5759	100,000	S. Kirwa	Nandi Tea Div.
	TOTAL	840,000		



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(j) **Bookshop Activity**

The society has a bookshop as one of its activities. The inquiry noted some Weaknesses in the running of the activity which need to be addressed. First, although it is fashionable to currently operate shops alongside other SACCO activities it may be (in the near future) not justifiable. Even then, the inquiry found that no proper books of accounts are kept to record all the daily transactions and to monitor the movement of stock, concerning purchases, sales and incidental expenses. At the same time the society has not established internal control measures i.e. physical stock checking, re-order levels, how to deal with dead stock etc. While purchasing books to restock the bookshop, the society was neither floating tenders nor identifying reliable and competitive suppliers from whom to purchase the stocks. Instead, purchases were being made from suppliers without following the laid down procurement procedures and that there were no records maintained to monitor the goods being received from suppliers. The practice leaves a lot of loophole, since it becomes hard to establish whether the items were actually received or not. Also no stock cards are kept to monitor the movement of goods in the Book-shop.

The inquiry noted that cash received from sales were not verified and banked but could be used to meet incidental expenses and make purchases whereas the bookshop continues to operate an account with the FOSA to which to deposit sales receipts. Sales made from existing stocks are not properly monitored and recorded. At the same time, due to changes in school syllabus, the bookshop has suffered a set back since they cannot make sales of some of their stock (books) which have been removed from the syllabus. Books worth Kshs. 692,000 have been rendered dead stock and the management have to propose for action to be taken on them.

(i) **Procurement of Bookshop Goods**

The society Bookshop has been procuring various goods for sale to its members through check-off system or by cash. We noted that the bookshop has been ordering text books from Publishers who will then supply them then the society invoiced. Transaction between the society and Publishers are properly done although the volume of these transactions is very low.

Also the bookshop members of staff have been purchasing other books and stationeries by cash but the recording of the same was poorly done. We noted that the bookshop supervisor has not been checking goods being purchased in the bookshop since no supporting documents are maintained for the same. Apart from stocking books, the bookshop also stocks other items like T.V. sets, Solar Panels, Gas Cookers, Bicycles, Batteries etc. However, we noted that suppliers were not identified competitively. Also there are no minutes to show that management ever discussed on the purchase of these goods but we noted that goods were only received from the supplier stocked at the bookshop for members to collect and pay



this account as interest on savings when actually the account had been overdrawn by KShs. 1,062,405. It was difficult for the inquiry to believe that an overdrawn account could earn interest!

Withdrawals from this account are made by the bookshop staff using withdrawal slips signed by either Mr. Rugut who is the investment chairman or Mr. Kirwa who is the society manager or Mr. Tarus who is the Book-shop Manager. Lastly, the inquiry doubts the ability of the bookshop activity to sustain itself especially after relocation from town centre to the Plaza Building where the sales turnover is very low. There is need to evaluate the Bookshop activity and take appropriate measures to mitigate against the society losing more funds. The bookshop activity must perform to justify its continued existence.

(k) Operation of Computer Soft Ware System

The society acquired software from Computer Feeds Company in order to computerize the services. The inquiry noted some problems that need to be addressed in order to meet the intended purpose. These include:-

- 1) The system is slow in the processing data forcing staff to continue handling FOSA services manually only to be posted to the computer later.
- 2) The programme has been designed to calculate and credit interest to account holders with both debit and credit balance. This may have made the society loose millions of money credited to customers with overdrawn accounts.
- 3) The system uses a lot of printing material when printing individual member statement or the daily trial balance for it prints almost entirely everything contained in the system since the first transactions was entered and contain information which may not be needed at that particular time as back as 2001 information is printed when one wants that particular day transactions.
- 4) The system also does not have provision of transferring members' refunds to their various personal accounts.
- 5) The system does not produce end year statements such as the ledgers, trial balance, surplus & loss, cash flow statement or the Balance Sheet to assist the management to analyse the society performance at any period of time.
- 6) The system has been reflecting high income on FOSA transaction than what was actually earned. For instance, during the year ended 31st December 2005, the system reflected the FOSA to have earned an income as interest on overdraft of Kshs. 48,435,835. This has made the society reflect a lot of income in the previous year's accounts and hence pay high dividends making the society to pay dividends from share capital and not a surplus because the interest on overdrawn accounts is uncollectible.

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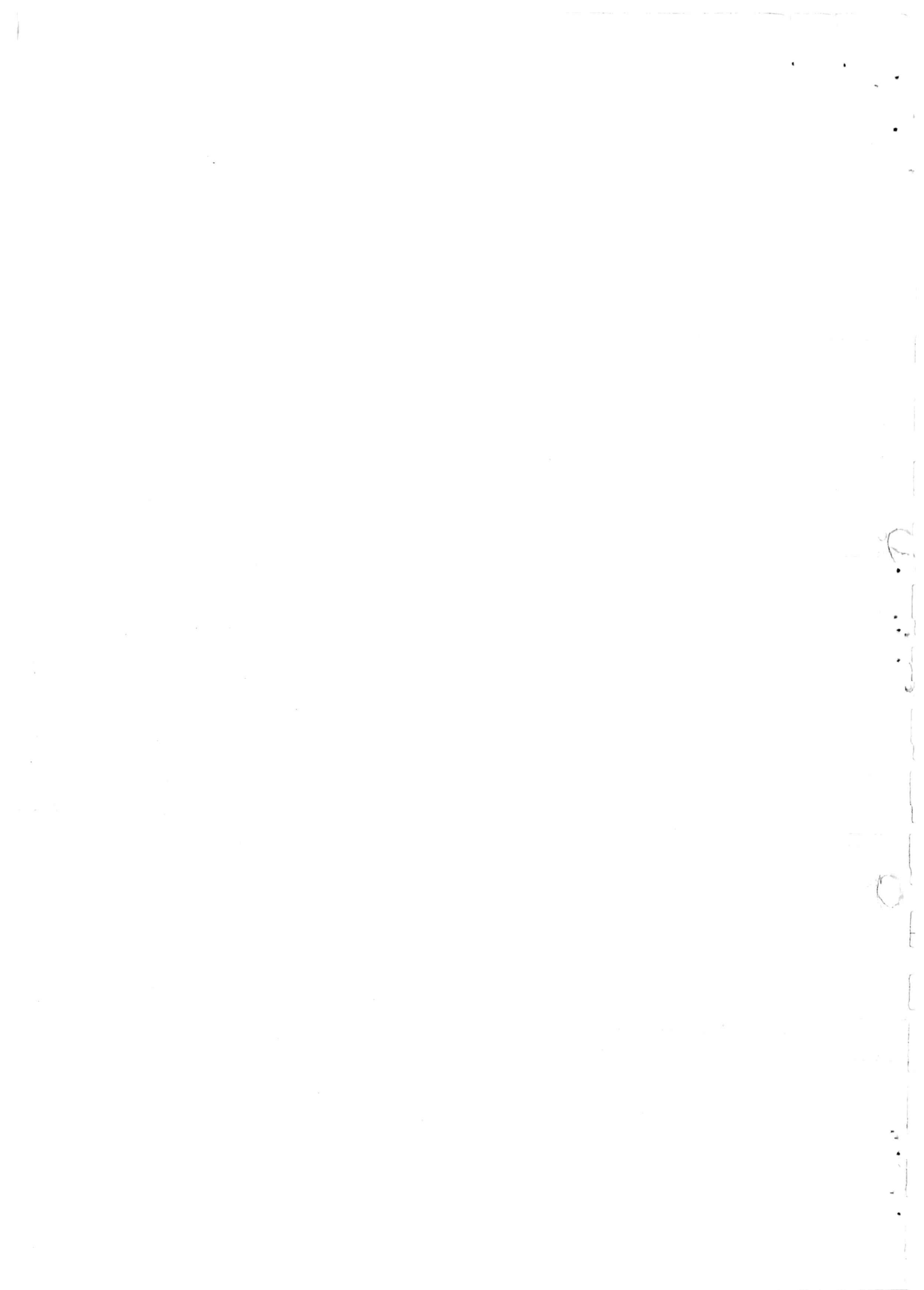
accounts very difficult. The inquiry also noted that the cheque counterfoils are usually left blank without even a date written on. We suspect these were usually done intentionally to cover fraud. It gives the staff hard time when it comes to updating the books of accounts since they are forced to rely on the bank statement. The inquiry also noted that the society issues out so many cheques to individual members, surprisingly even to those who have accounts at the FOSA. The society should look for ways to minimize the use of cheques which could include making payments through the FOSA or combining cheques to schools.

The most serious observation was that the cheque leaves were fully signed by the management without any amount written on them, then left in the society. This abetted fraud. At the same time there were instances where members were granted loans which were never posted into their personal accounts or sent to TSC for recoveries. This is a serious omission because the society loses a lot of fund. The inquiry found a number of such cases and ensured that these were posted. The society should ensure that deductions are effected.

The Inquiry established that the total loans to members were Kshs. 112,142,740 at the end of December 2005 and this amount includes the Personal Loans from Co-operative Bank. The balance of loan from bank was not established by the time of writing this report. We realized that there were serious irregularities where the loans were being issued and some members whose loans were channelled through the society never received them and they were told that they never qualified, only to be surprised when they received bank statements showing their loan balances and how they have been servicing the loans. For example Mr. Peter K. Maiyo TSC No. 176586 was alleged to have been given Kshs. 140,000 by the society. Since the repayment is made by the society through a standing order such loans are just being serviced without the concerned persons' knowledge.

There were also cases whereby members were granted personal loans, by the bank and the members didn't have enough shares to qualify for the loans they were given. The society being a guarantor felt threatened due to lack of security and in some cases took part of the loan to increase their share capital in the society to a level whereby they can qualify for the loan given to them. This brought a lot of complain and dissatisfaction from the members despite the fact that the money was to safeguard the loan given.

We noticed that members personal cards containing loans granted, loan repayments and interest earned on loans, are not being updated promptly on receipt of the by-products from TSC. It is therefore not easy to establish at a glance, the correct loan balance of a member, loan repayment figures, the interest earned to date from members, and the new loans granted. Some of the loans granted were being posted



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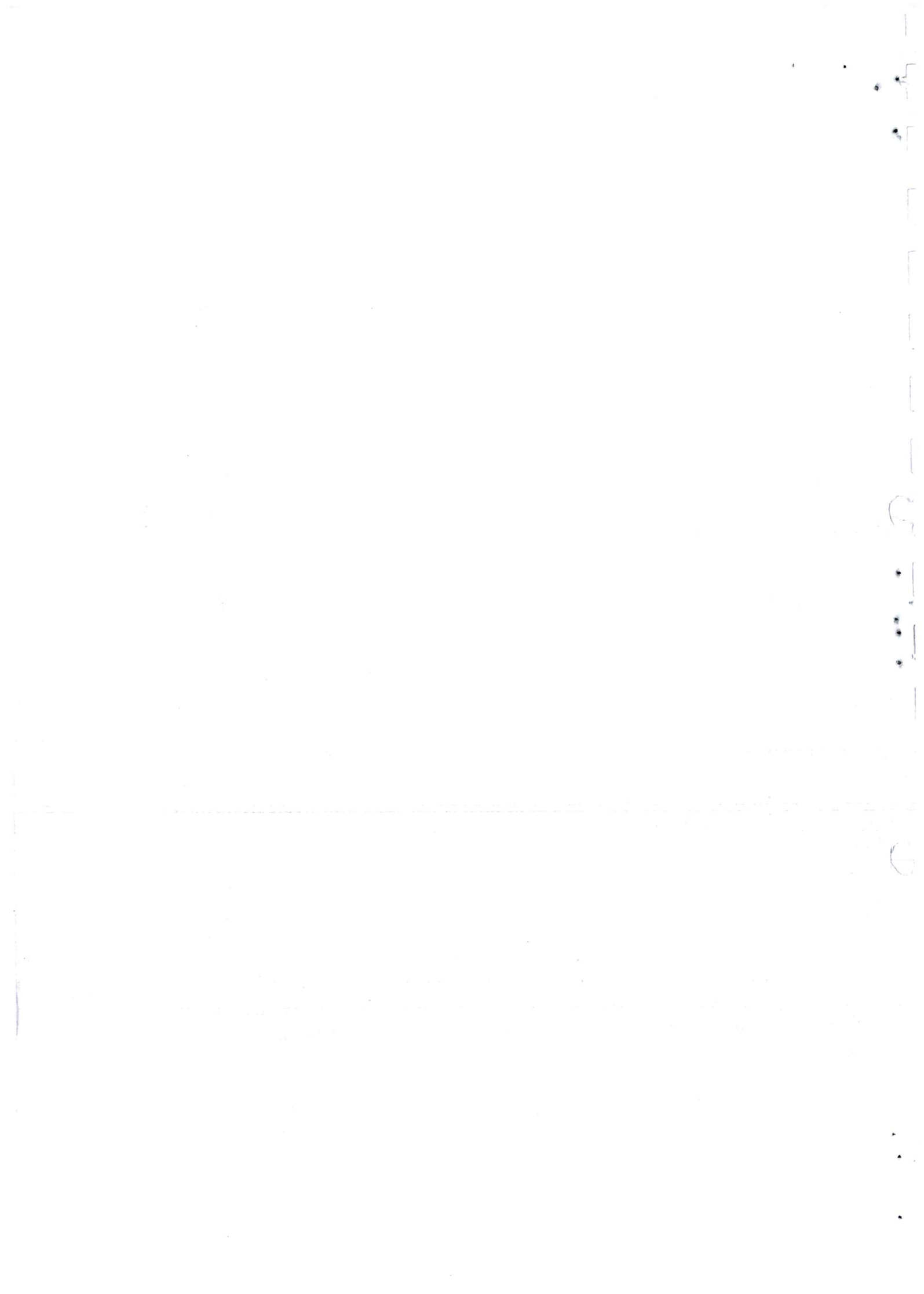
on our instructions. Proper follow-up should be taken to ensure that the repayments are effected.

Other irregularities noted include non adherence to the loaning policy, non assessment of loan forms, loans granted without filling of loan forms or agreements, approval of rejected loan cases and biased loan granting in that the credit committee who normally approve loans are being frustrated by the Executive committee for they often approve loans which are later not issued for apparent lack of funds. However, the real reasons are either the diversion of funds to other uses or the granting of loans to members not in the schedules of approved loans.

To be fair and to serve members fairly, the society decided to allocate funds according to divisions. This resolution is ignored more often than not for we noted that divisions with influential members in the committee could get loans faster than other divisions. There are also examples of members who get loans more frequently while deserving cases are kept waiting. One could find a member having many loans while others without loans are made to suffer. An example of such member as per complaints is the one, Eunice Chepkemboi Rop, TSC 319216) who applied for a loan on 27.1.2002 of 30,000 and has not been granted up to date. The Inquiry has also noted that members who were granted loans have been subjected to frustration for the committee has developed traps of granting loans in instalments. On this the members are normally granted part of the loan and advised to deposit the cheque in their accounts in FOSA only to be paid part of that cheque for unavailability of funds hence members are made to visit the society frequently to cash the balance.

Equally disturbing is the fact that the committee could issue out loans to members, whereas no adequate arrangements have been made to ensure that there are adequate funds to honour the payments, hence the cheques bounce causing a lot of embarrassments to members, even those given to institutions of learning which have now refused to accept cheques from the society. This has not only eroded the credibility of the society as a sound financial institution and at the same time made society to incur unwarranted expenses due to fines paid by members for bouncing cheques which eventually is claimed from the society. This exposes the society into incurring unnecessary expenses. There are also cases of deduction from members emoluments based on non existent loans which are termed as ghost loans.

We noted that whenever members come for refunds for the 'ghost loans', they are frustrated since the society is always illiquid. Members have also been forced to repay loans which they did not get in the first place. It seems that the rules for natural justice such as first come first served are not being practiced when granting loans as some members could push for their loans to surpass those on the queue. No wonder with such a state of affairs, the society currently has a loan backlog of



the entire system. However, more importantly is to effect serious changes operations of the system by first, checking on all interests paid to members accounts since the introduction of the system and recover what was paid unfairly like those accounts which were overdrawn. Secondly, the society must put a programme of retracing all loans that have been issued over time to confirm and ensure that they were recovered. If it is shown that for some strange reason the loan was discontinued and never recovered in full, it should be fed into the system for full recovery with interest.

4.5 FINANCIAL INVESTMENT

(i) Investment in Trade Stocks

The society should learn how to appraise an investment and Must in future make wise decisions on where to invest and areas where maximum benefits can accrue to the society. The heavy investment especially that of Kshs. 40 Million shares purchased from Co-operative Bank by using funding from the same bank was most unwise. The society should not be coerced by institutions to enter into such investments any more. To be able to come out of the liquidity problems in which the society finds itself, we recommend that since some members have managed to purchase some of the shares, the society puts up the whole stock for sale to its members and arrange to have a direct transfer of the shares to those who would have bought the stock. The amount so raised should go towards liquidation of the loan and should be achieved within six months. This will be aimed at first unburdening the society and secondly to help increase the cash circulating in the society, since so much money have been tied up in the investments.

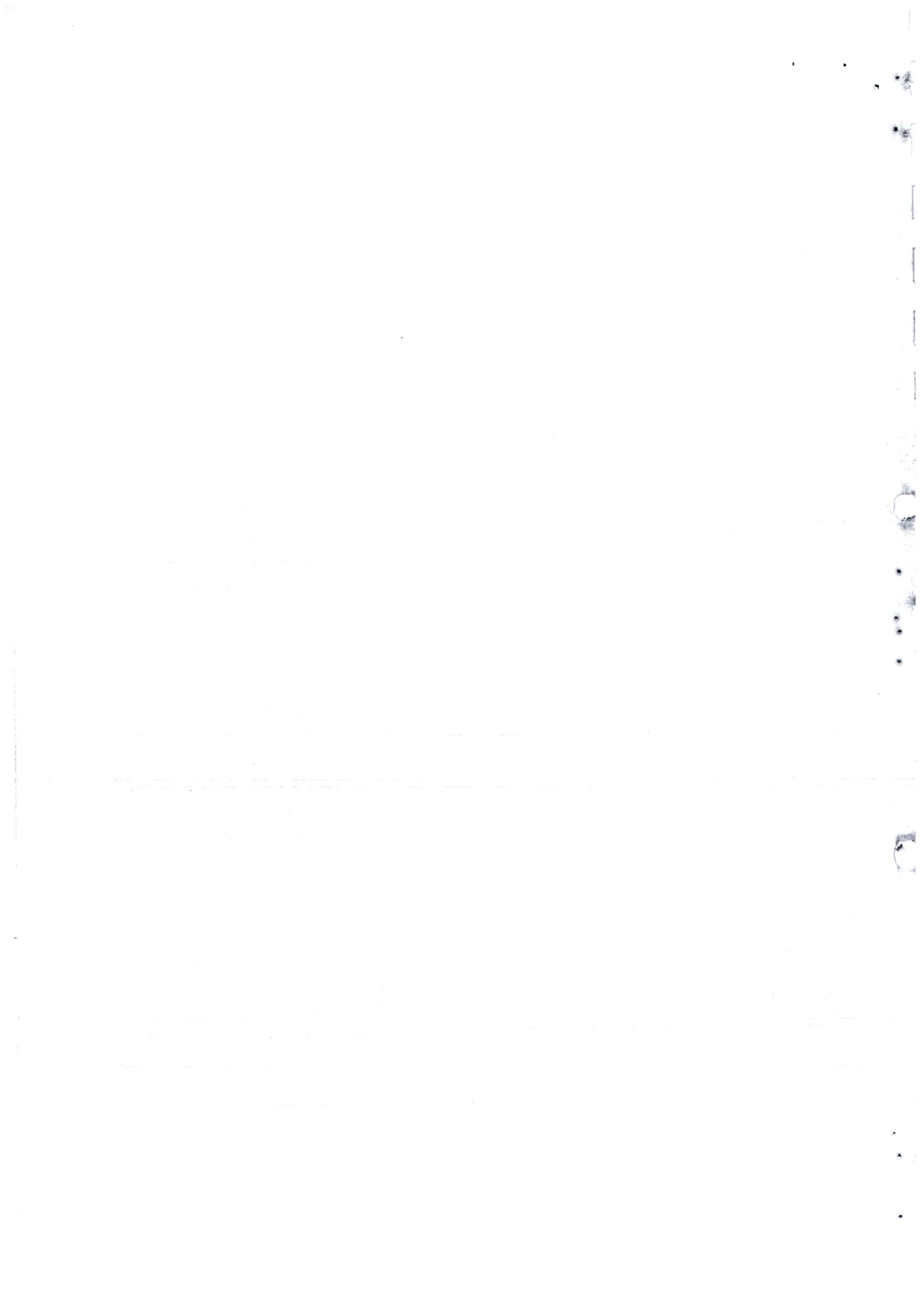
(ii) Treatment of Nandi Tea Rebates

We recommend that the society either transfers the Nandi Tea share directly to the beneficiaries or maintain a register such that when rebates are received the only administrative cost should be the savings processing fees applicable at the time to each account holder and should be processed as any savings into the concerned member's account. The investment should not form part of the society's investment but the accounts should only reflect an investment of 388 Shares.

4.6 PROCUREMENT

(i) SACCO Plaza

Members must decide at an ADM or SDM the mode of ownership of the SACCO plaza. Carefully weigh the options, future benefits, against the backdrop of current liquidity problems and service delivery. We advice that it will be more beneficial to the current members to own a stake in the SACCO plaza. If this position is preferred, then, we recommend that the society promote the registration of a Housing Co-operative owned jointly between the SACCO and Members. In this regard the society will offload 80% of the cost to the current 4,000 members such that every member pays Kshs. 3,000 through cheque off system or by cash and



(v) Purchase of Computer Hardware and Software

The inquiry found that the management committee over paid in the procurement of the computer software and its service contract to the tune of Kshs. 2,054,670. The inquiry therefore recommends that the commissioner considers surcharging the Management committee and the manager who were in office the overpayment of Kshs. 2,054,670/= for the above contract as per that collective responsibility.

The Management should also recover the missing computer from Mr. Samwel Kirwa (Manager) or the same be reported to the Commissioner for Co-operative Development for surcharge at the current market rate.

Lastly, we recommend to the commissioner to consider requesting the Kenya Revenue Authority to investigate the vendor of the computer software and Aldai Business company on whether they paid the relevant government levies in these contracts and that since they were very un co-operative they be barred from trading with any co-operative society in the country.

(vi) Purchase of Stationery

The inquiry recommends that management be held responsible for any losses incurred on this activity which should immediately be organised better by one, opening stock control cards and monitoring of receipts and issues of stationery. Secondly establish re-order levels to avoid overstocking. And lastly countercheck invoices with receipts of goods.

(vii) Cleaning Services

The inquiry recommends that cleaning services be subjected to competitive bidding and that the management committee should procure competitively and be renewing the contracts on an annual basis. Management committee members are cautioned not to deal with customers of doubtful integrity and performance. Transactions involving large amounts should be tendered for and the C.V. of each tenderer demanded with previous track record.

4.7 RISK ASSESSMENT

The internal control system in the society as concerns cash and non-cash transactions is very poor. This has led to a lot of money being swindled out of the society. Proper policy guidelines should be put in place to ensure that any cash withdrawn from society's banks reaches the society and properly entered in the Treasury. The issues from Treasury to the tellers should also be keenly monitored with the days transactions reconciled and certified by the Chief Cashier or the FOSA Manager. Surprise checks on Treasury cash should be carried out and also rotation of duties be encouraged to allow discoveries of weaknesses. An Assets Register should be maintained by the society to help trace any loss of asset which might come up. It is absurd to notice that the Inquiry Team had to count some



(v) **Fraud**

The inquiry strongly recommends to the commissioner to order further investigations on the subject as it would likely open a can of worms. The staff and committee members involved should be held accountable for the fraud. Further where there are no payees on the face of the cheque leaves, the signatories be held accountable.

(vi) **Oiko Credit Loan**

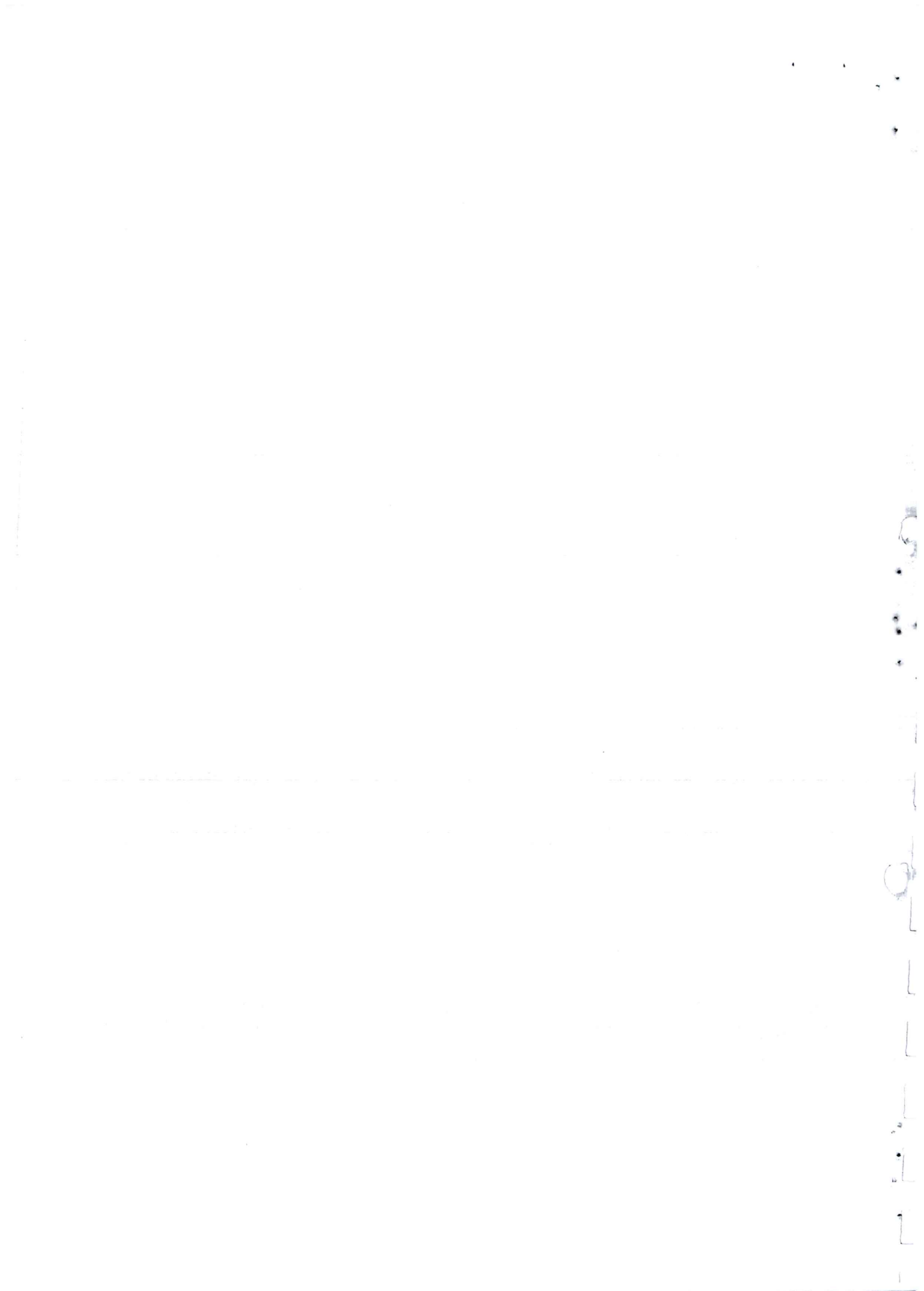
The inquiry recommends that the society should through the funds being raised to revamp the society be scheduled to clear the Oiko Credit loan credit loan within a year. This will be painful but will save the society from further burden and consequences of default.

5.0 CONCLUSION

The measures we have outlined in this report will require the support and participation of every member who is mindful of the survival of Nandi Teachers SACCO as an institution. In the circumstances, it will be necessary for members to give fresh mandate to a team of members who can rebuild the lost trust, confidence and aspiration. To say the least the current management have been a great let down. In this regard we have no option except to order the dissolution of the entire committee including the supervisory and in its place recommend that an interim committee of five members be elected to manage the affairs of the society for a period not exceeding 90 days during which they must organise proper elections for delegates. We also recommend that this report be read to members during delegates' elections.

We cannot conclude this report without a word on the behaviour of some members of staff. We realise that their main duty is to manage the day to day affairs of the society. But, the behaviour of four members of staff left a lot to be desired. These are the manager, Mr. Samuel Kirwa; the FOSA manager, Mr. Patrick Lelei; The bookshop manger, Mr. Anthony Tarus and Ruth Serem. These abused the privileged positions of trust. We order that their services be terminated.

In the interest of safeguarding assets of the society, it is desirable that we order which hereby do, that accounts held by committee members and the staff mentioned herein be frozen in addition bar the withdrawal of any share holding that they be having in the society until they satisfy the commissioner that it is necessary to re-open them again. We recommend too that those who participated in the management of the society be barred from holding positions in any organ of the society for a period of five years. Finally, we recommend that the commissioner

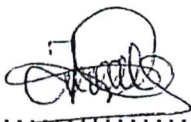


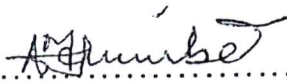
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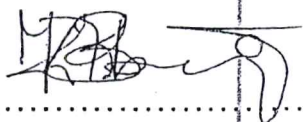
requests other arms of law enforcement agencies to take clear cases of suspected misuse of office and fraud.

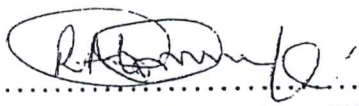
We take this opportunity to thank all members for their patience. Thank you and may God bless you.

Date: 2/2/2006

Sign: 
PHILIP A. KOREMO

Sign: 
MRS. AGNES MACHORA

Sign: 
JOEL K. BARBENGI

Sign: 
MRS. RISPER OMUJA

INQUIRY OFFICERS

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Annex I

Staff, position and personal Emoluments

	NAME	POSITION	BASIC SALARY	ALLOWAN CES	TOTAL
1	Samuel Kirwa	Manager	33,656.00	13,500.00	47,156.00
2	Ezekiel Sawe	Accountant	29,296.00	11,000.00	40,296.00
3	Kimosbei Kuto	Chief Cashier	21,424.00	8,000.00	29,424.00
4	Ruth C. Yego		18,188.00	6,000.00	24,188.00
5	Alfred Kemboi		16,149.00	6,000.00	22,149.00
6	Joseah Langat	Loans Officer	18,229.00	5,000.00	23,229.00
7	Anne Kuto	Cashier	12,804.00	6,300.00	19,104.00
8	Peter Tirop		12,804.00	5,000.00	17,804.00
9	Gideon Tenai		15,062.00	6,000.00	21,062.00
10	Mary Tarus	Secretary	14,345.00	6,000.00	20,345.00
11	Sammy Rotich	Cashier	11,357.00	5,500.00	16,857.00
12	Patrick Lelei	FOSA Manager	11,357.00	4,200.00	15,557.00
13	Grace Tenai		11,433.00	4,000.00	15,433.00
14	Moses Tonui		9,770.00	4,000.00	13,770.00
15	David Tiony		8,620.00	4,000.00	12,620.00
16	Sally Rutto		9,770.00	5,200.00	14,970.00
17	Anthony Tarus		9,770.00	5,000.00	14,770.00
18	Wilson Kemei		8,045.00	4,000.00	12,045.00
19	Ruth Serem		8,045.00	4,000.00	12,045.00
		TOTAL	280,124.00	112,700.00	392,824.00

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Annex II

Convenors & Representatives Elected during the meeting of 15th
October, 2005.

	NAME	POSITION/AREA POSREPRESENTED
Convenor		
1.	Josphat Serem	Kalyet (Interim Chairmen)
2.	George Rop	Namgoi (Master of ceremony)
3.	Noah Kurgat	Tegat (secretary)
4.	Joel Kenduiywa	(Technical Advisor)
Elected representatives		
1	Philip Choge Muslim	Kapsabet
2	Ruben Migiro (Amai)	Kamobo
3	Henry Ogeto	Kamurgiwo
4	Isaac Kitur	Kiptuiya
5	Julius Tarus	Meswo
6	K. Maritim	Kamwega
7	Philip Morogo	Kipsamoite
8	William Bitok	Mutwo
9	John	Kapyemit
10	Alex Yator	Kapngetuny
11	Wilson Melly	N/S
12	Philip Choge	Chepsangor
13	Mutsela Rop	Kurgung
14	Lazarus Isiaho	Koibaki
15	John Cheryot	Not Mentioned
16	Songok	KNUT Chairman
17	Rotich	KNUT Chairman
18	Korir Errest	Kiminda
19	John (Kabyemit)	

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Annex III

SUSPECTED FRAUD CASES AND TIME COMMITTED

NAME	2002	2003	2004	2005	TOTAL
Henry Birgen		40,000	150,000	950,000	1,140,000
Paul Korir				4,540,000	4,540,000
Sammy Kirwa	100,000	7,700,000	4,390,000	19,110,000	31,300,000
Patrick Lelei		2,955,000	6,271,630		9,226,630
Antony Tarus				4,740,000	4,740,000
Ruth Serem				750,000	750,000
Sub-Total	100,000	10,695,000	10,811,630	30,090,000	51,696,630
Others (Payees not known)		2,155,000	5,975,475	4,156,000	12,286,475
GRAND TOTAL	100,000	12,850,000	16,787,105	32,246,000	63,983,105



Annex IV

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SUMMARY OF SURCHARGES.

NAME	FICTITIOUS PAYMENTS KSHS. 840,000	EDUCATION TOUR KSHS. 405,000	FICTITIOUS 'OTHERS' KSHS. 1,132,777	BOOK SHOP FOSA ACCOUNT KSHS 544,053	COMPUTERS/ SOFTWARE OVERPAYMENT KSHS. 2,054,670	FRAUD Kshs. 63,983,105	TOTALS
Sammy Kirwa	425,000	405,000	656,407	181,351	205,467	31,300,000	33,173,225
Henry Birgen	250,000		132,930		205,467	1,140,000	1,728,397
Patrick Lelei	15,000					9,226,630	9,241,630
Paul Korir	150,000		42,930		205,467	4,540,000	4,938,397
Kimaiyo S. Rotich			42,930				42,930
Benjamin Kosgei			42,930		205,467		248,397
Richard Rotich			42,930				42,930
Ben Rugut			42,930	181,351	205,467		429,748
Philip Mitei			42,930				42,930
Hillary Birech			42,930		205,467		248,397
David Sambu			42,930				42,930
Antony Tarus				181,351		4,740,000	4,921,351
Abraham Rono					205,467		205,467
Simeon Chepkwony					205,467		205,467
Jacob Lel					205,467		205,467
Benjamin Kuto					205,467		205,467
Ruth Serem					205,467		205,467
Others (Payee not known)						750,000	750,000
GRAND TOTAL	840,000	405,000	1132,777	544,053	2,054,670	12,286,475 63,983,105	12,286,475 68,959,605

MAY

JAL

Add: Others to be investigated 12,286,475

GRAND TOTAL - 68,959,605

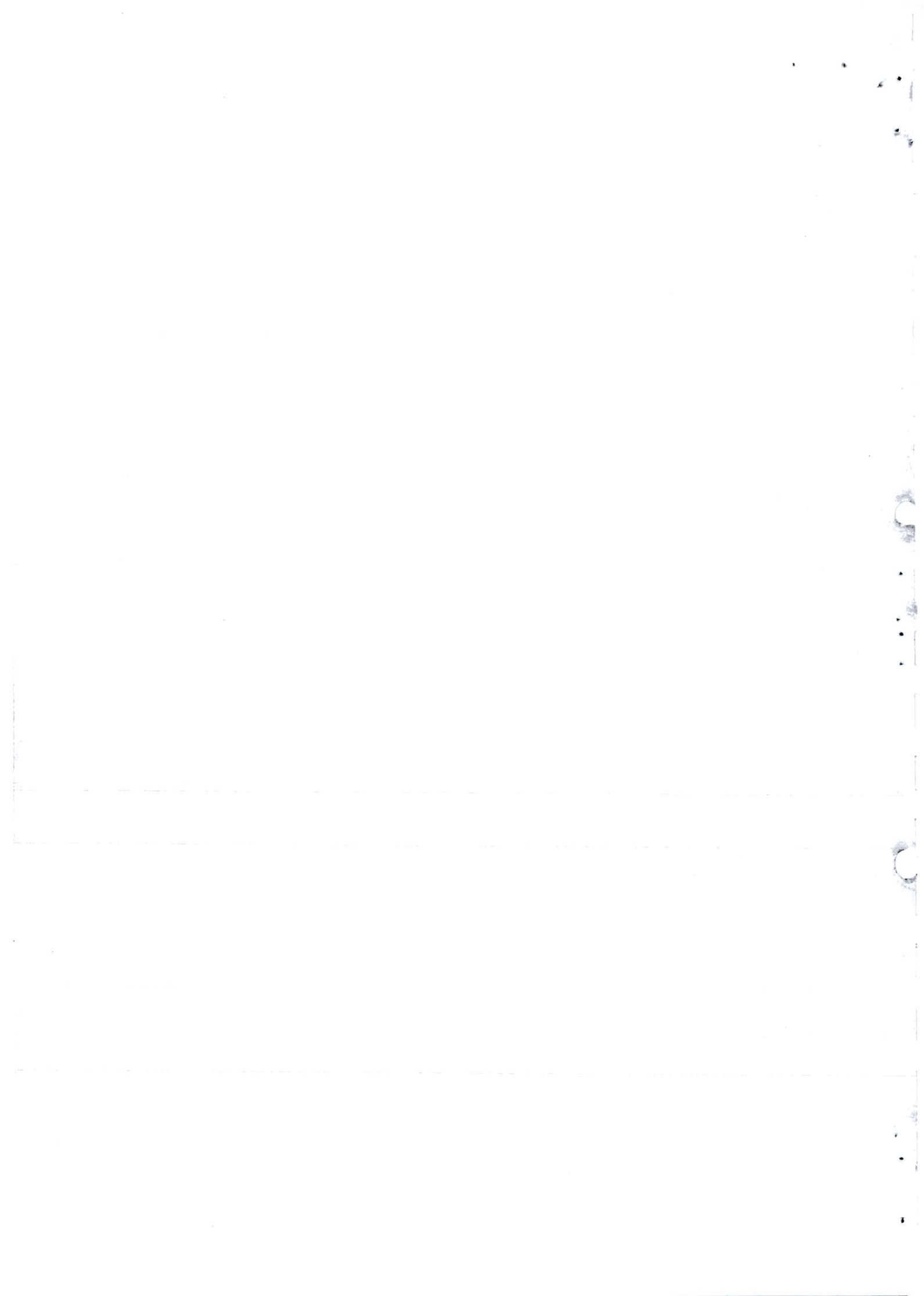
OTHERS

The withdrawals of KShs. 12,286,475 be ascertained from the bank and for the involved persons be added to the amount being surcharged. Withdrawal of KShs. 2,170,475 be investigated further for we were not able to identify the payee as the cheque leave was only written "cash" while the back of the cheque was not signed or not indicating the identification number of payee.

We also notify the society that we were not able to exhaust all the fraud committed in the society for lack of bank statements as well as the short period given for the above exercise. The society with the assistance of D.C.O.'s office should go a head to reconcile the books and determine the actual income earned by the society for it is possible that part of the society funds was lost through FOSA savings and fixed deposits as well as payment of high dividend.

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SASRA 6

PROPERTY, PLANT AND EQUIPMENT AS AT 31/12/2011

ASSET	LAND	BUILDINGS	OFFICE EQUIPMENTS	GENERATOR	FURNITURE & FITTINGS	COMPUTERS & ACCESSORIES	LOOSE TOOLS	TOTAL
Cost								
As at 1/1/2010	796,390	8,108,059	1,424,255	191,319	171,577	1,378,648	6,841	12,077,089
Additions	-	732,292	-	-	104,720	1,371,120	-	2,208,132
Disposal	-	-	-	-	-	-	-	-
Balance as at 30/06/2010	796,390	8,840,351	1,424,255	191,319	276,297	2,749,768	6,841	14,285,221
As at 1/1/2011	796,390	8,840,351	1,424,255	191,319	276,297	2,749,768	6,841	14,285,221
Additions	12,203,610	13,159,649	58,000	-	-	600,000	-	26,021,259
Disposal	-	-	-	-	-	-	-	-
Balance as at 30/06/2011	13,000,000	22,000,000	1,482,255	191,319	276,297	3,349,768	6,841	40,306,480
Accumulated Depreciation								
as at 1/1/2010	-	1,014,069	265,908	64,009	73,970	1,078,202	2,865	2,500,023
Depreciation for the Year	-	156,526	88,936	12,731	20,233	486,751	1,988	767,165
Disposal	-	-	-	-	-	-	-	-
Balance as at 31/12/2010	-	1,170,595	355,844	76,740	94,203	1,564,953	4,853	3,267,188
as at 1/1/2011	-	1,170,595	355,844	76,740	94,203	1,564,953	4,853	3,267,188
Depreciation for the Year	-	208,294	135,169	11,458	21,851	535,445	994	913,211
Disposal	-	-	-	-	-	-	-	-
Balance as at 31/12/2011	-	1,378,889	491,013	88,198	116,054	2,100,398	5,847	4,180,399
Net Book Value 31/12/2010	796,390	7,669,756	1,068,411	114,579	182,094	1,184,815	1,988	11,018,033
Net Book Value 31/12/2011	13,000,000	20,621,111	991,242	103,121	160,243	1,249,371	994	36,126,081
Depreciation Rates	-	1%	12%	10%	12%	30%	50%	



SACRA 7

Chairman reported to the delegates that the committee was requesting 2.5 Million for that activity.

