ANNUAL GENERAL MEETING

DATE: 23 NOVEMBER 2024

VENUE: MAVUSO TRADE CENTRE

TIME: 1000hrs

ATTENDANCE:

1. Ms Gugu Mabuza.
2. Mr Welcome Ngwenya
3. Ms Khulisile Hlatshwako
4. Mr Nkosiyabongwa Dlamini
5. Mr Thulani Masinga
6. Mr Mduduzi Dlamini
7. Mr Vumandaba Simelane
8. Mr Thembela Mhlanga
9. Ms Thabile Matsenjwa
10. Ms. Jabulile Dlamini
11. Mr Maswati Mnisi
12. Ms Zanele Xaba

The meeting was attended by 5647 members, 57 Branch Executive Committee members, 34 employees and invited guests.

AGENDA

1. Opening prayer
2. Remarks by Programme Director 3. Reading and adoption of minutes
4. Reports:
    - Chairperson's report
    - Credit Committee's report
    - Supervisory Committee's report
    - Treasurer's report
    - Declaration of Dividends

5. Closure

1. OPENING PRAYER

The meeting was opened in prayer by Valenshia Hlophe (12738) from Manzini Branch.

2.REMARKS BY PROGRAMME DIRECTOR

The Programme director introduced himself as Mduduzi Dlamini from Piggs Peak branch. He appreciated the general membership for honoring the meeting as per the invite and encouraged active participation throughout the meeting.

REACTIONS

- Member 13780 raised a concern over the SACCO documents for the day being not downloadable.

RESPONSE

Members were assured that the documents were accessible though restricted from download, this was meant to minimize third party access as they were solely meant for SNAT SACCO members.

2. READING AND ADOPTION OF MINUTES

The minutes for the previous AGM held November 2023 were read by the Board Secretary and were adopted as a true reflection of the proceedings on the day.

2.1 MATTERS ARISING

- Member 17961 requested that the AGM reports be disbursed earlier to the general membership; days before the meeting to seek clarity from those who are well versed with the terminologies and content, in particular the financial report.
- Member 1706 sought clarity why private school teachers cannot access SACCO services.

RESPONSE

Clarity was brought to the general membership that the documents reached them at the earliest time possible on the day of the AGM. Issuing them days earlier risks non-attendance, which may subsequently lead to attendees not conforming to the prescribed quorum in regulation, hence post-phoning the meeting, which converging the same should be done within 7days. Such incur huge costs to the SACCO. In addition, sharing the documents earlier has the potential of misinterpretation; which may lead to an undesirable outcome that could tarnish the SACCO image.

Private school teachers are not allowed to join the SACCO based on an AGM resolution and the SACCO By-laws which only permits onboarding of teachers hired by the TSC.

4. REPORTS

4.1 CHAIRPERSON'S REPORT

The Chairperson introduced herself as Ms. Gugu Mabuza. She welcomed and thanked the general membership for attending the day's meeting which was key in making decisions that would elevate the SACCO. She introduced the Board, the SACCO CEO and management, invited guests from different SACCOs, the Commissioner and his office counterparts as well as a representative from NCFE.

4.1.1 ECONOMIC LANDSCAPE.

The Chairperson mentioned that the SACCO operated in an unfavorable business environment, characterized by high rate of unemployment (above 30%), high costs of utilities (electricity and water bills), insufficient medical suppliers at government hospitals, high costs of basic commodities etc. She highlighted an unappealing economic landscape as deduced from the decreased inflation rate which has negative effects on the SACCO's ability to fulfill its mandate. Members were however; requested to avoid unnecessary spending and consider using the SACCO's credit facilities establish small businesses that may supplement their incomes. They were further encouraged to utilize the business loan product.

4.1.2 COMPLIANCE

The Chairperson sensitized the general membership that the SACCO took a strategic decision to comply with all requirements, inclusive of compliance to regulatory expectations, statutory laws etc. She reported that in the year, the SACCO paid levies (as per Co-operative Societies (Amendment) Act 2023 to the National Cooperative Federation of Eswatini, Financial Services Regulatory Authority and Commissioner of Cooperatives. To ensure that SACCO's remain financially stable, the regulator requires same to ensure that liquidity ratio does not fall below 15% while Capital adequacy is expected not to fall below 8% and the SACCO was able to meet these regulatory requirements.

