



ENERGY REGULATED NWDI SACCO SOCIETY LTD

OPERATIONAL MANUAL

September 2025

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1. INTRODUCTION

1.1 Background

Energy Savings and Co-operative Society (hereinafter referred to as *the Society*) was established in 1983 as a member-owned financial co-operative. It is duly registered under the Co-operative Societies Act, Cap 490 of the Laws of Kenya and operates as a Non-Deposit Taking Savings and Credit Co-operative Society (Sacco) in accordance with the Sacco Societies Act, No. 14 of 2008 and the Sacco Societies (Non-Deposit Taking Business) Regulations, 2020.

Since its formation, the Society has been dedicated to mobilizing savings from its members, extending affordable credit facilities, and promoting socio-economic empowerment. It functions as a democratically controlled financial institution, operating on the co-operative principles of mutual assistance, transparency, accountability, and sustainability.

1.2 Legal Compliance

The Society is required to comply with the following legal and regulatory frameworks:

- **Co-operative Societies Act (Cap 490):** Governs registration, management, and operations of co-operatives.
- **Sacco Societies Act (2008):** Provides licensing, regulation, and supervision of deposit-or non-deposit taking SACCOs by SASRA.
- **SASRA Prudential Guidelines (2020):** Prescribes minimum prudential standards, capital adequacy, liquidity management, risk controls, and reporting requirements.
- **Proceeds of Crime and Anti-Money Laundering Act (POCAMLA, 2009):** Requires SACCOs to implement Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) frameworks.
- **Data Protection Act (2019):** Governs collection, processing, and storage of member data.
- **Employment Act (2007):** Provides minimum standards for employee rights and obligations.
- **Public Finance Management (PFM) Act, 2012:** Applicable where the Sacco partners with public institutions.
- **Other relevant regulations, circulars, and directives** issued from time to time by SASRA, the Commissioner for Co-operative Development, and other government agencies.

1.3 Purpose of the Manual

The Operational Manual is designed to:

- Standardize procedures for effective and consistent service delivery.

- Provide staff, management, committees, and members with clear operational guidelines.
- Enhance compliance with applicable laws and regulations.
- Strengthen internal controls, accountability, and governance.
- Support sustainable growth through prudent financial and risk management.

1.4 Scope of the Manual

This manual covers **all operational areas of the Society**, including but not limited to:

- Governance and leadership.
- Membership admission, management, and exit.
- Savings mobilization and shareholding.
- Credit management and loan administration.
- Financial management, accounting, and reporting.
- Risk management and compliance with AML/CFT frameworks.
- Human resource and staff management.
- Information management, ICT systems, and data protection.
- External relations, partnerships, and corporate social responsibility.

It applies to the **Board of Directors, Supervisory Committee, Credit Committee, management staff, and all members** of the Society.

2. GOVERNANCE STRUCTURE

2.1 Overview

The governance of the Society is anchored on the Co-operative Societies Act (Cap 490, Laws of Kenya), the Sacco Societies Act (2008), the SASRA Regulations (2020), and the Society's by-laws. These instruments collectively provide the legal and operational framework for management, decision-making, and accountability.

The governance framework is designed to ensure prudent management, protection of members' funds, and compliance with regulatory standards, while upholding co-operative principles of democracy, transparency, accountability, and member participation.

The Society's governance structure comprises:

- Annual General Meeting (AGM)
- Board of Directors
- Supervisory Committee
- Credit Committee
- Management and Staff



2.2 Annual General Meeting (AGM)

- The **AGM** is the supreme authority of the Society.
- Members exercise their rights through the AGM by voting and passing resolutions.
- Functions include:
 - Electing the Board of Directors
 - Electing Supervisory committee
 - Receiving and approving audited financial statements.
 - Approving dividend and interest rates on deposits.
 - Approving specific policies, budgets, and strategic plans.
 - Ratifying amendments to by-laws and major policy decisions.
- AGM decisions are binding on all members, committees, and staff.

2.3 Board of Directors

- The Board consists of members elected at the AGM in accordance with the Co-operative Societies Act and the Society's by-laws.
- Responsibilities include:
 - Providing strategic direction and oversight of operations.
 - Approving policies, budgets, and operational manuals.
 - Ensuring compliance with the **Sacco Societies Act** and **SASRA regulations**.
 - Safeguarding members' funds through prudent management.
 - Approving credit limits, loan products, and interest rates for AGM ratification.
 - Recruiting, appraising, and providing oversight to the Chief Executive Officer (CEO).