OFFICE BUILDING.

Chairman reported to the members that a 4 storey building was to be built. Members are to buy shares in the building. Following proposals were made by the committee.

Minimum of 1 share valued at Kshs.10,000/-

Architecture estimated the cost of the building to be around Kshs.32 million.

Share holding shall be as follows;-

Nandi Teachers Sacco Society to 30% that is Kshs.9.6 million.

Members to take 70% i.e Kshs.22 million.

The society shall be given first priority on any sale of shares by any shareholder.

WELFARE FUND.

The welfare Fund was reported to be operational and the constitution could be obtained from society's Offices. Major terms will be as follows;-

Every member of the society shall be a member.

Monthly contribution of Kshs.50.00.

Kshs.10,000/= payable as funeral expenses.

Deceased persons loan written off immediately.

EDUCATION.

The Chairman requested the meeting to approve more funds, thus a supplementary budget for the year 1999 - for education for staff and the committee.

Staff Education - was as follows;-

Staff Kshs.160,000/= to be increased to Kshs.360,000/=

Members education Committee Kshs.160,000/- was to be increased to Kshs.500,000/=.

Informed persons were able to work effectively.

SCHOOL FEES.

Delegates were called upon to sensitize the general membership on School Fees Scheme.

PROPOSAL FOR APPROVAL.

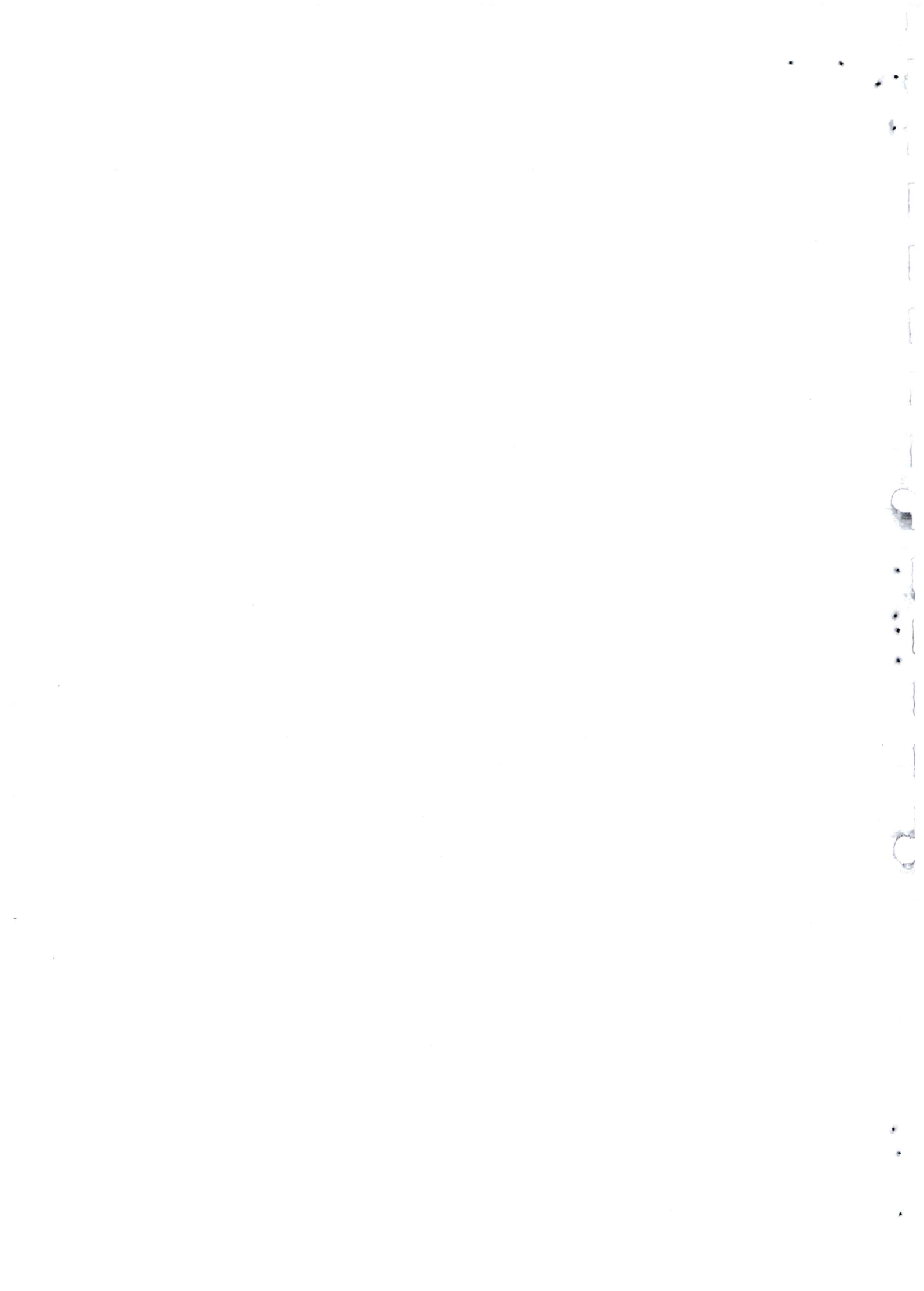
Dividend and Honorary Kshs 479,068.00.

Interest on deposits Kshs.9,775,130.40

30% of proposed Mwalimu Plaza and Building Kshs 9.6 million

Supplementary Budget of Kshs.279,000/- for education.

Computer Kshs 3.5 million

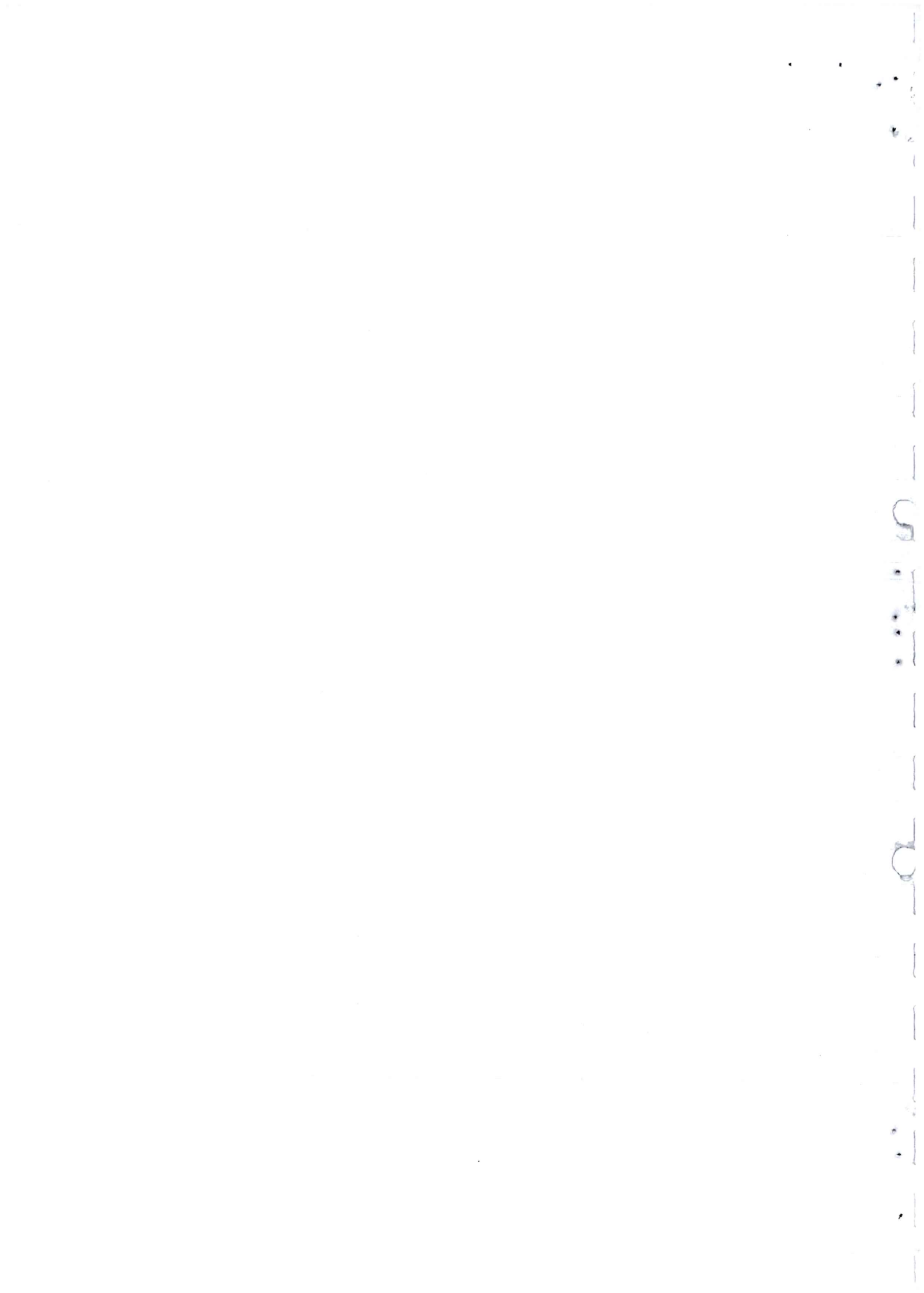


SACRA 8

NAME	STATUS	DATE	AMOUNT	REMARKS	AMOUNT	REMARKS	AMOUNT	REMARKS	AMOUNT	REMARKS	AMOUNT	REMARKS	AMOUNT	REMARKS	AMOUNT	REMARKS	AMOUNT	REMARKS
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ednah	ednah	REFUND	24/07/2018	00158582	00158582	MONICA NJOKI	10,000.00	FTM00319	ref	Y								
ednah	ednah	REFUND	24/07/2018	00217395	00217398	Elisha SAWE	10,000.00	FTM00335	ref	Y								
ednah	ednah	REFUND	24/07/2018	APN/FC000	00267605	ROP KIPKORIR	10,000.00	FTM00352	ref	Y								
ednah	ednah	REFUND	24/07/2018	00367763	00367768	KOSGEI JEPCHIRCHIR	10,000.00	FTM00368	ref	Y								
ednah	ednah	REFUND	24/07/2018	00076572	00076572	ESTHER C MASWAI	10,000.00	FTM00302	ref	Y								
ednah	ednah	REFUND	24/07/2018	00156443	00156443	KIPLAGAT FREDRICK	3,500.00	FTM00318	ref	Y								
ednah	ednah	REFUND	24/07/2018	00217261	00217261	ANDREW KOECH	20,000.00	FTM00334	ref	Y								
ednah	ednah	REFUND	24/07/2018	00257111	00257111	JANE JEBICHII KEMBOI	3,000.00	FTM00351	ref	Y								
ednah	ednah	REFUND	24/07/2018	00367132	00367132	Meli David	10,000.00	FTM00367	ref	Y								
ednah	ednah	REFUND	24/07/2018	00076553	00076553	RITTO RAPHAEL	10,000.00	FTM00301	ref	Y								
ednah	ednah	REFUND	24/07/2018	00151168	00151168	Henry Kiprop Birir	10,000.00	FTM00317	ref	Y								
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ednah	ednah	REFUND	24/07/2018	001	APN/PC000	00161254	ROP K	10,000.00	FTM00321	ref	Y
ednah	ednah	REFUND	24/07/2018	001	00225192	00225192	CORNELIUS CHERUIYOT	10,000.00	FTM00337	ref	Y
ednah	ednah	REFUND	24/07/2018	001	002E9792	00289792	MILCAH CHEBET CHERUIYOT	10,000.00	FTM00354	ref	Y
ednah	ednah	REFUND	24/07/2018	001	730E7987	73057987	METTO JOSEPH	20,000.00	FTM00370	ref	Y
								-----	1,119,789.00	-----	



SXSRX 9

4. GENERATOR.

The manager reported that a Generator had not been acquired to date. Mr. Simeon Chepkwony and Mr. Ben Rugutt were requested to view the Generator at EATEC Farm Workshop and negotiate the Prize this week.

5. On Newsletter the Vice Chairman requested the Committee to support the Newsletter by contributing. The Committee Members were given 14 days to submit their contributions to be included in the next Second Edition of the next Newsletter issue.

6. SPECIAL DELEGATES MEETING.

The Committee members commented the Special Delegates Meeting in the Manner it was conducted.

7. APPROVAL OF LOANS.

Approval of all loans still remains with the Credit Committee. Any Special loan cases are requested to be forwarded to the Manager who in turn will be approved by the Credit.

MIN.1/18/4/2000 FOSA.

The Manager reported that software had not been fitted in the Computers. The FOSA operation will officially open on 9th May 2000 for members.

Form and Seats will be fixed as soon as possible.

A Roof leakages was noticed and the Manager will take care and replace the leaking roof.

Members salaries for May will be paid through the FOSA.

An Account with Co-operative Bank of Kenya Eldoret Branch be opened to serve the purpose.

MIN.2/19/4/2000 BARCLAYS BANK BUILDING.

The Manager reported that 10% down payment of Kshs. ^{1.2} 1.5 million has been paid.

Negotiations and preperation on terms of payment through the lawyers are going on.

The Central management Committee members agreed unanimously to borrow a loan of Kshs. 14 million from the National Bank of Kenya.

A.O.B.

The members of Management who went for the Seminars were requested to write notes and file them.

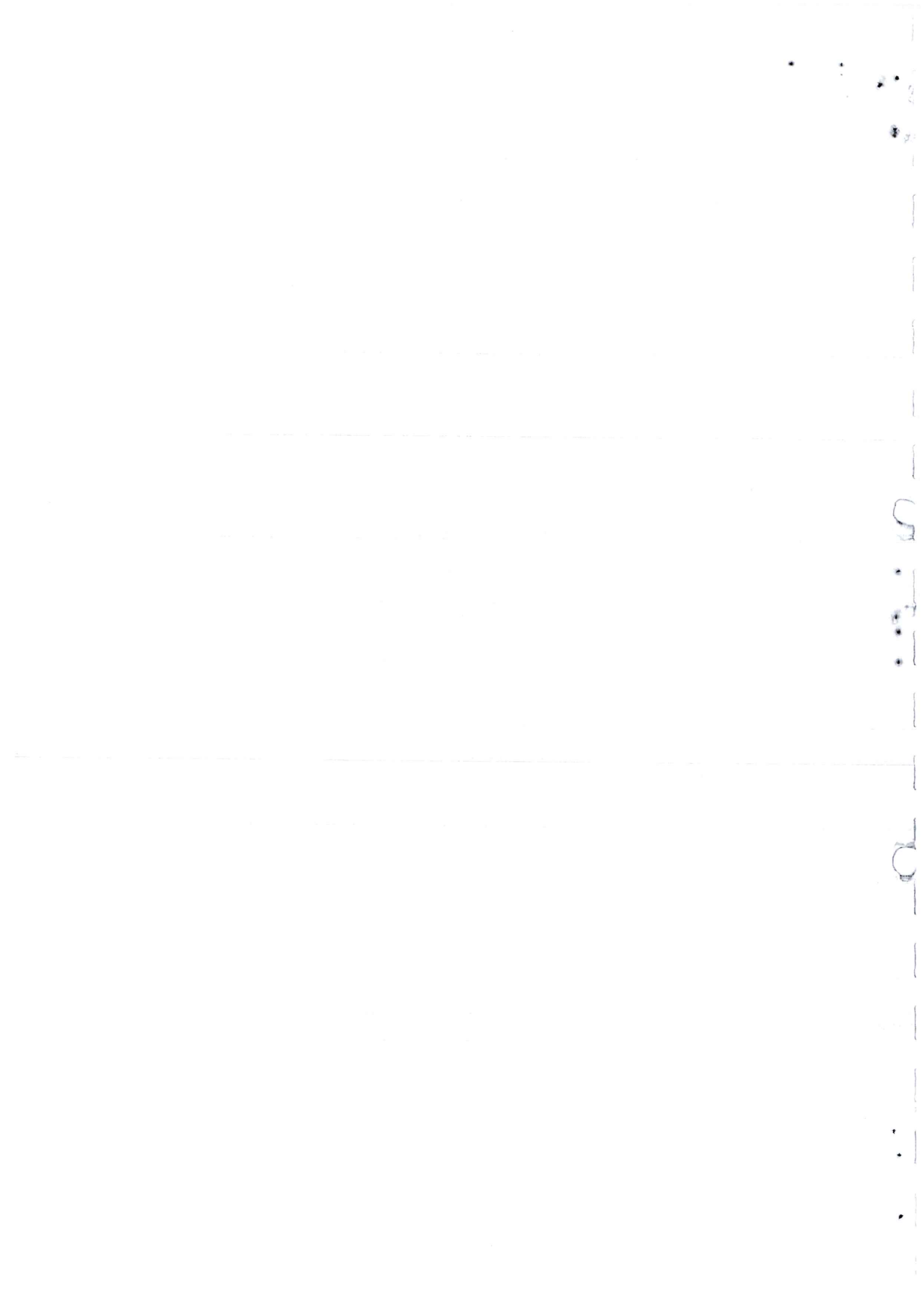
Mr. Biwott requested the Management to keep time and be discipline.

The Manager was requested to Monitor time Management.

Notice of the FOSA be written on the Building.

Security will be organised to take care of the FOSA operation.

Mr. Benjamin Kosgei thanked the members of management and the staff for attending and contributing towards the Harambee for his Children on 16/4/2000.





REPUBLIC OF KENYA

REGISTRATION OF TITLES ACT

(Chapter 281)

SO E 42
Bule
18/5
SARAIO

15109



GRANT: No. I.R.N. 5806

ANNUAL RENT: Sh. 3,800/- (REVISABLE)

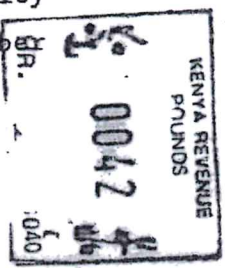
TERM: Ninety-nine (99) Years from 1.1.1989

K NOW ALL MEN BY THESE PRESENTS that in consideration of the sum of Shillings Nineteen thousand (shs.19,000/-) by way of Stand Premium paid by way of Stand Premium paid on or before the execution hereof the COUNTY COUNCIL OF NANDI (hereinafter called "the Council")



a body corporate duly established under Local Government Regulation

hereby GRANTS unto BARCLAYS BANK OF KENYA LIMITED a alimited liability Company having its registered office at Nairobi (Post Office Box Number 30120)



(hereinafter called "the Grantee ") ALL that piece of land situate

in the Kapsabet Twon in the Nandi

District containing by measurement. Nought decimal one four nought nought (0.1400)

hectare or thereabouts that is to say Land Reference Number 1181/370

which said piece of land with the dimensions abuttals and boundaries thereof is delineated on the plan annexed hereto and more particularly on Land Survey Plan Number 181607 deposited in the Survey Records Office at Nairobi To HOLD

for the term of Ninety-nine years from the first (1st) day of January

One thousand nine hundred and eighty nine

SUBJECT to

(a) the payment in advance on the first day of January in each year of the annual rent of Shillings Three thousand eight hundred (Shs.3,800/-) (Revisable) w.e.f. 1.1.1989

(b) the provisions of the Trust Land Act (Cap. 288) (c) the provisions of the Town Planning Act (Chapter 134) and (d) the following Special Conditions (namely):—

REPUBLIC OF KENYA

DISTRICT OF *NANDI*

Locality *Kapsabet Town*

Reference Map *North. A. 36*
X. III. C 2

Land Reference No. *1181/370*

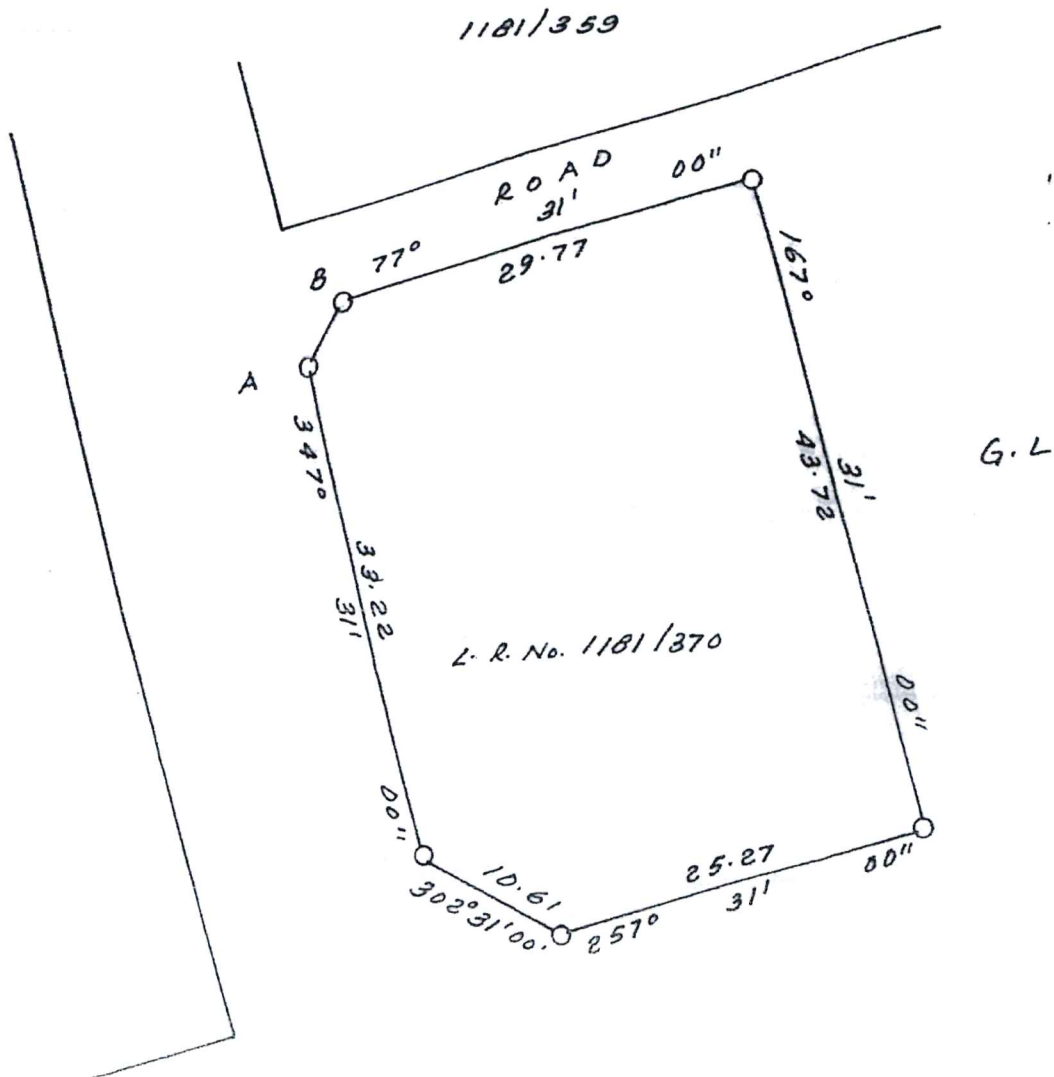
(Orig No.

Sub division No. (Orig No.

of Section No.

Area = *0.1400 Ha. (App.*

	Bearings			Distances Metres
	°	'	"	
A-B	32	31	00	4.24



REPUBLIC OF KENYA

DISTRICT OF *NANDI*

Locality *Kapsabet Town*

Reference Map *North. A. 36*
x. III. c 2

Land Reference No. *1181/370*

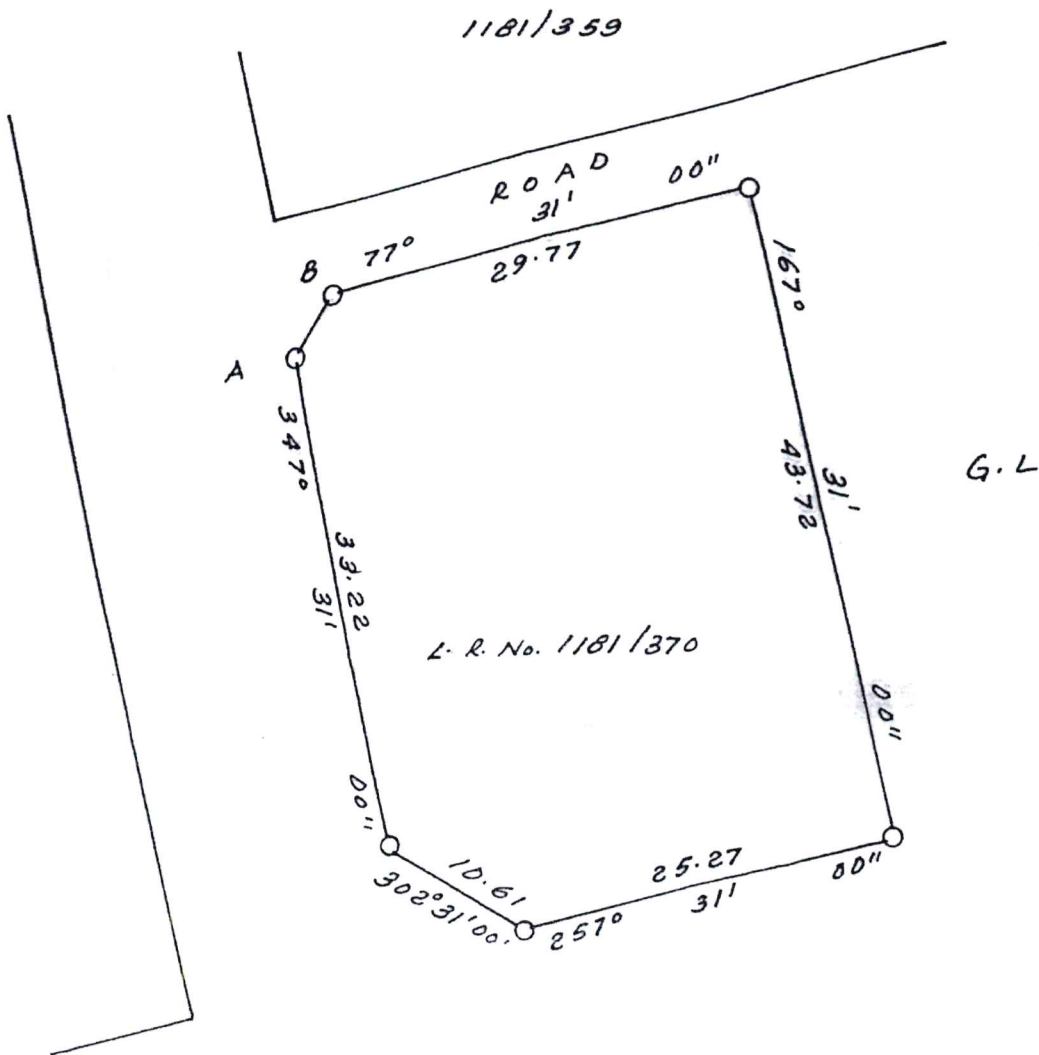
(Orig No.

Sub division No. (Orig No.

of Section No.

Area = *0.1400 Ha. (Appr.*

A-B	Bearings			Distances Metres
	°	'	"	
	32	31	00	4.24



8. The grantee shall not subdivide the land without prior consent in writing of the local authority and the Commissioner of Lands.

9. The grantee shall not sell transfer sublet charge or part with the possession of the land or any part thereof or any buildings thereon except with the prior consent in writing of the local authority. No application for such consent (except in respect of a loan required for building purposes) will be considered until special condition No. 2 has been performed.

10. The grantee shall pay to the local authority on demand such sums as the local authority may estimate to be the proportionate cost of constructing all roads and drains and sewers serving or adjoining the land and shall on completion of such construction and the ascertainment of the actual proportionate cost either pay (within seven days of demand) or be refunded the amount by which the actual proportionate cost exceeds or falls short of the amount paid as aforesaid:

11. The grantee shall from time to time pay the local authority on demand such proportion of the cost of maintaining all roads and drains serving or adjoining the land as the local authority may assess.

12. Should the local authority at any time require the said roads to be constructed to a higher standard the grantee shall pay to the local authority on demand such proportion of the cost of such construction as the local authority may assess.

13. The grantee shall pay such rates taxes charges duties assessments or outgoings of whatever description as may be imposed charged or assessed by any Government or local authority upon the land or the buildings erected thereon including any contribution or other sum paid by the local authority or county council in lieu thereof.

14. The county council or such person or authority as may be appointed for the purpose shall have right to enter upon the land and lay and have access to water mains service pipes and drains telephone telegraph wires and electric mains of all descriptions whether overhead or underground and the grantee shall not erect any buildings in such a way as to cover or interfere with any existing alignments of main or service pipes or telephone or telegraph wires and electric mains.

15. The county council reserves the right to revise the annual ground rental payable hereunder after the expiration of the 33rd and 66th year of the term hereby granted. Such rental will be at a rate of 4 per cent of the unimproved freehold value of the land as assessed by the Commissioner of Lands.

IN WITNESS WHEREOF I, SAMMY SILAS KOMEN MWAITA)
the Commissioner of Lands thereto lawfully)
authorised on behalf of NANDI COUNTY COUNCIL)
hereunto set my hand this 13th day of May)
Two thousand in the presence of:)

[Handwritten signature]

[Handwritten signature]
REGISTRAR OF TITLES

LAND TITLES REGISTRY - NAIROBI REGISTRY
REGISTRATION OF TITLE ACT

REGISTERED AS No. L.R.N. 5806/L

PRESENTED 13TH JUNE 2000

TIME 11:25 HRS *[Handwritten signature]*

2

TRANSFER TO Nandi Teachers Co-operative Savings and Credit Society Limited

Registration No. 454 Date of Registration 19-1-2001

JANE KANJA (013)

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE CHARGE TO National Bank of Kenya Limited

3

Registration No. 455 Date of Registration 19-1-2001

JANE KANJA (013)

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Discharge of Charge No. 3 above

4

Registration No. 750 Date of Registration 17-4-2002

R. N. MULE (015)

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Charge to K-Rep Bank Limited

5

Registration No. 751 Date of Registration 17-4-2002

R. N. MULE (015)

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Discharge of Charge NO 5 above

6

Registration No. 86 Date of Registration 2-3-2001

F. V. Lubulella (030)

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE TITLE Charge to DIKOCREDIT, Ecumenical Co-operative Society U.A

7

Registration No. 87 Date of Registration 2-3-2001

F. V. Lubulella (030)

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE

Discharge of charge NO. 7 above

Presentation No. 2217.....Date of Registration: 27-1-2021

[Handwritten signature]

Registrar
S. C. Njoroge *294

IN THE CO-OPERATIVE TRIBUNAL AT ELDORET

TC NO. 347 OF 2021

SACRA 11

NANDI TEACHERS 2000 SELF-HELP GROUP CLAIMANT / APPLICANT

VERSUS

TRANS ELITE COUNTY SACCO LTD 1ST RESPONDENT

CHAIRMAN TRANSELITE COUNTY SACCO 2ND RESPONDENT

STATEMENT OF CLAIMANT

1. **Claimant** : is a registered self-help group with the Ministry of Labour and Social Protection .its membership are retired teachers who were members of Nandi Teachers Sacco operating within Nandi County
The address for service is Mwalimu Building 1st Floor -Kapsabet Town P.O Box 991 Kapsabet
2. **1st respondent** is a registered society operating and doing business in former Barclays bank building now Nandi Teachers Sacco Building
Its address for service is Kapsabet Town
Kisumu - Eldoret Road
P.O Box 547, Kapsabet
3. **2nd respondent** is the chairman of 1st respondent
4. **Sometimes** in the year 1999 Barclays Bank offered its premises known as kapsabet municipality 1181/370 for sale at Ksh 12,500,000 herein after referred to as suit property
5. **The members** of former Nandi Teachers Sacco being desirous to purchase the same bided.
6. **Pursuant to agreement** between the officials of Nandi Teachers and Barclays bank then on 18.3.2000 the members made a resolution to sign for their dividends for the year 1999 and pay Barclays bank.

7. On 29th/12/2000 Barclays bank transferred the said building to Nandi Teachers Sacco after full payment.

8. The management whose dividends were used to pay for the building were the shareholders who wanted to increase their shareholdings to pay further Ksh 10,000.

9. On 12/02/2011 during educational day meeting at Kosiral division the 2nd respondent told those in attendance that society was in the process of transferring its investments to the right full beneficiaries among investments was Barclays bank building 1181/370 suit - property

10. On 29/03/2014 while having 28th ADM as St Peters Kapsabet the 2nd respondent told the delegates that it was on the verge of selling shares of the a said building 1181/370

11. The claimant being aggrieved by the said action of 2nd respondent did referred the matter to SASRA and ministry of cooperatives in vain necessitating the filing of this suit.

12. The claimant further avers that between a 26th /07/2021 and 30th July 2021 received information that 2nd respondent has called for meeting on various dates between 31/07/2021 and 14th /08/2021 with the purposes of selling shares to individuals without involving the owners/claimants


13. **REASONS WHEREFORE** the claimant prays for judgment against the respondents jointly and severally on the following terms

- a) **INJUNCTION** to restrain the respondents from selling shares of Kapsabet municipality 1181/370
- b) Vacate from the premises or pay rent from 2003 to date to the members of claimant
- c) An order of specific performance to issue to 2nd respondent to transfer kapsabet municipality 1181/370 to claimant in default the executive officer of court do sign.

d) Declaratory order that the parcel KAPSABET/MUNICIPALITY/1181/370 was bought by Nandi Teachers sacco from Barclays bank using devidends for the year 1999 hence the building is own by those who were the members then

e) Costs

DATED AT ELDORET this 14th Day of August 2021


ROBERT SAINA
SECRETARY

DRAWN & FILED BY

ROBERT SAINA

P.O BOX 991

KAPSABET

Nanditeachers2000selfhelpgroup@gmail.com

07258686806

0727066373

TO BE SERVED UPON

TRANSELTE COUNTY

P.O BOX 547

KAPSABET

CHAIRMAN TRANSELITE COUNTY

P.O BOX 547

KAPSABET



PETITION TO THE NATIONAL ASSEMBLY

BY

**TEACHERS WHO PURCHASED BARCLAYS BANK BUILDING IN THE
YEAR 2000**

Through

Nandi Teachers Sacco

Supporting documents.

Date	Document	Subject	Remarks	Annexure
12/8/2021	Order Tr C no. 347/2021	Struck Out	Complainants No longer Sacco members	1
25/7/2017	A letter to SASRA by CEO Ezekiel Sawe	Detailing loan and members not refunded Kshs. 10,000	The loan was for the year 2002	2
4/8/2016	A letter to trans-elite by Fredrick Songol	Request for by product of the year 2000	No response	3
22/4/2017	Delegates meeting of trans-elite	Ownership of building preference to teachers who were members during acquisition	No action to date	4
29/3/2014	Delegates meeting of trans-elite	Selling of shares	Members objected	5
31/3/2015	Valley Auctioneers	Auctioning the suit Plot for nonpayment of loan	Oiko loans of Kshs. 60,000,000	6
12/2/2011	Kosirai Meeting	Transfer investment to owners plaza building	Not done to date.	7
4/5/2005	Bank statement K-rep 0137000014415400007	Oiko Loan of Kshs. 59,4000 credited	Kshs. 59,000,000 withdrawn the same day	8
1 st quarter 2001v.2	Morning star	Mwalimu Plaza	Membership 292413-517	9
8/2/2003	Discharge of charge by K-REP	Kapsabet Municipality 1181/370	To be charged with Oiko	10
4/10/2003	A letter by Sacco	Requesting a loan for	Loan granted	11



	manager to Oiko	Onlending to members of 60,000,000		
27/12/2000	Transfer	Barclays to Nandi Teachers Sacco	After full payment	12
18/3/2000	Proceedings of the meeting	Approval by delegates.	To purchase the building	13
25/4/2000	Bank statement	Down payment of 10%	Cheque No. 00018479 of 1.2 M	14
25/4/2000	Management meeting	Reporting 10% payment	Adapted by the management	15
17/7/2000	Sale of shares	Total shares 120,000	By Zacharia Kuto	16
29/5/1999	Delegates meeting	70% Members 30% Society	Members to pay by check off system	17

Dated..... *20th* day of..... *Sept* 2024

**NANDI TEACHERS 2000
SELF HELP GROUP**

05 OCT 2023

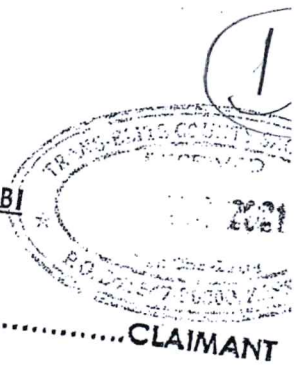
Fredrick Songol
Chairman
P.O. Box 991-30300,
KAPSABET

MANDI TEACHERS SELF HELP GROUP

02 OCT 2023

KAPSABET P.O. Box 391-30300

REPUBLIC OF KENYA
IN THE CO-OPERATIVE TRIBUNAL AT NAIROBI
TRIBUNAL CASE NO. 347 OF 2021



NANDI TEACHERS 2000 SELF HELP GROUP.....CLAIMANT

VERSUS

TRANS ELITE COUNTY SACCO & ANOTHER.....RESPONDENT

ORDER

The Notice of Motion Application dated 4.8.2021 and filed on 11.8.2021 coming up under Certificate of Urgency before Hon. J. Mwatsama- Deputy Chairperson, UPON READING the said Application,
IT'S HEREBY ORDERED:

1. THAT: Applicant to serve the Application upon the Respondents.
2. THAT: The Respondents to file and serve a response within 10 days of service.
3. THAT: Mention for further directions on 13.9.2021 physical mention in Eldoret.

Given under my Hand and the Seal of this Honourable Tribunal this 12th day of August, 2021.

Issued at Nakuru this 12th day of August 2021.





TRANS-ELITE COUNTY SACCO
PO BOX 547
KAPSABET
25/07/2017

2
TRANS-ELITE COUNTY SACCO LTD.
Tel: 053-2103
P. O. Box 547-30300
KAPSABET

CELINE BARGOGE
SASRA
PO BOX 25089-00100
NAIROBI

Received on 26/7
RKS

Good morning sir,

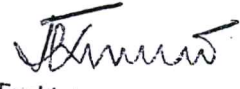
RE: REQUEST TO PRODUCE BY-PRODUCTS OF SALARY 1999 AND 2000

The above matter refers the committee wishes to inform you that the Nandi Teachers Plaza that is the building bought from Barclays bank was 98% bought using the loan that the Sacco procured from national bank of Kenya. Initially the building was supposed to be owned in the following proportion 70% owned by members and 30% owned by the society, but this did not come to be implemented since very few members managed to pay the required shares that is ksh 10,000 per member. We would like to inform you that out of those who bought the plaza shares majority of them came for their refunds and was paid. The list that we have entails members who paid for the shares and never demanded for refunds.

Attached is:

- 1) Copy of the letter for loan request at National Bank
- 2) List of members who paid and did not demand for refunds

Thank you and Have a Nice day!


for Ezekiel SAWE

Ag. C.E.O - TRANS ELITE COUNTY SACCO LTD
CC :TRANS-ELITE INTERIM OFFICIALS

TRANS-ELITE COUNTY SACCO LTD.
Tel: 053-2103
P. O. Box 547-30300
KAPSABET

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Bank, however, reserves the right to set-off all or any account of the borrower and to
liquidate all securities held on any account to be made prior to realization of facilities
which may be guaranteed by the borrower but not covered in this letter of offer

Special Conditions:

You shall be expected to transfer the funds held in the Savings Account to a Fixed
Deposit account to be held under the name of the Bank.

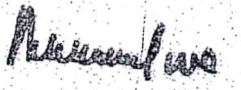
General Conditions:


Please note that we shall recover 2% up-front being appraisal and commitment fees.
Our offer as set out herein above remains valid for acceptance within 30 days from the
rate hereof, by signing and returning to us the duplicate copy of this letter of offer, failing
which will lead to the lapsing of the offer.

The Bank however reserves the right to alter the terms and conditions of this offer within
the said period after giving due notice.