4.1.3 CHANGES IN REGULATORY OBLIGATIONS

4.1.3.1 Consumer Credit Act of 2016. Regulation had introduced guidelines for the Consumer Credit Act which compel credit providers to share information with credit Bureaus, every time a member signs a credit agreement for granted facilities. Members were advised that the SACCO would share the required information for all granted facilities.

4.1.3.2 The Data Protection Act of 2022. Government has enacted into law the Data Protection Act which is meant to protect consumers from having their data exposed to irrelevant individuals or organizations. The general membership was sensitized that the SNAT SACCO was amongst the first 10 Data processors that have registered with the Eswatini Communications Commission (ESSCOM) which is mandated to regulate how personal information is handled, investigate breaches in the handling of information and resolve any complaints relating to breaches.

4.1.3.4 Amended Anti Money laundering guidelines. The regulator has spearheaded development of amended guidelines in terms of Section 18 of the Money Laundering and

Financing of Terrorism(Prevention) Act, 2011. The amended document requires accountable institutions to adopt a Risk Based Approach (RBA) in the overall management of risk exposure. These changes might trigger changes in the SACCOs interactions with membership.

4.1.3.5 Amendment of the Co-operative Societies Act, 2003 as amended in 2023. Members were advised that the Co-operative Act of 2003 has been amended. The purpose of the amendment is to align with various national and international developments that occurred after 2003.

4.1.4 GOVERNANCE OF THE SACCO

The Chairperson reported that in October 2023, the SACCO went to an elective conference where new Board members were elected. The following Board members were elected;

EXECUTIVE COMMITTEE

Chairperson	Ms. Gugu A. Mabuza
Vice- Chairperson	Mr. Mxolisi Welcome Ngwenya
Treasurer	Mr. Nkosiyabongwa Dlamini
Secretary	Ms. Khulisile Hlatshwako

CREDIT COMMITTEE

Mr. Vumandaba Simelane

Ms. Thabile Matsenjwa

Mr. Thembela Mhlanga

EDUCATION COMMITTEE

Mr. Thulani Masinga

Mr. Mduduzi Dlamini

Ms. Phephile Mlangeni

SUPERVISORY COMMITTEE

Ms. Jabulile Dlamini

Mr. Maswati Mnisi

Ms. Zanele Xaba

The Chairperson reported to the general membership that Ms. Phephile Mlangeni had seized membership as a member of the Board of Directors, following her resignation from the profession. The SACCO was working towards her replacement as per Elections procedure.

4.1.5 STRATEGIC DIRECTION

In the financial year of 2023/2024; the Chairperson reported that SACCO began implementation of its business strategy that is running up to 2025/2026. The strategy is based on 3 pillars which aim to assist the SACCO to; Optimize Efficiency, Remain relevant, sustainable & profitable. The SACCO therefore successfully implemented the following projects;

- **Automation of the SACCO core business.** For some time, the SACCO relied on passbooks - to keep and maintain records of members' financial transactions, however in July 2024, the SACCO went live on an automated system (to keep and maintain members financial records)– Business Central.

- **Relationship Transformation**. the SACCO went through a rebranding project which resulted in the establishment of a marketing function, change of business logo, introduction of educational and training programmes that targeted Board of Directors, BEC's, membership and employees. The SACCO leveraged on social media and established social media pages - aimed at transforming communication and engagements, and educate them about the SACCO's activities. The SACCO further engaged in Vusela exercises where engagements with retired members were made and furrther attended the 2023 Trade fair exhibition where members were recruited, and existing members served.

- **Relevance Sustainability & Profitability.** The SACCO engaged in projects and activities geared towards achieving this objective. In the last quarter of the year, the SACCO initiated a project of developing an Enterprise Risk Management Framework which resulted in the subsequent engagement of SNG Grant Thornton to assist with the project; which aims to align the SACCO with regulatory expectations & requirements and industry's best practices. Through automation of services, the business was able to reduce overtime costs, number of temporal employees that assisted with passbooks updating, and other operational costs – including printing costs through reduction of paperwork. The SACCO further increased membership subscription in a phased approach, e.g, from E 100 to E 200 and purchased 1330 000 shares from FNB - at E14.83 per share, an investment of E 19,723,900.00.

4.1.6 NON-STRATEGIC DEVELOPMENTS / OPERATIONAL MATTERS

- **Falsifying of documents submitted at credit application stages.** Members were advised that the SACCO conducted disciplinary actions against members who were involved in forgery of documents. Ten members were taken through disciplinary hearings. Members were advised to refrain from this criminal activity as the SACCO will going forward also report same to the police services and lay criminal charges which might have undesired consequences, including job security.