2.4 Supervisory Committee

- Elected by members at the AGM to provide independent oversight.
- Key roles:
 - Reviewing internal controls and financial management practices.
 - Ensuring compliance with laws, regulations, and internal policies.
 - Reporting directly to members at the AGM.
 - Conducting special investigations when necessary.

2.5 Credit Committee

- Mandated to oversee loan appraisal, approval, and monitoring.
- Responsibilities include:
 - Evaluating loan applications for compliance with the Credit Policy.

- Approving loans within delegated limits.
- Recommending larger loans to the Board for approval.
- Monitoring loan portfolio performance.
- Ensuring fairness, equity, and transparency in credit administration.

2.6 Management

- Headed by the Chief Executive Officer (CEO), appointed by the Board.
- Responsibilities include:
 - Implementing Board and AGM decisions.
 - Supervising day-to-day operations.
 - Managing staff and resources efficiently.
 - Preparing financial and operational reports for the Board and regulators.
 - Ensuring timely compliance with SASRA, Commissioner for Co-operative Development, and other regulatory requirements.

3. MEMBERSHIP MANAGEMENT

3.1 Eligibility

- Membership is open to individuals employed in, affiliated with, or engaged in the energy sector, wider public service and private sector.
- Any person over 18 years of age, of sound mind, and capable of fulfilling financial obligations may be admitted.
- Institutions, groups, or corporate bodies may also be admitted as corporate members where permitted by the by-laws.

3.2 Admission Procedure

- Completion of the prescribed membership application form.
- Payment of the entrance fee and purchase of the minimum share capital as set by the by-laws.
- Approval of membership by the Board of Directors.
- Issuance of a membership number and record entry in the members' register.
- Orientation on rights, responsibilities, and co-operative values.

3.3 Rights of Members

- To attend, participate in, and vote at General Meetings.
- To elect and be elected to committees and leadership positions.
- To access credit facilities, savings products, and other services of the Society.



- To receive dividends and interest on deposits subject to AGM approval.
- To request information regarding the Society's operations as provided in the by-laws.

3.4 Obligations of Members

- To uphold the Society's values, by-laws, and policies.
- To make regular savings and meet all financial commitments on time.
- To participate in governance through AGMs and committee elections.
- To act as guarantors when requested, within the limits of deposits.
- To protect the reputation and integrity of the Society.

3.5 Termination of Membership

Membership may be terminated under the following circumstances:

- **Voluntary withdrawal:** Upon written notice and settlement of all outstanding obligations.
- **Death:** The next of kin will be paid accrued benefits less any obligations.
- **Expulsion:** By resolution of the AGM or Board for gross misconduct, non-compliance, or actions detrimental to the Society.
- **Non-payment or dormancy:** Prolonged default on contributions or failure to meet obligations as provided in the by-laws.

3.6 Maintenance of Membership Records

- A **members' register** shall be maintained, capturing personal details, deposits, shares, and loan records.
- Records shall be updated regularly to reflect changes in status.
- All data shall be maintained in compliance with the **Data Protection Act (2019)**, ensuring confidentiality and lawful use of personal information.

4. SHARE CAPITAL & MEMBER DEPOSITS

4.1 Share Capital

- Share capital represents members' ownership in the Society and provides a permanent source of capital that is not withdrawable.
- The minimum number of shares to be held by each member shall be prescribed in the Society's by-laws.
- Shares are non-refundable but may be transferred to another member upon withdrawal or expulsion, subject to Board approval.



- Dividends on shares shall be declared annually by the AGM, based on surplus realized.

4.2 Monthly Deposits (Member Savings)

- Every member shall make **regular monthly deposits** as prescribed in the by-laws.
- Deposits form the primary basis for loan eligibility and serve as collateral/guarantee for members' loans.
- Deposits are withdrawable only upon cessation of membership and settlement of all outstanding obligations, including guaranteed loans.
- Deposits shall earn interest annually, at a rate approved by the AGM, subject to the Society's financial performance.

4.3 Special Savings Products

In addition to mandatory deposits, the Society may offer voluntary savings accounts, including:

- **Fixed Deposit Accounts:** Lump-sum deposits held for a fixed period at agreed interest rates.
- **Target Savings Accounts:** Designed for specific goals (e.g., school fees, medical expenses, housing).
- **Junior Accounts:** For members' dependents, promoting a culture of saving.