Yours faithfully,



M.J. Tallam (Mrs)
Manager

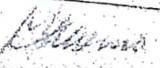

G.A. Wakurayi,
Accountant


E.M. Okenda,
Account Manager

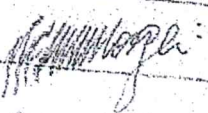
Acceptance:

We have read and understood the terms and conditions set out above and append our
signatures in acceptance thereof.

Signature  Date 31/5/02

Signature  Date 27/8/002

Signature ABRAHAM K. RONO Date _____

Signature  Date 27/8/2002

BENJAMIN K. KOSGE



3

P.O BOX 991 - 30300,
KAPSABET
4TH AUGUST, 2016.

THE CHAIRMAN,
TRANS- ELITE COUNTY SACCO SOCIETY LTD.
P.O BOX 547 - 30300
KAPSABET.

Dear Sir,


RE: CLAIM OF THE NANDI TEACHERS PLAZA


That reference is made to the meetings held on 9th June, 2016, 15th June, 2016, 1st August, 2016 and 4th August, 2016 by the Interim Officials mandated by the teachers who contributed towards the purchase of the Plaza.

In order to facilitate the above, we now request your office for the same.

Yours Faithfully,

Interim Officials


.....
Fredrick Songok
(Chairman)


.....
Robert Saina
(Secretary)


.....
Benson Chirchir
(Treasurer)

CC: TO
NANDI COUNTY DIRECTOR OF CO-OP.
P.O. BOX 259,30300,
KAPSABET.



✓ DONE H

TRANS ELITE COUNTY SACCO LTD 31st ANNUAL DELEGATES MEETING HELD ON 22ND APRIL
2017 AT ST.PETERS CATHOLIC SOCIAL HALL

Chairman's Report

On behalf of the Board of Directors, it's my great pleasure to invite you all to this very important occasion in our society's calendar. This being the 31st ADM, I feel privileged and honored as your Chairman that with concerted efforts from leadership and general membership, we are here to review our past and strategize on our future.

I wish to acknowledge the presence of our Board members, Staff, Delegates, Supervisory Committee, external auditor and our special invited guests.

May I take this opportunity to highlight the key achievements we made in the 2015-2016 financial year;

M-Banking service

Sacco has embraced modern modes of doing business as part of our strategy to offer effective, efficient and cost effective services to our members. Introduction of M-banking services which enables members to withdraw and deposit their contributions and pay loans conveniently using their mobile phones has made it easy for members to access our services wherever they are 24 hour basis. This is a greater achievement that will go a long way in serving our members.

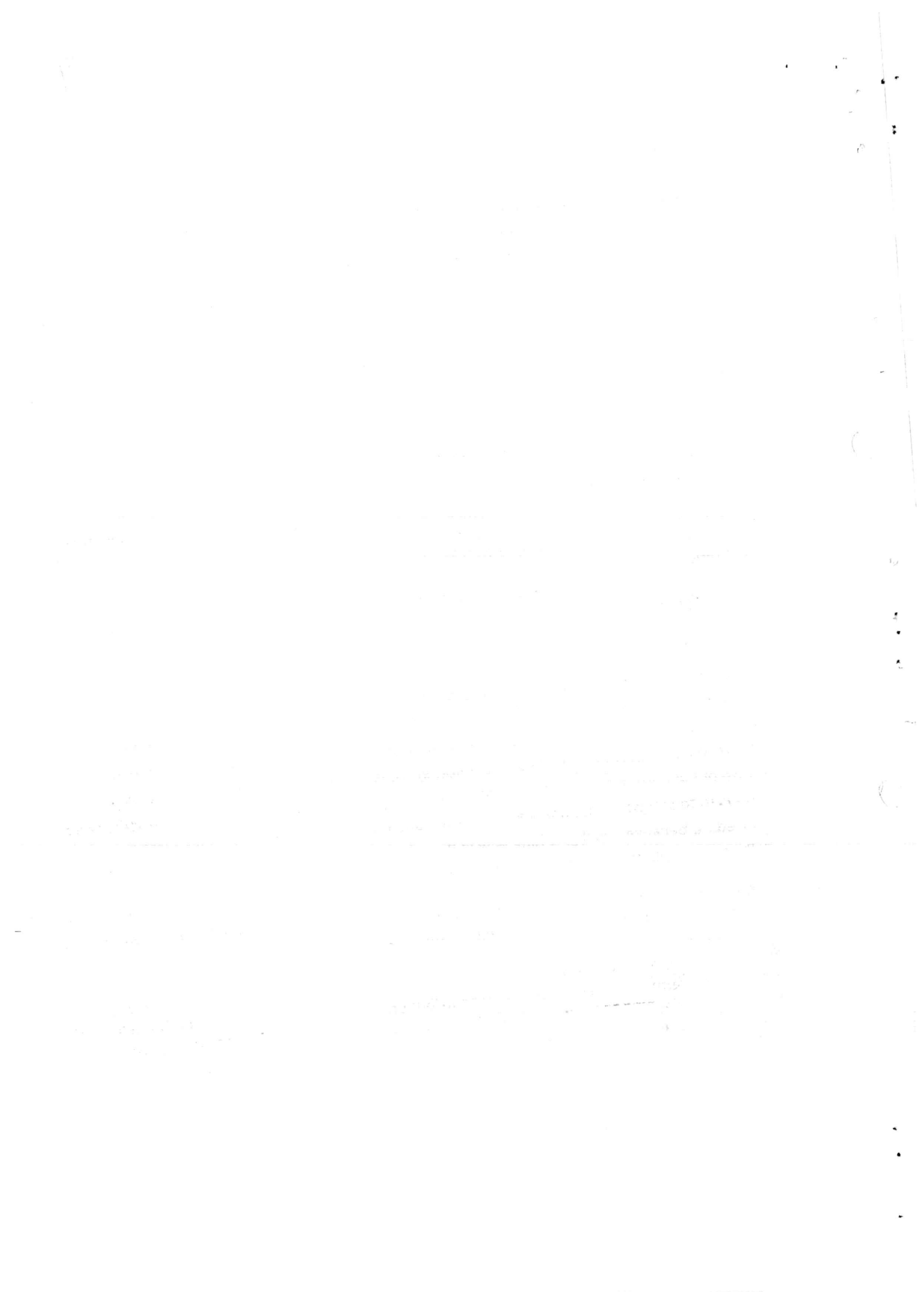
Members are encouraged to register with M-banking service so that they can access their accounts instantly.

Loan application, membership and FOSA forms are also accessible from our website (www.tecsacco.co.ke), members can download the forms, fill them and submit for processing.

Operations

The society was able to perform exceptionally well in very difficult economic times. As you are aware, during the year 2016, members of Parliament passed a bill that sought to amend the Banking Act by placing restrictions on the rate which banks offer loans and deposits; this definitely had an impact on our operations. Our key stakeholder, Teachers Service Commission (TSC) altered the mode of loan processing hence increasing time for processing loans. Delegates; this process is intended to safeguard members against fraud and not a punishment. Let us all appreciate this procedure because it will go a long way in guarding member's interest. I'm requesting the delegates to educate the other members on this procedure.

During the last ADM we resolved to increase monthly minimum share contribution from ksh. 1100 to ksh1500. The Board of Directors appreciate your resolve. However, we have noted that some members did not manage to meet the increment due to 2/3 rule. We once again appeal to those members affected by the 2/3 rule to re-assess their pay slips with a view to meeting the required minimum monthly contribution.



49

Year	2014	2015	2016
Share Capital/Deposits	591,695,718.00	603,899,042.00	602,776,198.00
Turn Over	87,092,134.00	93,012,300.00	119,812,838.00
Expenses	47,247,315.00	83,152,868.00	107,796,454.00
Surplus	3,984,481.90	9,859,432.00	12,016,384.00
Loan	215,483,622.00	282,017,508.00	272,464,476.00
Co-op Bank Dividends	16,286,017.00	20,699,278.00	32,458,353.00
Membership	3261	3366	3474

Members you will recall that we managed to process and pay school fees loans early last year. We thank the entire members for heeding our call to apply school fees loan as early as November 2016. This enabled us to process the applications and pay them in good time. I want to appreciate the services offered by our members of staff and particularly the office of our C.E.O. []

NANDI TEA SHARES

It is my humble request to this meeting that we approve transfer of 15% Shareholding in Nandi Tea Estates which is still being owned by our Society to Nandi Tea Teachers Multi-purpose Ltd.

STRATEGIC PLAN

Our 5 year Strategic Plan is being implemented as planned. Your support is required to enable us achieve the required targets.

HIGHEST SAVER /BORROWER

High est Saver = Neroh Jelimo TSC No: 217273
 Top Borrower = Beatrice Sanga TSC No: 368176

Difference in Books

The society will continue to make provisions for writing-off difference in books as earlier resolved. In financial statements of 2016, we decided under note 14 to combine the difference in books and loans as one line item.

Kapsabet Boys Lower Gate Plot

This Plot was encroached by Kapsabet Boys High School Administration. The society is pursuing the issue with relevant authorities and we promise you that soon the plot encroachment will be resolved because the plot belongs to Trans Elite SACCO

EATEC FARM .Plot no.2917

During the last ADM, Plot No 2917 issue was discussed at length. It was noted that the issue has remained unresolved for quite some time. Board members were mandated to further make a follow-up. Members of the Board are determined to pursue the matter to its logical conclusion regardless of its complexity.

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14b

Office building

The office building we are using currently was acquired through a loan. Initially, the intention was to acquire the building through the management members who were there by then. However, due to negative publicity the society attracted very few member's participation. And in the process the members who contributed towards the purchase of the building decided to withdraw what they had contributed. I want to urge members through you delegates to own this building by buying shares. Teachers who had contributed decided to withdraw what they had contributed. I want to urge members through you delegates to own this building by buying shares. Teachers who were members when the building was acquired be given preference in ownership.

Credit reference bureau

The Government will always dictate the manner in which business will be carried out especially in financial institutions and our society is no exception to this. The establishment of credit reference bureau (CRB) in our country has enabled all financial institutions to access the credit status of those who intend to borrow from such institutions instantly. The information will enable the institution to determine if the borrower has the ability to repay the loan or credit facility the customer is requesting. This service will help reduce loan defaulting risk. I want to ask the members present here today to appreciate this service, educate the other members on the need to enlist with CRB.

Marketing

As we endeavor to have the Sacco grow, we have continued to support the marketing team. Our marketers received warm reception during their visits to your schools, allow me to thank you for that gesture on behalf of the society. In addition, you are the Sacco's ambassadors; your continued referral of prospective customers to our Sacco has really assisted the number of new customers to raise. I would like to thank members for your continued participation in our yearly education days, your contributions during education days has really helped in designing tailor made financial products and services that has been introduced in the market.

WAY FORWARD

- ✓ To reduce delegates to 150, three delegates per ward for efficiency and cost effective.
- Members are requested to empress technology.
- We request all members to patronize the SACCO.
- Let us also strive to be good savers.

30 x 3 = 90



Hc 4

DIVIDEND

The Board of Directors recommends paying dividends and interest on savings as follows;

1. Share Capital – 4%

2. Deposits – 3.5% *from 2.5*

As at 31st December 2016.

I hereby request for your approval to enable us process the payment for the same.

Thank you for your contributions and commitments and Safe journey to your respective places!

Thank you and God Bless!

Yours



Mr. Alfred Ngetuny

CHAIRMAN



CHAIRMAN' S REPORT PRESENTED TO THE 28TH ANNUAL DELEGATES MEETING HELD ON 29TH MARCH, 2014 AT ST. PETERS' CATHOLIC CHURCH HALL.

Guests,

District Co-operative Officer,

Knut Executive Secretaries,

Knut Chairmen,

Board of Directors (NTS),

Delegates,

Invited guests and

Staff (NTS)

It is my pleasure to extend my sincere warm welcome to all of you to the 28th Annual Delegates Meeting today on behalf of B.O.D of Nandi Teachers Sacco Society Ltd.

I always thank my God when I remember you in my prayers. That's because I hear about your faith and confidence in the Sacco. I hear about your good representation in your schools. I pray that you will be active in sharing what you receive from society, and you will completely understand every deliberation of today and do act rightfully for the future of this Sacco. May I highlight our achievements and undertaking.

- a. We have witnessed new membership of 111 for both Bosa and Fosa.
- b. Disbursement of development loans
- c. Increase in loan lending i.e. school fees, emergency loan and other loan products.

Activities

We have introduced in Fosa another facility in relation to the normal advance called advance – plus, whereby one borrows advance for a period of three months.

Financial Progress

Let's analyze our financial progress for the last three years as shown in the table below

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...in the last three years, as shown in the table below.

...the following table shows the results of the survey.

- Pepea
- Neema
- Rehema
- Bidii
- Suluhisha
- Tumaini
- Ng'arisha
- Trans County

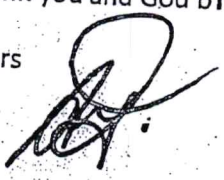
8. PLAZA

The board wishes to sale shares of the plaza building to the members but the challenge is that, the building is among the securities which was used to secure the Oiko loan and therefore we wish to request members to be patient for a little while as we try to dispose off the Court case in respect to the same .

May I thank you for your contributions and commitment, I wish you a safe journey back to your respective places.

Thank you and God bless you.

Yours



Alfred Ngetuny

Chairman





VALLEY AUCTIONEERS
Court Brokers, Bailiffs, Reporters and Debt Collectors
Apia House, Entrance A, 3rd Floor Rm 301
P.O. Box 57883 - 00700 Coq. Tel: 020-343322, 0722313501 / 0720592204
Email: valleyauctioneers@yahoo.com

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NTS
81A.
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57883
5801

PUBLIC AUCTION

Under instructions received from the chargor you shall sell the following properties
1. ON 21st APRIL, 2015 AT 10.30 A.M AT OURSINE THE POST OFFICE ELDORET TOWNSHIP, NAROK COUNTY
All that piece or parcel of land known as L.R. NO. 141739 (L.M. NO. 5865) MAPSABET TOWNSHIP situated in Kapsabet town within Mandi County measuring 0.1401 of a hectare or 0.3455 of an acre approximately. The property is along the main Eldoret-Kapsabet-Cherokot road. The property is approximately 4kilometres south-west of Eldoret town. It is easily identifiable on the ground as Nandi Teachers SACOP Society Limited neighbouring Kapsabet Police Station and Kapsabet District Hospital and registered in the name of **MANDI TEACHERS CO-OPERATIVE SOCIETY LIMITED**. The plot is developed with a part single part double storey building and other minor outbuilding.

2. ON 16th APRIL, 2015 AT 10.30 A.M OURSINE THE POST OFFICE MARIKOTI TOWNSHIP
All that piece or parcel of land known as L.R. NO. 141739 (L.M. NO. 5865) MAPSABET TOWNSHIP, Narok County measuring 19.44 hectares or 48.04 acres approximately. The property is situated within Maji Group Ranch Masai Mara Road within Maji Molo land registration scheme and approximately 10 kilometres off Narok-SERENGETI ONE-ART ROAD. The property is vacant and registered in the name of **MAJAI MOTO LAND REGISTRATION SCHEME**.
All interested purchasers are requested to view and not warrant these. A deposit of 2.5% must be paid in cash of the balance within 30 days. Viewing of the property can be done between 10.00 A.m to 4.00 P.m and conditions of sale so obtained from our offices. Sale is subject to the details as the financiers or the Auctioneers do of Banker's Cheque at the fall of the hammer and



NANDI TEACHERS' SACCO SOCIETY LTD

12/02/2011

PROGRAMME

KOSIRAI DIVISION

1. Opening Prayer
2. Welcoming of Members
3. Introduction

Mr. Christopher Biwott
Principal Mosoriot Teachers College
Mary Kipkemboi

- a) Members / School
- b) Members of Management
- c) Knut Officials
- d) Official from the Ministry of Co-operative

4. Speeches

- a) Education Chairman's Remarks - Chairman - Mr. Alfred Ngetuny
- b) K.N.U.T Secretary
- c) Progress Report
- d) DCO Nandi North
- e) DCO Nandi Central
- f) Reactions Time
- g) Election of Delegates
- h) Closing Prayer

Mr. Josphat Ruttoh



Disadvantages of Mobile Banking

You need to have a mobile phone...

Way Forward

The society therefore intends to transfer its investments to be owned by members namely:-

- i. Co-operative Bank Shares 40,000,000.00
- * ii. Plaza Shares 12,000,000.00
- iii. Nandi Tea Shares (new) 65,000,000.00

The Co-operative Bank dividend as steadily improved over the years as follows:

2006	2007	2008	2009
0.5%	5%	8.65%	18%

While the Nandi Tea Shares has yielded good returns as follows per share:

2006	2007	2008	2009
84.80	71	104	114

OTHER INFORMATION

Court Cases

The inquiry case which have bending in court since 2006, in which it was filed by the former management was concluded last year March 2010 and surcharge order has been issued, some of the former management has responded positively by paying and Kshs 453,864.00 has been received. We are of the opinion that those who have not responded within the stipulated time frame issued by the commission be compelled through the legal processes. Oiko case is still pending and you will be updated on other development as they arise.

Nandi Tea Investment

The society has acquired more shares in Nandi Tea Estate Company. The shares were formally held by Ndegwa family. The shares were acquired at a cost of Kshs 75 million. The society is arranging to inform members on way forward. We therefore urge you to invest in the above investment since we hope in future they will earn higher return which is worth your investment.

Thank you and May God Bless You.

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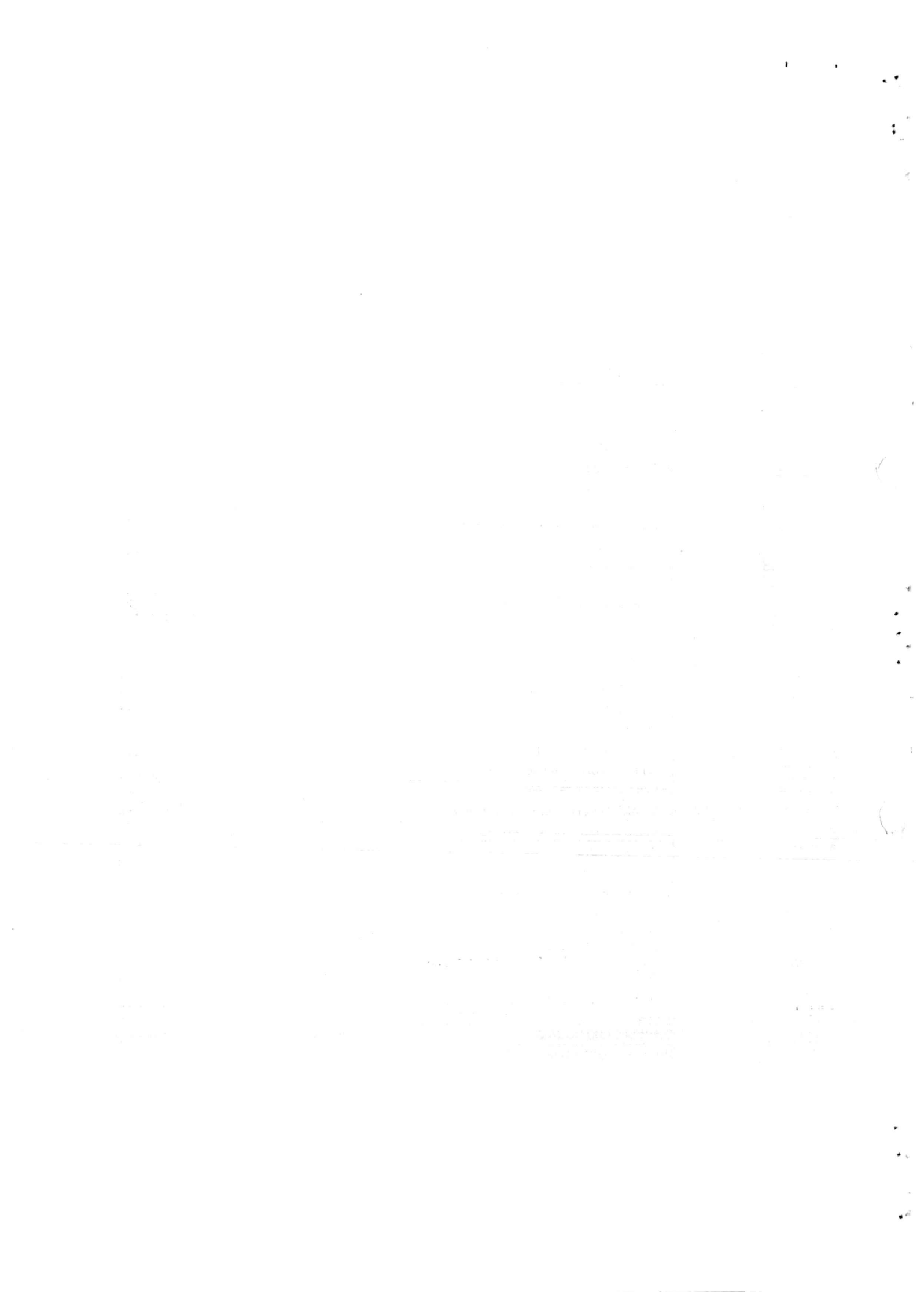
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K-Rep Bank Limited
Main Branch
Account Statement :: 0137000014-NANDI TEACHERS SACCO
From Date: 01 Jan 2002 To :14 Aug 2006

Date	Value Date	Particulars	Debit	Credit	Closing
		Opening Balance : Jan 1 2002			0.00
28/Feb/2002		INT : 28 February 02	0.10		
28/Feb/2002		LEDGER FEES : 02 02	150.00		(150.10)
12/Mar/2002		UNDS FROM A/C 36-91		99,044.00	98,893.90
30/Mar/2002		LEDGER FEES : 03 02	150.00		
30/Mar/2002		INT : 30 March 02	1.35		98,742.55
24/Apr/2002		CHQ BOOK CHGS - 37 00014	500.00		98,242.55
26/Apr/2002		SACCO LOAN DISB.HPLD 023		8,880,000.00	8,978,242.55
30/Apr/2002		CLG/DB 00000000001	5,000,000.00		
30/Apr/2002		LEDGER FEES : 04 02	150.00		3,978,092.55
06/May/2002		CLG/DB 00000000003	2,000,000.00		1,978,092.55
07/May/2002		ESTABLISHMENTR FEE FOR S/O	300.00		1,977,792.55
27/May/2002		S/O FOR MAY 02	763,637.00		1,214,155.55
31/May/2002		LEDGER FEES : 05 02	150.00		1,214,005.55
03/Jun/2002		INWARD DEBIT Cheque# 00000000002	1,400,000.00		
03/Jun/2002	08/Jun/2002	OUTWARD CREDIT VALUE : 08 Jun 2002		300,000.00	114,005.55
26/Jun/2002		S/O FOR JUNE 02	763,637.00		(649,631.45)
29/Jun/2002		INTEREST DEBIT : June 2002	6,185.00		
29/Jun/2002		SERVICE CHARGES	150.00		(655,966.45)
01/Jul/2002		TRANSFER CREDIT		1,763,240.50	
01/Jul/2002	05/Jul/2002	OUTWARD CREDIT VALUE : 05 Jul 2002		422,874.50	1,530,148.55
18/Jul/2002	24/Jul/2002	OUTWARD CREDIT VALUE : 24 Jul 2002		357,138.50	1,887,287.05
26/Jul/2002		S/O FOR JULY 02	763,637.00		1,123,650.05
31/Jul/2002		SERVICE CHARGES	150.00		1,123,500.05
08/Aug/2002		INWARD DEBIT Cheque# 00000000004	1,000,000.00		123,500.05
27/Aug/2002		COMM. STANDING UNPD	2,000.00		121,500.05
29/Aug/2002	04/Sep/2002	OUTWARD CREDIT VALUE : 04 Sep 2002		650,000.00	
29/Aug/2002		S/O FOR AUGUST	763,637.00		7,863.05
31/Aug/2002		INTEREST DEBIT : August 2002	1,583.00		
31/Aug/2002		SERVICE CHARGES	150.00		6,130.05
21/Sep/2002		COMM UPC CHQ 44513 DD 29-08	1,625.00		4,505.05
26/Sep/2002		COMM UNPAID STANDING ORDER	2,000.00		2,505.05
30/Sep/2002		INTEREST DEBIT : September 2002	1,587.00		918.05
01/Oct/2002		SERVICE CHARGE SEP 2002	150.00		768.05
25/Oct/2002	31/Oct/2002	OUTWARD CREDIT VALUE : 31 Oct 2002		3,000,000.00	3,000,768.05
31/Oct/2002		SERVICE CHARGES OCTOBER-2002	150.00		
31/Oct/2002		UNPD CHQ 45973	3,000,000.00		
31/Oct/2002		COMM UNPD CHQ 45973	1,050.00		(431.95)
30/Nov/2002		INTEREST DEBIT : November 2002	10.00		
30/Nov/2002		LEDGER FEE NOV 2002	150.00		(591.95)
09/Dec/2002		COMM CHQ DD 5572 NBK KAPSABET 21-11	7,500.00		(8,091.95)
31/Dec/2002		SERVICE CHARGES FOR DEC 2002	150.00		
31/Dec/2002		INTEREST DEBIT : December 2002	156.00		(8,397.95)
31/Jan/2003		INTEREST DEBIT : January 2003	199.00		
31/Jan/2003		LEDGER FEE (SERVICE CHARGE) FOR JAN 2	150.00		
31/Jan/2003		COMM UPC CHQ DD 26-01	200.00		(8,946.95)
28/Feb/2003		INTEREST DEBIT : February 2003	192.00		

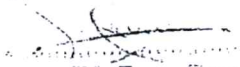
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Main Branch
 Account Statement :: 0137000014-NANDITEACHERS SACCO
 From Date: 01 Jan 2002 To : 14 Aug 2006

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Date	Value Date	Particulars	Debit	Credit	Closing
28/Feb/2003		LEDGER FEE FEB2003 (SERVICE CHARGE)	150.00		(9,288.95)
04/Mar/2003		CHEQUE BOOK : 00000000051TO 00000000...	1,000.00		
04/Mar/2003		CHEQUE BOOK : 00000000151TO 00000000...	1,000.00		(11,288.95)
31/Mar/2003		INTEREST DEBIT : March 2003	264.00		
31/Mar/2003		LEDGER FEE MARCH 2003 (SERVICE CHARGE)	200.00		(11,752.95)
30/Apr/2003		INTEREST DEBIT : April 2003	270.00		
30/Apr/2003		SERVICE CHARGE FOR APRIL (LEDGER FEE)	200.00		(12,222.95)
30/May/2003		COMM UNPD S/O	2,000.00		(14,222.95)
31/May/2003		INTEREST DEBIT : May 2003	293.00		
31/May/2003		SERVICE CHARGE MAY-2003 (LEDGER FEE)	200.00		(14,715.95)
17/Jun/2003		CHQ 6380 COMM DD 13/06/03	10,456.70		(25,172.65)
18/Jun/2003		EXCESS INTEREST CHARGED		171,141.37	145,968.72
19/Jun/2003		CASH WITHDRAWAL Cheque# 00000000006	120,000.00		25,968.72
30/Jun/2003		INTEREST DEBIT : June 2003	199.00		
30/Jun/2003		LEDGER FEE JUNE 2003 (SERVICE CHARGE)	200.00		25,569.72
10/Jul/2003		TRANSFER DEBIT CHEQUE #00000000008	10,000.00		15,569.72
11/Jul/2003		WHOLESALE AC 4154000001 NANDI T S		100,000.00	
11/Jul/2003		CASH WITHDRAWAL Cheque# 00000000007	100,000.00		15,569.72
14/Jul/2003		TRF-LOAN DISB HP 16 002		1,000,000.00	
14/Jul/2003		COMMIT FEE-HP16 002	150,000.00		865,569.72
23/Jul/2003		UPC CHQ 4813 D 5/6/03	3,817.15		861,752.57
31/Jul/2003		SERVICE CHARGE JUL 2003 (LEDGER FEE)	200.00		861,552.57
11/Aug/2003	15/Aug/2003	OUTWARD CREDIT VALUE : 15 AUG 2003		1,751,270.00	2,612,822.57
14/Aug/2003		STANDING ORDER	600,200.00		
14/Aug/2003		STANDING ORDER	935,972.00		1,076,650.57
30/Aug/2003		INTEREST DEBIT : August 2003	813.00		
30/Aug/2003		SERVICE CHARGE AUG 2003 (LEDGER FEE)	200.00		1,075,637.57
10/Sep/2003	16/Sep/2003	OUTWARD CREDIT VALUE : 16 SEP 2003		1,724,930.00	2,800,567.57
11/Sep/2003		HP16 00003 LOAN DISBURSED		5,000,000.00	
11/Sep/2003		CASH WITHDRAWAL Cheque# 00000000003	200,000.00		
11/Sep/2003		COMMITMENT FEE AC HP16 3	50,000.00		
11/Sep/2003		BANKERS CHEQ 89405 ISSUED.	5,600,000.00		1,950,567.57
15/Sep/2003		STANDING ORDER	600,200.00		
15/Sep/2003		STANDING ORDER	935,972.00		414,395.57
30/Sep/2003		INTEREST DEBIT : September 2003	1,579.00		
30/Sep/2003		SERVICE CHARGE SEP 2003 (LEDGER FEE)	200.00		412,616.57
14/Oct/2003	21/Oct/2003	OUTWARD CREDIT VALUE : 21 OCT 2003		1,666,181.00	2,078,797.57
15/Oct/2003		STANDING ORDER	935,972.00		
15/Oct/2003		STANDING ORDER	600,200.00		542,625.57
29/Oct/2003		HP16 - A/C NO.4 LOAN DISB		500,000.00	
29/Oct/2003		CASH WITHDRAWAL Cheque# 00000000003	480,000.00		
29/Oct/2003		COMMIT FEE HP - 4	20,000.00		
29/Oct/2003		STANDING ORDER	1,000,000.00		
29/Oct/2003	04/Nov/2003	OUTWARD CREDIT VALUE : 04 NOV 2003		550,000.00	92,625.57
31/Oct/2003		INTEREST DEBIT : October 2003	5,567.00		
31/Oct/2003		SERVICE CHARGE OCT 2003(LEDGER FEE)	200.00		86,858.57
01/Nov/2003		COMM UPC 43456 DD 29/10	1,375.00		85,483.57


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K-Rep Bank Limited
Main Branch
Account Statement :: 0137000014-NANDI TEACHERS SACCO
From Date: 01 Jan 2002 To :14 Aug 2006

Date	Value Date	Particulars	Debit	Credit	Closing
13/Nov/2003	19/Nov/2003	OUTWARD CREDIT VALUE : 19 NOV 2003		1,633,763.50	1,719,247.07
14/Nov/2003		STANDING ORDER	600,200.00		
14/Nov/2003		STANDING ORDER	935,972.00		183,075.07
29/Nov/2003		INTEREST DEBIT : November 2003	6,366.00		
29/Nov/2003		LEDGER FEE (SERVICE CHARGE) NOV 2003	200.00		176,509.07
01/Dec/2003		STANDING ORDER	112,900.00		63,609.07
03/Dec/2003		B CHQ ISSUED	1,000,000.00		
03/Dec/2003		COMM B CHQ	250.00		
03/Dec/2003		CASH WITHDRAWAL Cheque# 0000000014	200,000.00		(1,136,640.93)
09/Dec/2003		TRF TO LOAN REPYT ACC 4154-3	4,100,330.00		
09/Dec/2003		TRF TO ACC 1711-13	3,000,000.00		
09/Dec/2003	16/Dec/2003	OUTWARD CREDIT VALUE : 16 DEC 2003		8,300,000.00	63,029.07
10/Dec/2003				530,000.00	
10/Dec/2003		CASH WITHDRAWAL Cheque# 0000000016	330,000.00		
10/Dec/2003		COMM UPC 7149 NBK KAPSABET	10,000.00		253,029.07
15/Dec/2003	19/Dec/2003	OUTWARD CREDIT VALUE : 19 DEC 2003		1,516,914.00	1,769,943.07
16/Dec/2003		STANDING ORDER	600,200.00		
16/Dec/2003		STANDING ORDER	935,972.00		233,771.07
17/Dec/2003				2,000,000.00	
17/Dec/2003				470,000.00	
17/Dec/2003		CASH WITHDRAWAL Cheque# 0000000017	2,000,000.00		703,771.07
23/Dec/2003	31/Dec/2003	OURWARD CREDIT		336,099.00	1,039,870.07
29/Dec/2003		STANDING ORDER	112,900.00		926,970.07
31/Dec/2003		INTEREST DEBIT : December 2003	40,420.00		
31/Dec/2003		LEDGER FEE DEC 2003 (SERVICE CHARGE)	360.00		886,190.07
14/Jan/2004		CASH COLLATERAL	600,000.00		
14/Jan/2004		COMM S/ORDER	200.00		
14/Jan/2004		S/ORDER LOAN REPAYMENT	935,772.00		
14/Jan/2004		COMM S/ORDER	200.00		(649,981.93)
16/Jan/2004	22/Jan/2004	OURWARD CREDIT		2,000,000.00	1,350,018.07
19/Jan/2004		COMM UPC 57269 D.16/1/04	5,000.00		1,345,018.07
20/Jan/2004	26/Jan/2004	OURWARD CREDIT		1,538,517.00	2,883,535.07
29/Jan/2004		STANDING ORDER	112,900.00		2,770,635.07
31/Jan/2004		INTEREST DEBIT : January 2004	3,537.00		
31/Jan/2004		SERVICE CHARGE JAN 2004 (LEDGER FEE)	200.00		2,766,898.07
14/Feb/2004		CASH COLLATERAL	600,000.00		
14/Feb/2004		COMM S/ORDER	200.00		
14/Feb/2004		S/ORDER LOAN REPAYMENT	935,772.00		
14/Feb/2004		COMM S/ORDER	200.00		1,230,726.07
18/Feb/2004		S/O TO ACC 4131-4	445,225.00		
18/Feb/2004		COMM S/O TO ACC 4131-43	200.00		
18/Feb/2004		S/O TO ACC 4154-5	1,292,295.00		
18/Feb/2004		COMM S/O TO ACC 4154-5	200.00		
18/Feb/2004		S/O TO ACC 4154-6	736,820.00		
18/Feb/2004		COMM S/O TO ACC 4154-6	200.00		(1,244,213.93)
26/Feb/2004	03/M ar/2004	OURWARD CREDIT		1,800,000.00	555,786.07
28/Feb/2004		S/O TO LOAN ACC 415400005	1,285,842.00		

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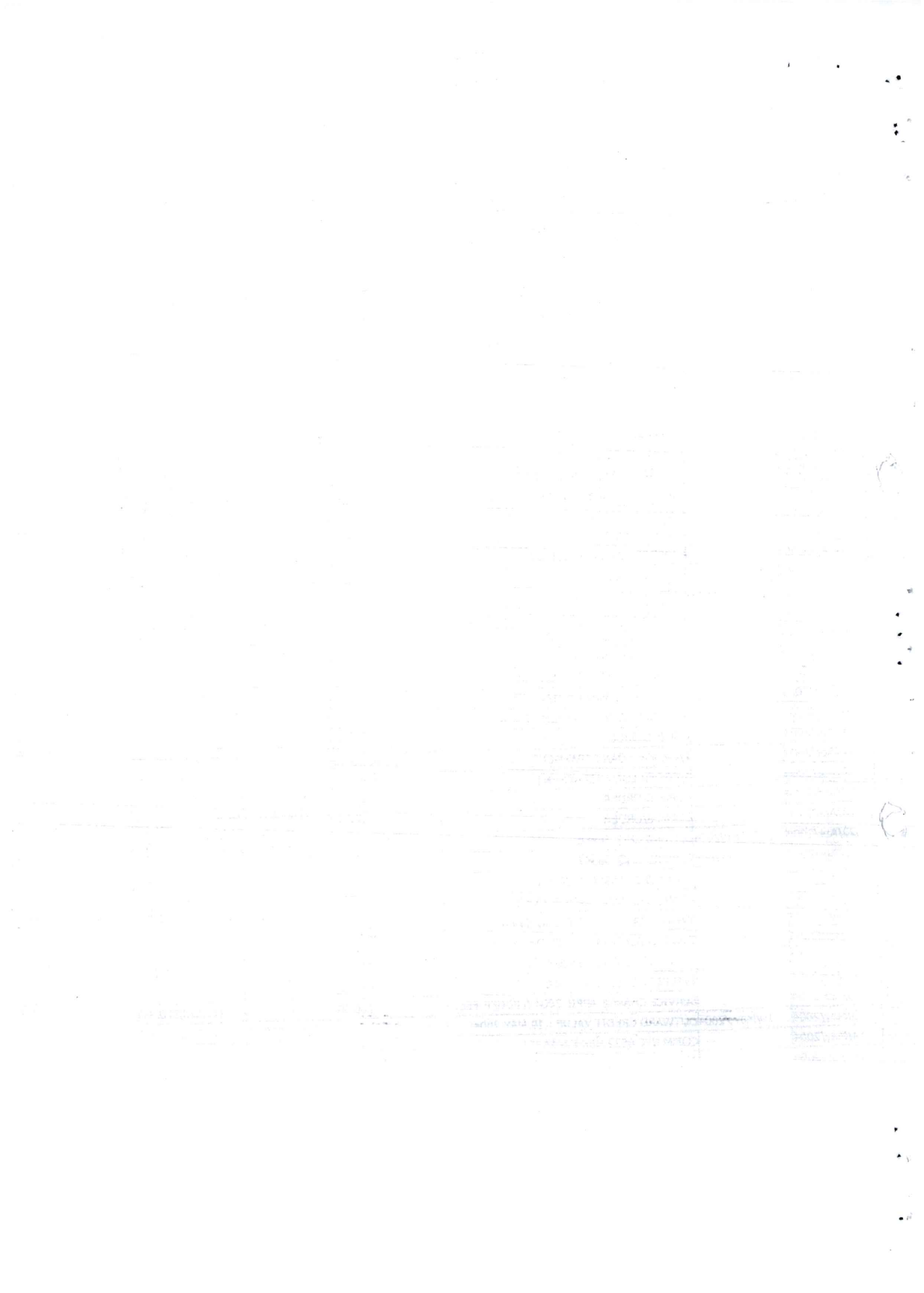
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K-Rep Bank Limited

K-Rep Bank Limited
Main Branch

Account Statement :: 0137000014-NANDI TEACHERS SACCO
From Date: 01 Jan 2002 To :14 Aug 2006

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Date	Value Date	Particulars	Debit	Credit	Closing
28/Feb/2004		S/O TO LOAN ACC 415400006	732,748.00		
28/Feb/2004		S/O TO LOAN ACC 4131-43	491,534.00		
28/Feb/2004		INTEREST DEBIT : February 2004	12,025.00		
28/Feb/2004		SERVICE CHARGE FEB 2004 (LEDGER FEE)	200.00		(1,966,562.93)
03/Mar/2004		S/O TO ACC 4154-4 DD 29/02/04	112,900.00		(2,079,462.93)
15/Mar/2004		CASH COLLATERAL	600,000.00		
15/Mar/2004		COMM S/ORDER	200.00		
15/Mar/2004		S/ORDER LOAN REPAYMENT	935,772.00		
15/Mar/2004		COMM S/ORDER	200.00		(3,615,634.93)
20/Mar/2004		S/ORDER LOAN REPAYMENT-RE-INSTITUTED	491,334.00		
20/Mar/2004		COMM S/ORDER	200.00		
20/Mar/2004		S/ORDER LOAN REPAYMENT	1,285,642.00		
20/Mar/2004		S/ORDER LOAN REPAYMENT	732,548.00		
20/Mar/2004		COMM S/ORDER	200.00		
20/Mar/2004		COMM S/ORDER	200.00		(6,125,758.93)
31/Mar/2004		S/O MARCH DD29/03/04	112,700.00		
31/Mar/2004		COMM S/O DD 29/03/04	200.00		
31/Mar/2004		INTEREST DEBIT : March 2004	74,852.00		
31/Mar/2004		SERVICE CHARGE MAR 2004 (LEDGER FEE)	200.00		(6,313,710.93)
14/Apr/2004		CASH COLLATERAL	600,000.00		
14/Apr/2004		COMM S/ORDER	200.00		
14/Apr/2004		S/ORDER LOAN REPAYMENT	935,772.00		
14/Apr/2004		COMM S/ORDER	200.00		(7,849,882.93)
15/Apr/2004	21/Apr/2004	OUTWARD CREDIT VALUE : 21 APR 2004		1,000,000.00	
15/Apr/2004	21/Apr/2004	OUTWARD CREDIT VALUE : 21 APR 2004		1,000,000.00	(5,849,882.93)
20/Apr/2004		CHQ. 58986 RET UNPAIDT	1,000,000.00		
20/Apr/2004		CHQS 58986/58987 RET UNPAID	1,000,000.00		
20/Apr/2004		COMM CHQ. 58986 RET UNPAID	850.00		
20/Apr/2004		COMM CHQ. 58987 RET UNPAID	850.00		
20/Apr/2004		S/ORDER LOAN REPAYMENT-RE-INSTITUTED	491,334.00		
20/Apr/2004		COMM S/ORDER	200.00		
20/Apr/2004		S/ORDER LOAN REPAYMENT	1,285,642.00		
20/Apr/2004		S/ORDER LOAN REPAYMENT	732,548.00		
20/Apr/2004		COMM S/ORDER	200.00		
20/Apr/2004		COMM S/ORDER	200.00		(10,361,706.93)
22/Apr/2004	27/Apr/2004	OWARD CHQ. 58986		1,000,000.00	
22/Apr/2004	27/Apr/2004	OWARD CHQ. 58987		1,000,000.00	
22/Apr/2004		COMM CHQ. 58986 D. 20.4.4	2,600.00		
22/Apr/2004		COMM CHQ. 58987 NBK D.20.4.4	2,600.00		(8,366,906.93)
23/Apr/2004		INWARD DEBIT UNPAID CHQ 58987	1,000,000.00		
23/Apr/2004		INWARD DEBIT UNPAID CHQ# 58986	1,000,000.00		
23/Apr/2004		COMM. UNPD CHQ 58986/7	1,700.00		(10,368,606.93)
30/Apr/2004		INTEREST DEBIT : April 2004	155,034.00		
30/Apr/2004		SERVICE CHARGE APRIL 2004 (LEDGER FEE)	260.00		(10,523,900.93)
13/May/2004	19/May/2004	OUTWARD CREDIT VALUIF : 19 MAY 2004		3,000,000.00	(7,523,900.93)
14/May/2004		COMM UPC 8522 NBK KAPSABET	7,600.00		
14/May/2004		CASH COLLATERAL	600,000.00		



