

ACC&S SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD

P.O. BOX 8022-01000 THIKA

Supervisory Committee Report 1st January 2024 - 31st December 2024

Preamble:

Greetings to you all our distinguished members of ACC&S Sacco and the invited guests. 1st Samuel 7:12: Then Samuel took a stone and set it up between Mizpah and Shen. He named it Ebenezer, saying “**Thus far the Lord has helped us.**” Sometimes a look back at our lives to date, to reflect upon how far the Lord has helped us and brought us, can give us much encouragement for the days ahead. As ACC&S Sacco we can surely say “**Thus far the Lord has Helped us**”

This supervisory report assesses ACC&S SACCO's overall performance, identifying strengths, challenges, and areas for improvement. The review covers membership who form the greatest resource for the Sacco, financial performance, loan portfolio management, risk assessment, regulatory compliance, governance, and operational efficiency.

Membership

The ACC&S SACCO membership has been on an increase every year. By the end of year 2024 the SACCO had 1255 members which was an increase from 1187 in 2023(5.7% increase). We wish to recognize all the efforts put in place whether at individual level or by management level to bring on board a new member.

Capital adequacy

The Supervisory Committee wish to bring to the attention of members that the ACC&S SACCO met the minimum capital adequacy ratios by the end of year 2024.

Item	Year		Minimum Ratio
	2024	2023	
Core capital/ Total Assets	$12,112,153/88,020,839*100=13.7\%$	$9,416,177/68,250,112*100=13.8$	Minimum of 10%
Core Capital /Total deposits	$12,112,153/71,692,232*100=16.89\%$	$9,416,177/55,540,062*100=16.95$	Minimum of 8%

Financial performances

Financial performance is key measure of productivity in the SACCO. The determinant of financial performance includes investments, performance of loans and prudent expenditure among others. During the year the ACC&S SACCO disbursed loans as tabulated below:

i) Loans

	2024	2023	% increament
1 st Jan 2024 - Balance BF	56,238,187	44,583,557	26.14%
Loans issued during the year	40,954,216	32, 526,574	25.91%
Loans repaid during the year	(24,230,423)	(20,871,944)	16.09%
At the end of year	72,961,980	56,238,187	29.73%

From the table, it is noted that disbursement of loans went up by 25.91% and total outstanding loans as at close of year 2024 by 29.73%. This is a good indicator that members are prioritizing the ACC&S SACCO's products. We encourage members not to borrow funds from other financial institutions but instead consider borrowing from our ACC&S SACCO.

ii. Interest on loans

	Interest earned		Remarks
	2024	2023	
Interest from loans	8,058,354	6,579,051	Growth 1,479,303(22.5%)

From the tabulation, there is an increase on interest earned by 22.5%.

Aging loans/ Defaulters

During the course of the year 2024, the supervisory committee made a recommendation to the management on the need to improve the current system in the office in order to easily categorize the loans according to the age. This will easily help to track defaulted loans according to the number of months the loan is in default. As the SACCO continue to grow we have also observed an increase in defaulted loans. Many of the defaults were from members whose deductions are not payroll based. We still continue to urge members to borrow wisely and pay promptly in order not to hurt the guarantors.

MEMBERS EMPOWERMENT;

The SACCO Societies Non-withdrawable Deposit Taking Business Regulation 2020 Clause 75 (3) States that...." ***A SACCO Society shall hold at least one education day for its members in a year to educate, update members on its products and services, rights of members and other emerging issues***".

Over the year under review, the Supervisory Committee took note of lack of deliberate plan for training for both the Board of Management as well as the members. Today we shall elect new members to the Board, let us be deliberate and educate them on their duties and the functions of various committee.

Strategic Plan

We commend the leadership for the bold move to take the Sacco to the next level by coming up with a 5 year strategic plan. This is a healthy move for the Sacco which takes us to a higher pedestal and aligns well with the best industry practices. However the bigger task lies ahead in the implementation of the same.

Key Recommendations;

Enhance Loan Recovery Mechanisms: One way is to improve member financial literacy. The other way is to set up a dedicated loan recovery team for follow-ups and implement a tiered recovery approach: **First 30 days:** Friendly reminders & payment plans. **31-90 days:** Formal demand notices & personal follow-ups. **Beyond 90 days:** Offer **loan restructuring options** for struggling borrowers.

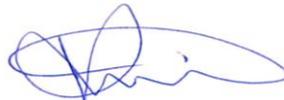
Increase Member Engagement: Provide financial literacy programs to encourage savings and responsible borrowing. This will be achieved by deliberately planning for members education day per year.

Enhance Digital Transformation: Explore automated loan processing and member service improvements. This will also help to improve loan repayment monitoring. It will help to set up an automated loan tracking system for real time monitoring, automated reminders via SMS before due dates.

CONCLUSION ;

We take this opportunity to sincerely thank the members for granting us a chance to serve in the Supervisory Committee. We don't take this for granted and we shall be your eyes on the ground.

Name; Patrick Maina Kimani - Chairperson



Name : Nahason Kahara - Secretary



Name: Rose Nyambura - Member