- **Strengthening of Collections.** The SACCO upscaled its collections activities which included opening of Bank accounts with other commercial Banks and substituting stop order arrangements with debit orders and further made an agreement with FNB for utilization of their collection's facility and further appointed an officer to focus on collections as her Key Performance

Indicator. This yielded positive results that include recovery of E12,134,471.26 from members who had abandoned servicing their loans.

- **Salary Review and Job Grading Exercise**. In the financial year 2022/2023, the SACCO engaged LCC Capital, to lead a project of organizational design, job evaluation & grading and salary review. The report was presented to the SACCO in the same financial year and the implementation of recommendations was deferred to the financial year of 2023/2024 (this enabled the organization to consider same during development of the budget for the financial year) that is being discussed. Salary review recommendations were fully implemented in the year.

- **Staffing issues.** The SACCO renewed the contract of the formerly General Manager, Mr Boyce V. Dlamini (which had expired at the end of June 2024) and reprofiled his position as Chief Executive Officer which was in line with the recommendation of the consultant who performed the salary review and job grading exercise as well as that of the African Confederation of Cooperative Savings and Credit Associations. His contract will expire in June 2028. In January 2024, the SACCO onboarded Ms Senamile Nhlabatsi, Compliance Manager who replaced the resigned manager who held the same position. Ms Daphney Sihlongonyane was engaged as a General office assistant while Ms Zinhle Mhlanga was engaged as Audit Intern. The SACCO further extended the contract for the Reviews Officer Ms. Bonsile Magagula until the end of the second quarter of 2024/2025. The SACCO lost 3 employees for different reasons. The long-serving Customer Services Officer took an early retirement due to ill health, the Internal Auditor secured an alternative employment and one of the cashiers was relieved of duties.

- **Compliance Issues.** As per strategic direction, the organization upscaled its compliance. This was characterized by paying levies to the NCFE and the education fund as per Cooperative act.

- **Changes in total membership base.** The SACCO had seen an increase in membership withdrawals. Exit interviews indicate that most of the members resign to access their non withdrawable Savings which in most cases are used to settle existing debts with the SACCO. A total of 158 members withdrew membership from the SACCO; while 186 withdrew in the previous year. On new members; the SACCO onboarded 288 members compared to 206 members who joined last year. Deceased members; the SACCO sadly announced the passing of 78 members during the financial year.

4.1.6 CAPITAL EXPENDITURE

The following SACCO capital projects were reported:

- Airconditioning amounting to E 324,001.00; which included purchase of new units and service of existing.
- 10 000l water tanks and plumbing totaling to E 35,563.00.
- Rewiring of the SACCO House which was done in 2 phases costing cost E 4 M after completion.
- Procurement of a Toyota Fortuner 2,8D at E 872,931.00.

- Investment in computer equipment and accessories worth E 78,827.00 was made as well as that of E 765,030.00.
- An amount of E 69,697.00 was used to purchase office equipment and E 37,037.00 was invested on Furniture & Fittings.

4.1.7 BUSINESS ENVIRONMENT

BUSINESS OPPORTUNITIES

4.1.7.1 Non taxation of interest income. Statutory law has exempted members of co-operatives from paying tax on interest earned by their savings; which had provided an opportunity for members to optimize their benefits from the SACCO movement and had further verified that keeping funds with SACCO's is more advantageous than in Banks. The SACCO therefore anticipated increased joining of members.

4.1.7.2 Opening of Common Bond. The SACCO has a strategic objective of opening the Bond, which is aimed at making it relevant, sustainable and profitable. This is a recurring goal which has been previously declined by membership. The SACCO has an opportunity for upscaling its sustainability through opening of the common Bond and an opportunity to recruit private school teachers.

4.1.7.3 Partnerships with suppliers. The SACCO also had opportunities of leveraging over the strength in numbers and establishing strategic partnerships with suppliers of goods and services that are required by its members.

4.1.7.4 Mobile Application Optimization. The SACCO also had a chance of improving product offering for the mobile application that was implemented in the current financial year.

4.1.8.0 CHALLENGES FACED BY THE SACCO.

4.1.8.1 Membership withdrawal. The SACCO continued to lose members due to financial challenges. Most withdrawals are due to overcommitment (which prohibits them from accessing credit facilities) and members resort to withdraw cash on their Savings to address other needs; while others withdraw to join spouses in other SACCOs with open bonds so that they may plan progress/development as family.