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K-Rep Bank Limited
Main Branch
Account Statement :: 0137000014-NANDI TEACHERS SACCO
From Date: 01 Jan 2002 To :14 Aug 2006

Date	Value Date	Particulars	Debit	Credit	Closing
14/May/2004		COMM S/ORDER			
14/May/2004		S/ORDER LOAN REPAYMENT	200.00		
14/May/2004		COMM S/ORDER	935,772.00		
20/May/2004		S/ORDER LOAN REPAYMENT-RE-INSTITUTED	200.00		
20/May/2004		COMM S/ORDER	491,334.00		(9,067,672.93)
20/May/2004		S/ORDER LOAN REPAYMENT	200.00		
20/May/2004		S/ORDER LOAN REPAYMENT	1,285,642.00		
20/May/2004		COMM S/ORDER	732,548.00		
20/May/2004		COMM S/ORDER	200.00		
31/May/2004		SERVICE CHARGE FOR MAY,2004	200.00		
31/May/2004		INTEREST DEBIT : May 2004	200.00		(11,577,796.93)
16/Jun/2004	22/Jun/2004	OUTWARD CREDIT VALUE : 22 JUN 2004	209,844.00		
18/Jun/2004		COMM UPCOUNTRY CHQ		3,000,000.00	(11,787,840.93)
22/Jun/2004		EFT FROM COLLEC. BANK DD.22.06.04	7,500.00		(8,787,840.93)
22/Jun/2004		COMM UNPD CHQ 5678		1,000,000.00	(8,795,340.93)
22/Jun/2004		UNPAID CHQ NBK	850.00		
24/Jun/2004	30/Jun/2004	OUTWARD CREDIT VALUE : 30 JUN 2004	3,000,000.00		
25/Jun/2004		COMM. UPC CHQS NBK DD.24.06.04		5,000,000.00	(10,796,190.93)
29/Jun/2004		INWARD DEBIT CHQ 5678 UNPAID	12,500.00		(5,796,190.93)
30/Jun/2004		SERVICE CHARGE JUN 2004 (LEDGER FEE)	3,000,000.00		(8,808,690.93)
30/Jun/2004		INTEREST DEBIT : June 2004	200.00		(8,808,690.93)
14/Jul/2004	20/Jul/2004	OUTWARD CREDIT VALUE : 20 JUL 2004	208,436.00		
15/Jul/2004		COMM UPC 8837 NBK KAPSABET		1,000,000.00	(9,017,326.93)
31/Jul/2004		SERVICE CHARGE JULY 2004 (LEDGER FEE)	2,600.00		(8,017,326.93)
31/Jul/2004		INTEREST DEBIT : July 2004	200.00		(8,019,926.93)
03/Aug/2004	09/Aug/2004	OUTWARD CREDIT VALUE : 09 AUG 2004	161,884.00		
05/Aug/2004		TRF FROM ACC 1711-13		1,500,000.00	(8,182,010.93)
06/Aug/2004	12/Aug/2004	OUTWARD CREDIT VALUE : 12 AUG 2004		4,000,000.00	(6,682,010.93)
06/Aug/2004		COMM UPC 8905 NBK KAPSABETI		3,761,843.70	(2,682,010.93)
31/Aug/2004		S/O AC 4154-7	3,850.00		
31/Aug/2004		LEDGER FEE AUG 2004 (SERVICE CHARGE)	2,200,200.00		1,075,982.77
31/Aug/2004		INTEREST DEBIT : August 2004	200.00		
16/Sep/2004		S/O IFO ACC 4154-7 DD 25/07/04	35,350.00		
23/Sep/2004	29/Sep/2004	OUTWARD CREDIT VALUE : 29 SEP 2004	2,200,200.00		(1,159,767.23)
24/Sep/2004	30/Sep/2004	OUTWARD CREDIT VALUE : 30 SEP 2004		1,000,000.00	(3,359,967.23)
24/Sep/2004		COMM. UPC CHQ 633 CO-OP		1,000,000.00	(2,359,967.23)
29/Sep/2004		UNPD CO-OP CHQ 634 D23.9.04	2,600.00		
29/Sep/2004	05/Oct/2004	OUTWARD CREDIT VALUE : 05 OCT 2004	1,000,000.00		(1,362,567.23)
29/Sep/2004		COMM UNPD CHQ 634 CO-OP		2,000,000.00	
30/Sep/2004	03/Oct/2004	CHQ 634 CO-OP	850.00		
30/Sep/2004		SERVICE CHARGE SEP 2004 (LEDGER FEE)		1,000,000.00	(363,417.23)
30/Sep/2004		INTEREST DEBIT : September 2004	200.00		
08/Oct/2004		R/E S/O IFO A/C 4154-7 D05/08/04	40,272.00		
08/Oct/2004		PART REPAYMENT LOAN SEPT 04 A/C 4154-7		2,200,200.00	596,110.77
08/Oct/2004		S/O IFO A/C 4154-7 DD25/07/04	595,000.00		
27/Oct/2004	02/Nov/2004	OUTWARD CREDIT VALUE : 02 NOV 2004	2,200,200.00		
28/Oct/2004		COMM UPC CHQ661 CO-OP		4,000,000.00	1,110.77
			5,000.00		4,001,110.77

[Signature]
K-Rep Bank Ltd

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CO-OPERATIVE TRIBUNAL AT ELDORLET
RECEIVED
08 SEP 2021
ELDORET LAW COURT

REPUBLIC OF KENYA

DEPARTMENT OF LANDS
454
CENTRAL REGISTRY
19 JAN 2001
P. O. Box 50000, NAIROBI

THE REGISTRATION OF TITLES ACT

(CHAPTER 281)

GRANT NUMBER: I.R.N. 5806

ANNUAL RENT: KSHS. 3,800 (REVISABLE)

TERM: NINETY NINE (99) YEARS FROM 1.1.1989

TRANSFER

1. THIS INSTRUMENT OF TRANSFER is made this 27TH day of DECEMBER Two Thousand BETWEEN BARCLAYS BANK OF KENYA LIMITED a limited liability company carrying on Banking business of Post office Box 30120, Nairobi (herein called "the Vendor" which expression shall where the context so admits include their personal representatives and assigns) of the first part and NANDI TEACHERS CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED of Post office Box 547 which expression shall where the context so admits include their personal representatives and assigns) of the second part.

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WHEREAS the Vendor is registered as proprietor as Grantee for the term on Ninety Nine (99) years from the first day of January One Thousand Nine Hundred and Eighty Nine subject however to such acts enactments charges leases encumbrances and special conditions as are notified by the memorandum endorsed hereon and to the payment of the annual rent of Kenya Shillings Three Thousand Eight Hundred only (Kshs. 3,800/-) (Revisable) and to the covenants conditions expressed or implied in the after mentioned Grant of ALL THAT piece or parcel of land situate in Kapsabet Town within Kapsabet Municipality of the Nandi District in the Rift Valley province containing by measurement Nought Decimal One Four Nought Nought (0.1400) hectare or thereabouts that is to say Land Reference Number 1181/370 which said piece of land with dimensions abuttals and boundaries thereof is delineated on the plan annexed thereto and more particularly on Land Survey Plan Number 181607 deposited in the survey records office at Nairobi being the premises comprised in a Grant dated the twelfth day of May Two Thousand and registered in the Land Titles Registry at Nairobi as Number ^{12nd} 5806/1 IN CONSIDERATION of Kenya Shillings TWELVE MILLION ONLY (12,000,000/-) on or before the execution of these presents paid by the purchaser to the Vendor (receipt whereof the Vendor hereby acknowledges). The Vendor as beneficial owner DOTH HEREBY TRANSFER unto the purchaser ALL that right title and interests in the said piece of land and all the buildings and improvements erected thereon.



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2. 

The Vendor has agreed with the purchaser to sell to it the said piece of land together with the building at the purchase price of the sum of Kenya Shillings TWELVE MILLION ONLY (KSHS. 12,000,000/-).

IN WITNESS WHEREOF the said BARCLAYS BANK OF KENYA LIMITED have executed the Transfer Instrument this 27th day of DECEMBER Two Thousand

SEALED with the common seal of the Vendor)

in the presence of:-
 Director)
 Secretary)

MEMORANDUM

1. The Registration of Titles Act (Cap 281)
2. The provisions of the Town Planning Act (Cap 134)
3. The special Conditions set out and/or contained in the Grant
IR N 5806

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NTCS/SDM/2000/1

SPECIAL DELEGATES MEETING HELD ON 18TH MARCH, 2000.

1. MANAGEMENT COMMITTEE MEMBERS PRESENT;

Mr. Zakaria Kuto	- Chairman
Mr. Abraham Rono	- Vice Chairman
Mr. Benjamin Kosgei	- Treasurer
Mr. Ben K. Rugutt	- Member (Taking Minutes)
Mr. Simeon Chepkwony	- Member
Mr. Joseph Biwott	- member
Mr. Henry Birgen	- Member
Mr. Nathan Sang	- Member
Mr. Jacob Lel	- Secretary

2. SUPERVISORY COMMITTEE MEMBERS PRESENT.

Mrs Sellah Ruto	- Cheirperson
Mr. John S. Bitok	- Secretary
Mr. Samuel Letting	- Member

3. IN ATTENDANCE;

Mr. Sammy Kirwa	- Manager
Mr. H. Muturi	- DCO's Office - Nandi
Mr. R. Serem	- DEO Uasin Gishu District
Mr. Richard Cheror	- DEO's Office - Nandi

INTRODUCTION.

The meeting started at 10.45p.m. with prayers from Mrs Josphine Birgen.

The Vice Chairman Mr. Abraham Rono led Self Introduction of the delegates, where as the Chairman Mr. Zakaria Kuto introduced the Management and Supervisory Committee members present.

Mr. Ben K. Rugutt who was the acting Secretary read a copy of a letter of convening the Special Delegates Meeting of 18th March, 2000.

CHAIRMANS' SPEECH.

The Chairman Mr. Zakaria Kuto Welcomed the delegates to the first special Delegates Meeting. He explained the urgency of the meeting and humbly requested the members to deliberate exhaustively on the Agenda.

After a word of Welcome, the Chairman read his speech.

He disclosed that the agenda was specifically to discuss the purchase of Barclays or acquisition of Barclays Bank of Kenya Premises situated in Kapsabet.

In the Chairman's speech also was a report on the progrees of Mwalimu Plaza and Front Office Services (FOSA).

The Chairman's Speech was proposed and seconded by Mr. Kiptum Ole Sawe and Mr. Wilfred Chemai respectively for adoption.

MATTERS ARISING FROM THE CHAIRMANS' SPEECH.

* Mr. K. Ole Sawe lamented over the delay of Development loan. He advised the Management to stick to primary goals of the Sacco Society.

Mr. Birech supported the purchase of Barclays Bank premises instead of Building Mwalimu Plaza. He proposed the society to lower its participation from 60% to 20% ownership and increase the members participation.



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Mr. Alex Yator advised the delegates to inform the Mwalimu Plaza shareholders of the new changes. He proposed that the bookshop activities be moved to FOSA proposed building as soon as the Barclays Bank Premises is bought. He suggested that other societies' plots be disposed to develop other projects.

Mr. Agatsiva complained of too many projects initiated by the society.

Mr. George Sawe advised the members to swiftly move to purchase Barclays Bank premises without delay. Since it was viable. He requested the members to buy shares as easiest way of purchasing it.

The purchase of Barclays Bank was proposed by Mr. George Sawe and was unanimously seconded and approved by the members.

TREASURER (MR. KOSGEI).

The Treasurer Mr. Benjamin Kosgei read a proposal of Supplementary estimate to meet the cost of delegates expenses as follows;

1. Travelling and Subsistence Allowance	Kshs 94,000.00
2. Lunch Allowance	Kshs 36,000.00
	<hr/>
Total	Kshs 130,000.00

The proposal of Supplementary estimate was unanimously approved by the members.

EATEC FARMS.

The Chairman advised members to purchase KENMOSA Farms in Kapseret Farm. He told the Members that the society was there only to secure farms on behalf of the members. He reported that commercial plots at outspan Eldoret - Nairobi were going at Kshs.150,000.00 per acre, while rural farms were going for Kshs.80,000/= per acre.

NANDI TEA.

The Chairman Mr. Richard Cheror reported that the disposal of further shares of Nandi Tea was in process. He requested the Members of the Management to move to the members in the field to purchase the Barclays Bank premises.

NEWS LETTER.

Mr. Simeon Chepkwony requested the delegates to support the societies' Newsletter by contributing to the newsletter and buy it.

On Elections the Chairman promised the delegates that the delegates elections will be held soon before the next ADM.

VOTE OF THANKS.

The vote of thanks was moved by Mr. Jacob Songok. He requested the Delegates to convey messages correctly.

The meeting observed a one minutes silence in remembrance of the late Mrs Florence Jepkoech who passed away.

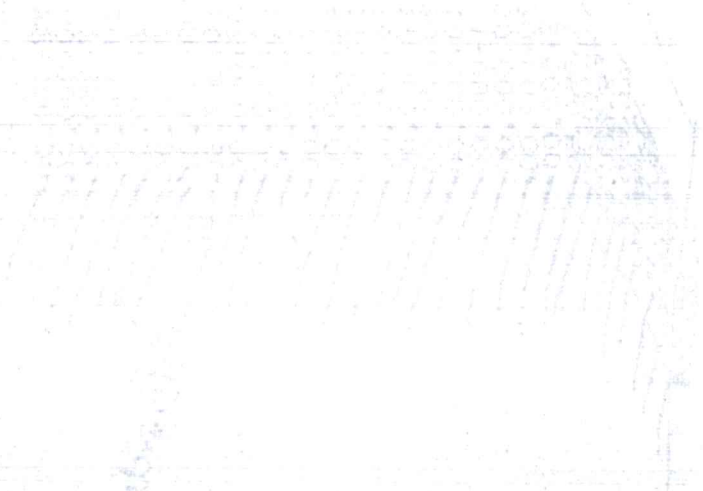
There being no other deliberations the meeting ended at 12.40pm with the closing prayers from Mr. Kiptum Ole Sawe.

Recorded by

Confirmed by;

Mr. Ben Raigutt
FOR: SECRETARY
NANDI TEACHERS SACCO SOCIETY LTD.

CHAIRMAN



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NTCS/MC/00/4

MANAGEMENT COMMITTEE MEETING HELD ON 25/4/2000.

MEMBERS PRESENT.

1. Mr. Zakaria Kuto - Chairman
2. Mr. Abraham Rono - Vice Chairman
3. Mr. Benjamin Kosgei - Treasurer
4. Mr. Jacob Lel - Hon. Secretary
5. Mr. Nathan Sang - Member
6. Mr. Simeon Chepkwony - Member
7. Mr. Henry Birgen - Member
8. Mr. Ben Rugutt - Member
9. Mr. Joseph Biwott - Member

IN ATTENDANCE:

1. Mr. Sammy Kirwa - Manager
2. Mr. Henry Muturi - DCO's Office

AGENDA

1. Reading of previous Minutes
2. FOSA
3. Barclays Bank Premises
4. A.O.B.

INTRODUCTION.

The Meeting started with prayers led by Mr. Ben Rugutt at 1.15pm.

READING OF PREVIOUS MINUTES.

Mr. Ben Rugutt read the previous minutes of 17/3/2000 and were confirmed as the true records of the day by Mr. Nathan Sang and Mr. Simeon Chepkwony respectively.

MATTERS ARISING.

1. The Chairman and the Secretary who travelled to Nairobi for acquiring safes were unsuccessful.
2. Mr. Nathan Sang and the Manager were requested to go to Nairobi to purchase one safe with three shelves this week.

3. EATEC FARM.

The Eatec Farm - Borderland have been fully allocated. (370 Acres) Ngara (160) has been fully allocated. Commercial land along Eldoret-Nairobi road of (25 Acres) have not been allocated.

The Committee requested update list of EATEC Farm Purchasers.

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4. GENERATOR.

The Manager reported that a Generator had not been acquired to date. Mr. Simeon Chepkwony and Mr. Ben Rugutt were requested to view the Generator at EATEC Farm Workshop and negotiate the Prize this week.

5. On Newsletter the Vice Chairman requested the Committee to support the Newsletter by contributing.
The Committee Members were given 14 days to submit their contributions to be included in the next Second Edition of the next Newsletter issue.

6. SPECIAL DELEGATES MEETING.

The Committee members commented the Special Delegates Meeting in the Manner it was conducted.

7. APPROVAL OF LOANS.

Approval of all loans still remains with the Credit Committee.

Any Special loan cases are requested to be forwarded to the Manager who in turn will be approved by the Credit.

MIN.1/18/4/2000 FOSA.

The Manager reported that software had not been fitted in the Computers. The FOSA operation will officially open on 9th May 2000 for members.

Form and Seats will be fixed as soon as possible.

A Roof leakages was noticed and the Manager will take care and replace the leaking roof.

Members salaries for May will be paid through the FOSA.

An Account with Co-operative Bank of Kenya Eldoret Branch be opened to serve the purpose.

MIN.2/19/4/2000 BARCLAYS BANK BUILDING.

The Manager reported that 10% down payment of Kshs.1.5 million has been paid.

Negotiations and preparation on terms of payment through the lawyers are going on.

The Central management Committee members agreed unanimously to borrow a loan of Kshs.14 million from the National Bank of Kenya.

A.O.B.

The members of Management who went for the Seminars were requested to write notes and file them.

Mr. Biwatt requested the Management to keep time and be discipline.

The Manager was requested to Monitor time Management.

Notice of the FOSA be written on the Building.

Security will be organised to take care of the FOSA operation.

Mr. Benjamin Kosgei thanked the members of management and the staff for attending and contributing towards the Harambee for his Children on 16/4/2000.

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Mr. Jacob Lel thanked the Management for sending him to the Seminar. Appealed for the budgeting of remittance of funds from the TSC Monthly.

Appointments by the members should be dealt by an Individual Officer.

The Chairman Mr. Kuto reported that the EATEC Eldoret Office was willing to give additional acres to the teachers.

The Vice Chairman Mr. Rono reported that the visitors from Isiolo Teachers SACCO were warmly welcomed.

There being no further deliberations.

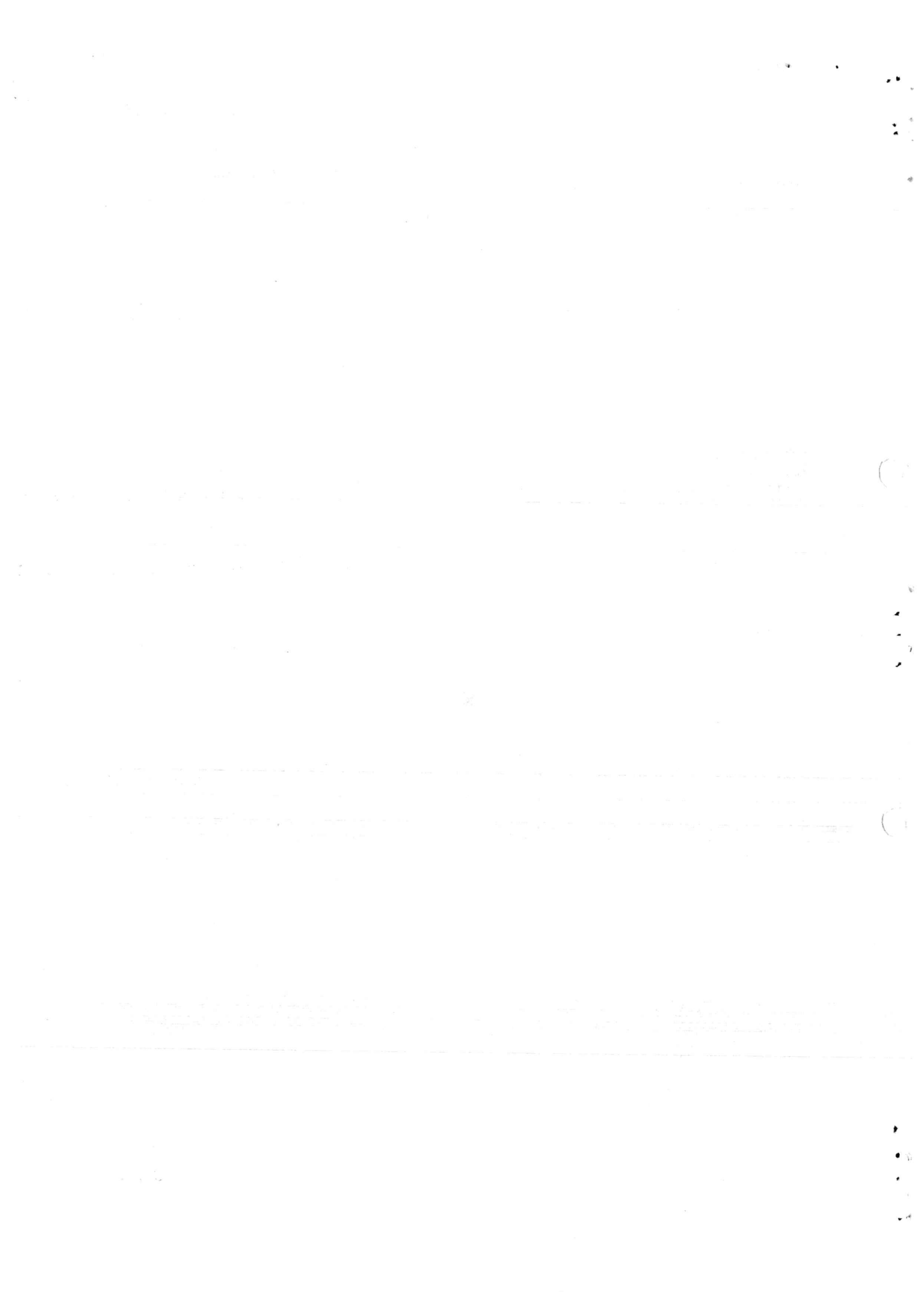
The meeting ended at 9.45pm with a word of prayer from Mr. Simeon Chepkwony.

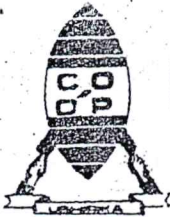
Recorded by;

Confirmed by;

Don Rugutt
AG. SECRETARY
NANDI TEACHERS SACCO SOCIETY LTD.

CHAIRMAN





NANDI TEACHERS CO-OPERATIVE SAVINGS & CREDIT SOCIETY LTD.

P.O. BOX 547, Tel. 0326-2103
KAPSABET.

Our Ref. NTCS/CIRCULAR/2000/4

v Ref.

Date: 17th July, 2000

FROM : NANDI TEACHERS SACCO SOCIETY SOCIETY LIMITED
TO : ALL MEMBERS

RE: SALE OF SHARES - MWALIMU PLAZA PHASE I.

I would like to bring to the attention of all members that Mwalimu Plaza shares now being offered for sale to the members.

PHASE I, shall comprise the former Barclays Bank Building. Total shares available: 120,000 shares

@ 100 each Kshs.12 million

- A member is allowed to subscribe for a minimum of 30 shares @100 ie, Kshs.3,000/= plus a registration Fee of Kshs.500/=.

- Terms - Cash

Fosa Account holders shall be considered for an advance to purchase this shares.

Fill the application form provided.

Closing date 20/09/2000.

Zakaria Kuto
CHAIRMAN
NANDI TEACHERS SACCO SOCIETY LTD.

cc. The District Co-operative Officer,
P.O. Box 259,
KAPSABET.

The Executive Secretary,
KNUT Nandi Branch,
P.O. Box 324,
KAPSABET.

All correspondence addressed to the Chairman

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NTGS/ADM/99/13

THE ANNUAL DELEGATES MEETING HELD ON 29/5/99 AT COUNTY HALL KAPSABET.

PRESENT; Master of Ceremony - MR. Abraham Rono.

(a) Management Committee.

- | | | |
|-------------------------|---|---------------|
| 1. Mr. Zakaria Kuto | - | Chairman |
| 2. Mr. Abraham Rono | - | Vice Chairman |
| 3. Mr. Benjamin Kosgey | - | Treasurer |
| 4. Mr. Jacob Lel | - | Hon Secretary |
| 5. Mr. Simeon Chepkwony | - | Member |
| 6. Mr. Benjamin Rugutt | - | Member |
| 7. Mr. Joseph Biwott | - | Member |
| 8. Mr. Henry Birgen | - | Member |
| 9. Mr. Nathan Sang | - | Member |

(b) SUPERVISORY COMMITTEE.

- | | | |
|---------------------------|---|-------------|
| 1. Mrs Sella Rutto | - | Chairperson |
| 2. Mr. Samuel Letting | - | Secretary |
| 3. Mr. Silverus J. Bittok | - | Member |

(d) All Delegates - except those who sent apologies attended the meeting.

- | | | |
|----------------------|---|----------------------|
| 1. Mr. Nathan Sang | - | Kaiboi |
| 2. Mr. David Maritim | - | Senetwo Sub-Location |

IN ATTENDANCE;

- | | | |
|------------------------|---|-------------------------------|
| 1. Mr. Keneth K. Misoi | - | DEO Nandi and Guest of Honour |
| 2. Mr. Malaki Tenai | - | DCO Nandi |
| 3. Mr. Henry Muturi | - | DCO's Office |
| 4. Mr. Kilel | - | DCA |
| 5. Mr. Sammy Kirwa | - | Manager Nandi Teachers Sacco |
| 6. All the employees | - | Nandi Teachers Sacco |

MIN. 1/ADM/29/5/99 - INTRODUCTION.

The meeting started at 10.30a.m. with an opening prayer led by Mr. Richard Cher Cheror.

The letter convening the Annual Delegates Meeting was read by Mr. Ben Rugutt for the Hon. Secretary.

The Chairman took initiative of welcoming the guests and the delegates to 13th Annual Delegates Meeting.

At this juncture delegates were given an opportunity for self introduction.

The Chairman led in introducing the the Management and Supervisory Committees.

Mr. Malaki Tenai the DCO Nandi District led in introducing the team from his Ministry.

The Manager introduced the employees.

Mr. Ben Rugutt read the minutes of the 12th Annual Delegates Meeting held on 1/8/1998 and were proposed and seconded respectively By Mr. Philip Choge and Mr. Christopher Rono as the true deliberations of the day.

5.

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MIN.2/ADM/29/5/99 MATTERS ARISING FROM THE PREVIOUS MINUTES.

1. Mr Ole Sawe and Mr. Choge suggested that Annual Delegates Minutes be posted to the delegates prior to the Meeting to save time of reading.
2. Mr. Okiro sought to know why the society's Office construction had not taken off.
3. The Manager Mr. Kirwa in answering questions from delegates told the meeting that there were members of the society from the other ministries who also needed to be served.
4. Mr. Mika Kiptum urged the Management committee to ensure that prompt deductions by TSC is made.
Members of the Management were asked to do the follow up and the Manager of the Society.
5. Mr. Lucas Chirchir suggested that retirees who were members be assisted even after retiring.
6. Members who were 50 years and above will have their fate known next year.
7. No School Fees will be loaned to members who will not have joined the School Fees Scheme of those who were seeking re-financing.
8. Mr. Mika Kiptum advised the committee to prepare forms for recruiting members for School Fees Scheme. The code is yet to be given by TSC during the course of the year.
9. The Chairman Mr. Zakaria Kuto told the meeting that records were kept in the society and were going to be upto date.
10. Mr. Sosten Maindi had suggested that members of the Management were increased from 9 to 10 so that they could serve members effectively.

In response the DCO Mr. Tenai said that according to the policy- committee were between 5 and 9 and that policy could not be challenged.

11. A Member had sought to know why the loans had delayed from 45 days to even 6 months.

- Several reasons were given for this;-

- (i) Members who acted as pirates
- (ii) Mr. Tom Makai - gave his reason as the loans having been interfered by other developments - such as buying of KENMOSA by some members.
- (iii) Mr. Agatsiva gave his reason as failure to effect deductions by the employer for over 3 months could as well affect loaning to members.

12. Mr. Agatsiva advised members to increase their contributions so that the society's liquidity could be increased.
13. Mr. Ben Rugutt went further to clarify about the School Fees Scheme.
14. Chairman Mr. Kuto advised the members to prioritise their needs. Members were also advised that they could borrow after 6 months - if the deductions had been effected.
15. Mr. Richard Cheror went further to advise members not pester the society because of individual poor management of finances.

MIN.3/ADM/29/5/99 CHAIRMAN'S REPORT - MR. ZAKARIA KUTO.

The Chairman once again took the initiative of welcoming everyone present to the 13th Annual Delegates Meeting. The chairman said the meeting was important because we would report and review past years performances.

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He also reported that 1998 was eventful and unfortunate because of the Bomb Blast which descended on our employer's Headquarters and loss of the longest serving Treasurer the late John Sawe.

The Chairman reported also that despite various economic woes afflicting the economy the society progressed well as indicated in financial reports and statistics - Agricultural sector which has been the mainstay continued to suffer - Tea farmers registered a noticeable improvement as compared to Sugar Maize.

The Chairman went further to report that the membership growth had stagnated because of lack of new graduants joining the profession.

The Chairman reported also that our contributions has reduced of this - members six months before applying for a loan.

The Chairman said that despite the hardship the society recorded an upward trend in terms of both her share capital and income as per the following summary.

FINANCIAL PERFORMANCE.

1. SHARE CAPITAL.

This increased from Kshs.8,291,120.60 in 1997 to Kshs.9,581,360.00 in 1998 registering an increase of Kshs.1,290,240.00 representing 15.5% increase.

2. MEMBERS DEPOSITS.

Deposits increased from Kshs.126,026,274.00 to Kshs.162,918,830.00 an increase of Kshs.36,292,556.00 representing 28.2%.

3. EARNINGS.

Despite the growth total to Kshs.16,537,536.30 from Kshs.13,212,276.40 1997 was affected by an increase in costs i.e. Financial Charges, Bad Debts, travelling costs and Staff costs.

DIVIDEND.

Report given by the Chairman was that earning per share increased from Kshs.0.95 cents to Kshs.1.00 . A total of Kshs.776,605.00 shall be paid.

INTEREST ON DEPOSITS.

Interest on deposits increased from Kshs.7,120,434.50 in 1997 to Kshs. Kshs.9,775,130.40 an increase of Kshs.2,654,695.90 (37%).

An interest of 6% shall be paid representing Kshs.1.20 compared to 5.6% representing Kshs.1.13 cents. Dividend payable at the end of June was approved.

LOANS

The Chairman Mr. Kuto reported that all types of loans demand increased and worsened during the period of strike. There was a general panic leading to unplanned withdrawals and loan applications.

September for example recorded the highest which totalled Kshs.28 million.

Teachers were advised to weigh the individual economic woes which can be created by strikes.

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17c

Average loan demand has been an average of Kshs.14 million that indicated that most of the members rely heavily on borrowing loans. The society continued to lend as provided by law.

Lending heavily went to purchase of EATEC Farm and Medical Fees.

A total of Kshs.787,258.00 was granted in 1998 compared to Kshs.115,317,521.00 in 1997 upto 10 million was paid as fees.

Unlike 1998 the issue of loan application forms shall be controlled.

OTHER ACTIVITIES.

EATEC;

Total Purchase of 300 acres allocated to the society on behalf of Individual members will be complete in 20/6/99.

FOREST LAND.

The Chairman reported that final allocation of the land was expected soon. Number of acres shall be determined by the Chief Conservator.

BOOKSHOP.

It was by the Chairman that the bookshop was operational.

A total of Kshs.2,633,565.00 had been invested in;

- Text Books
- Stationeries
- Communication equipments
- Furniture & Fixtures.

Individual costs was reflected in the Balance Sheet.

COMPUTERIZATION.

The Chairman went to report that the society was to buy computers which were 2000 compliant.

The society will require upto Kshs.3.5million to go through all phases of computerization - as follows;-

1. Purchase of hardware (Computers)
2. Purchase of Software
3. Programme Development
4. Basic Training - for users.

Computers will link the back Office and Front Office.

FRONT OFFICE.

Introduction of Front Office Services had become a serious requirement.

Basic Services will include;-

- 1.. Receive and process members salaries.
2. Accept deposits
3. Provide mid-month advances - recoverable end of the month.
4. All loans are to be paid through the front office. It shall also process dividends and all other payments.

17d.

The Chairman reported to the delegates that the committee was requesting Kshs.2.5 Million for that activity.

* OFFICE BUILDING.

The Chairman reported to the members that 4 to 5 storey building was to be built. Members are to buy shares in the building. Following proposals were made by the committee.

A minimum of 1 share valued at Kshs.10,000/= .

Architecture estimated the cost of the building to be around Kshs.32 million.

Share holding shall be as follows;-

1. Nandi Teachers Sacco Society to 30% that is Kshs.9.6 million.
2. Members to take 70% i.e Kshs.22 million.

The society shall be given first priority on any sale of shares by any shareholder.

WELFARE FUND.

The welfare Fund was reported to be operational and the constitution could be obtained from society's Offices. Major areas will be as follows;-

- Every member of the society shall be a member
- Monthly contribution of Kshs.50.00.
- Kshs.10,000/= payable as funeral expenses.
- Deceased persons loan written off immediately.

EDUCATION.

The Chairman requested the meeting to approve more funds, thus a supplementary budget for the year 1999 - for education for both staff and the committee.

Staff Education - was as follows;-

1. Staff Kshs.160,000/= to be increased to Kshs.360,000/=
2. Members education Committee Kshs.160,000/= was to be increased to Kshs.500,000/=.

Informed persons were able to work effectively.

SCHOOL FEES.

Delegates were called upon to sensitize the general membership on School Fees Scheme.

PROPOSAL FOR APPROVAL.

1. Dividend and Honoraria Kshs.479,068.00.
Interest on deposits Kshs.9,775,130.40
2. 30% of proposed Mwalimu Plaza and Building - Kshs.9.6 million
3. Supplementary Budget of Kshs.540,000/= for Education.
4. Computer - Kshs.3.5 million.
5. Office Building Kshs.32 million.

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CONCLUSION.

Delegates were called upon to support the proposed projects. These goals had been achieved else where therefore Nandi Teachers was not exceptional.

The Management appreciated the support given by the delegates and the entire membership over the years.

The following were also thanked for the continued support and advise:-

- The Ministry of Co-operative Development
- KNUT
- KUSCCO and Others

The report focused on the following:-

(i) SHARE CAPITAL ON MEMBERS SAVINGS.

The chairperson reported that:-

-Members deposits had increased from Kshs.134,317,395.00 to Kshs.162,918,830.00.

Supervisory Committee commented the Committee of the Management and employees for this.

(ii) The Chairperson Mrs Rutto went further to report an increase income of Kshs.16,537,536.00 compared to Kshs. 13,212,276.00 an increase of Kshs.3,325,260.00.

(iii) EXPENDITURE.

Supervisory Committee had noted an over expenditure on some vote heads to the tune of Kshs.426,951.05.

DEFAULTING.

Some of the highlights included the defaulters as at March, 1999 - who were 22 and the defaulted amount was Kshs.914,534.00. Shares of the defaulters was Kshs.667,904.50. The balance was left as Kshs.247,730.50 which had been transferred to the guarantors.

LOAN POLICY.

The chairperson reported to the meeting the lending policy operated without favour. Members who were allowed to clear loans or boost the shares and be granted loans in less than the required time needed to be attended to - although some were on medical, College and university cases.

MEMBERS.

Members individual records were well kept as reported. The society was advised that there was room for improvement. Computers will ease the workload.

BOOKS OF ACCOUNTS.

The Chairperson Supervisory reported to the meeting that Books of Accounts were well kept. Consultation between Central management and Supervisory went on over various expenditures of which were well explained.

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BOOKSHOP.

The Chairperson reported that the Bookshop was now operational having been started with the total amount of Kshs.2,635,665.00.

CONCLUSION.

In Conclusion the supervisory Chairperson commented Central Management on the efforts put to improve the affairs of the society.

The speech was adopted when proposed and seconded respectively by Mrs Leah Maritim and Mr. Peter Serem.

MATTERS ARISING FROM THE SUPERVISORY REPORT.

1. Members wanted to know as to why some vote heads had been overspent. In response the Treasurer Mr. Kosgey told the meeting such vote heads were overspent because some vote heads were allocated less funds.
2. Mr. S. Maindi was informed calling delegates to endorse supplementary Budget was expensive.
3. Mr. Richard Cheror suggested to the meeting that it was more ideal if an appropriate budget was given rather than calling meetings to endorse such small budgets.

MIN. 5/ADM/29/5/99 AUDITORS REPORT - BY MR. KILEL.

1. The report by the auditors was that the accounts set out were in agreement with the Books of accounts.
2. Report given by auditors was that proper Books of Accounts were Kept as at 31st December, 1998 - results complied with the Co-operative Societies Act CAP 490.
3. Members personal Cards had improved - in the way cards were kept.
4. Income increased.
5. Total expenditure for 1998 was Kshs.15,760,604.00 compared to Kshs.12,518,848.00 in 1997. There was an increase of Kshs.3,242,084.00 which represented 25.9%.
7. MEMBERS WELFARE FUND - The Fund was established during the year to cater for funeral expenses for the deceased members and pay off outstanding loans. All the activities which took place are reflected in the balance Sheet.

MIN. 6/ADM/29/5/99 PRESENTATION OF THE BUDGET BY MR. BENJAMIN KOSGEY-TREASURER.

The Budget for the year 2000 was presented by Mr. Benjamin Kosgey in his capacity as the Treasurer as follows:-

There were no so much questions raised on the Budget for the year 2000. However the members had sought to know much about the overspent vote heads but were given a satisfactory answer by the first speakers.

INCOME:- for the year 2000 is expected to rise upto a total of Kshs.15,916,000/= slightly higher than last financial year.

EXPENDITURE - Expenditure for this year is expected to rise upto Kshs.15,241,836.00 higher than last year, which was Kshs.12,297,929.15.

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, on the
 subject of the land owned by the United States in the
 State of California, and more particularly in the
 County of Santa Clara, and more particularly in the
 Township of San Jose, and more particularly in the
 Section 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

SURPLUS TO SURPLUS AND LOSS ACCOUNT- will be Kshs.674,104.00 compared with Kshs.685,070.85.

At this juncture the budget for the year 2000 was unanimously endorsed. Auditors for the year 2000 were nominated,

Proposed Auditors were;-

1. Barmao and Co. Ltd
2. Ministry of Co-operative Development
3. Kenya national Federation of Co-operatives

Ministry of Co-operative development were unanimously appointed - when proposed and seconded by;-

1. Mr. Mukiro and
2. Mr. Akatsiva respectively.

Mr. Jacob Songok and Mr. Philemon Maiyo gave a suggestion over the strict adherence to the budget.

Dividends for 1998 were declared - having been proposed and Seconded by;-

1. Mr. Wilson Tanui and
2. Mr. Richard Singoai

In conclusion Mr. Richard Cheror was explained over the issue of staff expenses which went up.-

Mr. Ezekiel Sawe enlightened the meeting over this issue that staff expenses went up because - of;-

1. Increment of Staff Salaries and Training
2. Graduity paid because some staff members were due for payment of gratuity.

Kenya Airways dividends was very low on the side of income.

MIN. 7/ADM/29/5/99 KNOT EXECUTIVE SECRETARY NAIROBI BRANCH MR. LAWRENCE SITIENEI.

