

ANNUAL GENERAL MEETING REPORT FOR THE SUPERVISORY COMMITTEE FOR FINANCIAL YEAR 2024/2025

INTRODUCTION

Through the massive grace of the Almighty Lord, we stand before you fellow SACCO members to present a report of what transpired in the period 1st July 2024 to 30 June 2025.

The Supervisory Committee is tasked with ensuring that the affairs of the SNAT SACCO are conducted in accordance with the Cooperative Act 2003 as amended in 2023, By-laws, resolutions, and all the relevant laws of the country with an objective of safeguarding members' interests, promote sound governance, and strengthen financial management practice. For the Committee to carry out this mandate, it needs the highest level of cooperation from all stakeholders including the Board, Management and staff as well as the general membership of this mighty organization.

This report, therefore, provides an overview of the SNAT SACCO's adherence to the above.

1. COMPLIANCE ISSUES

a) The SACCO has successfully reviewed and updated the Anti Money Laundering (**AML)/** Counter Financing of Terrorism **(CFT)/**Proliferation Financing **(PF)** policies in line with the latest regulatory standards. The review will ensure that funds received are from legitimate sources and not from criminal activity. As required by regulator, the SACCO continues to submit suspicious transactions to the Eswatini Financial Intelligence Unit **(EFIU)** for transactions that are not aligned to member profiles.

b) The SACCO has also developed and implemented several **organizational policies**, ensuring alignment with regulatory requirements, industry best practices, and internal governance frameworks.

c) An **Enterprise Risk Management framework** in line with guideline 7 from the

Financial Regulatory Services Authority (FSRA) guidelines has also been developed and implemented. This has ensured ease in identifying and actively managing **e**merging risks, particularly related to member document, forgery and mobile application operations.

d) In the reporting period, the SNAT SACCO achieved 100% **compliance with regulatory reporting and governance requirements**, consistently meeting FSRA deadlines and standards.

e) **Strengthening of Governance.** The SACCO strengthened its governance through elevating the position in the audit function (of Internal Auditor) to that of Internal Audit Manager. This ensures consistent high-quality work within the organization in the absence of external auditors.

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CHALLENGES ON COMPLIANCE ISSUES

Despite the achievements articulated above, the SACCO continues to experience some challenges;

a) **SNAT SACCO members who forge documents** – In the reporting year, 13 members underwent a disciplinary process for forging documents like **pay-slips**, **bank statements**, **contract of employment** and **posting letters**. Submitting forged documents is a criminal offence and it disrupts the operations of the SACCO. If such is not detected early, it could harm the SACCO financially and also ruin the reputation of the organization. Therefore, members are urged to desist from such illegal activities.

b) **Members who fail to update information on the beneficiaries' form** – In the reporting period, the SACCO was inundated with legal cases where relatives of deceased SNAT SACCO members sued the organization because the principal member failed to update the beneficiaries' forms. Members are therefore urged to update their beneficiary's information timeously and adhere to KYC calls.

c) **Members who fail to reference using their SNAT SACCO number when making funds deposits**. This makes it difficult to account for the funds in the finance department. The negative impact of this is the increase of the Suspense account. Members are reminded to always use their SNAT SACCO referencing number when making deposits in the bank.

2. INTERNAL AUDIT REPORTS

The Internal Audit function is an integral part of the SNAT SACCO and works closely with the Supervisory Committee. It is a function that plays an oversight role on the SACCO by keeping checks and balances like the referee does in a game of football. The Internal Audit successfully audited the following areas within the SACCO: procurement, suspense account, members information, lunch claims during the budget meetings, school fees withdrawal using the App and lease agreements to name a few. There were some findings that came out during these audits. It pleases the Supervisory Committee to report that most of the concerns raised were corrected by management while others, such as the suspense account cannot be resolved overnight.

3. MARKETING

The SACCO is on the drive to reach out to its members as per one of its strategic objectives. This is done through Social Media as well as physical engagements like at the **International Trade Fair, Makoti Festival** as well as **Teachers' Day**. The Committee applauds the support of the general membership in all these endeavors. The members are also encouraged to support the SACCO's marketing drive through purchasing the merchandise which is affordable.

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4. UPGRADE IN THE SACCO HOUSE

The Supervisory Committee is pleased to report about the completion of the uplifted Banking Hall and the installation of the **Queue System** which assists in bringing order to members who have come for service.

To match up the standard of the Banking Hall, the **Reception area** which welcomes our guests and visitors, has also been renovated.

The membership is also informed of the establishment of the **Call Centre** which seeks to help members about the SACCO business at the comfort of their homes. The Call Centre operates from **0600 hours to 1800 hours (Monday to Saturday**) and from **0800 hours to 1300 hours on Sundays**. The toll-free number is **800 1101**.

5. SACCO GOVERNANCE

For the efficient running of the SACCO, the Board, Management and staff as well as Branch Executive Committee members and SNAT SACCO Reps attended workshops to equip themselves with necessary skills to manage the day to day business of the organization.

6. WHISTLE BLOWING

To curb or minimize wrong doing within the SACCO, members are encouraged to make use of the whistle blowing platforms to report any malpractice, misconduct or illegal activities occurring within the SACCO. The **toll-free line is 800 1013** and the **email address is** **Tipoffs@snatcoop.co.sz .** Members who will use these facilities are guaranteed of confidentiality of their identities.

7. COLLECTIONS AND REVIEWS

The SACCO continues to have members who default payments or servicing their loans and it the duty of the Collections and Reviews department to make sure that funds are recovered. During the period under review the department was able to recover a total of **E 9 360, 967,77**. This amount was collected from the members who default by going to overseas countries such as Taiwan and those who take early retirements.

Delinquent loans

These are loans that are not performing as per initial agreements between the SACCO and members. The amount of arrears at the end of June 2025 was **E3 568 307.00**. The SACCO has zero tolerance for non performing loans (NPL). Most of loans in this category relate to members who cannot be located or migrated for overseas jobs – without making arrangements to pay back and cannot be traced.

The Committee encourages members to continue working with the office in recovering loans that are in arrears, through whistle blowing whereabouts of known defaulters.

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8. MANAGEMENT OF PROPERTY BUSINESS

Members would remember that the property for the SACCO is managed by Remax. The rental collection report for the 2024/2025 financial year shows a slight increase of income as compared to the previous financial year. The SACCO received a total rental income of E1, 139,103.37 and paid a commission of E79, 657,13 earning a net income of E1, 059, 446.24. Outsourcing management of the facilities assisted in creating more time for the SACCO to concentrate on core business – Savings and Credit.

CONCLUSION

SNAT SACCO continues to demonstrate a strong commitment to good governance, effective risk management, and full regulatory compliance. Audit readiness has improved significantly, and the SACCO remains well-positioned to strengthen its internal control environment and sustain member confidence in the coming financial year. As the Supervisory Committee, we can assure members that the organization is on the right track as it continues to be the leading SACCO in the land not just numerically but also financially as well. Members are not just encouraged to make it a habit to recruit the new teachers as much as they can in their various staffrooms but also to protect the SACCO from fraudulent elements which may damage its reputational image.

Thank you again members for your continued support.

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