4.1.8.2 Nonpayment of loans. Although lots of efforts with positive outcome have been channeled towards strengthening of collections (loan repayments), some members are still not paying back their loans. This largely involved those that left the country for greener pastures outside the continent; a challenge that is not only unique to SNAT SACCO but to other SACCOs well. In consultation with the relevant Ministries, the Commissioner of Co-operatives is working towards bringing a lasting solution to this.

4.1.8.3 Members keeping passbooks with them. The SACCO requested members that had their passbooks submitted. Although these were few, such has a negative impact to the SACCO's records keeping and reconciliation of the suspense account. It further made it challenging for the entity to process payment of savings to beneficiaries in the event the member passes on.

4.1.8.4 Non updating of beneficiary nominations forms. Members were urged to update their beneficiaries' nominations forms. In the event the nominated beneficiary dies, the SACCO is obliged to transfer funds to the master of the High Court; resulting in tedious and lengthy processes to have dependents accessing the funds. In some instances, the SACCO had members who could not even recall the person or those that were nominated. In some instances; members had altered the nominees through cancelation without signing for the amendment. The SACCO therefore had no option but to request members to seek a court order, instructing the organization to pay to the most recent nominee, exposing the nominee to legal costs. The SACCO encouraged members to update their nomination forms at least once per year or instantly upon passing on of nominee.

4.1.8.5 Engagement of teachers on contractual arrangements. The employer had adopted the practice of engaging teachers on short term contractual basis. The arrangement causes instability on members' abilities to maintain membership when they are out of employment (as renewal is not guaranteed). This has a negative impact on the SACCO's liquidity management.

4.1.8.6 Suspense account reconciliation. The SACCO has still not been able to resolve the balance in the suspense account – e.g of E 3,9 M. It is worth mentioning that the balance of the account has not increased since the end of the June 2023.

4.1.9.0 CHANGES IN BUSINESS OPERATIONS

4.1.9.1 Formula for calculating interest on savings. The SACCO's computation of interest income will ensure that interest is based on the amount of time funds were kept in members' accounts, unlike before where members deposited funds towards the end of the financial year and still benefitted like those who had kept same for the whole year; disadvantaging members who had funds kept for almost the whole year, but eventually had to withdraw same towards the end of the year to address pressing needs.

4.1.9.2 Extension of short loan repayment period. In the fourth quarter of the year, the SACCO reviewed the short loan product and increased repayment period from 5 to 6 months. This was aimed at improving access to the product.

4.1.10. PERFORMANCE OF RENTAL BUSINESS

Small Medium Enterprises have not recovered from the effects of COVID 19, outbreak. This was confirmed by the demand for office space – which had remained low. Several tenants were evicted for the following: non satisfactorily rental payment and doing business activities beyond those tolerated by the SACCO.

CONCLUSION

The Chairperson appreciated the patience exercised by the general membership during the renovation period of the banking hall. She extended her heartfelt gratitude to the outstanding work done by the Management, staff and the Board of directors. The Chairperson then introduced the Commissioner prior to the general membership's reactions on her report, who introduced himself as Mr. R. Nxumalo.

- The Commissioner expressed his strongest support for the SNAT SACCO due to its compliance to mandatory obligations towards the statutory SACCO regulations.
- He mentioned that SNAT was identified for bench marking by South Africa and had made a huge impact in the SACCO space.
- He further appreciated the general membership's attendance and reminded them about being the highest governing body.
- He promised to work tirelessly in ensuring that all monies owed by teachers who went abroad were recovered by the SACCO.
- He alluded that his office embraced the delegate system for an AGM for productive progress, citing proper registration as an example; challenging the SACCO to sensitize its members at branch level about this system.
- He also sensitized the general membership about an up-coming international Corporative day and urged them to attend.
- He further advocated for establishment of a Cooperative bank.
- The Commissioner's office sensitized the members on the opening of the common bond where ordinary members would be fully entitled to all services, whilst associate members partly entitled and the SACCO could bench mark from those SACCOs who have already opened the bond.