Mr. Lawrence Sitienei began by thanking the committee and the Delegates,

In his speech Mr. Sitienei advised the delegates to be honest by pin pointing a member who might have defaulted and had not been discovered. Delegates were advised to enlighten the general membership over guaranteeing people who were not reliable - such as those who can face the sacking anytime.

The Executive Secretary cited some examples of some members who could easily be wooed in to guaranteeing having sipped several bottles of beer.

He went further to advise the delegates to borrow wisely and pay promptly.

Mr. Sitienei cited some members who colluded with some corrupt Heads both for Secondary and Primary Boarding Schools.

Programmes set by the Central Management should be adhered to - this will limit the complains - raised by some notorious members.

Members to save heavily so that when they go for retire - they will move with a bulk amount of money unlike somebody who had saved only Kshs.20,000/= in 20 years.

Central Management were advised to serve all the members equally - this will limit favourisms.

Delegates were informed to sell the idea of putting up magnificent building positively.

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Corruption in any organisation was condemned in the strongest terms possible.
Election of the vacant KNUT seats were to be held on 6/7/99.

At this juncture the executive Secretary ended his speech.

DCO NANDI - MR. MALAKI TENAI.

In his speech Mr. Tenai informed the meeting of the bookshop which had not been fully sanctioned.

The members unanimously agreed to have the bookshop be accepted as part of the activities of the society.

The DCO promised to assist the society start the front office by mobilising some of his officers.

DCO Mr. Tenai was delighted by KENMOSA FARM which had been fully acquired by the society.

He told the meeting that the Central Management should not be blamed for the delay of loans - because other projects might have affected or the deleyance by the employer to remitt the cheques.

Member were advised to sacrifice by investing in the society and other business organisations - and other income generating activities.

Mr. Tenai told the meeting to have the general membership brainstorm during the deliberations but the main stream of the deliberations but the main stream of the deliberation will come from the delegates.

Nandi Teachers was among the active Sacco Society unlike some societies which had become dormant because of liberization.

Some observations made by the DCO were;-

1. Certain roles of Co-operative Development were no longer in force - because of liberisation
2. Some training could be conducted by KUSCCO and Others.
3. The Budget can be drawn without consulting the DCO's Office.

GUEST OF HONOUR - MR KENNETH K. MISOI -DEO NANDI.

The Guest of honour began by thanking the Management, Manager, Supervisory, KNUT Executive Secretary and the Chairman Mr. Koech.

He thanked the management Committee for effective management of the society. The committees were thanked for openness and transparency which prevailed in the society. he said a well managed society improved its Capital turnover.

Delegates and the Committee were advised to invest where thought it could benefit them - in future.

CONCLUSION.

Election of the retiring Officials was postponed until the year 2000 when the grassroots election shall be conducted.

Being no other business. The meeting was closed with a word of prayer led by Mr. Samuel Letting at 4.00pm

Recorded by;
J. K. Lel
HON. SECRETARY

Confirmed by;-
CHAIRMAN

Mr. Zakaria Kuto

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Delegated and the Director's staff advised to favor where possible to

2

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE
Transfer to Nandi Teachers Co-operative
Savings and Credit Society Limited

Registration No. 454 Date of Registration 19-1-2001

JANE KANJA (013)

3

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE
Charge to National Bank of Kenya
limited

Registration No. 455 Date of Registration 19-1-2001

JANE KANJA (013)

4

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE
Discharge of Charge No 3
-above

Registration No. 750 Date of Registration 17-4-2002

R.N. MULE (019)

5

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE
Charge to K-Rep Bank Limited

Registration No. 751 Date of Registration 17-4-2002

R.N. MULE (019)

6

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE
Discharge of Charge No 5 above

Registration No. 86 Date of Registration 2-3-2001

R.N. MULE (019)

7

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE
Charge to Dikocredit, Ecumenical Co-operative
Society U.A

Registration No. 87 Date of Registration 2-3-2001

R.N. MULE (019)

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COMMISSIONER FOR CO-OPERATIVE DEV

F. F. ODHIAMBO

two thousand and FIVE

MARCH

GIVEN under my hand at Nairobi this

tion of the Co-operative Societies Act

60,000,000

securing the sum of Kenya Shillings

OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED

and created by NANDI TEACHERS

ousand and FIVE

FERRDARET LAW COURTS

day of

11TH

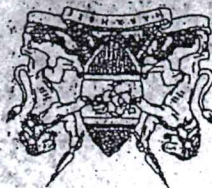
CO-OPERATIVE DEVELOPMENT CO-OPERAIVE SOCIETY

RECEIVED

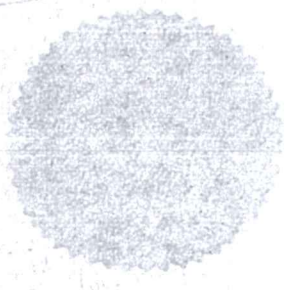
CO-OPERATIVE TRIBUNAL in favour of DEBENTURE & CHARGE

(Section 52 (2) of the Co-operative Societies Act, Cap 20/JUL 2009

CERTIFICATE OF THE REGISTRATION OF A CHARGE



Sworn/Declared Before me on this Day of 20 of BETTY KIRATI Referred to in the Annexed Affidavit This is the Exhibit marked B-4



COMMISSION FOR CO-OBSERVATION DE LA

LETTRE CREDIT

MARCH

1914

THE COMMISSION FOR CO-OBSERVATION DE LA

LETTRE CREDIT

1914

THE COMMISSION FOR CO-OBSERVATION DE LA

LETTRE CREDIT

LETTRE CREDIT AND CREDIT SOCIETY LIMITED

1914

LETTRE CREDIT

1914

LETTRE CREDIT

LETTRE CREDIT AND CREDIT SOCIETY LIMITED

1914

LETTRE CREDIT

(Section 25 (3) of the Income Tax Act, 1916)

OF 7 CH/88

CERTIFICATE OF THE REGISTRATION



COMMISSION FOR CO-OBSERVATION DE LA LETTRE CREDIT



This is the Exhibit marked BK 4
 Referred to in the Annexed Affidavit
 of BETTI KIRAI
 Sworn/Declared Before me on this
 Day of 20

Alles
 COMMISSIONER FOR CO-OPERATIVE DEV.

**CERTIFICATE OF THE REGISTRATION
 OF A CHARGE**

(Section 52 (2) of the Co-operative Societies Act, Cap 490) JUL 2009

I hereby certify that a DEBENTURE & CHARGE CO-OPERATIVE TRIBUNAL Appeal in favour
 RECEIVED
 SOIKO CREDIT, ECUMENICAL DEVELOPMENT CO-OPERATIVE SOCIETY U.A.

CO-OPERATIVE TRIBUNAL Appeal in favour
 RECEIVED
 FEB 20 2009
 FERRDARET LAW COURTS

dated 11TH day of FEBRUARY
 thousand and FIVE and created by NANDI TEACHERS

CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED

for securing the sum of Kenya Shillings SIXTY MILLION

Sh 60,000,000

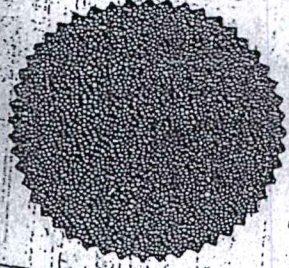
under section 52 of the Co-operative Societies Act

GIVEN under my hand at Nairobi this

11TH day of MARCH two thousand and FIVE

F. F. ODHIAMBO

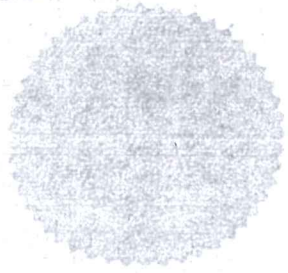
COMMISSIONER FOR CO-OPERATIVE DEV



BK 4

BETTI KIRAI

June 09



COMMISSIONERS FOR CO-OPERATIVE TRADE

OF THE UNITED KINGDOM

THE CO-OPERATIVE SOCIETY

OF GREAT BRITAIN

AND IRELAND

IN THE YEAR 1900

THE CO-OPERATIVE SOCIETY

OF GREAT BRITAIN

AND IRELAND

IN THE YEAR 1900

THE CO-OPERATIVE SOCIETY

OF GREAT BRITAIN

AND IRELAND

IN THE YEAR 1900

THE CO-OPERATIVE SOCIETY

OF GREAT BRITAIN

AND IRELAND

IN THE YEAR 1900

THE CO-OPERATIVE SOCIETY

CERTIFICATE OF REGISTRATION



~~2-3-2002~~
~~2-3-2002~~

87

change to discredited Commercial Co-operative Society U.A

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE STATE

Registration No. 86 Date of Registration 2-3-2002

Discharge of charge in favour of above

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE STATE

Registration No. 751 Date of Registration 17-4-2002

Change to K. Ref Bank Limited

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE STATE

Registration No. 752 Date of Registration 17-4-2002

Discharge of charge No 3

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE STATE

Registration No. 455 Date of Registration 19-1-2001

change to National Bank of Kenya Limited

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE STATE

Registration No. 457 Date of Registration 19-1-2001

Transfer to Nandi Teachers Co-operative Savings and Credit Society Limited

THE FOLLOWING INSTRUMENT HAS BEEN REGISTERED AGAINST THE STATE

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RVIa

K-Rep Bank Limited
Main Branch
Account Statement :: 0137000014-NANDI TEACHERS SACCO
From Date: 01 Jan 2002 To :14 Aug 2006

Date	Value Date	Particulars	Debit	Credit	Closing
28/Oct/2004		COMM UPC CHQ162 CO-OP2	5,000.00		3,991,110.77
29/Oct/2004		TRANSFER TO 4154-7	1,700,000.00		
29/Oct/2004		TRANSFER TO 1711-13	100,000.00		2,191,110.77
30/Oct/2004		SERVICE CHARGE OCT 2004 (LEDGER FEE)	200.00		
30/Oct/2004		INTEREST DEBIT : October 2004	9,918.00		2,180,992.77
04/Nov/2004		TRANSFER TO L/A 4154-7	1,721,719.25		459,273.52
09/Nov/2004		TRANSFER TO SAVINGS 1711-13	300,000.00		159,273.52
22/Nov/2004	26/Nov/2004	OUTWARD CREDIT VALUE : 26 NOV 2004		1,500,000.00	1,659,273.52
24/Nov/2004		COMM UPC CO-OP #675	3,750.00		1,655,523.52
25/Nov/2004		INWARD UNPD CHQ CO-OP #675 RSN 63	1,500,000.00		
25/Nov/2004	01/Dec/2004	OUTWARD CREDIT VALUE : 01 DEC 2004		1,500,000.00	
25/Nov/2004	01/Dec/2004	OUTWARD CREDIT VALUE : 01 DEC 2004		1,500,000.00	3,155,523.52
26/Nov/2004		COMM UNPAID S/ORDER	2,000.00		
26/Nov/2004		COMM UPC CHQS CO-OP #S675/676	7,700.00		3,145,823.52
30/Nov/2004		S/ORDER TO 4154-7	2,200,200.00		
30/Nov/2004		SERVICE CHARGES(LEDGER FEES) NOV 04	200.00		
30/Nov/2004		INTEREST DEBIT : November 2004	4,241.00		941,182.52
01/Dec/2004	07/Dec/2004	OUTWARD CREDIT VALUE : 07 DEC 2004		2,000,000.00	2,941,182.52
03/Dec/2004		COMM UPC CHQS D1.12.04	5,200.00		2,935,982.52
06/Dec/2004		INWARD UNPD CO-OP CHQ # 678 RSN 63	1,000,000.00		
06/Dec/2004		INWARD UNPD CHQ CO-OP CHQ #677 RSN ...	1,000,000.00		935,982.52
07/Dec/2004		COMM UNPD CHQ #678 CO-OP	850.00		
07/Dec/2004		COMM UNPD CHQ# 677 CO-OP	850.00		934,282.52
10/Dec/2004		COMM UPC CO-OP CHQ#634 &225 D29.09.04	7,500.00		926,782.52
29/Dec/2004		LOAN REPAYMENT TO 4154-7(H/O) DD 29.1...	926,000.00		782.52
31/Dec/2004		SERVICE CHARGE(BANK CHARGES) DEC 04	200.00		
31/Dec/2004		INTEREST DEBIT : December 2004	641.00		(58.48)
31/Jan/2005		LEDGER FEES(SERVICE CHARGES) JAN 05	200.00		
31/Jan/2005		INTEREST DEBIT : January 2005	1.00		(259.48)
28/Feb/2005		SERVICE CHARGE (LEDGER FEES) FEB 05	200.00		
28/Feb/2005		INTEREST DEBIT : February 2005	4.40		(463.88)
31/Mar/2005		SERVICE CHARGE(LEDGER FEE) MARCH 05	200.00		
31/Mar/2005		INTEREST DEBIT : March 2005	6.95		(670.83)
21/Apr/2005		CASH WITHDRAWAL Cheque# 0000000019	500,000.00		
21/Apr/2005		TRANSFER DEBIT CHEQUE #0000000018	2,500,000.00		
21/Apr/2005		COMM ON BCHQ 186906	250.00		(3,000,920.83)
30/Apr/2005		SERVICE CHARGE APRIL 2005	200.00		
30/Apr/2005		INTEREST DEBIT : April 2005	14,177.40		(3,015,298.23)
04/May/2005		EFTS FROM CO-OP BANK		59,400,000.00	56,384,701.77
05/May/2005		CASH WITHDRAWAL Cheque# 0000000022	1,000,000.00		
05/May/2005		BCHQ ISSUED TRANSFER DEBIT CHEQUE #...	5,000,000.00		
05/May/2005		COMM ON BCHQ ISSUED	250.00		
05/May/2005		TRF. FUNDS SAVINGS A/C4154000007	9,920,251.54		
05/May/2005		TRF. FUNDS SAVINGS A/C4154000007	40,400,000.00		64,200.23
10/May/2005		TRANSFER FROM A/C 1711-13		1,000,000.00	
10/May/2005		CASH WITHDRAWAL	1,000,000.00		64,200.23
21/May/2005		TRANSFER CREDIT FRM A/C 1711-13		12,000,000.00	



K-Rep Bank Ltd

NAIVASHA ROAD RIRUTA
P.O. BOX 25363 NAIROBI

Debit/Rece

Pay

Kenya Shillings

22/02/02

Cheque Number Bank Code

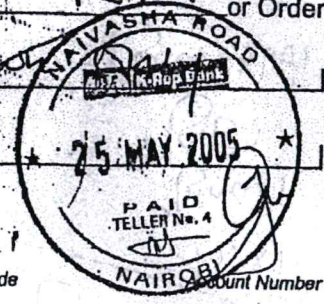
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KENYA
DUTY PAID
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25-5/05

07-030

K kwa or Order

KSh. *10,000,000/2*



NANDI TEACHERS SACOO
13700014

IP
IP
IP

⑈0000 27:0 7030 2:00⑈ 14606 7069 ⑈

CERTIFIED TRUE COPY OF
THE ORIGINAL.

Kurumu

K-Rep Bank Ltd.

Banker A
10-11-1911
W. A. Smith

Teacher's Sales etc. Co
9 9.5

Cash -

DM

499750/-

49941000/-

1x500/-

1x200/-

1x50/-

499750/-

[Signature]
299191.

[Signature]

30-4-1911
JAMES G. SMITH

100-1000-1000



K-Rep Bank Ltd

NAIVASHA ROAD NIRUTA
P.O. BOX 26583 NAIROBI

10 BE 01
DUTY PAID
11/11/05

07-030

KSh = 8,100,000

NANDI TEACHERS SACCO
13700014

Pay

Kenya Shillings

for ward K Ivinwa

Pay to the order of

04 JUN 2005

Musand chuk

or-Order

Withdrawn

[Handwritten signature]

[Handwritten signature]

22/03/02

Cheque Number

Bank Code

Account Number

⑆000009⑆070302⑆00⑆146067069⑆

CERTIFIED TRUE COPY OF
THE ORIGINAL

[Handwritten signature]
K-Rep Bank Ltd.

15

Hana Samuel Kuma

ID No 39991

Signature

~~Samuel Kuma~~
39991

THE LIBRARY
UNIVERSITY OF THE SOUTH PACIFIC

RECORDS SECTION

2010

Key

DATE

SALE AT ON 2015 Court 19



VALLEY AUCTIONEERS

Court Brokers, Bailiffs, Appraisers and Debt Collectors

Aplo House, Edinburgh A, 3rd Floor Rm 301

P.O. Box 57993 - 00200 Coq. Tel: 020 3433562. 07223135911 07205522301

Email: valleyauctioneers@yahoo.com

19
41.

NTS
B.L.A.

118/121

359
5722
5806

PUBLIC AUCTION

Under instructions received from the chargees we shall sell the following properties.

PRIME COMMERCIAL PROPERTY IN KAPSABET TOWN, NAROK COUNTY

1. ON ZIMAPRI, 2015 AT 10.30 A.M AT OUTSIDE THE POST OFFICE ELDOROT TOWNSHIP. All that piece or parcel of land known as L.R. NO. 14159 of an area approximately 0.1459 of an acre approximately. The property is situated in Narok County measuring 0.1459 of a hectare or 0.3459 of an acre approximately south-west of Eldoret town. It is along the main Eldoret-Kapsabet Chevalon Road. This is easily identifiable on the ground as Nandi Teachers SACRE Society limited neighbouring Kapsabet Police Station and Kapsabet District Hospital and registered in the name of NAROK TEACHERS CO-OPERATIVE SOCIETY LIMITED. The plot is developed with a part single part double storey building and other minor outbuilding such as the generator shed.

PRIME AGRICULTURAL PARCEL IN MALI MOCO TOWN, NAROK COUNTY

2. ON 10th APRIL, 2015 AT 10.30 A.M AT OUTSIDE THE POST OFFICE NAROK TOWNSHIP. All that piece or parcel of land known as TITLE NO. CISMARA/MAJI MOTO/535 measuring approximately 19.44 hectares or 48.04 acres approximately. The property is situated within Mali group Ranch about 4 kilometres due south of Mali Moco Trading Centre and approximately 10 kilometres off Narok-Masai Mara Road within Mali Moco land registration section in Narok County and registered in the name of SENSOM ONEARI BONYAKE. The property is bounded by

SALE CONDITIONS OF SALE
All interested purchasers are requested to view and verify the details as the financiers or the Auctioneers do not warrant these. A deposit of 25% must be paid in Cash or Banker's Cheque at the fall of the hammer and the balance within 30 days. Viewing of the property can be done between 10.00 Am to 4.00 Pm and conditions of sale to obtained from our offices. Sale is subject to a reserve price.

NANDI TEACHERS CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED,
P.O. BOX 547, TEL: 2103
KAPSABET.

9th May, 1997

CHAIRMANS' MESSAGE.

Introduction;

I wish to take this opportunity to welcome you all to this special forum, where every member present will have a chance to participate in the today's deliberation with an objective of furthering and improving the services that the society can offer.

The success of Nandi Teachers Sacco society is due to the faith of all its members, to the habit of thrift among them, to the wise use of ones own money and loans, and to the honesty of all those concerned.

It was the year 1844 in Northern England Rochdale that the first Co-operative pioneers decided to organise the first Co-operative society. They agreed that their Co-operative Society will not be Managed like the Companies that had continuously disappointed them by then. They agreed that their Co-operative Society will be run and managed by in accordance with the rules they had made themselves. These rules are referred as Co-operative Principles.

The following are some of the principles adopted by the International Co-operative alliance, and which a good Co-operative Society should strictly adhere to.

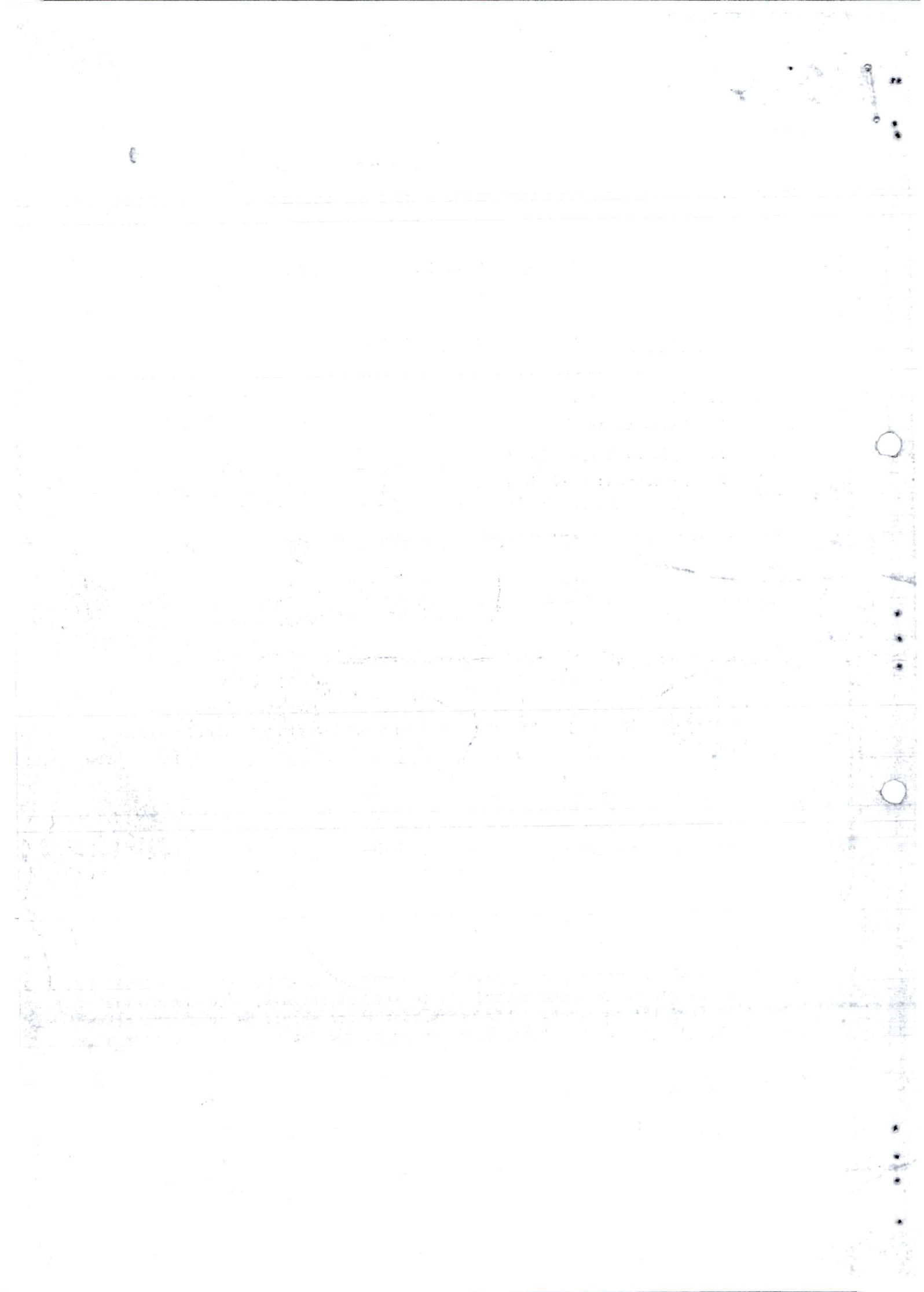
- Open Membership
- Democratic Administration
- Limited Rate of Interest
- Disposal of Surplus
- Education
- Co-operation with other Co-operators.

OPEN MEMBERSHIP

This Principle requires that Membership in Co-operative Societies, should be open to any person who can contribute to its enterprises, and can derive benefits from its services. This means that there should be no restrictions based on any social, political, religion or on any Socio economic differences, and above all membership should be Voluntary.

DEMOCRATIC ADMINISTRATION.

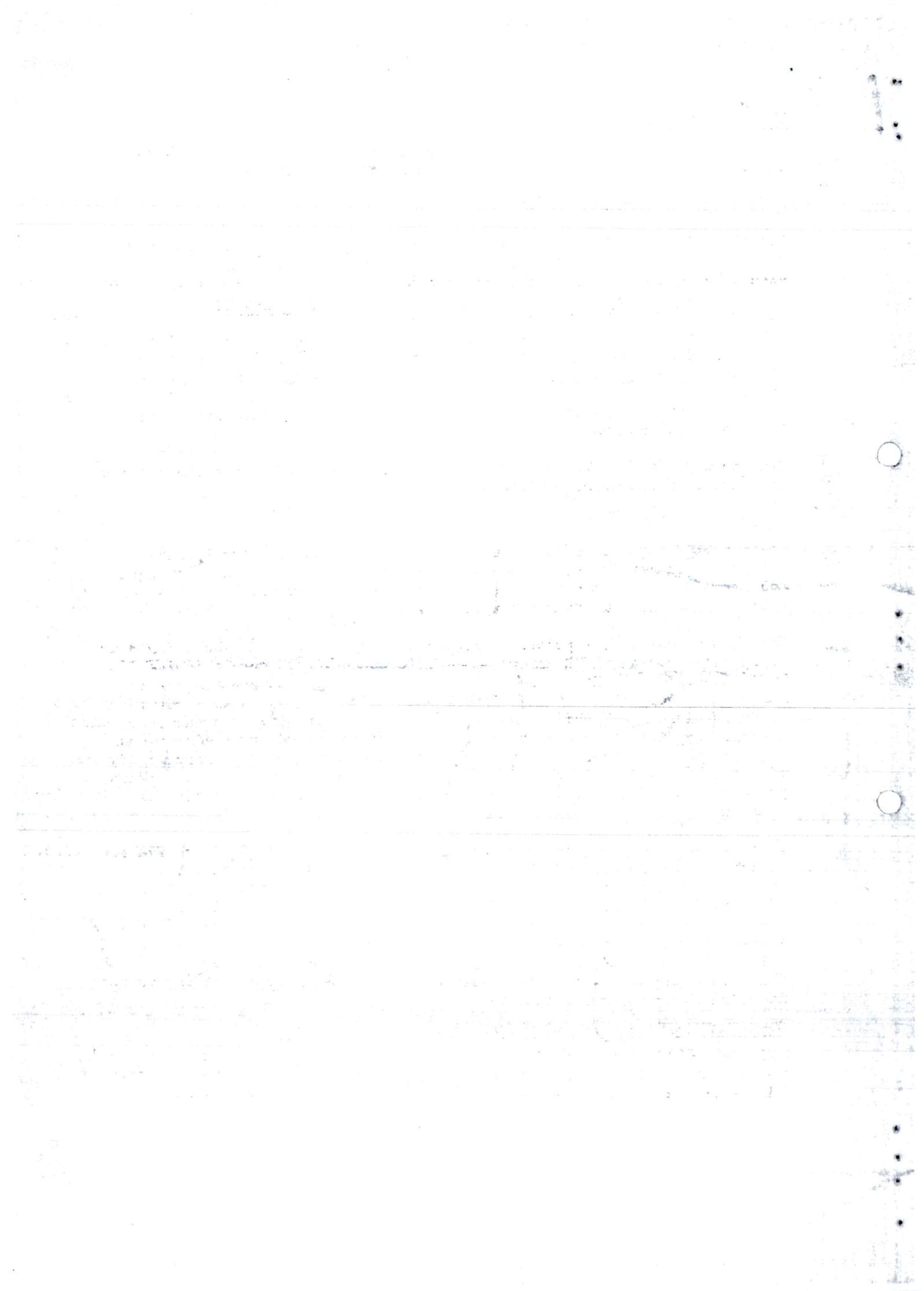
Co-operative Societies are democratic organization. Thus, their affairs should be administered by persons elected or appointed in a Manner agreed by the members, and should be accountable to them. All should have voting rights regardless of their shareholding in the society.



NANDI TEACHERS CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED.

AGENDA. ON MEMBERS EDUCATION DAYS.

1. Chairman Message
2. Loans policy
3. By Laws (Representation)
4. Investment (EATEC)
5. Members proposals.
6. A.O.B.



LIMITED RATE OF INTEREST.

The Interest charged should be strictly Limited (i.e, Loans to members). The Interest earned should cater for the society's overheads.

DISPOSAL OF SURPLUS.

The objective of a Co-operative is not to make profits. It is true however, that a well organised and successful Co-operative should usually end up with a balance of funds at the end of a business period, after payments of all operational expenses, including payments for other statutory requirements, i.e, reserve funds. This balance is called surplus - not profit - a term used by other business organizations. Surplus funds arise from the balances of Commissions charges on the members' transaction with the society, to cover expenses of the society. It belongs to members of the society, and should be distributed to them, in a fair manner i.e, in proportion to members business with the society so that no member should gain more at the expense of others.

Members may also resolve to plough the surplus funds back into the society for various development projects.

CO-OPERATIVE EDUCATION.

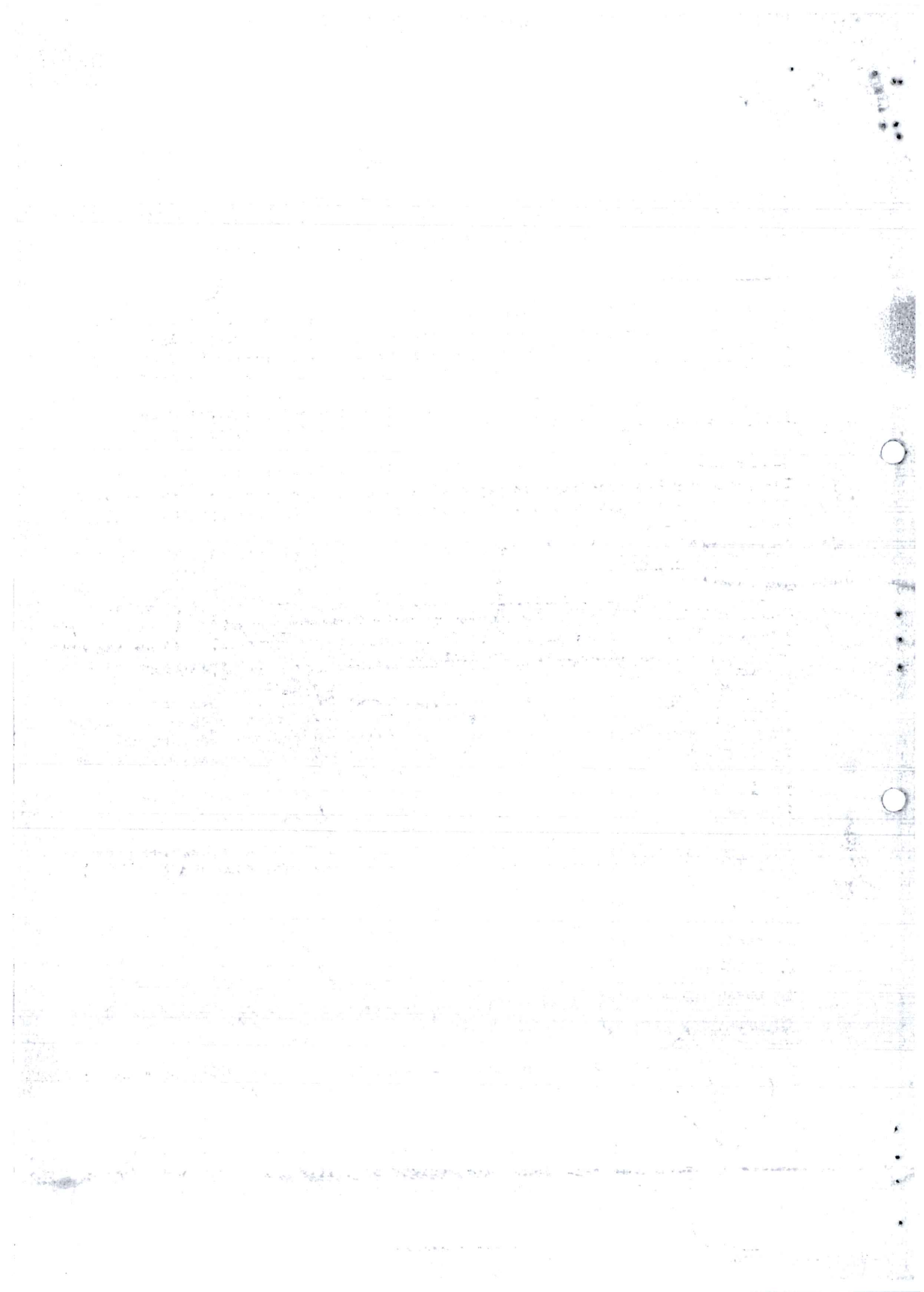
Co-operation requires of those who would practise it effectively, the acceptance of new Ideas, new standards of conduct, new habits of thought and behaviour, in its own interest and for its own survival, to the need for educating its members in appropriate ways.

For the purpose of Co-operation, however, education needs to be defined in a very broad sense, which includes academic education of more than one kind but much besides. It should include both what people learn and how they learn it. Every phase of experience, which adds to peoples knowledge, develops their faculties and skills, widens their fellows and Inspires them, to fulfil their responsibilities as men or women and citizens, can have educational significance for Co-operation. Less and less in the contemporary world, cum education be limited to what is learnt in Schools and colleges, at special periods of peoples lives. The co-operative concept is of education as a life long process.

Thus, this principle aims at ensuring that members of the Co-operative societies, officials, employees and the general public are well informed about co-operative affairs. The education required by these groups consists mainly of knowledge, the acquisition of technical skills and training in co-operative conduct and behaviour. The knowledge must be as accurate, as systematic and as upto date, as they have time and capacity to absorb. It will include not only knowledge of the special forms of co-operation in which they are engaged, but also knowledge of the economic and social environments in which their societies operate.

CO-OPERATION WITH OTHER CO-OPERATIVES.

All Co-operative organizations in order to best serve the interests of their members and their communities, should actively cooperate in every practical way with other cooperatives at local, national and at International levels.



4

SHARE CAPITAL.

The society's share capital as at the close of last year was Kshs. 119,084,11830.00 compared to Kshs. 96,778,507.15 in 1995. Every member is expected to be contributing a minimum of Kshs.500/= per month by the year 2000.

LOAN RECOVERY.

The society has improved tremendously in the recovery of the loans however I would like to apologise to those members who suffered excessive loan recoveries between the months of December and February, 1997. This anomaly has been corrected and members are requested to treat it as a human error.

Any member with a loan not being recovered should alert the society for immediate action. This will save the member in terms of interest and time.

DIVIDENDS.

The society's has continued to pay dividends since inception, and the latest payment is in respect of 1995. Dividends in respect of 1996 will be declared in due course.

NANDI TEA DIVIDENDS.

This is one of the most successful Investments which was acquired at value of Kshs.9 million. Today the Investment is valued at over Kshs.25 million. Despite a heavily drop in prices of tea, it is expected that price will rise in the near future. The Dividend have been declared as follows:-

(a) 1988	591,000.00
(b) 1989	795,000.00
(c) 1990	725,000.00
(d) 1992	1,329,000.00
(e) 1993	3,729,000.00
(f) 1994	5,131,540.00
(g) 1995	1,122,968.00
(h) 1996	1,050,000.00

From this statistics you can see the pay period was reasonable and profitable too.

INVESTMENT. This are:-

1. Commercial plot
2. KENMOSA
3. Forest Land

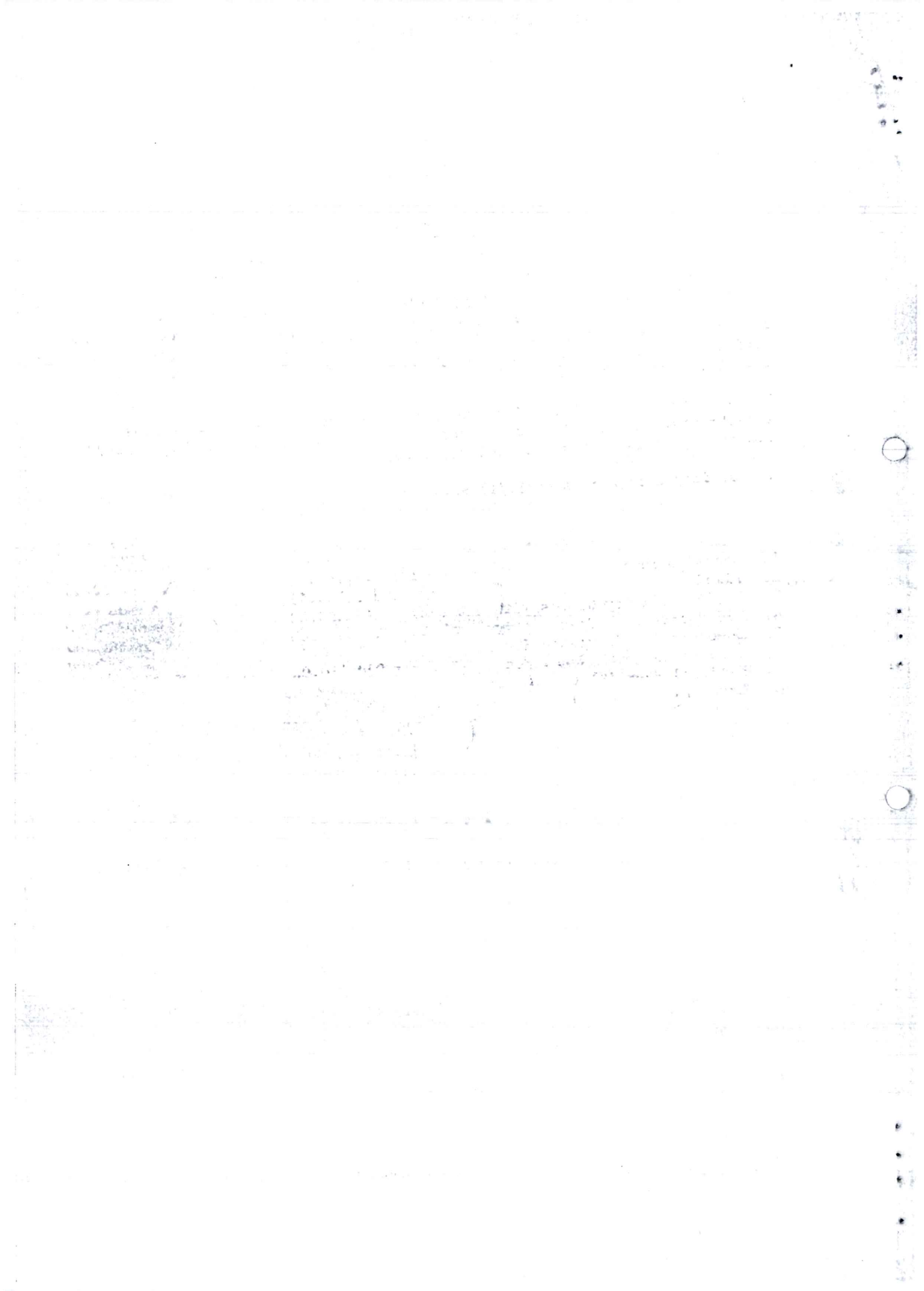
COMMERCIAL PLOT.

The society has acquired a Commercial property valued at Kshs.250,000/= it is intended for future use in the town.

KENMOSA EATEC.

The society has tendered for the purchase of 300 acres, and a deposit of Kshs.1.8 million has been made. The society officials are busy negotiating for the reduction of the price. Individual members will be conducted as soon as the exercise is completed.

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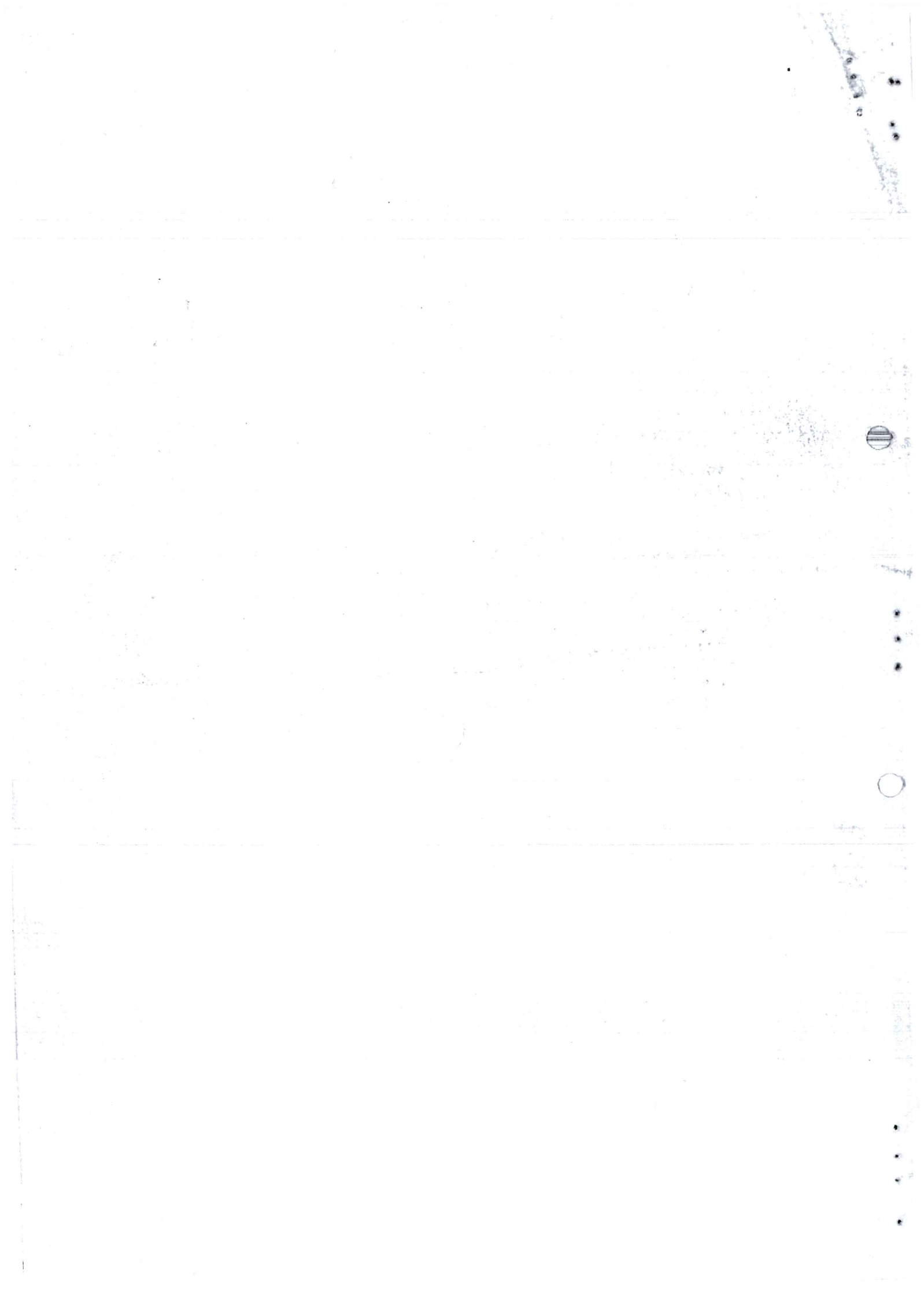


Nandi Teachers Sacco Society limited since it was founded in 1977, has continued to register tremendous progress over the years. This has been so because of the support and confidence of which the members have given the society over the years. The society will strive to continue to operate within the objective of which it was founded.

The society will also continue to assist members venture into various Investments. In 1987 the society assisted her member acquire 15% of Nandi Tea equity, this is a successful story today.

The society's assets as at 31/12/96.

	1996 KSHS.	1995 KSHS.
1. Loans to members	131,445,743.00	100,519,800.00
2. Fixed Assets	873,754.45	871,224.45
3. 20,000 Ordinary Sahres with STD Bank	145,000.00	145,000.00
4. 970 Shares with Co-operative Bank Ltd	297,000.00	97,000.00
5. Co-operative Insurance Shares	31,600.00	31,600.00
6. 6020 shares with Nandi Tea	1,070,460.00	1,070,460.00
7. National Bank (K) Ltd Shares	135,000.00	-
8. Kenya Airways Shares	225,202.50	-
	<u>125,333,600.35</u>	-
	134,223,795.95	



- 5 - 6

FOREST LAND .

This land was allocated to us by the Government, but the minister has yet to degazette it

FUTURE DEVELOPMENT.

For the purposes of putting up our own offices, I am kindly requesting you to plough back to the society Kshs.1.5 million shillings from your 1996 dividends. Our offices should be housed in own building. This building will act as a collateral security in times of need.

Finally, I wish to extend my sincere gratitude to the Delegates, Ministry of Co-operative Development, Ministry of Education, KNUT and to Individual members for the support they have given my Management and the staff over the years. I wish you all a fruitful year.

THANK YOU.

Z. KUTO
CHAIRMAN
NANDI TEACHERS SACCO SOCIETY LTD.

SUBMISSION
22/15/2022
Sheet 1 of 3

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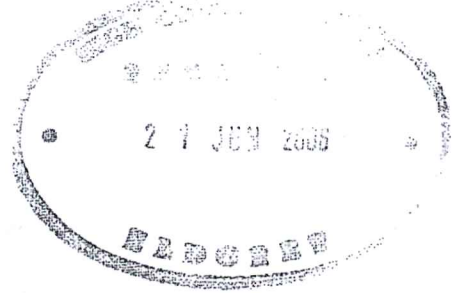
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SUBMISSION BY
TEACHERS
2/15/2006

MINISTRY OF CO-OPERATIVE DEVELOPMENT & MARKETING

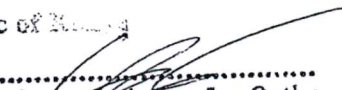


REPORT OF THE INQUIRY INTO THE THE AFFAIRS OF NANDI TEACHERS SACCO SOCIETY LTD. (2709)

This is the exhibit marked "SK 3"
Annexed to the Affidavit/Declaration of
SAMUNY KIRWA
Sworn/Declared before me this 20th
day of JUNE 2006 at ELDORET
in the Republic of Kenya

Prepared by: -

- MACHORA* Senior Auditor
- MUYA* Audit Examiner
- Barbengi* Audit Examiner
- Koremo* Assistant Co-operative Officer


Commissioner for Oaths

February, 2006

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APPOINTMENT

Pursuant to the powers conferred to the commissioner under section 58 of the Co-operative societies Act No. 12 of 1997 (amended 2004); and whereas the commissioner was of the view that an inquiry be held into the By-laws, working and financial conditions of Nandi Teachers SACCO Society Ltd. (CS/2709); he appointed Mr. Philip A. Koremo, ACO II – Headquarters; Mr. Joel K. Barbengi - Audit Examiner I, Marakwet district; Mrs. Agnes K. Machora – Senior Auditor, Koibatek District and Mrs. Risper A. Omuya – Audit Examiner I, Provincial Co-operative Auditors Office, Nakuru by an order dated 18th October 2005 to carry out the inquiry. The Inquiry exercise was to be completed within thirty days from the date thereof but due to unforeseen circumstances, it was extended to 18th December 2005 as per the extension order dated 19th November 2005.

In order to answer the terms of reference envisage in the commissioners order the inquiry specifically investigated the following: -

- i) Whether the By-laws in use effectively meet the operations of the society.
- ii) -Whether the Savings portfolio management adequately meets and will sustain the loaning needs of the members.
- iii) Whether the Loan portfolio is managed in a sound manner without posing serious threat to the continued survival of the society and to determine whether there are problems as concerns loan concentrations, delinquencies, loan exceptions and insider dealings.
- iv) Whether society performance is economical to sustain its existence now and in the foreseeable future by evaluating income versus expenditure trends, management decisions and employee performance.
- v) Whether the society investment programmes are sound and economic and do not pose threat to the continued services provided by the society now and in the near future.
- vi) Whether the management is carrying out procurements prudently and establish whether investments have been undertaken following accepted procedures and sanctioned by requisite authorities
- vii) Whether the society has undertaken adequate steps to mitigate against any risk exposures, which may include internal controls, insurance and cash transfers.

viii) Members' complaints against the performance of the society.

After investigation, the inquiry is to make recommendations on the measures that the society is to put in place to manage the crisis and avert failure.

In order to compile this report, the Inquiry used desk research, interviews and visit methods to gather data. The data was then analyzed and the information obtained tested for its correctness. Desk research involved scrutinizing various society documents which included By-laws, correspondences and books of accounts related to business and general operations of the society. The purpose was to get accurate data as documented in the society. The inquiry in addition interviewed persons that it believed had useful information to guide it. These included the former management officials, the current management officials, the members, delegates, the current staff, Advocate, Kenya Revenue Authority, Bankers and other parties the Inquiry felt necessary. Interviews were necessary in order to countercheck the information obtained from the records as to whether what the inquiry got is the correct picture. They too among others were to clarify issues arising from the desk research and also to confirm some of the findings. Visiting to sites like where the society had bought land was important to give a first hand visual impression of the situation as compared with information from interviews and the records. This report we believe makes objective conclusions on various issues investigated. Finally, information gathered was analyzed in order to come up with observations, conclusions and finally recommendations as presented in this report.

As a team of Inquiry, we obtained the necessary information and data from the society's records and documents availed to us with regards to our terms of reference. We held meetings with former and current management committee members who gave us their opinion regarding the problems affecting their society. Also we conducted in-depth interviews to some members and staff who highlighted the problems affecting them generally.

The work of the inquiry was made bearable due to the continuous advice and guidance in the course of Inquiry up to the time of writing this report. In that regard we would like to register our appreciation on the role played by the office of the Commissioner for Co-operative Development, Provincial Co-operative Officer and Provincial Co-operative Auditor Rift Valley Province for their continuous words of encouragement, and the District Co-operative Officer Nandi North for his good co-operation and technical assistance. The Inquiry would be failing if we forget to thank the society staff who tirelessly provided any records that we required and for organizing to show us various sites we needed to confirm. Finally we thank all interviewees who honoured our summons.

2.0 BACKGROUND

Nandi Teachers SACCO Society Ltd. was registered on 27th June 1977 but started operations in January 1978. The society head office is located in Kapsabet Town and serves members from the greater Nandi districts. The society has intentions to open a branch office at Nandi Hills town.

The society has grown over the years from a small entity to a medium size outfit which, as at the end of 2005 was serving 4,394 members who had accumulated savings and share capital to the tune of Kshs. 324,596,422.00. On the other hand, members had benefited through loans which were standing at Kshs.112,142,740. The society operates a Front Office services Activity (FOSA) which has increased the risk exposure to members' funds and which require proper management to sustain the continued existence of the society. Besides, the society operates a bookshop. The society is run by a committee of nine elected members which has deployed 19 employees to carry out the day to day operations of the society. The elected society officials duties and responsibilities are mainly policy in nature whereas employees are to implement the policies. However, the overall direction of the society is nevertheless in the hands of the elected officials.

The society's primary objective for which the society was registered is to offer its members' savings facilities to accumulate funds thereby creating a pool from where the society can afford productive and provident loans to the members at an affordable rate of interest. Subsidiary activities are those that will complement the primary objective and those that do not offer conflict.

3.0 INQUIRY FINDINGS

The Inquiry made findings solely on the evidence gathered during the course of the exercise. Any findings that were not properly supported after subjecting them to evaluation were not considered for this report.

3.1 SOCIETY BYLAWS

The Inquiry established that the society's bylaws were last amended on 25th February 2005 when they were registered by the Commissioner for co-operative Development. The amendments were necessary to comply with the review of the co-operative societies Act (amended, 2004) and in compliance with the directives issued by the commissioner. However, upon thorough scrutiny of members' complaint that the bylaws had never been discussed by the ADM; it was in fact established to be the case. Whereas it would appear that the society's by-laws were amended and approved to conform with the current Co-operative legislation Co-operative Societies Act and Rules (amendment 5th Nov. 2004), we established that the by-laws in question were not formally presented and approved by the delegates before being submitted to the Commissioner for Co-operative Development and Marketing for approval as required by the Law.

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During our interviews over the matter, the committee admitted that the By-laws were not formally approved in an Annual Delegates Meeting or Special Delegates Meeting as required by the law. Instead the committee faked minutes to appear that there was a meeting which approved these bylaws. These minutes were used to make the Commissioner believe that there was a meeting which approved the bylaws. The committee asserted that they did this in order to beat the deadline set by the Hon. Minister for Co-operative Development & Marketing for societies to amend their bylaws to comply with the Co-operative Societies Act and Rules (amended. 2004). This was a serious breach of the Co-operative Societies Act which should not be repeated at any cost in future.

Apart from the fact that the society did not follow the proper procedure to get the bylaws amended, the inquiry feels that it is a useful document which should be given a chance. One only needs to remember that bylaws are an internal governing constitution for an institution to realize the importance of according members through their delegates a chance to provide that critical nod.

3.2 SAVINGS

As already noted the society's primary role is to mobilize savings and after pooling these funds, only then is the society able to make loans to its members. Savings mobilization is important since it is the foundation upon which the society enables members to access affordable financial services. Since inception, the society employed the use of monthly incremental savings deducted directly by the employer and remitted to the society otherwise known as the back office operations. The savings so mobilized are also leveraged for loans which are assessed at three times the amount in savings. Through this system the society has mobilized to the tune of Kshs. 324,596,422 as at 31st December 2005. However the inquiry found that there is a common tendency of members withdrawing part of their shares instead of taking loans contrary to society bylaw No 25 (f) and besides reducing the society's ability to grow. A good example of this is that of M/s Phelista J. Rono, TSC 317628 who withdrew part of her shares instead of getting loans.

To augment the efforts of mobilizing funds, the society started to offer a teller service and processing of salaries alongside the traditional system thus enhancing members' capacity to increase savings. The Front Office Services Activity (FOSA) forms an integral section of the society which provides affordable quasi banking services. However the society instead of integrating the service with the traditional system runs it as if it is independent from other SACCO operations. It does its investments, provides advances and offers fixed deposit accounts to its members. The inquiry noted that FOSA operations have attracted non members (the public) to fix their funds with Nandi teachers SACCO at competitive interest rates.

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Records indicate that as of December 2005, the society was offering interest rates on fixed deposits as follows:-

AMOUNT IN KSHS	RATE IN % P.M.	
	2004	2005
1,000 TO 100,000	4	1
101,000 TO 200,000	5	2
201,000 TO 300,000	6	3
301,000 AND OVER	7	4

The inquiry established that the notice offering prospective investors competitive interest rates was posted on the FOSA Banking Hall but no management committee minutes were availed which discussed and approved the same. It would also seem that very few members were aware of these Products due to the low number which was participating or that the society was suffering from a credibility crisis and members did not want to risk their funds. Due to lack of prudence the society has lost money in respect of such unsound savings mobilization practices since most of these funds were invested in low interest accounts like advances or loans to member.

The inquiry noted that the society flouted sound operating principles of the FOSA. First the society serves persons who are not within the common bond (termed as customers) and secondly that most accounts are always overdrawn and treated as advance yet no effort is made by the society to recover the same. Overdrawn accounts stood at Kshs. 24, 386,290 against members' savings of Kshs. 31,083,290 as at 31st December, 2005. It took the society too long (i.e. until July 2005) to realize that the system depends on Minimum savings balance as a critical principle for the proper functioning of the systems which now stands at Kshs. 600 by December 2005. Some of the overdrawn accounts include KNUT Kapsabet Branch which like any other customers of the society opened an account at FOSA on 2nd September 2000 where they have been channelling Cheques for their Branch. This account was operated properly until when they stopped channelling their cheque through the FOSA and thereafter started overdrawing. The account stands at an overdraft of Kshs. 2,782,667 as at 31st December 2005.

The inquiry noted that the account started being overdrawn on 23rd March 2001 such that by 11th February 2002, Kshs. 376,000 had been overdrawn. The withdrawals were as follows: -

<u>Date</u>	<u>Payee</u>	<u>Amount</u>
09.04.2001	Tarus	230,000
10.04.2001	Sitienei	57,500
26.04.2001	Kemboi	23,000

18.06.2001	Kemboi	23,000
02.08.2001	Sang	11,500
14.11.2001	KNUT	10,000
05.02.2002	Joseph Sang	5,000
11.02.2002	Tarus	<u>16,000</u>
	TOTAL	<u>376,000</u>

The above advance attracted an interest of 15% per month from the year 2001 resulting into total interest on this Account as of 31.12.2005 to be Kshs. 2,406,667. The society was reluctant in making a follow up of the above debtors to pay for the advances granted, and recover the interest earned.

Another important aspect for the survival of FOSA operations, include institutionalized internal control systems that engender good governance, For instance cash handling procedures in terms of opening and closing of daily cash reconciliations are extremely important to determine the correctness of the transactions and the assurance that there are no pilferages of the funds of the society. The inquiry noted that there was a lack of not only cash reconciliation but also bank reconciliation. We also noted through the tellers' payments that there are huge amount of expenditure treated as "others" which are made outside the normal FOSA operations. These are moneys which are normally requested by management without supporting documents, then later could not be accounted for and much later cleared through fictitious ways. There is also no proper co-ordination of finances for the operations of FOSA and may operate until all the money in the society treasury is exhausted without planning for replenishments to the extent customers in the queue waiting to be served are surprised to be told that there are no funds available and therefore cannot be served on that particular day.

The lack of adequate cash planning causes serious inconveniences to members sometimes taking about a whole day without explanation as the staff are not aware on when the money could be availed by the management. The worst case scenario is where management could divert the cash meant to pay salary to meet other society's operations e.g. giving out emergency loans thus denying members their right of access to finances. The other problem noted was that the cashier could make manual payments because the programme in place is extremely slow but could mistakenly not complete transaction in a proper manner. Thus there were also some instances when the cashier could indicate having been given money yet the treasury does not show any transfers. This shows laxity in record keeping which is not done on daily basis. Transfers of cash from banks to the Treasury is being recorded in treasury book, without showing the reference and the person delivering or requisitioning the cash, but only indicate "money IN & money OUT". No document of transfer is checked by Chief Cashier to ensure that the correct amounts withdrawn have been transferred. In some cases two withdrawals are

lumped together and entered in the Treasury book, causing a lot of confusion as to the figure as per each of the cheques used. Issues of cash to tellers from Treasury are also not properly documented, and it is hard to establish the cashier to whom the money was given, for none of them signs for the money issued from Treasury. There were also no clear guidelines on what to do, when tellers have either deficit or excess by the end of the day.

All these loopholes go un-noticed due to laxity in the management of the society. It seems everyone is left to carry out his/her own business without supervision from the senior staff/head of section or management. The society has experimented in a number of ways to bridge the extremely big gap between the sources of funds and the uses of funds. These ways include: -

(i) Arrangements with Co-operative Bank

The society entered into an arrangement with the Co-operative Bank of Kenya whereby members of a society obtain loans from the bank through recommendation and appraisal by the society who also act as an agent and a guarantor. The funds are channelled through the society. The bank grants loans to members at an interest rate of 13% per annum, while the society charges members 12% per annum and the loans are recovered direct from the TSC through check off system. The society shares in the earnings on the basis of 2:11. The loan if recovered promptly and in full enables the society to increase income. The society was granted a total of over Kshs. 53 Million by Co-operative Bank as loans to members who are then recovered through check-off system by the society and the society has a standing order for recoveries of the same to the bank. However, the inquiry found that the bookkeeping of the society is so mixed up such that one cannot be able to tell sources of income to monitor the source that sustains the society.

(ii) Arrangements with National Bank

Another source of funds for member loans or advances at the Nandi Teachers SACCO is the National Bank of Kenya. The society entered into an arrangement with the bank to provide funds at 18% interest per annum. The society management advises members that should a member get a loan from the bank, the society would meet the difference of 6% interest per annum so that the members comfortably services the bank loan as if he had got the loan from the society. However as things turned out the society was unable to meet the difference putting members into an awkward situation. The inquiry observed that this was a misguided decision made by the management since by paying 6% interest for the members; they were exposing the society into meeting unnecessary expenses. The management also cheated and lured the members into making very expensive decision.

(iii) Oiko Credit Loan

Due to severe liquidity constraints, the society opted to seek financial assistance from formal financial institutions to enable it meet its obligations especially issuing loans to members. The inquiry established that the society had taken loans from the Co-operative Bank of Kenya and Oiko credit. The total loans from the Co-operative Bank as at 31.12.2005 stood at Kshs. 71,339,855 whereas those from Oiko Credit Ecumenical Development Co-operative stood at Kshs. 56.5 Million; all totalling to Kshs. 127, 839,855. We noted that some of these borrowed funds were not put into proper use as will become clear elsewhere in this report. Such funds are not only expensive to the society but also interrupt the general operations of the society. For instance, society standing orders to these organizations consume almost the entire remittance such that the society is forced to operate on overdrafts throughout which is very expensive.

(vii) External Borrowings

The inquiry found that the savings activity in Nandi Teachers SACCO is not organised properly, thus prompting the management to look for funds elsewhere to satisfy member loan needs. To this end the society has relied either on a large portfolio of external borrowing or arrangements with financiers. The borrowings constitute approximate $\frac{1}{3}$ of its total assets. This we consider to be unsound since it is excessive and expensive especially that one financier is lending in Euros which are subject to currency exchange risks that the society is ill prepared to absorb. The society **MUST Cease and Desist** from any further borrowings. The headache is how to counter the impact of the already acquired portfolio. This is because repayments of these facilities consume nearly the entire remittances from member emolument deductions which exposes the society to inadequate finances to offer financial services and actually impoverishes the members.

3.3 LOAN EVALUATION

The primary objective of the society is to mobilize savings and appropriate the funds so mobilised as member loans or advances. In this the management committee has failed. There were many irregularities noted. The effect for not planning this activity well has paralyzed the operations of the FOSA which has also led to the bouncing of cheques being issued to schools as school fees loans on behalf of members. The inquiry noted that there is little harmonization between the back office and FOSA operations thus causing confusion and impairing FOSA services. The inquiry was appalled to note that a member with a savings account could come to withdraw his/her money only to be told that the funds were not available and that he/she should come some other time, a thing which is unusual to holders of savings account.

Perhaps the cause of the problem could be due to the use of several cheque books at the same period. This has led to confusion since it makes the reconciliation of

accounts very difficult. The inquiry also noted that the cheque counterfoils are usually left blank without even a date written on. We suspect these were usually done intentionally to cover fraud. It gives the staff hard time when it comes to updating the books of accounts since they are forced to rely on the bank statement. The inquiry also noted that the society issues out so many cheques to individual members, surprisingly even to those who have accounts at the FOSA. The society should look for ways to minimize the use of cheques which could include making payments through the FOSA or combining cheques to schools.

The most serious observation was that the cheque leaves were fully signed by the management without any amount written on them, then left in the society. This abetted fraud. At the same time there were instances where members were granted loans which were never posted into their personal accounts or sent to TSC for recoveries. This is a serious omission because the society loses a lot of funds. The inquiry found a number of such cases and ensured that these were posted. The society should ensure that deductions are effected.

The Inquiry established that the total loans to members were Kshs. 112,142,740 at the end of December 2005 and this amount includes the Personal Loans from Co-operative Bank. The balance of loan from bank was not established by the time of writing this report. We realized that there were serious irregularities where the loans were being issued and some members whose loans were channelled through the society never received them and they were told that they never qualified, only to be surprised when they received bank statements showing their loan balances and how they have been servicing the loans. For example Mr. Peter K. Maiyo TSC No. 176586 was alleged to have been given Kshs. 140,000 by the society. Since the repayment is made by the society through a standing order such loans are just being serviced without the concerned persons' knowledge.

There were also cases whereby members were granted personal loans, by the bank and the members didn't have enough shares to qualify for the loans they were given. The society being a guarantor felt threatened due to lack of security and in some cases took part of the loan to increase their share capital in the society to a level whereby they can qualify for the loan given to them. This brought a lot of complain and dissatisfaction from the members despite the fact that the money was to safeguard the loan given.

We noticed that members personal cards containing loans granted, loan repayments and interest earned on loans, are not being updated promptly on receipt of the by-products from TSC. It is therefore not easy to establish at a glance, the correct loan balance of a member, loan repayment figures, the interest earned to date from members, and the new loans granted. Some of the loans granted were being posted

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on our instructions. Proper follow-up should be taken to ensure that the repayments are effected.

Other irregularities noted include non adherence to the loaning policy, non assessment of loan forms, loans granted without filling of loan forms or agreements, approval of rejected loan cases and biased loan granting in that the credit committee who normally approve loans are being frustrated by the Executive committee for they often approve loans which are later not issued for apparent lack of funds. However, the real reasons are either the diversion of funds to other uses or the granting of loans to members not in the schedules of approved loans.

To be fair and to serve members fairly, the society decided to allocate funds according to divisions. This resolution is ignored more often than not for we noted that divisions with influential members in the committee could get loans faster than other divisions. There are also examples of members who get loans more frequently while deserving cases are kept waiting. One could find a member having many loans while others without loans are made to suffer. An example of such member as per complaints is the one, Eunice Chepkemboi Rop, TSC 319216) who applied for a loan on 27.1.2002 of 30,000 and has not been granted up to date. The Inquiry has also noted that members who were granted loans have been subjected to frustration for the committee has developed traps of granting loans in instalments. On this the members are normally granted part of the loan and advised to deposit the cheque in their accounts in FOSA only to be paid part of that cheque for unavailability of funds hence members are made to visit the society frequently to cash the balance.

Equally disturbing is the fact that the committee could issue out loans to members, whereas no adequate arrangements have been made to ensure that there are adequate funds to honour the payments, hence the cheques bounce causing a lot of embarrassments to members, even those given to institutions of learning which have now refused to accept cheques from the society. This has not only eroded the credibility of the society as a sound financial institution and at the same time made society to incur unwarranted expenses due to fines paid by members for bouncing cheques which eventually is claimed from the society. This exposes the society into incurring unnecessary expenses. There are also cases of deduction from members emoluments based on non existent loans which are termed as ghost loans.

We noted that whenever members come for refunds for the 'ghost loans', they are frustrated since the society is always illiquid. Members have also been forced to repay loans which they did not get in the first place. It seems that the rules for natural justice such as first come first served are not being practiced when granting loans as some members could push for their loans to surpass those on the queue. No wonder with such a state of affairs, the society currently has a loan backlog of

one year as a result of society not able to secure funds to grant loans due to huge bank loans. The inquiry noted that out of a Kshs. 16 Million remittances, about Kshs. 15 Million is used to repay the more than Kshs. 127 Million external loans that the society sourced from the Co-operative Bank and Oiko Credit.

We observed that the loans given out to members by society are far much less compared to the Share Capital of the society of over Kshs. 300 Million. It would seem that these huge borrowings have eaten up the savings of the society and made it even poorer. Why? Simply, that total funding which constitutes Members savings/Share capital which works out to approximately Kshs. 481.7 million out of which one expects that between 70 – 80% should be invested in members loans. However, the inquiry found that the circulating amount is only Kshs. 166 Million and Kshs, 54 million in non earning assets made up as follows:-

Loans & Advances to members	Kshs. 136,429,030
Bank and Cash balances	Kshs. 30,455,607
Fixed Assets Kshs.	Khsh. 13,646,018
Investments	<u>Kshs. 40,987,600</u>
	<u>Kshs. 221,518,255</u>

We question the apparent difference of approximately **Kshs. 260.2** million between sources and application of funds. The issues to be answered involve where part of members' savings and the loans from the bank are tied to? One may not thoroughly answer this question since society records are in a mess. There are several leads which include loss of funds through non deductions of loans granted which are soon forgotten, depleting of equity due to financing of the loans which form about $\frac{1}{3}$ of the total liabilities of the society, fraud, payment of interest on overdrawn accounts, double crediting of interest on fixed deposits and payment of dividends over the years from share capital.

(i) Loan concentrations

The largest single loan was granted by the society on 23rd November, 2005 to the society manager. The loan amount was Kshs. 600,000. The other person given a loan was the FOSA Manager who was granted Kshs. 578,127. It looks that the staff are some of the beneficiaries to huge loans. The average loan per members works as Kshs. \$7,000.

(ii) Delinquencies

There were also cases of loans granted and recorded but not being serviced by members due to either laxity with staff to effect recoveries or the member have no capability of repaying the loan due to exhaustion beyond 2/3 rule. Other members have reluctantly refused to repay the loans and the society have also not taken action.

(iii) Loan Exceptions

S/No	Narrations	Loan Amount/Kshs.	Remarks
1	Lawrence Sitienei	136,479	Stopped servicing loan on 30.6.2001
2	Bonuwes Kemei Tenai	231,482	Stopped repayment in January 2004.
3	Joseph Sang Kimaiyo	329,688	Loan being repaid at the rate of 1,920 will take him (161 months) 12 years to clear.
4	Benjamin Kosgei	252,000	Retired with a loan balance against shares of Kshs. 186,000. The committee did not consider age when granting the last loan
5	Mr. Kuto	475,000	He is the chief Cashier supposed to have retired on December, 2005. Has a loan balance against shares of Kshs. 230,000. The committee did not consider age when granting the last loan
6	Moses Odera		Suffers loan deducted of more than 2/3 of his basic salary.
7	Alfred Kipsang Sawe		Suffers loan deducted of more than 2/3 of his basic salary.
8	Patrick kemboi Lelei	578,127	He is a FOSA manager. His loan exceeds three times the savings which stand at Kshs. 107,200.

(iv) Insider dealings

The inquiry noted that apart from one staff member – the FOSA manager who got loans more than three times his savings, the society seems to abide by the rule of the game.

3.4 SOCIETY PERFORMANCE

(a) Society Meetings

To evaluate society performance the inquiry looked at a number of indicators that include decisions made by the committee members, general members in a general meeting as recorded in the minutes of the management committee, sub-committees and delegates meetings. Generally, we observed that meetings were convened regularly and that they comply with the Co-operative societies Act, Rules and society bylaws made thereunder. For instance the inquiry found that the society convenes Annual Delegates Meetings within the first four months of every year

where delegates have been able to discuss and deliberate on all the agenda. However, the inquiry was concerned with the fact that delegates seemed not to be keen on the agenda. The meetings flow very fast such that there are rarely no critical issues that are raised on any matter under discussion even when its impact to the society is serious. Management are then left to run the society as they wish.

Although interviewees indicated that they raise issues at these meeting, it was not evidenced from the record of minutes that were availed to the inquiry. This flies in the face of the fact that there are numerous problems affecting the proper running of the society which include ghost loans, wrong deductions, poor service, and even staying without loans for longer periods. Most of the proposals presented by the management pass through without any amendment. For instance we noted that the budget being a very important tool for the management of society assets was not being analyzed properly to check actual figures spent previously and the figures given to them.

In order to run the society, it would seem that the committee adheres to the convening of monthly meetings. These are supported by subcommittee meetings which for the year 2005 were held for management, ten times; Supervisory committee, six times, Credit committee, eight times, education subcommittee five times, executive committee, four times and investment sub-committee, once. In spite of these meetings, the inquiry noted major weaknesses as follows: -

- i) Some meetings took such a short time to make any meaningful contribution to the running of the society until one is left to question the real or true motive of calling members to spend time and money to come to a meeting that lasts for less than an hour or so. Granted that it is not the amount of time spent on meetings that matters but the quality of discussion, but perhaps a quality meeting should last between two to three hours. Some meetings actually took as short as 20 minutes. For instance consider the following:-

<u>Committee Meeting</u>	<u>Date Held</u>	<u>Time Taken</u>
Management meeting	23.9.2005	20 minutes
Executive meeting	8.9.2005	85 minutes
Education Meeting	16.8.2005	45 minutes
Management Meeting	18.7.2005	55 minutes

- (ii) Committee members made a tendency of visiting the society frequently even when there were no meetings with an aim of drawing allowances which were not explained.
- (iii) What the inquiry seemed to deduce is that executive committee members seem to be the overall decision makers since other members of the

management are not informed of what was happening in the society. An example is where almost the entire management were not aware of how much are the external loans borrowed from Co-operative Bank and Oiko Credit except the executive committee. This was evident during our interview with them for they wanted to know from us the total amount which the society had borrowed from these institutions.

- (iv) The credit committee could approve loans considering the funds available but there are situations when other committee members could bring in loan forms for their friends for approval hence disrupting the whole process. Also the credit committee could approve loans based on the available funds only to learn later that the executive committee has diverted the funds to other uses making the approved loans pushed forward or making cheques already issued to bounce for insufficient funds.
- (v) The inquiry deduced that supervisory committee members do not seem to be aware of their duties and responsibilities. Instead of checking the transactions taking place in the society and advising the management, the committee has always been attending management meetings, and when they held their own meetings they never checked on records of the society. The inquiry also noted that supervisory committee members have no knowledge of accounting contrary to the requirement of By-Law Number 45(c). As the watchdog of the society, they are supposed to be independent and oversee the operations of the management. It is absurd that they could give a report commending the society for keeping good accounting records while the society doesn't keep any ledger or trial balance.

Educational meetings are normally convened every year where members carry out elections of delegates or are educated on society's affairs. However, there are no minutes of these meetings hence cannot be proved if they really took place. Members complain that the notice to the meetings are too short such that very few members could attend, expenses on such meetings are very high and that elected delegates are not properly distributed within the electoral Zones.

(b) Personnel

Society personnel form the most important link between the policy makers and the members since they implement policies and run the day to day running of the society. Nandi Teachers SACCO has a work force of 19 members of staff. None of the staff members are unionisable since the society has no recognition agreement with a union. The highest paid employee earns total emoluments of Kshs. 47,156 while the lowest paid employee earns total emoluments of Kshs. 12,045. Details of the employees' earnings and position in the society forms Annex I of this report.

Although the inquiry delved into staff issues that members complained of some were akin to returning us back to Stone Age period when one person was utilised for one job. Members should concern themselves on whether or not they are served efficiently and with courtesy but not who served them and what his job title is. The current economic environment encourages multi-tasking of employees to offer all round service. But, be it what it may, the inquiry established that there are no defined duties and responsibilities which engender job descriptions. Apart from this being a serious omission since you cannot hold someone responsible, it should not be construed to mean that one person cannot carry out a certain function because of his/her job description. The society regards four of the staff to be in management although no record is maintained for the same. The other members of staff are regarded to be non management. They may be unionized but currently are not and remain in their position on the whims of the management committee. They have no security of tenure and that the society does not maintain files for staff in which to keep proper records of qualifications, appraisal and careers progression of every personnel.

It was noted that some of the staff do not have job title while those who have no documents are kept. The inquiry also noted that members of staff are allocated duties not related to their qualification for it depends on who is trusted by the management. For instance the Book-shop Manager is always used to transport cash from Eldoret while persons responsible for the same are left out. The Manager also more often than not is not available to serve members, which defeats the purpose for which he was employed.

(c) Members' Register

Strangely, it was established that the society does not maintain a members' register contrary to Rule 14 (2)(a). Rather the society relies on TSC numbers. We find this most unacceptable since Nandi Teachers SACCO is not in anywise synonymous with the Teachers Service Commission and never will it be. The lack of a members' Register puts into question the membership of the society. Secondly, a members' register is a statutory requirement for each society.

(d) Assets Register

The society despite having a large asset portfolio of about Kshs. 13 Million has not maintained an Assets Register and only relies on the Fixed Assets schedule in the audited accounts. It is therefore very difficult to establish the cost of a particular Asset since the time of purchase and also which items have not been entered in the list. It is very important that the society introduce and keep this document.

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(e) Next of Kin Cards

The inquiry noted that the society does not keep the Next of Kin records for their members. This is a very vital document that would help ease the problems which crops up on claims of deceased members of the society. We realized that the members are being made to pay Kshs.50 to be issued with the cards yet it cannot cost as much to print. Hence the cards should be given free to all the members to encourage them fill as this is an essential document which should be obtained with minimum restriction.

(f) Telephone

Telephone is important as a means of communication. However, we noticed there is misuse of telephone in the organization. The fact that telephone expenditure per month runs as high as Kshs. 30,000 per month, is an indication that the item is misused. In fact at this time and age and for any organisation interested in controlling costs, does not use post paid method but is always on prepaid. The usage of telephone should be prepaid.

(g) Income & Expenditure

The society derives its incomes from Interest on members' loans and advances, service fees, Interest from banks, Rebates from Investments and Bookshop sales. Much of the society finances are channelled through Co-operative Bank Eldoret Branch which is their main banker. There is often a transfer of cash to FOSA for daily transaction or sometimes transferred to National Bank of Kenya Kapshabet Branch, which is close by to be withdrawn whenever need arises. The Inquiry has noted the following in respect of management of finances by the society.

YEAR	2001	2002	2003	2004
INCOME	36,644,039	35,670,512	51,463,471	44,904,308
EXPENDITURE	35,845,925	31,917,287	42,800,861	42,905,754
% EXPENDITURE/INCOME	97%	89.5%	83.2%	95.5%
DIVIDENDS	16,600,000	14,356,965	22,012,980	22,383,300
% DIVIDEND/ INCOME	45%	40%	43%	50%
ANALYSIS OF EXPENSES (ITEMS COMPARED TO TOTAL)				
% STAFF EXP/TOTAL EXP.	25.1%	28.1%	27.5%	30.3%
% MEMB. EXP/ TOTAL EXP.	11.1%	12.2%	11.8%	16.2%
% FINANCIAL EXP/TOTAL EXP.	33.5%	31.3%	41.4%	34.5%
OTHER EXP.	30.3%	28.4%	19.4%	19%

The inquiry noted that except for 2003, expenditure was in excess of 90%. The major items of expenditure are financial and staff emoluments. This also may incidentally the likely are to target for reductions. What is interesting is the comparison between budgetary provisions and actual performance. It would seem

that budgets are prepared and approved annually as a ritual but are never adhered to when undertaking society transactions. Budgeted Income is more often than not lower compared to actual income earned. But, actual expenditure is always way above budgetary provisions. We need to understand that in this the committee was acting beyond their mandate. Members authorise expenditure and management needs to account to the same members. Budgets are prepared without explanatory notes to members.

No trial balances are prepared either monthly or quarterly to compare with the budget to check whether income matches expenditures. A trial balance is a tool to monitor income and expenditure or to review the transaction in order to achieve the planned goal and should always be prepared. Economic report as a means of budgetary control are not prepared and presented in the management committee meetings.

(h) Payments through FOSA

The inquiry scrutinized the payments being made by the society and noted that not all payment vouchers were authorized by society officials and that some payments in FOSA treated as "others" were paid without any payment vouchers raised. Some payments had no narrations as to the purpose of payments as well as no supporting documents for the payment were attached. Management committees were frequently visiting the society to draw allowances as well as make regular travel without reason or the purpose of travel indicated. We also noted that there are instances where money is being spent without any proper reason and later the management and the manager attributes these payments to some things which never took place. As in the case below they are indicating to have used the money on payments to Income Tax, while others were being paid for Nandi Tea Dividends and other payments have no reasons given, on the payment vouchers and the following are such payments made without proper mandate given to the management and those involved be made to pay back.

Date	Document No. (PV)	Amount	Payee	Purpose
01.11.2005	2580	25,000	S. Kirwa	-
11.11.2005	2590	200,000	H., Birgen	Dividend payment
11.11.2005	2595	15,000	P. Lelei	-
11.11.2005	2598	50,000	H. Birgen	-
11.11.2005	2597	50,000	P. Morir	-
11.11.2005	5814	100,000	P. Korir	-
25.11.2005	5813	50,000	S. Kirwa	-
29.11.2005	5758	100,000	S. Kirwa	Income Tax
29.11.2005	5757	150,000	S. Kirwa	Nandi Tea Div.
29.11.2005	5759	<u>100,000</u>	S. Kirwa	Nandi Tea Div.
	TOTAL	<u>840,000</u>		

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The inquiry found that that no payments were made to Income Tax Department, and no payments could have been made to a single member through a payment voucher of the above magnitude in respect of Nandi Tea Dividend while the rest of the claims could not be explained. The Inquiry Team managed to establish the following list of payments of OTHERS amounting to Kshs. 1,132,777.00 drawn by the Chairman, Kshs. 90,000; the manager, Kshs. 613,477 and visitors Kshs. 429,300 in diverse dates. These payments were cleared through fictitious ways. The cheques were drawn in favour of Nandi Teachers. The details of payments are as follows:-

Date	Document No.	Amount	Payee
29.07.2005	Ch. No. 067414	352,700	Nandi Teachers SACCO
29.07.2005	Ch. No. 067415	400,077	Nandi Teachers SACCO
29.07.2005	Ch. No. 067416	230,000	Nandi Teachers SACCO
24.10.2005	P.V. 2707	<u>150,000</u>	S. Kirwa
		<u>1,132,777</u>	

From our observation the above cheques drawn to pay Nandi Teachers SACCO was fictitious. From the above analysis we realized that the money was just siphoned out of the society and the payees could not account for them. The Inquiry could not understand how Nandi Teachers SACCO could pay itself money with no purpose specified. We noted that all the money paid to visitors were requested by Manager giving reasons that he was to facilitate payment to visitors.

(i) Educational Tour

The inquiry established that in October, 2005 the committee undertook an educational tour of Eastern province but passed through Kiambu. The Society manager withdrew Kshs. 637,000 against a budget of Kshs. 232,000. One would ask why the manager needed to draw an amount which was more than 200% of the budget. When accounting for the funds there was unaccounted for funds to the tune of Kshs. 555,000. Details of the withdrawals were as follows: -

Narration of Payment			Payee	Purpose
Date	Document	Amount		
13.10.2005	P.V. 2702	177,000	S. Kirwa	Comm. Tour
13.10.2005	P.V. 2701	<u>460,000</u>	S. Kirwa	Comm. Tour
	TOTAL	<u>637,000</u>		

Less: Tour Expenses as per budget 232,000

Unaccounted 555,000

(j) Bookshop Activity

The society has a bookshop as one of its activities. The inquiry noted some Weaknesses in the running of the activity which need to be addressed. First, although it is fashionable to currently operate shops alongside other SACCO activities it may be (in the near future) not justifiable. Even then, the inquiry found that no proper books of accounts are kept to record all the daily transactions and to monitor the movement of stock, concerning purchases, sales and incidental expenses. At the same time the society has not established internal control measures i.e. physical stock checking, re-order levels, how to deal with dead stock etc. While purchasing books to restock the bookshop, the society was neither floating tenders nor identifying reliable and competitive suppliers from whom to purchase the stocks. Instead, purchases were being made from suppliers without following the laid down procurement procedures and that there were no records maintained to monitor the goods being received from suppliers. The practice leaves a lot of loophole, since it becomes hard to establish whether the items were actually received or not. Also no stock cards are kept to monitor the movement of goods in the Book-shop.