REACTIONS

- Member 2104 commended the Board for the ensuring that the SACCO complies with regulatory requirements - to avoid penalties.
- Member 13683 appreciated the change of job title (from General Manager to C.E.O); however, clarity was sought on whether the change would attract review of pay.
- Member 11180 cited that the Board should be worried about the increased membership withdrawals as most do so because of late time frame for interest declaration. He further highlighted that the Education committee should educate members on financial management.
- Member 1534 wanted clarity on why the SACCO cashier was relieved from work. The member further highlighted that members' exodus was also due to blacklisting issues preventing access to loans.
- Member 1114 appreciated the education on SACCO issues received by the branches; however, she requested that the same should be done pensioners.
- Member 13780 revealed that the SACCO should not open the common bond and wanted clarity why private school teachers were not allowed to join the SACCO whilst they are members of the Union.
- Member 16994 shared similar sentiments not to open the common bond and wanted clarity on why SNAT entities were not conducting collective member education programs.
- Member 0839 emphasized that the SACCO should not open the common bond and the Board should attend to the General membership's needs such as exploring other avenues for development and consider giving pensioners loans twice their savings.

- Member 13147 mentioned that instead of opening the common bond, members should consider changing the SACCO into a multi-purpose Cooperative.
- Member 14100 cited that the SACCO should consider exploring other avenues for increasing the share capital.
- Member 13085 advised General membership to take a financial decision instead of a political one on the issue of opening a common bond.
- Member 3524 mentioned that opening a common bond may result in some members (wealthy) outside the profession making their way to serve as Board of directors.

RESPONSES

The change of title to C.E.O was operational not financial and it came as a recommendation of the consultant responsible for the Organizational review and job grading. It was meant to align with ACCOSCA recommendations.

The Board revealed that education on financial management at branch level was ongoing and the SACCO went an extra mile in outsourcing facilitators on the same.

On the issue of blacklisting, the SACCO could not grant loans to blacklisted members and it's a compliance issue; hence members are obliged to ensure that their debts are paid off.

The issue of private school teachers not being onboarded as SACCO members was a decision made at an AGM– after proposal to adopt the same (by Board).

RESOLUTION

- Common bond should not be opened.

ADOPTION OF CHAIRPERSON'S REPORT

- Chairperson's report adopted by majority.

Mover: Ntuthuko Mamba- 16994
Seconder: Sifiso Vilakati- 1938

4.2 CREDIT REPORT

The report was presented by the credit Chairperson who introduced himself as Vumandaba Simelane. He enlightened the general membership on the following from the department referred to as a thee core business of the SACCO:

4.2.1. MEMBER SAVINGS

- Members are granted loans based on their savings.
- Member's ordinary savings increased from E548 326 654 to E578 846 820 by June 2023, due to members who increased savings to cushion themselves for 3X in the Standard loan product which was introduced by then, reflecting a 15.6% decline.
- Members were urged to continue saving with the SACCO even after retirement so they could receive financial assistance without any challenge.

4.2.2. LOANS TO MEMBERS

- The SACCO continued granting loans to members as its core business and had reviewed its Loan Policy during the financial year. The SACCO had increased the maximum amount to equip its members and also factored additional requirements in order to conduct a proper appraisal of our members' financial position.
- During the year under review, the SACCO disbursed a total of E455 696 897 in respect of loans to members compared to E300 995 733 advanced in the previous year 2022, depicting a rise of 51.4% owing to the improved offering on Standard loan.

4.2.3. LOAN BOOK

In terms of the SACCO's loan book, the total stood at E573 753 922.60 loan assets as at the end of June 2023.

4.2.4. DELINQUENT LOANS

- These are loans that are behind on payments and are not performing in accordance with contractual repayment terms; therefore, classed as defaults.
- The total for delinquent loans as at the end of June 2023 was E2 518 505; making up 0.4% of the total loan book.
- The figure for Non-Performing Loans before setting up of the Collections & Reviews Unit was E4 377 582.64. The SACCO recovered a total of E1 859, 078.10 by the end of June 2023, bringing down the figure to E2 518 505.

4.2.5. LOANS PROVISION

- The SACCO adhered to FSRA loan provision guidelines and made a provision of 50% to those which were not paid from 361 days and above (loss) a provision of 100% is made and the SACCO adhered to that.

4.2.6. CONTINOUS MEMBERSHIP

- Members were reminded to ensure that they save on a monthly basis and honor their obligations of diligently paying their monthly savings of E100.00.

4.2.7. JOINED MEMBERS

- In this financial year the SACCO had received 206 members ;121 females and 85 males giving an income of E103 000.00, somewhat consistent on the previous year data of 204 on boarded members; 128 females and 76 males, contributing an income of E102, 000.00 to the SACCO.

4.2.8. WITHDRAWALS

- In the reporting financial year, 186 members with an amount of E6 414 742.58 was realized, resulting to an increase of 5.6% from last year's withdrawals of 230 members giving E6 076 937. 27.

4.2.9 CHALLENGES

- **Centralized Location** – makes it strenuous for members outside the Manzini region to access the SACCO services physically.
- **Delayed loan approvals** – caused by the use of manual processes, unreliable technologies, and internal bureaucracies.
- **Members' difficulties to embrace new policies-** with more stringent requirements in conformity with the consumer credit act and FSRA guidelines.
- **Over committed and financially stressed members**- requesting to be granted loans, expecting us to flout regulated guidelines.
- **Members are very much multi-borrowed with other financial institution-** making them over-indebted.
- **Members that have left the employ of Government and pensioners-** defaulting their repayments
- **Members migrating to other countries for greener pastures**- abandoning their debts with the SACCO.
- An outcry of members for loan products which the SACCO does not offer and also requested a review of some of the benchmarks in our loan products.
- **The SACCO has since begun to experience fraudulent document** i.e. Bank Statements and Pay slips in order to obtain loans.

4.2.10 RECOMMNDATIONS

- The SACCO should consider investing in alternative digital channels like mobile banking, agency banking, and Fintech business in order to open up wide options for interacting with members, therefore improving efficiency and convenience.
- Member Education on issues of governance.
- Financial literacy training for SACCO members as a matter of urgency
- A review of the Loans Policy with the following improvements.
- Personal Loan repayment period increased to 24 months from 18 months to put a distinction between this product and the helpline loan.
- Remove the E500, 000 curb on the Special Loan since it is no longer beneficial for members who seek to buy & develop as well as those members who have capacity to access more funds but are disadvantaged by this limit.
- Incorporate various types of business loans with distinct features.
- Members who falsify documents were warned to desist from such, because they risk losing their jobs because such is a criminal case.

REACTIONS

- There were no reactions on the Credit Report.

ADOPTION OF THE REPORT

- The Credit report was adopted by majority.

Mover: Zakhele Dlamini- 2922
Seconder: Siphiwe Dlamini- 2748

4.3 SUPERVISORY REPORT

The Supervisory Chairperson introduced herself as Ms. Jabulile Dlamini and presented the report as follows:

4.3.1. ELECTIVE CONFERENCE

- The Supervisory Committee commended members who attended the elective Conference in October 2023 - to decide on the new leadership to drive this organization which was a great success.
- The incumbent Board then conducted branch elections in all nine branches to carry on their leadership roles – with terms of office running from 2024 to 2027.
- It was noted that some interested members could not meet key requirements. Predominantly members had issues of overcommitment in terms of the (33% rule) as well as running commitment or credit facilities with other financial services providers or money lenders.

4.3.2. MARKETING ACTIVITIES

- The SACCO has a strategic objective of upscaling visibility at events where members and potential members may be present and such was observed through its education drive on social media, particularly Facebook and members were urged to familiarize themselves with these platforms and embrace technology.
- The SACCO expanded visibility through events like Makoti Festival and Trade Fair exhibition. Members were encouraged to visit the SACCO's stalls – to interact and learn more about their organization's activities and products.

4.3.3 SUCCESFUL IMPLEMENTATION OF CORE BANKING SYSTEM

- On the 3rd July 2023, the SACCO went live on a new core business known as Business Central. The cloud-based system was implemented after several years of relying on an inefficient system called Fin-financials. Upon automated the SACCO had seen more benefits.

4.3.4. CYBER SECURITY

- The SACCO was reported to be exposed to cyber-crime as it had automated and this requires the organization to invest in cyber security to secure member's funds and SACCO's data; which could be achieved through participating in relevant workshops and trainings.
- Members were informed that the SACCO has firewalls, antivirus as tools meant to secure the SACCO's environment.

4.3.5. DATA BACKUP SYSTEM / BUSINESS RECOVERY

- The Committee report that the SACCO has data recovery strategies and tools in place. Since the system is cloud based – the SACCO has physical back up system, that is updated on daily basis. To ensure that disaster that strikes the SNAT house does not affect the back – up system, back up is currently stored at the SACCO's servers currently kept away from the business's premises and access to the back-up room is strictly controlled.
- Beyond these physical tools, the SACCO has a Data recovery plan, which articulates what to do in the event disaster strikes. This is in line with industry's best practices.