The inquiry noted that cash received from sales were not verified and banked but could be used to meet incidental expenses and make purchases whereas the bookshop continues to operate an account with the FOSA to which to deposit sales receipts. Sales made from existing stocks are not properly monitored and recorded. At the same time, due to changes in school syllabus, the bookshop has suffered a set back since they cannot make sales of some of their stock (books) which have been removed from the syllabus. Books worth Kshs. 692,000 have been rendered dead stock and the management have to propose for action to be taken on them.

(i) Procurement of Bookshop Goods

The society Bookshop has been procuring various goods for sale to its members through check-off system or by cash. We noted that the bookshop has been ordering text books from Publishers who will then supply them then the society is invoiced. Transaction between the society and Publishers are properly done although the volume of these transactions is very low.

Also the bookshop members of staff have been purchasing other books and stationeries by cash but the recording of the same was poorly done. We noted that the bookshop supervisor has not been checking goods being purchased in the bookshop since no supporting documents are maintained for the same. Apart from stocking books, the bookshop also stocks other items like T.V. sets, Solar Panels, Gas Cookers, Bicycles, Batteries etc. However, we noted that suppliers were not identified competitively. Also there are no minutes to show that management ever discussed on the purchase of these goods but we noted that goods were only received from the supplier stocked at the bookshop for members to collect and pay

by check-off system. For instance the society procured goods from one supplier, a Mr. Magut as per the order raised by the society for members to collect on credit payable through check off. The inquiry found that these goods were paid for twice by both the society (Back Office) to the supplier and at the same time to the bookshop.

We noted that creditors and debtors are left outstanding in the books for a long time. For instance, the figure of Kshs. 220,346 and Kshs. 479,434 for creditors and debtors respectively on the accounts for the year ending 31st December, 2005 has been on the books for a long time. It needs to be investigated and action taken to clear it from the books.

(ii) Book-Shop Bank Accounts

The bookshop activity operates two bank accounts, one at K.C.B. Kapsabet branch and the other with the FOSA. The Inquiry noted that the accounts were meant to deposit cash collected through the sales of goods. However, very limited activities are transacted through these accounts. For instance, the FOSA account which was opened on 23rd October, 2003 showed only four cash deposit transactions all totalling to Kshs. 151,600 as at 31st December, 2005. What seemed to be more common in this account was the deposit of cheques which was transacted 12 times and totalled Kshs. 904,596. We noted that nearly all these cheques transacted through the account were written by the society although we were not able to trace some of the cheque reference to support the entries in the statement.

The inquiry further noted that the society requested the programmer to make a credit entry of Kshs. 802,149 on 10.11.2004 and a further Kshs. 700,000 as cheque deposit meant to reduce the overdraft. This in our view was wrong since there was no supporting document for the credit entry but merely aimed at reducing the figure of overdraft in the account. There is also no record in the bookshop which shows the receipts of the withdrawn cash hence we suspect that these were diverted to unknown purposes by the payee. The inquiry established that total withdrawals made on this account from the year 2003 to 31.12.2005 amounts to Kshs. 2,920,753. The amount was accounted for as follows: -

Withdrawals	Kshs. 2,920,753
Less: Cheque Deposit	904,599
Less: Cash Deposit	151,600
Less: Cash Sale 2004	897,050
Less: Cash sale 2005	<u>423,449</u>
Balance	<u>544,055</u>

There was no explanation or records to show how the balance of the cash withdrawn was utilized. The system has also credited an amount of Kshs. 31,986 to

this account as interest on savings when actually the account had been overdrawn by KShs. 1,062,405. It was difficult for the inquiry to believe that an overdrawn account could earn interest!

Withdrawals from this account are made by the bookshop staff using withdrawal slips signed by either Mr. Rugut who is the investment chairman or Mr. Kirwa who is the society manager or Mr. Tarus who is the Book-shop Manager. Lastly, the inquiry doubts the ability of the bookshop activity to sustain itself especially after relocation from town centre to the Plaza Building where the sales turnover is very low. There is need to evaluate the Bookshop activity and take appropriate measures to mitigate against the society losing more funds. The bookshop activity must perform to justify its continued existence.

(k) Operation of Computer Soft Ware System

The society acquired software from Computer Feeds Company in order to computerize the services. The inquiry noted some problems that need to be addressed in order to meet the intended purpose. These include:-

- 1) The system is slow in the processing data forcing staff to continue handling FOSA services manually only to be posted to the computer later.
- 2) The programme has been designed to calculate and credit interest to account holders with both debit and credit balance. This may have made the society loose millions of money credited to customers with overdrawn accounts.
- 3) The system uses a lot of printing material when printing individual member statement or the daily trial balance for it prints almost entirely everything contained in the system since the first transactions was entered and contain information which may not be needed at that particular time as back as 2001 information is printed when one wants that particular day transactions.
- 4) The system also does not have provision of transferring members' refunds to their various personal accounts.
- 5) The system does not produce end year statements such as the ledgers, trial balance, surplus & loss, cash flow statement or the Balance Sheet to assist the management to analyse the society performance at any period of time.
- 6) The system has been reflecting high income on FOSA transaction than what was actually earned. For instance, during the year ended 31st December 2005, the system reflected the FOSA to have earned an income as interest on overdraft of Kshs. 48,435,835. This has made the society reflect a lot of income in the previous year's accounts and hence pay high dividends making the society to pay dividends from share capital and not a surplus because the interest on overdrawn accounts is uncollectible.

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- 7) The system also does not have the provision of posting loans, interests or shares through the diskette.
- 8) The system has weak security systems which exposes member funds to fraud.
- 9) The system also post interest to fixed deposit holders while the calculation is again done manually by the employees thus resulting in account holders earning double interest.

3.5 FINANCIAL INVESTMENT

(i) Investment in Trade Stocks

The inquiry found that the society has over time (between 1987 and 2004) made financial investments in seven institutions from where it earns rebates. It was established that the society's investment amounted to Kshs. 42,337,600 as follows:

<u>Institution</u>	<u>No. of Share</u>	<u>Value</u>
Co-op. Bank	400,863	40,086,300
C.I.C.	27,547	550,940
Kenya Airways	8,072	40,360
Nandi Tea Estate	75,000	1,500,000
Standard Chartered Bank	3,000	15,000
Kuscco Ltd.	1,000	100,000
National Bank	9,000	45,000
TOTAL		<u>42,337,600</u>

The management committee is mandated by members to undertake financial decisions beneficial to the society. In the case of Nandi Teachers SACCO, it can not be said to be so. The Inquiry noted that the society made heavy recent financial investments at a time one could not expect them to have done so since the society was in dire need of liquid cash. The inquiry therefore was forced to probe into the reasons and procedures that led to the purchase of additional shares to the tune of Kshs. 40,000,000 with Co-operative Bank of Kenya in the year 2004. The inquiry heard that on 3rd November 2004, the management signed for the purchase of shares with the Co-operative Bank without first having been approved by members. This purchase of shares was in the form of a loan repayable within a period of 36 months. Should the loan fall in arrears, 0.5% per month penalty shall be levied to the amount in arrears and that commission applicable fee of Kshs. 10,000 and appraisal fee of Kshs. 250,000 was charged. Interest rate is 9% per annum.

The society did not advance a convincing reason for the purchase of share of such a magnitude and on loan basis considering that the society was experiencing

liquidity problems at the time. Even when the committee advanced the argument that the investment was intended to be subscribed by member, the floating of the same shares to members received a negative response since only few Members were able to take up shares.

(ii) Treatment of Nandi Tea Rebates

The society in the year 2000 purchased 75,000 shares at Kshs. 20/= in Nandi Tea Estate valued at Kshs. 1,500,000. The shares were distributed to 741 members who contributed to the purchase through the society in respect of the above. A total of 74,612 shares were allotted to these members while the society retained 388 shares. Analysis of dividend payment over the years has been made as follows: -

<u>Year</u>	<u>Rate</u>	<u>Amount Earned</u>	<u>Withhold. Tax</u>	<u>Net Pay</u>	<u>Difference</u>
2000	64	5,209,671	205,193	3,898,477	1,106,011
2001				2,385,305	
2002	55	4,283,941	168,784	3,184,359	930,798
2003	46	3,650,325	184,577	3,553,619	67,871
2004	50	3,921,885	138,864	2,579,586	1,203,435
2005	33	2,691,600	-	1,966,189	-

The Inquiry noted that majority of members who bought 120 shares were given share certificate of 100 shares and that the society has not been reflecting all the income from the investment in their accounts. The society has been deducting 5% as withholding tax yet this had already been deducted by the Company. The inquiry was concerned that Management have been misappropriating funds from this investment. This can be clearly evidenced from the above analysis of dividends payment over the years. The amount earned and the net paid to shareholders deviates so much, and the difference treated as an expense. Even if the society were to levy any administrative expenses, it certainly can not be to the magnitude applied.

3.6 Procurement

The society's procurement procedures are so wanting that one wonders what the management committee was up to. Over the years the society has procured assets and goods. The inquiry may only be able to deal with the large assets and goods that consumed a sizeable junk of society funds. Some of these include:-

(i) Plaza Building

The society bought a building from Barclays Bank in the year 1999 at a total cost of Kshs. 12,962,450. The sale agreement indicates that the purchase price was Kshs. 12,000,000 which was paid to Barclays Bank whereas the balance of Kshs. 962,450 was an expenditure incurred while transferring the property and which

included 4% stamp Duty 4%, Lawyers Fee and registration of Transfer Fee, all totalling to Kshs. 480,000. This is in addition to Kshs. 482,450 incurred on verification and Valuation Fee and other incidental Expenses.

Records held by the society show that 424 members contributed Kshs. 4,009,500 towards purchase of the Plaza Shares while the remaining amount of Kshs. 8,952,950 was sourced from the society funds. The intention of the management at that time was to float all the cost to members to buy shares but it seemed that members were not interested forcing the society to spend money which should have gone to members as loans.

We observed that members were not involved in the purchase as the idea was not discussed at any of the meeting. The society later refunded all the shares paid by the members in respect of the Plaza Building making the overall cost of the building to be fully borne by the society. The inquiry was not able to see the title deed of the land but the management claimed that it was charged to Oiko Credit to secure loans. It would be prudent for members to own the Plaza by buying shares for it stands to tie about Kshs. 13 Million of Share Capital which should have been used to grant members loans. Also the current members will not benefit from the investment individually once they leave the society if they have no share in it, thus effectively passing on the building to the new members.

(ii) Nandi Hills Branch

The inquiry found that due to pressure from members from Nandi South, the society decided to open a branch at Nandi Hills to serve members from the area. The management identified an office which they entered into contract with the owner and agreed to be paying rent of Kshs. 5,000 per month. We noted that since January 2005, the society has been paying rent and the office has never been occupied for the last one year. This is a lot of money going into waste and the society should either occupy or discontinue the contract to avoid unnecessary expenses.

(iii) Plots

The society has three plots situated in Kapsabet Town i.e. one, an undeveloped Plot No. 471 next to Florida Hotel whose title the inquiry was not able to see. Second, Plot No. 472 next to Tegat Primary which we were not able to visit since the site of the plot is known by some people who were not available at the time the inquiry was at the society. It is said that there is no development in that plot. Lastly, the Plot next to Kapsabet Boys High School is situated along Kapsabet Eldoret Road. We visited the plot and noted that there were some signs of development to uproot tree stems. However, there plot is not fenced and that part of the plot has been fenced off by the school making the remaining portion too small. The plot also acts as a road to the adjacent houses and that the plot is said to

have a dispute with the school over the boundary. But we were not able to get records of management efforts following up the same and the claim that the allocation to the society was a road reserve was not dealt with since we were not able to meet the physical planning officer.

(iv) Lease & Renovation of Former FOSA

The society leased premises from Mr. Sylvano Arusei Chemengen on 30th December 1999 for a period of five years. We noted that the society was to pay rent of Kshs. 312,000 annually. The society leased the premises so as to operate a FOSA therein. The society renovated the premises at a cost of Kshs. 2,737,684 as per the contract agreement between the society and Shiv Construction Company Ltd. However, the payments for the renovation of the above premises were as follows:-

<u>Date</u>	<u>Cheque No.</u>	<u>Amount</u>
12.01.2000	017024	70,000.00
12.01.2000	017075	410,652.00
12.01.2000	017076	273,000.00
14.01.2000	017854	1,500,000.00
06.03.2000	018195	100,000.00
06.03.2000	018196	100,000.00
10.03.2000	018296	400,000.00
31.03.2000	018593	15,584.00
03.10.2000	025087	40,750.00
	TOTAL	<u>2,909,986.00</u>

The inquiry noted the following which we consider irregular in the awarding of tenders to Shiv Construction:-

- 1) The society did not float tenders or request for quotations in a bid to identify a competitive bidder.
- 2) It was not clear to us on how this works were conceived and how Shiv Construction Company Ltd. landed this tender. In any case the inquiry only came across the Articles of Agreement where the management signed an Agreement for a contract sum of **Kshs. 2,737,684** to carry out the renovations in an existing building structure into a banking hall with the tellers counters and back offices.
- 3) Although we consider the cost of the contract to be way above what it should reasonably cost, what is of immediate concern is the fact that the committee paid Kshs. 172,302 more than what was agreed.
- 4) The agreement was signed between the management and the company accountant and there were no witnesses as is normally done through a registered Lawyer and the contract to be sealed.

- 5) The renovation of the building was neither budgeted for nor approved by the ADM since no minutes were produced.

Although the lease agreement expired on 31st December 2004, the society continued using the premises until 11th May 2005. The landlord's Advocate gave the society a 10 days notice to the society to vacate the premises failure to which their goods were to be repossessed for Auction to recover rent arrears. The society did not respond to the notice and the Auctioneers attached society property valued at Kshs. 196,000. The attached items were:-

<u>Item</u>	<u>Quantity</u>	<u>Value</u>
Coloured T.V.	1	20,000.00
Batteries 75 Amperes	3	15,000.00
Nashuatec Copier (old)	1	75,000.00
T.V. B/W Great Wall	1	5,000.00
LG Gas Cooker S/S	1	6,000.00
LG Gas Cooker L/S	1	14,000.00
Solar Panel/Model Air	5	25,000.00
LG Radio Cassette	1	5,000.00
S/O Bicycles	9	<u>31,500.00</u>
TOTAL		<u>196,500.00</u>

The dispute over these items has since been resolved but the management has become reluctant to collect them from the Auctioneer although the rent arrears were cleared. From the lease agreement, the society was to bring the premises to its original state. However, the committee is arguing that the Landlord should pay some unspecified sum so that the society does not demolish the alterations since the kind of renovation done was complex. This is because demolition will not benefit either party. The inquiry noted that the society still pays for guarding the premises until it is eventually handed over which we feel is making the society loose more money.

(v) Purchase of Computers & Soft Ware

At a committee meeting held on 11th August 1999, the society committee resolved to purchase 10 computers. The society did not invite quotations for the same but the Manager wrote to Computer Feeds Consultants Co. Ltd. requesting them to submit their estimates. The same were received and discussed by the management and on 29th March 2000. Computer Feeds Consultants Co. Ltd. made an agreement with the society for a service contract and supply of soft ware and hardware all at a value of Kshs. 3,420,130. However the consultants were paid Kshs. 5,474,800 resulting to an overpayment of Kshs. 2,054,670

The Inquiry also observed that there are currently only nine computers at the society while one of them was taken by the Manager for repair and has not been returned by the time of concluding this report.

(vi) Purchase of Stationery

Purchases of stationery like other items procured have not been done as per the requirement. We noted that stationeries are always obtained without quotations or tenders being floated. Even then, no requisition orders are made and no body checks on the items bought if they tally with the invoices received. Lack of control causes overstocking.

(vii) Hiring of Cleaning Services

The inquiry found that cleaning services were awarded to Vione Company sometimes in April 2002 although management committee minutes would imply that the award was made in September that year. As per the minutes of 1st September 2002 whereby the management awarded the tender to Vione yet they had started working in April for they were demanding payment for arrears of five months at the time of awarding the tender. The inquiry noted that hiring was not properly done since the society did not invite tenders or quotations for cleaning services. Another irregularity observed was that the company normally increased charges without negotiating with or at least getting the concurrence of management.

At the time of awarding the tender the company was charging Kshs. 10,000 but then raised to Kshs. 15,000 as per their request letter to the Manager and then to KShs.30,000 as per another request letter. Both were approved by the manager, and not management. The company representative confirmed to us that the tender was always executed verbally. The inquiry observed that the company was doing a satisfactory job and that it is associated with a Mr. Tile who is a staff member of the society.

3.7 RISK ASSESSMENT

The physical security at Nandi Teachers SACCO does not pose any risk since the buildings are strong and that it is guarded by two armed APs from 8 o'clock morning to 6 o'clock in the evening everyday. In addition the society has engaged a security firm whose men guard the premises around the clock every day. The Plaza itself was build by the standard and specifications requirement of a bank, because the building was for Barclarys Bank and fitted with Alarm system and modern Burglar proof doors.

However, the internal control system was of great concern to us. It is not expedient to expose most of our worries here as they may also be a risk in itself and therefore suffice it to say that the internal control system poses a serious risk

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and threat to the safety and soundness of the SACCO. The recording and authorisation systems are weak and abet fraud. Although the society has taken insurance cover from Co-operative Insurance Company from the year 2004 the inquiry noted that the society has not paid the arrears amounting to Kshs. 2,166,671 in respect of the following policies up to the year ending May 2006.

POLICY TYPE	2005	2006
Fidelity Guarantee	49,981	50,106
Cash in Transit	204,983	205,495
GPA [Committee]	44,489	44,489
GPA (Senior) Staff	21,042	21,042
GPA (Other) Staff	18,938	18,985
Fire Industrial	8,522	8,543
Fire	5,000	
Burglary	40,585	25,629
Loan Guard		2,165,163
	393,540	2,539,452

Grand Total	-	2,932,993
Less: Amount paid during the year	-	<u>766,321</u>
Balance		<u>2,166,671</u>

The society therefore cannot be said to be fully covered in the event of any incident. Other anomalies noted in terms of the loan guard policy include lack of management minutes which approved the policy and that there are no clear record to show the names and loan insured under this policy.

3.8 MEMBERS COMPLAINT

The inquiry investigated complaints that were written by some members on the handling of the society affairs by the management committee and the service provided by society employees. However, in this section we will only allude to those issues that may have not been answered by the inquiry. Those may have been deemed to have been answered will not be mentioned.

(i) Closure of Society offices

Following persistent complaints raised by members on the manner in which the management committee was running the affairs of the society, four members convened a meeting at Kicphoge Stadium on 15th October 2005. It is alleged that about 200 members attended although when interviewed, the convenors did not produce a signed list of the participants of this meeting. According to the minutes prepared during that meeting, the convenors were Interim Chairman, Mr. Josephat Serem of Kalyet, Master of Ceremony, Mr. George Rop of Namgoi, Mr. Noah Kurgat of Tegat, and Secretary, Mr. Joel Kenduiywa self styled as the Technical

adviser. The meeting's agenda were to discuss problems in our SACCO, how to revamp it, and illegal deduction of Kshs. 5,000. The list of participants of the meeting forms Annex II of this report.

After over 8 hours of deliberations, the participants resolved to raise money for purchase of locks and all teachers to proceed to lock the Nandi SACCO offices and that an interim committee which was elected at that meeting to take charge of the affairs of the society. Suffice to mention that the society's office was subsequently locked only to be re-opened through a court order obtained by the incumbent management committee. The inquiry noted that one of the conveners of the meeting who was also elected as Secretary and Technical advisor Mr. Joel Kenduiywa had long ceased membership with effect from 1987 and therefore lacked capacity to transact any society business. Equally, the conveners of the meeting never followed the rule of law as provided in section 27 (6) & (7) of the Co-operative societies Act. The society bylaws provide the quorum as $\frac{2}{3}$ of the total number of delegates which works out to 170.

(ii) FOSA Shares

In an Annual Delegates meeting, the society agreed and resolved that all the members contribute Kshs. 5,000 in instalments of Kshs. 500/= each towards the purchase of shares in the FOSA so as to increase the capital base in the activity to ease advances. The idea was not floated to the general members of the society effectively, and this prompted complains from members since they were not aware and they therefore thought they were granted a loan they never applied for and which they never received. We also established that though the fund was supposed to be shares, it was treated as a loan and attracted interest of 1% per p.m. which we consider irregular.

Our position is that this was a good idea but the manner in which it was passed to members and the way it was implemented left a lot to be desired. Management should stop making hurried decisions which affect membership without proper consultation with the members. Even good ideas if not executed well with enough publicity can cause difficulties. We noted that deductions have since been discontinued.

(iii) Kenya Revenue Authority

We also noted that the society has not been paying both corporation tax as well as withholding tax in respect of registered accounts and dividends paid for the last three years. Our visit to the authority revealed that the society has a balance of Kshs. 2,168,500 which stands unpaid in respect of registered accounts up to the year ending 31st December 2004. We therefore advise the management to clear the above debt to avoid further penalties.

(iv) Kenmosa Farms

The society bought three farms measuring approximately 300 acres on behalf of its members in the year 2000 from Kenmosa farms or former EATEC in Soy. In addition the society acquired another block measuring approximately 100 acres from farms bordering the kenmosa farms. The inquiry established that the society has subdivided one block of the Kenmosa farms into smaller portions which have been allotted to members and that block two and three are said to have been transferred to the society but have not been finally transferred to members. The inquiry noted that block four is yet to be transferred to the society and the sellers offices currently remain with one person whom we never established whether he can facilitate the transfer.

It was established too that the Advocate dealing with the transfer of the farms is Tuiyot Nyaundi and Co. Advocates of Eldoret. When the inquiry made inquiries with the firm, we were not assisted in respect of complaints raised by members over the project. However, we noted that some of the dispute over the land is now in court but no ruling has been made and that the staff who were dealing with land purchase were not free to provide useful information on the matter hence they left us with more questions than answers. What is more is the fact that the society never kept good records in respect of the farms to establish the actual cost of land although we noted too that some beneficiaries have obtained titles despite the society officials indicating that titles have not been processed. The committee claims that mutations got lost before being registered.

(v) Fraud

The inquiry noted that there is a lot of fraud going on in the society. Fraud is being committed by the society management with the assistance of some members of staff. Money withdrawn from the bank would in most cases not reach the society intact. The payee would in some cases retire part of the money withdrawn to the society or at times fail to retire the whole amount. Also, to cause confusion could transfer part of the money to the National Bank of Kenya account at Kapsabet,

The inquiry noted that although Mr. Benjamin Kosgei (a member of Executive Committee who had served in the society for a long time as a Treasurer) did not himself commit any fraud, but for some reason was abetting fraud by signing cheques in advance which 'others' took advantage of. We were not able to get the names of payees' in all the cheque leaves obtained from the bank as some have been written "Cash" instead of the Payee's name. Also the bank was not able to furnish us with some of the cheque leaves for they were transacted on dates different from that appearing in statement hence needed more time for them to trace.

Some of the staff involved in the fraud whom we interviewed testified that they could be sent to the bank to withdraw the cash and later hand over everything to either the Manager or to the members of the management, and therefore had no idea of whether the cash reached the society or not. Since the inquiry was not provided with adequate proof through supporting documents to prove, we deduced that the cash never got to the society. An amount of about Kshs. 63,983,105 is considered to have been defrauded from the society. Details of those involved and the amounts handled by each forms annex III of this report. However, we need to state here that we were not able to exhaustively conclude everything on the subject since some bank statements were not availed to us by the time of finalising this report.

(vi) Loan from Oiko Credit

The society borrowed a loan of Kshs. 60 Million from Oiko Credit Ecumenical Development Co-operative Society which is an institution organized under the Laws of the Netherlands and has its operations in Kenya. The purpose of this loan was to supplement the society's insufficient funds to give loans to its members whose backlog was more than one year. When the funds were received, they were diverted into other uses and only about $\frac{1}{3}$ of the funds were given out to members. The loan was spent as follows:-

1. Kshs. 25 Million was paid out to members as 2004 dividends
2. Kshs. 14 Million was used to clear a K-Rep Bank loan balance, because the society was persuaded that the Oiko loan was cheaper than the K-Rep one in terms of interest repayment.
3. Kshs. 21 Million given out to members as loans.

The loan was approved on 28th October 2004 and was disbursed on 4th May 2005 to Nandi Teachers SACCO Society Ltd. The loan approved was for Kshs. 60 Million and its terms and conditions included a six years repayment period in three monthly instalments at an interest rate of 10.31%. The principal amount payable after 3 months is Kshs. 2,500,000 whereas the Interest rate payable after 3 months was Kshs. 1,423,627. The conditions also specify a 1% penalty per month for late payment exceeding 90 days (3 months)

We observed that the society paid the 1st instalment and part of the 2nd instalment resulting to an outstanding balance of Kshs. 923,627. Secondly the 3rd instalment was due on 27.1.2006 and by the time we were writing this report, the society had not remitted the payments to Oiko Credit. This implies that the society had defaulted which exposes the society into being burdened the more by applying the penalty clauses and if the trend persists, Oiko Credit will eventually realise the society securities which constitute all Society plots' with title deeds including the plaza building.

4.0 RECOMMENDATIONS

The inquiry has analysed its findings, evaluated its implications and made recommendations on the basis of the applicable law and in compensating the society any loss occasioned by the negligence of those charged with responsibility. Further, we have endeavoured to recommend measures that if implemented will increase the efficiency of society operations.

4.1 SOCIETY BY-LAWS

The inquiry found nothing wrong with the bylaws as registered by the commissioner on 25th February, 2005. However, in view of the fact that the committee faked minutes to appear as though there was a meeting, we recommend that the commissioner invokes section 9 so that he cancels the registration and that members be given a chance through its proper organs to decide on the law. This is because bylaws are such important as they constitute the internal and only unique constitution of a society and that it serves as a unifying factor and identity of a society.

4.2 SAVINGS

(i) Part withdrawal of shares

The Inquiry found that some members are allowed to withdraw part of their Shares against clearly established procedures of the savings activity. As noted this not only dislocates the savings activity but also destroys its basic principles. The inquiry recommends that all those who were allowed to withdraw part of their Shares be given a target to recoup what they withdrew within 90 days.

(ii) Serving Non Members

This is a serious breach which may be used to bar the society from offering FOSA operations. It should be noted that FOSA operations are conducted within the principles of the co-operative movement. Therefore the FOSA should never ever be used to admit non members through the back door. Granted should the society be under threat due to shrinkage of membership; it should expand its field of membership through amendment of its bylaws. In this regard we recommend that the society to close within 90 days all accounts belonging to persons who are not within the registered field of membership but have been allowed to operate accounts in the FOSA.

(iii) Overdrawn Accounts

As was noted, some members have been allowed to overdraw their accounts maintained with the FOSA. It is recommended that all overdrawn accounts to be regularised within three months. This is aimed that revamping *the* FOSA. All those who maintain accounts at the FOSA must comply with the minimum Savings requirement which is recommended to be increased from Kshs. 600 to Kshs. 1,000.

(iv) Advances

When the FOSA is deemed liquid enough, the committee may then advance deserving members advances which must be short term but in any case not more than 3 months at any particular time otherwise the member should apply for a loan.

(v) Internal control

The society urgently requires a manual that describes a system with adequate internal control system to efficiently and effectively serve the needs of the society. The system should specify how often and by whom reconciliations will be done, what and by whom certain mandatory records have to be made, opening and closing of day processes and many others. We suggest that the commissioner urgently sends an expert to assess the defects of the current software in order to see whether it can be redeemed. At the same time management should assess on the entries on members savings accounts and fixed deposit accounts together with the interest credited to them in order to reconcile them and obtain correct balances. The society should assess on the incomes reflected as having been earned by FOSA from the year.

(vi) Cash Planning

Daily cash planning is the responsibility of the FOSA Manager. He should be held accountable for any lack of funds for services. However he should be given the opportunity to exercise this responsibility. The committee may only be involved in signing of cheques but not planning how and by whom the cash will be transferred from the bank to the society.

(vii) External Arrangements and External borrowings

Although external arrangements or even borrowings are the easiest ways of bridging the financing gap, its impact is devastating to the growth and expansion of the SACCO. One, interest charges deprive the society the much needed funds to build members and the institution. It would be useful to provide solution which in the long run will affect the entire society in a positive sense.

In this regard the inquiry recommends that the society management makes plans to clear all external arrangements within one year. A variety of methods will need to be employed to achieve a balanced programme that do not starve members of service but at the same time that gradually eliminates reliance on external support. Once the programme is made it must be presented to the commissioner for approval and information provided to members for their noting.

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4.3 LOANS EVALUATION

(i) Harmonisation of operations between back office and FOSA

One of the cardinal principle in the operations of the FOSA as an integral service of SACCOs is to develop the teller service for SACCO members. The only viable way to operate a successful FOSA is to link it with back office operations. The back office will either deal with the writing of books and leave the savings activity and loaning to the FOSA or retain the traditional savings activity and also maintain the writing of society books. The choice of a suitable system will depend on the needs of the society. It would seem that Nandi Teachers fell the same trap that many SACCOs fall in by regarding FOSA as an independent organisation from the SACCO. Just like a body has many parts, so the SACCO can have many activities. Similarly, like all body parts work in harmony with one another so the society activities must be harmonised.

The main SACCO account must be dedicated to the service of members and that a careful cash planning should be done so that there will always be funds available for the services offered such as savings withdrawal, loan credit to savings for withdrawal and advances. In other words the SACCO should provide truly financial intermediation. We also recommend that this account be signed jointly with two committee members and two staff members to avoid signed cheques being left with the society which may abet fraud.

(ii) Use of Multiple Cheque books

The society needs to operate optimum bank accounts for its needs. However, each account must utilise one cheque book at a time. And that timely reconciliation is made on each account to determine the exact position as concerns the available cash for services. The society must immediately **Cease and desist** from the use of multiple cheque books on any account.

(iii) Postings of Savings and Loan Accounts

The management committee should endeavour to update all the members' records to reflect a proper position for better decision making in loan granting. In addition the committee must put in place a programme not only to trace loans but also to recover all the amount of loan defaulted from either loanees or their guarantors. The recoveries should be closely monitored and there should be no other advance to such members until the defaulted amount is fully recovered. The society management must at all costs adhere to the very laws it makes when dispersing credits to its members.

(iv) Adherence to loan policy

The management committee should immediately but not longer than three months draft and present to the members a loan policy which should be the guiding factor in loan granting. The loan agreement form is an integral part of loans contract and

should therefore be adequately filled by the concerned parties. Before any loan is appraised, it should be the duty of society staff to ensure that all details are clearly filled. After approval, the society should issue a loanee with a notification that the loan has been approved and the expected time to check for the payment in the account indicated.

Secondly, the management committee should completely stop the idea of giving out loans to members on instalment basis. It causes a lot of confusion and contributes more to the double deductions which are rampant in the society. Through cash planning, the society should issue loans that it can finance only. What the society is in dire need is savings products rather than loan products.

(v) Bouncing Cheques

The management should also see to it that there is always funds in their bank accounts before issuing out cheques, to avoid the idea of bouncing cheques which is very common in the society and damages the reputation of the society. The inquiry recommends that with immediate effect signatories who sign a cheque and it bounces be held accountable by the commissioner surcharging the signatories an amount not exceeding Kshs. 20,000 per transaction.

(vi) Erroneous deductions

Staff filling the data sheet for members loans should be closely monitored in order to reduce double deduction and to stop posting non existent loans referred to by members as "Ghost Loans". The management committee should never be entertained in the list of defaulters since they are the ones charged with the responsibility of managing and executing credit policy on behalf of the members.

4.4 SOCIETY PERFORMANCE

(a) Society Meetings

Minutes books are accountable documents of the society. The inquiry therefore recommends that at all times, minute books be maintained and kept at the society premises. Furthermore, all pages within minute books should be serialized for easy detection of any plucked out pages. It should be the responsibility of the society's Hon. Secretary to make sure that all minutes are available in the books and copies of the same are filed in management committee members' files and the District Co-operative Officer's office in compliance with section 93A (b) of the Co-operative Societies Act (amended 2004). Meeting should only be held when there is enough business and those allowances are only paid on production of minutes. Further, the Supervisory committee should maintain its independence as stipulated in the law

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(b) Personnel

There is an immediate need to review the current terms and conditions of service for the society personnel since the one in place which was formulated in 1992 is shallow and has been overtaken by regular changes due to time. The society should seek assistance from the commissioners office if they so desire in the implementing this provided that after completing the excise they should comply with Rule 27(2). Areas to be considered should include Categories of appointments, Staff designations, Working hours, Employment conduct, job description i.e. title duties, responsibilities and whom to report to; Remuneration of the society employees i.e. salary structure, various allowances, Overtime, Promotions, Leave, Other fringe benefit, Discipline, Termination of Service, Certification of service, Annual appraisal and any other

Since we noted that staff have never been assessed since joining the society we feel that this should be done periodically using appropriate designated forms to assess the suitability of placement or recognition in terms of promotion or rewards. The current individual staff deployment structure in our view is not proper since they are not based on qualification. Such arrangement if left to continue would lead to low staff morale. It should also be noted that good staff performance calls appropriate deployment on the basis of skills and experience. Due to this background, the Inquiry recommends that the management committee should carry out staff assessment performance and qualification aimed at re-organizing the entire staff structure. In so doing, the committee should be guided by academic and professional qualifications and past performance record. The exercise may be performed through assistance from the provincial Co-operative Officer's office.

The Inquiry further recommend that in the process of the above exercise, redeployment for effective performance should be done diligently without favour for the benefit of good service to members and other interested parties. Also personal numbers for staff members should be maintained and they should have personal files whereby one file should be for general correspondence, the other one for society's membership records and the other should be confidential to contain confidential matters. Besides, confidential files should be kept under key and lock out of reach by the concerned staff. Staff members should also be encouraged to privately undertake professional training and for those who excel, the society should in one way or the other recognize such efforts through promotions or good motivation aspect. Staff members being society members do enjoy the benefits of dividends in case of surplus realized. To this end, members of staff must get loans as per the laid down policy guidelines whereby loans granted must be paid together with interest within the stipulated period and for considering age in granting loans so that one should not be having huge loan at the time of retirement. The management committee should research on areas of staff motivation under a well

laid down amended terms and conditions of service. This could create staff confidence and retain competent and qualified staff.

(c) Members Register

The society should immediately open a members' register and give all members society numbers. The use of employer's personal numbers as the society membership numbers should be stopped forthwith. This personal number may only assist the society while maintaining other detail of the member and may be maintained alongside the member number, identity card number and name for ease of location in time of searching them through the records maintained by the society computers. At the time of undertaking the exercise, members should expressly be informed of their new member numbers.

Management committee members should abide by the society By-laws on matters pertaining to admitting new members and the current members should formalize their admission by providing two passport photos to be affixed in their membership files and on members Savings accounts. Also to be presented is a certified copy of the national identify card which will guide the management committee on ages of members at the time of loan processing. Furthermore the society should maintain a register of members' shares and for members' investments and a nominee register as stipulated in the legislation. Members who bought shares in Nandi Tea Estate and Co-operative Bank of Kenya Investment should be issued with Share Certificate after completion of payment of shares.

(d) Assets Register

To open Assets Register for all the Assets of the society and maintain copies of titles in the event of them being charged to secure loans.

(e) Next of Kin Cards

The inquiry recommends that the society introduce the next of kin cards so as to avoid possible future litigations.

(f) Telephone

The inquiry recommends that telephone expenditure should be properly controlled to avoid high spending on the item. The society should preferably be on prepaid method and conform to budgetary provisions.

(g) Income and Expenditure

The inquiry recommends that the expenditure which is always way above budgetary provisions should be controlled to match budgetary provisions. Expenditure on financial and staff takes a large share of total expenses and therefore measures should be taken to reduce on the same so that surpluses are distributed to members. The committee should desist from making frequent and

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unplanned trips to the society for the purpose of making claims. Expenses must be properly authorised before being incurred.

(h) Payments through FOSA

The inquiry found that the chairman Mr. Birgen, the Society manager Mr. Kirwa and others on diverse dates requested and were paid a total of Kshs. 1,132,777 which in our view was not accounted for properly. We therefore recommend that the commissioner considers surcharging the Chairman Mr. Birgen Kshs. 90,000 and the society manager Mr. Kirwa Kshs. 463,477 which is traceable to them. In addition the amount of Kshs. 429,300 treated as "others" be surcharged on even basis to all the management and the Manager.

(i) Educational tour

The inquiry recommends to the Commissioner to consider surcharging the manager Mr. Samuel Kirwa for the unaccounted cash of Kshs. 555,000.

(j) Bookshop

The Inquiry finds the three officers who signed for the withdrawals of the unaccounted cash of Kshs. 544,053 guilty and holds them responsible for the loss that the society incurred. We therefore recommends to the commissioner to consider surcharging the three, Mr. Ben Rugut, Sammy Kirwa and Antony Tarus Kshs. 181,351 each. The inquiry makes further recommendations as follows: -

- ✓ There should always be daily summaries of sales and purchases done.
- ✓ Entries made should be counterchecked to eliminate the occurrence of any errors in postings.
- ✓ The bookshop to maintain Stock cards for monitoring the movement of stocks and also to establish the stock level at any particular time.
- ✓ Stock taking should be regularly done, at least once per month.
- ✓ Cash sales should be banked intact before spending. The bookshop should operate a standing imprest to avoid misuse of funds.
- ✓ Members need to decide the fate of the dead stock.
- ✓ The bookshop should carry out its operations independently from the Back Office so as to establish its viability.
- ✓ The confiscated stock by the Auctioneer should be returned to the Bookshop.
- ✓ Proper advertisement should be made, to create awareness to the public about the new location of the bookshop, so as to attract more customers.

(k) Computer software operations

The inquiry is of the view that the computer software in use at the society is of no benefit to society operations. However, since we cannot pretend to be experts in this area we recommend that the commissioner sends a team of experts to evaluate

the entire system. However, more importantly is to effect serious changes operations of the system by first, checking on all interests paid to members accounts since the introduction of the system and recover what was paid unfairly like those accounts which were overdrawn. Secondly, the society must put a programme of retracing all loans that have been issued over time to confirm and ensure that they were recovered. If it is shown that for some strange reason the loan was discontinued and never recovered in full, it should be fed into the system for full recovery with interest.

4.5 FINANCIAL INVESTMENT

(i) Investment in Trade Stocks

The society should learn how to appraise an investment and Must in future make wise decisions on where to invest and areas where maximum benefits can accrue to the society. The heavy investment especially that of Kshs. 40 Million shares purchased from Co-operative Bank by using funding from the same bank was most unwise. The society should not be coerced by institutions to enter into such investments any more. To be able to come out of the liquidity problems in which the society finds itself, we recommend that since some members have managed to purchase some of the shares, the society puts up the whole stock for sale to its members and arrange to have a direct transfer of the shares to those who would have bought the stock. The amount so raised should go towards liquidation of the loan and should be achieved within six months. This will be aimed at first unburdening the society and secondly to help increase the cash circulating in the society, since so much money have been tied up in the investments.

(ii) Treatment of Nandi Tea Rebates

We recommend that the society either transfers the Nandi Tea share directly to the beneficiaries or maintain a register such that when rebates are received the only administrative cost should be the savings processing fees applicable at the time to each account holder and should be processed as any savings into the concerned member's account. The investment should not form part of the society's investment but the accounts should only reflect an investment of 388 Shares.

4.6 PROCUREMENT

(i) SACCO Plaza

Members must decide at an ADM or SDM the mode of ownership of the SACCO plaza. Carefully weigh the options, future benefits, against the backdrop of current liquidity problems and service delivery. We advice that it will be more beneficial to the current members to own a stake in the SACCO plaza. If this position is preferred, then, we recommend that the society promote the registration of a Housing Co-operative owned jointly between the SACCO and Members. In this regard the society will offload 80% of the cost to the current 4,000 members such that every member pays Kshs. 3,000 through cheque off system or by cash and

then be issued with a share certificate upon completion. The SACCO may still remain on the building on tenant status. Members will then benefit in terms of dividends depends on the share holding.

(ii) Nandi Hills branch

The society management need to decide urgently on the fate of the Nandi Hills branch. It is irresponsible of the Management to continue draining the funds of the society for more than one year now on unwarranted expenditure. We wonder what is difficult to make a decision either to open the branch or discontinue it. In any case, why did the management hire the premises in the first place? These and many other questions beg for answers. We therefore recommend that the commissioner considers surcharging the entire management committee of the expenses incurred in hiring the premises without be utilised to offer services which now stand at Kshs 65,000 as of end of January 2006..

(iii) Society Plots

It should always be remembered that SACCO business is not land accumulation but financial intermediation. The inquiry questions the involvement of the society in a number of plot transactions. Yes, it is helping members own property but these activities do not support its primary objectives. We therefore recommend that management must move fast to acquire all the titles for the plots within one year, should establish the fate of the plot near Kapsabet Boys and report the findings to the members and to have members decide on the future of those plots with a view to disposing them.

(iv) Lease and Renovation of former FOSA

Section 28(6) of Co-operative Societies Act states that "In the conduct of the affairs of Co-operative Society the committee shall exercise the prudence and diligence of ordinary men of business and the members shall be held, jointed and severally liable for any losses sustained through any of their acts which are contrary to the Acts, Rules, By-laws or the directions of any general meetings of the Co-operative Society". In view of this, the Inquiry recommends to the Commissioner to consider surcharging the entire committee and the Manager who were in office and who institute the renovation of Kshs 172,302.

The Inquiry also recommends that the current management committee be held responsible for the society property being held by the auctioneer valued at Kshs. 196,500. In the event non return to the society all the property in a working condition within one month, the commissioner be requested to consider surcharging the nine committee members and manager who were in the management at the time of repossession of goods.

(v) Purchase of Computer Hardware and Software

The inquiry found that the management committee over paid in the procurement of the computer software and its service contract to the tune of Kshs. 2,054,670. The inquiry therefore recommends that the commissioner considers surcharging the Management committee and the manager who were in office the overpayment of Kshs. 2,054,670/= for the above contract as per that collective responsibility.

The Management should also recover the missing computer from Mr. Samwel Kirwa (Manager) or the same be reported to the Commissioner for Co-operative Development for surcharge at the current market rate.

Lastly, we recommend to the commissioner to consider requesting the Kenya Revenue Authority to investigate the vendor of the computer software and Aldai Business company on whether they paid the relevant government levies in these contracts and that since they were very un co-operative they be barred from trading with any co-operative society in the country.

(vi) Purchase of Stationery

The inquiry recommends that management be held responsible for any losses incurred on this activity which should immediately be organised better by one, opening stock control cards and monitoring of receipts and issues of stationery. Secondly establish re-order levels to avoid overstocking. And lastly countercheck invoices with receipts of goods.

(vii) Cleaning Services

The inquiry recommends that cleaning services be subjected to competitive bidding and that the management committee should procure competitively and be renewing the contracts on an annual basis. Management committee members are cautioned not to deal with customers of doubtful integrity and performance. Transactions involving large amounts should be tendered for and the C.V. of each tenderer demanded with previous track record.

4.7 RISK ASSESSMENT

The internal control system in the society as concerns cash and non-cash transactions is very poor. This has led to a lot of money being swindled out of the society. Proper policy guidelines should be put in place to ensure that any cash withdrawn from society's banks reaches the society and properly entered in the Treasury. The issues from Treasury to the tellers should also be keenly monitored with the days transactions reconciled and certified by the Chief Cashier or the FOA Manager. Surprise checks on Treasury cash should be carried out and also rotation of duties be encouraged to allow discoveries of weaknesses. An Assets Register should be maintained by the society to help trace any loss of asset which might come up. It is absurd to notice that the Inquiry Team had to count some

assets to establish the number since the staff could not be able to know how many they are or to produce any record towards the same.

4.8 MEMBERS COMPLAINTS

(i) Closure of Society Offices

One of the most unfortunate incidences that occurred affecting Nandi Teachers SACCO and which we condemn in the strongest terms is the closure of the SACCO offices by a clique of a few members even unashamedly called the support of non members to drive their point home. It is true that the group had merit in what they were asking for, but did they exhaust the available legal redress? The answer to this is no. Why then did they have to resort to uncivil manner in addressing issues? What gain was it meant to achieve? In the circumstances, found the persons who convened and those who participated in the meeting of 15th October, 2005 that they breached statutory requirements. Those who took the law into their hands need to count themselves lucky for not finding themselves behind bars.

(ii) FOSA Shares

Although the idea of revamping FOSA operations through share capitalisation was a good idea, nevertheless the way it was implemented left a lot to be desired. We are of the view that the amount already contributed for two months utilized as the members would decide.

(iii) KRA and CIC

To avoid litigation or freezing of bank accounts, the society is obliged to pay outstanding withholding tax due to Kenya Revenue Authority and the Insurance covered by the Insurance Company. The Inquiry recommends further investigations into the demand by the Co-operative Insurance Company of the payment for loan policy cover because we are not satisfied that any policy of this type was taken since the society has its own policy covering members loans. In the event that the above demand is proved false the society should demand the already payment of Kshs. 766,000 be utilized for payment of the other policies.

(iv) Kenmosa Farms

Management should first and foremost ensure that there are records of the beneficiaries of Kenmosa plots. Secondly, ensure that within one year the society has transferred the plots to the beneficiaries since the activity continues to eat into the resources of the society.

(v) **Fraud**

The inquiry strongly recommends to the commissioner to order further investigations on the subject as it would likely open a can of worms. The staff and committee members involved should be held accountable for the fraud. Further where there are no payees on the face of the cheque leaves, the signatories be held accountable.

(vi) **Oiko Credit Loan**

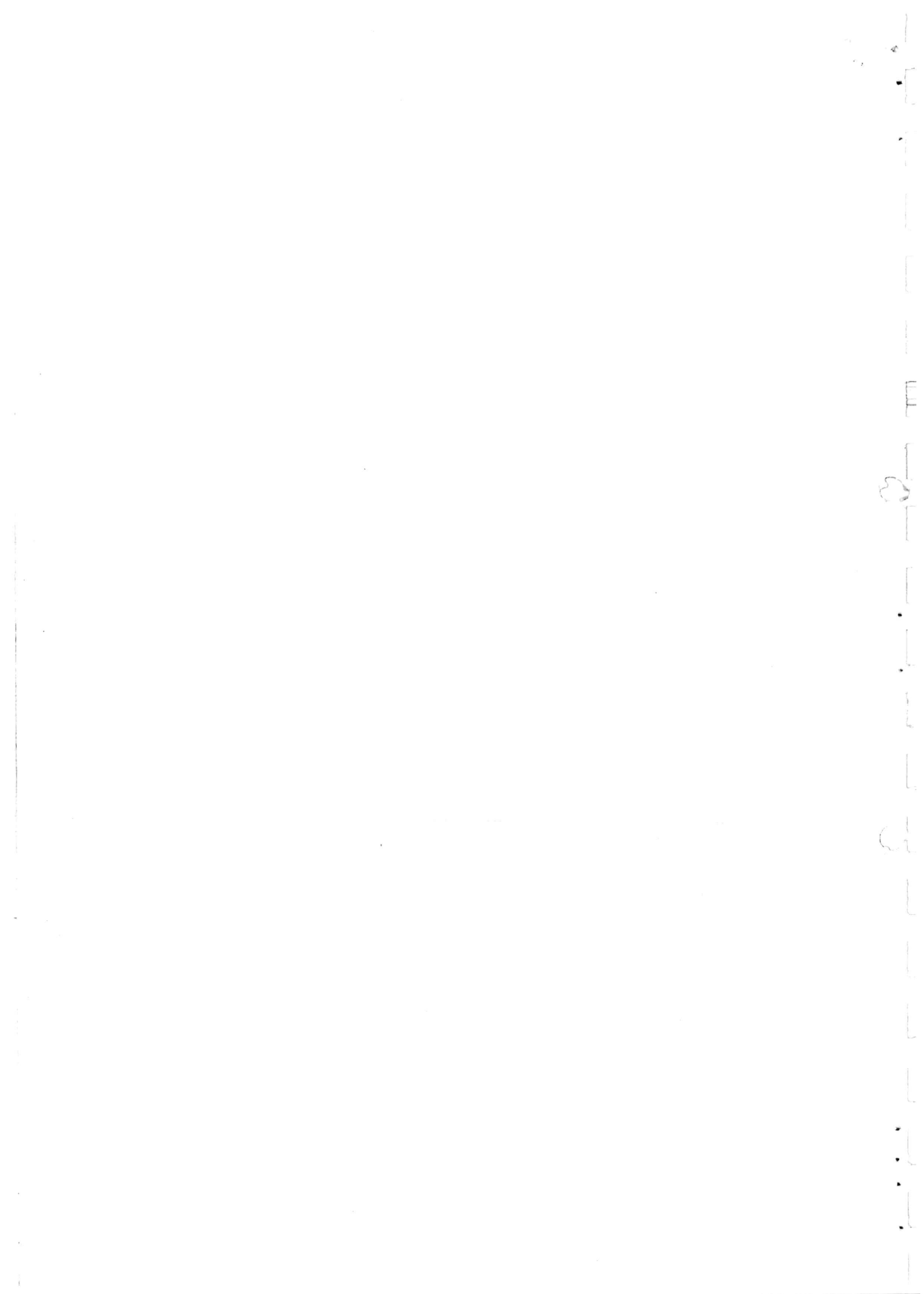
The inquiry recommends that the society should through the funds being raised to revamp the society be scheduled to clear the Oiko Credit loan credit loan within a year. This will be painful but will save the society from further burden and consequences of default.

5.0 CONCLUSION

The measures we have outlined in this report will require the support and participation of every member who is mindful of the survival of Nandi Teachers SACCO as an institution. In the circumstances, it will be necessary for members to give fresh mandate to a team of members who can rebuild the lost trust, confidence and aspiration. To say the least the current management have been a great let down. In this regard we have no option except to order the dissolution of the entire committee including the supervisory and in its place recommend that an interim committee of five members be elected to manage the affairs of the society for a period not exceeding 90 days during which they must organise proper elections for delegates. We also recommend that this report be read to members during delegates' elections.

We cannot conclude this report without a word on the behaviour of some members of staff. We realise that their main duty is to manage the day to day affairs of the society. But, the behaviour of four members of staff left a lot to be desired. These are the manager, Mr. Samuel Kirwa; the FOSA manager, Mr. Patrick Lelei; The bookshop manger, Mr. Anthony Tarus and Ruth Serem. These abused the privileged positions of trust. We order that their services be terminated.

In the interest of safeguarding assets of the society, it is desirable that we order which hereby do, that accounts held by committee members and the staff mentioned herein be frozen in addition bar the withdrawal of any share holding that they be having in the society until they satisfy the commissioner that it is necessary to re-open them again. We recommend too that those who participated in the management of the society be barred from holding positions in any organ of the society for a period of five years. Finally, we recommend that the commissioner

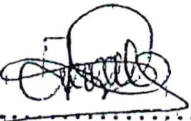


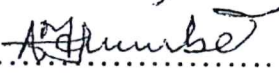
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requests other arms of law enforcement agencies to take clear cases of suspected misuse of office and fraud.


We take this opportunity to thank all members for their patience. Thank you and may God bless you.

Date: 2/2/2006

Sign: 
PHILIP A. KOREMO

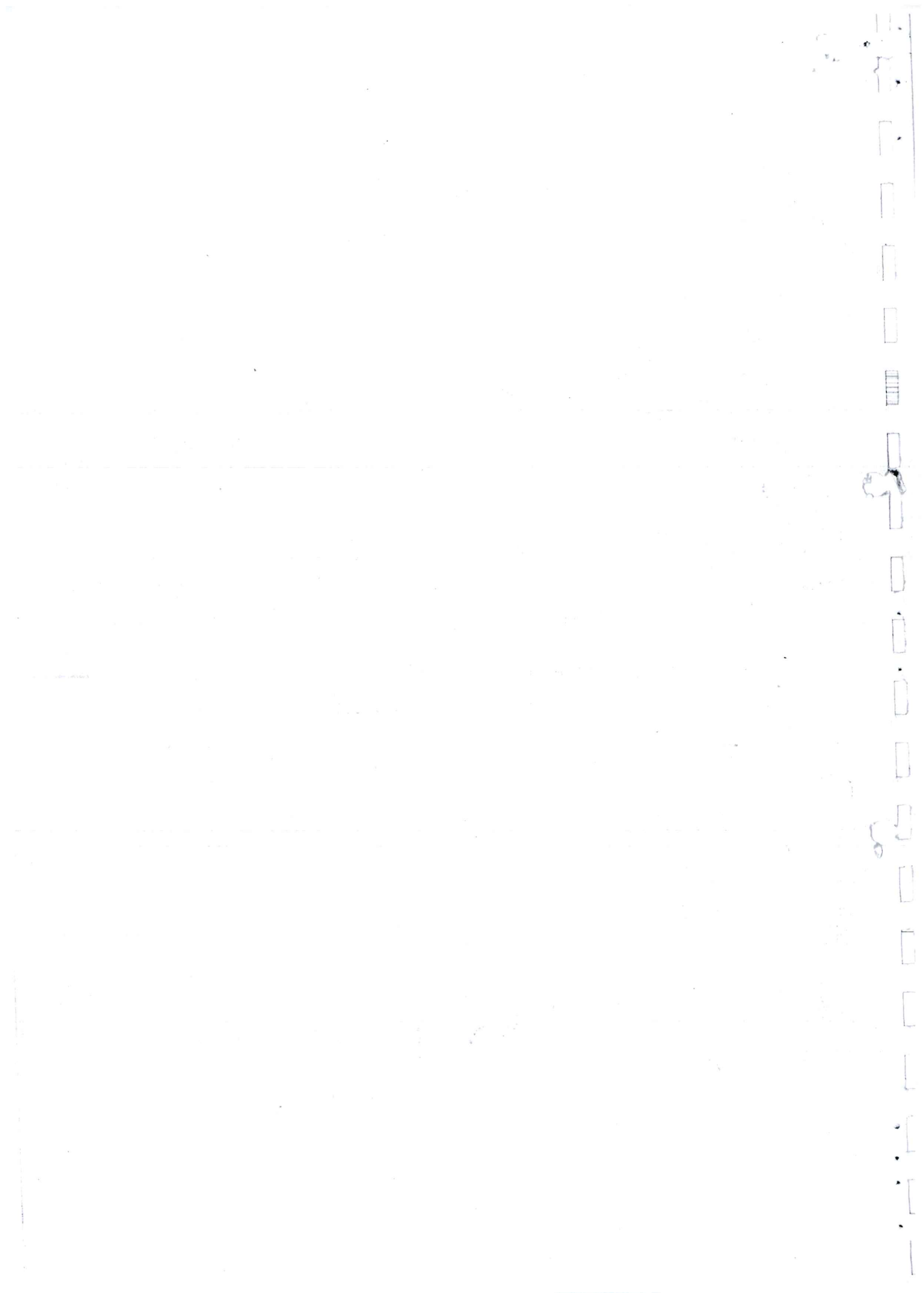
Sign: 
MRS. AGNES MACHORA

Sign: 
JOEL K. BARBENGI

Sign: 
MRS. RISPER OMUJA

INQUIRY OFFICERS

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REPORT PRESENTED
TO
PARLIAMENTARY COMMITTEE

BY

CHAIRMAN FREDRIK SONGOL

ON

BEHALF OF RETIRED TEACHERS WHO WERE MEMBERS

OF

DEFUNCT NANDI TEACHERS SACCO

BETWEEN

1978 – 2010

OVER OWNERSHIP

OF

FORMER BARCLAYS BANK BUILDING IR NO: 5806 1.181\370

AND

TRANSLITE SACCO


PRESENTED ON 22ND MAY 2025 AT 8.00 AM AT KAPSABET.

PREPARED BY:

CHAIRMAN FREDRIK SONGOL.....

SECRETARY ROBERT SAINA.....

TREASURE BENSON CHIRCHIR.....

JOEL KENDUIYWO.....

KNOWNT PRESENTED

TO

PARLIAMENTARY COMMITTEE

BY

CHAIRMAN FREDRIK SONGOL

ON

BEHALF OF RETIRED TEACHERS WHO WERE MEMBERS

OF

DEFUNCT NANJI TEACHERS SACCO

BETWEEN

1978 - 2010

OVER OWNERSHIP

OF

FORMER BARCLAYS BANK BUILDING IR NO: 2806 1181/370

AND

TRANSITTE SACCO

PRESENTED ON 22ND MAY 2022 AT 8:00 AM AT KAPSABET

PREPARED BY:

CHAIRMAN FREDRIK SONGOL

SECRETARY ROBERT SAFA

TREASURER BENSON CHIRCHIR

JOEL KINDUYWO

BACKGROUND INFORMATION

The defunct Nandi teachers Sacco was founded in 1978 by LAWRENCESITIENEI KILEL SAWE.

The offices were in Knut building now mwalimu housing. Later moved to KCB.

In 1981 the idea to put up a building own by teachers to house the society and teachers (members) to supplement – their dividends.

The first contributions were deducted from their salaries as follows:

YEAR	AMOUNT PER MONTH	TOTAL DEDUCTIONS
1981	Ksh. 200	5,000
1982	Ksh. 500	6,000
1983	Ksh. 300	3,000
1984	Ksh. 775	22,000
1985	Ksh. 250	3,000
1989	Ksh. 200	35,000

In 1997 at annual delegation meeting held on 9th May 1997, Ksh 1.5M was ploughed back from 1996 divided to save for the construction of the said building.

By then the society had acquired 3 plots in Kapsabet town where Sacco offices could be constructed.

Vide the meeting held on 29th May 1999 the building was to be constructed and owned as follows:

Cost per share 10,000

Total cost Ksh.32, 000,000.

Sacco to own 30% - Ksh9.6M and Teachers 70% - Ksh22.0 M.

On 28th Jan 2000 Barclays bank gave notice on closure of Kapsabet branch.

On 1st Feb 2000 the management approach^{ed} the bank to purchase the said building.

On 22nd Feb 2000 the management had to call for a special delegates meeting to approve the purchase. 6th Mar 2000 a meeting by management.

17th Mar 2000

18th Mar 2000 special adm to approve the purchase.

PAYMENTS

Down payment of 10% made on subsequent payments as follows:

DATE	DOCUMENT NO	AMOUNT	
4-2000	Cheque 18479	1.2M	10%deposit
9 th May 1997	Minutes	1.5	Dividends for 1996

The above mentioned company was founded in 1977 and its registered office is at 10, Market Street, Nairobi, Kenya.

The office was in Kariakoo building now in Kariakoo housing 1 and now in Kariakoo housing 2.

In 1981 the office moved to a building owned by teachers to house the staff and members of the company. The building is now in Kariakoo housing 2.

The first dividends were deducted from their salaries as follows:

YEAR	AMOUNT PER MONTH	TOTAL DEDUCTIONS
1981	Ksh. 200	2,400
1982	Ksh. 300	3,600
1983	Ksh. 300	3,600
1984	Ksh. 775	9,300
1985	Ksh. 250	3,000
1986	Ksh. 200	2,400

In 1987 an annual delegation meeting held on 9th May 1987 Ksh. 1.5M was declared back from 1986 dividend to save for the construction of the said building.

By then the society had acquired 3 plots in Kariakoo town where sacco offices could be constructed.

Vide the meeting held on 29th May 1989 the building was to be constructed and owned as follows:

Cost per share 10,000

Total cost Ksh. 32,000,000

Sacco to own 30% - Ksh. 9.6M and Teachers 70% - Ksh. 22.4M

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DATE	DOCUMENT NO	AMOUNT	REMARKS
4-2000	CP page 18479	1.5M	Down payment
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3 rd June 2000	Minutes	3.3M	Members contribution from previous mwalimu plaza
	Dividends for the year 1999		
27 th Dec 2000	Transfer		

TRANSFER

27TH DEC 2000 transfer was effected by the bank to Nandi teachers Sacco.

COLLATERAL TO SECURE LOAN

BANK	AMMOUNT	YEAR
National bank	10.8M	2001 - 2002
KREP bank	50M	2003 – 2005
Oiko	60M	2005

DISPUTE

The understanding by the Sacco management committee then was that the members who had contributed to the purchase of the building could be given share certificates based on their contributions.

And that the society could be paying dividends to them in form of Rent. This was done in the year 2003 when some members were given Kshs. 400 as dividends but since then it has never been given. When the issue was claimed the current chairman Alfred Ngetiny on 12th Feb 2011 during the education day did agreed that the building ownership could be transferred on 31st adm on 22nd April 2017 changed his stand and wanted to float shares for sale to current membership. However the retirees formed a self-help group known as Nandi teacher's 2000 self-helped group and elected Mr Fredrik Songol as their chairman who then wrote a letter to governor Nandi.

The governor instructed his attorney to help the ministry of co-operative investigate the matter and come up with its recommendation.

The director of co-operative of Nandi Stanley Koech after his investigations recommended vide his letter dated 22nd Mar 2019 that the building belongs to retirees. Later the matter was referred to co-operative trubinal case number 347/2021 the same was dismissed the issue should hav been raised by current members of the Sacco.

The committee through Hon. Bernard Kitur MP Nandi hills the petition parliament, hence this committee.

It is the prayers of the retirees that justice shall be done by this committee and recommend the building belongs to teachers who were members of defunct Nandi teachers Sacco in the

27 DEC 2000	Transfer	10.8M	2001 - 2003
27 DEC 2000	Transfer	70M	2003 - 2005
27 DEC 2000	Transfer	60M	2005

TRANSFER

27th DEC 2000 transfer was effected by the bank in Nandi teacher's SACCO

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The governor instructed his attorney to help the ministry of co-operative investigate the matter and come up with its recommendation.

The director of co-operative of Nandi Stanley Koch after his investigations recommended vide his letter dated 22nd Mar 2019 that the building belongs to retirees. Later the matter was referred to co-operative tribunal case number 147/2017 the case was dismissed the issue should have been raised by current members of the SACCO.

The committee through Hon. Bernard Kimani Wanjau bills the petition parliament hence this committee.

It is the prayers of the retirees that justice shall be done by the committee and recommending the building belongs to teachers who were members of defunct Nandi teacher SACCO in the

year 2000 and had had the money being deducted since the year 1981 as per the schedule attached.

As to the loans the former management has been getting from various banks using the same building as collateral On 31st Mar 2015 the same building was **auctioned** and yet the money benefited few individuals. On 4th May 2005 Kshs 60M was credited to KREB account a loan from Oiko the same was withdrawn in Nairobi-Naivasha branch by the following:

Sammy Kirwa - manager

Benjamin Kosgei – Treasurer

Paul Korir – Vice chairman

Henry Birgen - Chairman

It is also the prayers of the retirees that the rent dividends from 2001 to date be paid by the respondent as it had been doing business since then

Dated this.....day of.....2025

Fredrik Songol

Year 2001 and 2002 the money being in dispute, and the year 2001 to date be paid by the

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building as collateral to the year 2001 the same building was auctioned and the money
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Sammy Kiara - manager

Benjamin K. O. - branch

Paul Kari - Vice Chairman

Henry Bigon - Chairman

It is also the purpose of the report that the rent dividends from 2001 to date be paid by the
respondent as it had been doing business since then

Dated this day of 2002

Frederik Songol

COUNTY GOVERNMENT OF NANDI

TELEPHONE: 0535252355
Email: info@nandi.go.ke
Website: www.nandi.go.ke



P.O. BOX 802-30300
KAPSABET.

**DEPARTMENT AGRICULTURE AND CO-OPERATIVE DEVELOPMENT
OFFICE OF THE DIRECTOR CO-OPERATIVE DEVELOPMENT**

✓ THE CHIEF OFFICER


DIRECTORATE OF CO-OPERATIVE DEVELOPMENT

DATE: 22/03/2019.

**RE: TRANSELITE COUNTY SACCO LTD BUILDING DISPUTE
BRIEF REPORT**

The above subject refers;

Attached herewith, please find the referenced report for your further perusal and necessary action.


Stalin K. Koech

Director Co-operative Development.

Cc

The CEC

Agriculture and Co-operative Development.

COUNTY OF HAWAII



P.O. BOX 202-2020
HONOLULU, HAWAII

TELEPHONE: 535-2222
FAX: 535-2222
Website: www.hawaii.gov

DEPARTMENT OF CO-OPERATIVE DEVELOPMENT
OFFICE OF THE DIRECTOR OF CO-OPERATIVE DEVELOPMENT

THE CHIEF OFFICER

DIRECTORATE OF CO-OPERATIVE DEVELOPMENT

DATE: 2/20/2019

RE: TRANSELLE COUNTY FACILITY BUILDING DISPUTE
BRIEF REPORT

The above subject refers:

Attached herewith, please find the case report for your further perusal and
necessary action.


Stain K. Koeh

Director Co-operative Development

cc

The CDC

Agriculture and Co-operative Development

TRANSELITE COUNTY SACCO LTD BUILDING BACKGROUND

The Transelite County Sacco Ltd building is a former teachers Sacco Ltd. The teachers Sacco was registered on 27/06/1977 under CS NO.2709 and its core activity was saving and credit Co-operative society. Until the purchase of the current building, the Sacco was being operated from rental building in Kapsabet town. The teachers had plan of constructing their own building proposed to be called Mwalimu plaza.

The teachers Sacco then had some plots which they had ear marked one to construct the said plaza but had a challenge on the issue of change of user. It was then when Barclays Bank was closing most of their branches across the country and Kapsabet branch was one of them. The teachers shelved the plan of the building to purchasing from Barclays bank.

The price was negotiated from Ksh18 million to Ksh12.5 million including stand by generator and the furniture.

The teachers had planned to raise the said amount from members each contributing Ksh 10,000 through check off system. Some had ability to borrow from the society and others did not. At this point the bank (Barclays) needed money urgently and the teachers decided to go for a bank loan at National Bank of Kenya. The bank loaned the teachers the said amount where all the members then (1999-2000) serviced the mentioned amount.

The meeting between the retired teachers and the current teachers on 26/02/2019 at the Chief Officer's Office (Co-operative Development) from 10:30a.m over the ownership of the building claimed as follows;

RETIRED TEACHERS

1. The retired teachers claimed that the dividends of the years 1999 and 2000 were approved to purchase the building.
2. That they do not have enough documents to prove the same since all the documents are in the Sacco office.
3. That the members contributed Ksh 10,000 towards the purchase of the building.
4. That they strongly believe that the building is theirs.

TEACHERS' SOCIETY

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The Teachers' Society (T.S.) is a former teachers' society Ltd. The Teachers' Society was established in 1977 under the Co-operative Societies Act 1969. Its main activity was to purchase the land on which the school building is now situated. The Teachers' Society had a plan of constructing their own building on the site. The Teachers' Society had a plan of constructing their own building on the site. The Teachers' Society had a plan of constructing their own building on the site.

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The meeting between the Teachers' Society and the current teachers on 26/02/2019 at the Teachers' Society (Co-operative Development) from 10:30am over the course of the meeting was as follows:

RETIRED TEACHERS

1. The retired teachers of the Teachers' Society of the years 1999 and 2000 were a group of retired teachers.
2. That they do not have any documents to prove the same since all the documents are in the Teachers' Society.
3. That the members of the Teachers' Society towards the purchase of the building.
4. That they are not able to prove the same.

CURRENT TEACHERS

1. That the years 1999-2000 dividends were fully paid to the members and have evidence to that effect.
2. That the Ksh 10,000 contributed by some members was refunded but few have not collected the said amount to date and their money is intact in the society.
3. That the buildings belong to the members of the society.

OBSERVATION

- The Sacco building ought to belong to some teachers (retired or in service).
- There was an oversight by the then management committee who failed to issue shares certificates of the building to the teachers.
- Not all the documents for the building can be availed now by the Sacco.

RECOMMENTATIONS

- The teachers who were in service during the purchase of the Sacco building serviced the loan (Ksh. 12.5 million) from the National Bank of Kenya are the owners of the building.
- The members can be identified using the year 1999-2000 dividends schedules.
- These members should be issued with Sacco building shares certificates and they should be enjoying dividends every year.

CURRENT TEACH 200

1. That the years 1999-2000 dividends were not paid to the members and have evidence that the money was not collected in the bank.
2. That the Ken Bank has not refunded but few members have not collected their money is intact in the society.
3. That the building is being built by the society.

OBSERVATION

- ▶ The sacco operating in the area of some teachers (retired or in service).
- ▶ There was an agreement committee who failed to issue shares certificates to the teachers.
- ▶ Not all the shares were available now by the Sacco.

RECOMMENDATION

- The teachers who were involved in the purchase of the Sacco building service the area from the National Bank of Kenya and the centre of the building.
- The members of the sacco should be given 1999-2000 dividends scheduled.
- These members should be given building shares certificates and they should be employed in the sacco every year.

COUNTY GOVERNMENT OF NANDI

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DEPARTMENT AGRICULTURE AND CO-OPERATIVE DEVELOPMENT OFFICE OF THE DIRECTOR-CO-OPERATIVE DEVELOPMENT

✓ THE CHIEF OFFICER
DIRECTORATE OF CO-OPERATIVE DEVELOPMENT
DATE: 22/03/2019.

RE: TRANSELITE COUNTY SACCO LTD BUILDING DISPUTE BRIEF REPORT

The above subject refers;

Attached herewith, please find the referenced report for your further perusal and necessary action.


Stalin K. Koech

Director Co-operative Development.

Cc

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100/1

MANAGEMENT COMMITTEE MEETING HELD ON 17/3/2000 AND SUPERVISORY.

MEMBERS PRESENT:

- | | |
|-------------------------|---------------------------|
| 1. Mr. Zakaria Kuto | - Chairman |
| 2. Mr. Abraham Rono | - Vice Chairman |
| 3. Mr. Benjamin Kosgey | - Treasurer |
| 4. Mr. Jacob Lel | - Hon. Secretary |
| 5. Mr. Henry Birgen | - Member |
| 6. Mr. Joseph Biwott | - Member |
| 7. Mr. Ben Rugutt | - Member |
| 8. Mr. Simeon Chepkvony | - Member |
| 9. Mr. John Bittok | - Member |
| 10. Mrs Sella Rutto | - Chairperson Supervisory |

IN ATTENDANCE.

- | | |
|---------------------|----------------|
| 1. Mr. Sammy Kirwa | - Manager |
| 2. Mr. Henry Muturi | - DCO's Office |

COURT OF KENYA
10 JUN 2011

AGENDA:

- 1.. Chairman's Speech

INTRODUCTION.

Prayer was led by Mrs Sella Rutto at 10.40a.m when the meeting started.

MIN. 1/17/3/2000/MC/SC. CHAIRMAN'S SPEECH.

Chairman's Speech was read by the Hon. Secretary Mr. Jacob Lel. The Vice Chairman took the initiative to have the members of the Committee deliberate upon the speech.

The meeting unanimously endorsed the Speech which contained what was required to be delivered to the delegates in a convincing manner.

The Treasurer gave suggestion which was adopted that the advantages of Fosa be presented during the meeting as a means of selling the idea of acquiring the building and starting Fosa Services.

The Management Committee resolved to have 60% owned by the society and 40% owned by the members in the first phase of the plan. Others ownership will be reviewed as the time goes.

A members will be entitled to buy a minimum of 100 shares equivalent to a Kshs.10,000/=.

At the meeting of the delegates there will be no A.O.B. Delegates are to be enlightened fully on the advantages of FOSA over the disadvantages so that they can be motivated and be able to sensitize the other members - thus buying the shares.

...../2

THIS IS THE EXHIBIT MARKED
MKIV IN THE ANNEXED
AFFIDAVIT OF *W. J. Sworn*
DECLARED THIS *20th* DAY OF *June*
20..11.....SWORN A.T.W. *W. J. Sworn*
COMMISSIONER FOR OATHS



CHAIRMAN' S REPORT PRESENTED TO THE 28TH ANNUAL DELEGATES MEETING HELD ON 29TH MARCH,
2014 AT ST. PETERS' CATHOLIC CHURCH HALL.

Guests,

District Co-operative Officer,

Knut Executive Secretaries,

Knut Chairmen,

Board of Directors (NTS),

Delegates,

Invited guests and

Staff (NTS)

It is my pleasure to extend my sincere warm welcome to all of you to the 28th Annual Delegates Meeting today on behalf of B.O.D of Nandi Teachers Sacco Society Ltd.

I always thank my God when I remember you in my prayers. That's because I hear about your faith and confidence in the Sacco. I hear about your good representation in your schools. I pray that you will be active in sharing what you receive from society, and you will completely understand every deliberation of today and do act rightfully for the future of this Sacco. May I highlight our achievements and undertaking.

- a. We have witnessed new membership of 111 for both Bosa and Fosa.
- b. Disbursement of development loans
- c. Increase in loan lending i.e. school fees, emergency loan and other loan products.

Activities

We have introduced in Fosa another facility in relation to the normal advance called advance – plus, whereby one borrows advance for a period of three months.

Financial Progress

Let's analyze our financial progress for the last three years as shown in the table below



- Pepea
- Neema
- Rehema
- Bidii
- Suluhisha
- Tumaini
- Ng'arisha
- Trans County

Q 8. PLAZA

S The board wishes to sale shares of the plaza building to the members but the challenge is that, the building is among the securities which was used to secure the Oiko loan and therefore we wish to request members to be patient for a little while as we try to dispose off the Court case in respect to the same .

May I thank you for your contributions and commitment, I wish you a safe journey back to your respective places.

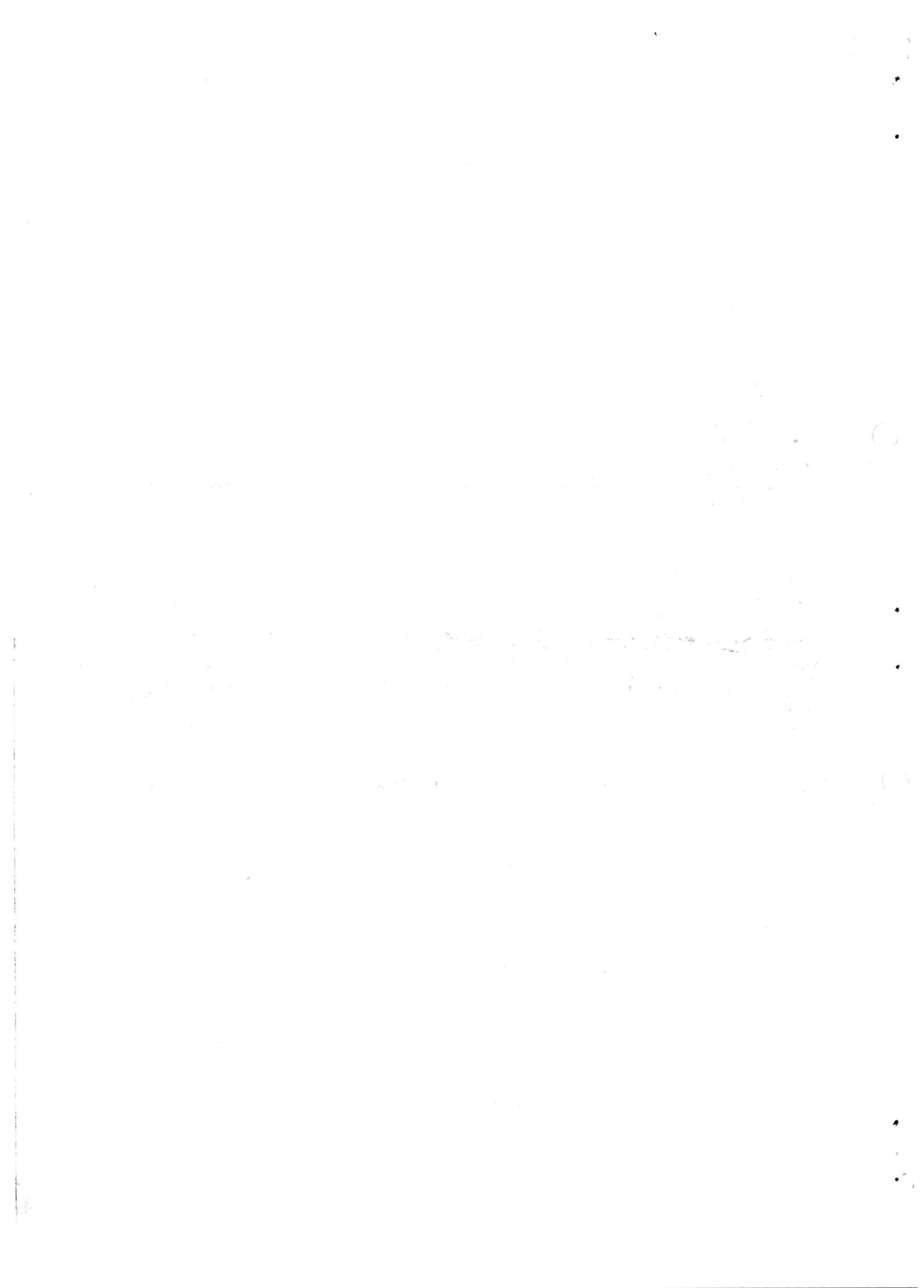
Thank you and God bless you.

Yours



Alfred Ngetuny

Chairman



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TO
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BY

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ON

BEHALF OF RETIRED TEACHERS WHO WERE MEMBERS

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BETWEEN

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OF

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AND

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PRESENTED ON 22ND MAY 2025 AT 8.00 AM AT KAPSABET.

PREPARED BY:

CHAIRMAN FREDRIK SONGOL 

SECRETARY ROBERT SAINA 

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JOEL KENDUIYWO 

REPORT PREPARED

TO

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CHAIRMAN FREDERICK SONGOL

ON

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OF

DISTRICT NANDI TEACHERS SACCO

BETWEEN

1978-2010

OVER OWNERSHIP

OF

FORMER BAKELAY'S BANK BUILDING IR NO. 2806/1/81/370

AND

TRANSIT (THE SACCO)

PRESENTED ON 22ND MAY 2022 AT 8:00 AM AT KAPSABET.

PREPARED BY:

CHAIRMAN FREDERICK SONGOL

SECRETARY ROBERT SAINA

TREASURER BINSON CHIRCHIR

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The governor instructed his attorney to help the ministry of co-operative investigate the matter and come up with its recommendation.

The director of co-operative of Nandi Stanley Koech after his investigations recommended vide his letter dated 22nd Mar 2019 that the building belongs to retirees. Later the matter was referred to co-operative trubinal case number 347/2021 the same was dismissed the issue should have been raised by current members of the Sacco.

The committee through Hon. Bernard Kitur MP Nandi hills the petition parliament, hence this committee.

It is the prayers of the retirees that justice shall be done by this committee and recommend the building belongs to teachers who were members of defunct Nandi teachers Sacco in the

1	2003	10.8M	2003 - 2004
2	2004	20M	2004 - 2005
3	2005	20M	2005 - 2006

TABLE 1

TABLE 1: 2003-2006 transfer of assets to the SACCO

CONCLUSION TO THE REPORT

2003	10.8M	2003 - 2004
2004	20M	2004 - 2005
2005	20M	2005 - 2006

DISCUSSION

The understanding by the SACCO management committee that the members who had contracted to the purchase of the building could be given shares certificates based on their contribution.

And that the society could be paying dividends to them in form of KSh. This was done in the year 2003 when some members were given KShs. 400 as dividends but since then it has never been given. When the issue was claimed the current chairman Alired Ngunjiri on 13th Feb 2011 during the education day did agree that the building ownership could be transferred on 31st Jan on 22nd April 2011 changed his stand and wanted to float shares for sale to current membership. However the retired formed a self help group known as Nandi Teachers SACCO self-help group and elected Mr Fredrick Songol as their chairman who then wrote a letter to governor Nandi.

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It is the prayer of the retired that justice shall be done by this committee and recommend the building belongs to teachers who were members of Nandi Teachers SACCO in the

year 2000 and had had the money being deducted since the year 1981 as per the schedule attached.

As to the loans the former management has been getting from various banks using the same building as collateral On 31st Mar 2015 the same building was **auctioned** and yet the money benefited few individuals. On 4th May 2005 Kshs 60M was credited to KREB account a loan from Oiko the same was withdrawn in Nairobi-Naivasha branch by the following:

Sammy Kirwa - manager

Benjamin Kosgei – Treasurer

Paul Korir – Vice chairman

Henry Birgen - Chairman

It is also the prayers of the retirees that the rent dividends from 2001 to date be paid by the respondent as it had been doing business since then

Dated this.....day of.....2025

Fredrik Songol

year 2000 and had the same amount as the year 1981 as per the schedule attached

A. In the year 2001 the amount of Rs. 100000/- was credited to the account of the building as collateral on 21/12/2001 the same building was auctioned and the amount of Rs. 100000/- was credited to the account of the building from Oiko the same was withdrawn in Nairobi branch by the following:

Sunny Kiwa - manager

Benjamin Kariuki - Treasurer

Paul Kariuki - Vice Chairman

Henry Birgen - Chairman

It is also the prayer of the petitioners that the said dividends from 2001 to date be paid by the

respondent as it is his legal duty since he is the

Dated this 20th day of August 2022

Fredrick Songol