4.3.6. SAFEKEEPING OF MEMBERS RECORDS / FILES

- The Chairperson reported that a closed file room had been erected, installation of fire-resistant door (to delay external fires from destroying documents), procurement of proper filling cabinets, installation of bio-metrics system etc. The SACCO had installed cameras to strengthen security.

4.3.7. FIXED ASSET REGISTER

- Fixed Assets Register was accessed and all assets in the register were physically identified by the committee, though some were placed in alternative offices.

4.3.8. RISK MANAGEMENT PRACTISES.

- The SACCO had done much to ensure that it complies with the amended Anti Money Laundering guidelines, in the year, an Officer with Risk qualification was secured to assist the organization adopt a Risk based approach.
- In the fourth quarter, the organization partnered with SNG Grant Thornton (Pty) to develop a Risk Management Framework – a tool that comprehensively guide the SACCO in its risk management activities. A Risk Management Policy was also developed and the organization will establish a fully-fledged Risk function / Unit in the coming year.

4.3.9. SACCO GOVERNANCE

- On induction of the Board of Directors, the SACCO engaged seasoned trainers on governance – being SNG Grant Thornton, and ECODEC.
- During the induction, Board members were trained on the SACCO policies – an essential tool for proper governance.

4.3.10. LOAN PERFOMANCE - DELIQUENT LOANS

- The organization has not been able to report on delinquent loans due to reliance on manual process. Since same has been automated – such reports would be available.
- It was reported that in the year under review, the total value of delinquent loans stood at E 31 438139.86 from a total loan book of E 582 751 396.00.

4.3.11. DISHONESTY AND FALSIFYING OF DOCUMENTS.

- The SACCO continued experiencing issues of forgery of documents such as Pay slips and Bank Statements from our members.
- Members were reminded that such actions are criminal by nature and the SACCO had instituted disciplinary actions against the members involved and going forward the SACCO will also report such practice to Police services.

4.3.12. COLLECTIONS REPORT (JULY 2023 – JUNE 2024)

- As reported in the last financial year (2022/2023) that the SACCO established a Collections function. In the period under review, the department was able to recover a total of E12, 134,471. 26 members that had deserted servicing their loans.

4.3.13. MAINTENANCE OF THE SACCO HOUSE

- Renovations of the SACCO building was reported to be in two folds; the re-wiring and the Banking facelift.
- With regards to the Banking Hall, the project was reported to be progressing well.

4.3.14. MANAGEMENT OF PROPERTY BUSINESS

- Members were reminded that the management of the estate business was outsourced to REMAX which was strategically done to enable employees to focus on core business.
- The rental collection report for 2023/2024 indicated a low turnover as compared to the previous financial year.
- In the year, the SACCO earned a total rental income of E 956, 351.42 and paid commission of E 66,956.61 earning a net income of E 889, 754.82 and the SACCO evicted 5 tenants. One of those was a good payer, but was involved in business activities that competed with the SACCO.

REACTIONS

- There were no reactions on the Supervisory report.

ADOPTION OF THE REPORT

- The report was adopted.

Mover: Gcebile Bizzah Dlamini
Seconder: Madoda Nkambule

4.4 TREASURER'S REPORT

The Treasurer introduced himself as Nkosiyabongwa Dlamini.

- He mentioned that PWC (auditor) reveled that the SACCO's financial status was unqualified, without a condition.
- Page 10 and 11 reflected the statement of income, depicting in increase by 1% and 2% reduction on dividend expenses.
- 1.8% provision for loan losses was made.

REACTIONS

One member sought clarity on why the SACCO bought a car worth a million.
Another member appreciated the report but suggested that the SACCO should enrich its members not itself.

RESPONSES

- The board revealed that the budget for purchasing the SACCO car was approved by the general membership.

ADOPTION OF THE REPORT

- The Treasurer's report was adopted.

Mover: Ntuthuko Mamba (16994)
Seconder: Sifiso Vilakati (1938)

DECLARATION OF INTEREST

The Chairperson appreciated the fruitful engagements of the general membership and the patience exercised by members.

She declared the following;

- 5% interest on dividends and 10% on savings.

5. CLOSURE

The meeting was closed in prayer by Mduduzi Dlamini at 1400hrs.

Minutes Prepared by
Approved by

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Secretary
Chairperson