4.4 Capital Adequacy

- In compliance with **SASRA prudential standards**, the Society shall maintain minimum capital adequacy ratios as prescribed by law.
- The Board shall periodically review the adequacy of share capital and member deposits in relation to loan demand and liquidity requirements.

4.5 Interest and Dividends

- **Interest on Deposits:** Payable annually, as determined by the Board and approved by the AGM.
- **Dividends on Shares:** Declared from net surplus, after meeting statutory and regulatory reserves.
- Rates shall be determined by the AGM based on audited financial statements and surplus available.

4.6 Security of Members' Funds



- Members' deposits and share capital shall be protected through sound investment practices and prudent lending.
- The Society shall maintain **deposit guarantee insurance** as provided under the Sacco Societies Act.
- Internal controls, audits, and regulatory oversight will ensure safety and accountability of members' funds.

5. LOAN MANAGEMENT

5.1 General Principle

All loans shall be managed in strict compliance with the **Society's Credit Policy**, the **Society's by-laws**, and any other guidelines or directives issued by the **Board of Directors from time to time**. Loan administration shall also align with the **Co-operative Societies Act (Cap 490)**, the **Sacco Societies Act (2008)**, and applicable **SASRA Regulations**.

5.2 Loan Products

The Society shall provide a variety of loan products tailored to meet members' socio-economic needs, including but not limited to:

- Normal (Development) Loans
- Emergency Loans
- School Fees Loans
- Refinancing Loans
- Huduma Loans
- Booster Loans
- Techno Loans
- Bima (Insurance Premium Financing) Loans
- InstaCash (Mobile) Loans
- Biashara Scale-Up Loans
- Corporate Loans
- Asset Financing Loans

The detailed features of each loan product—including amounts, interest rates, tenures, security, and eligibility—shall be specified in the **Credit Policy**.

5.3 Loan Eligibility

- Member must have completed the minimum membership period as prescribed in the by-laws.
- Member must have regular monthly deposits and adequate guarantors or collateral.



- Loan amounts shall be determined by deposits, repayment capacity, and product-specific terms.
- Member must not be in default on any Sacco obligations.

5.4 Loan Application Process

- Application:** A member may apply for a loan in **manual (paper-based)** or **electronic (digital platform)** format, as may be directed and approved by the **Board of Directors** from time to time. Each application must be duly completed and accompanied by required documentation (e.g., payslips, guarantor forms or quotations).
- Verification:** Management verifies eligibility, accuracy, and compliance with the Society's Credit Policy and by-laws.
- Appraisal:** The Credit Committee evaluates repayment capacity, guarantorship, and risk exposure.
- Approval:** Loans are approved within delegated limits; larger loans are escalated to the Board.
- Disbursement:** Funds are released upon approval, documentation, and compliance with loan terms.
- Notification:** Member is provided with repayment schedule and formal communication of loan terms.

5.5 Loan Security

- Loans shall be secured by:
 - Member deposits.
 - Guarantors (fellow members).
 - Collateral (movable/immovable assets).
- No member may guarantee loans beyond the level of their deposits.

5.6 Loan Recovery & Monitoring

- Repayments shall be made through payroll deductions, standing orders, or direct deposits.
- Loan repayments are due monthly unless otherwise specified.
- Recovery measures for defaults include demand notices, guarantor attachment, restructuring, and legal enforcement.
- Loan portfolio performance shall be monitored monthly and benchmarked against SASRA prudential guidelines.
- Persistent defaulters may be listed with licensed **Credit Reference Bureaus (CRBs)**.

5.7 Loan Risk Mitigation

- Strict adherence to **KYC, AML, and CFT** obligations under **POCAMLA (2009)**.
- Regular loan portfolio stress testing to detect emerging risks.
- Provisioning for loan losses in line with **IFRS 9** and **SASRA** standards.
- Maintenance of adequate insurance coverage for loan portfolios where applicable.

5.8 Top-Up and Refinancing

- Loan top-ups are permitted subject to repayment of a minimum percentage of the outstanding balance (e.g., 50% for Huduma Loan).
- Refinancing for consolidation of existing loans shall be allowed upon appraisal, provided repayment capacity is demonstrated.

6. SAVINGS PRODUCTS

6.1 General Principle

Savings are the foundation of the Society's operations and shall be managed in accordance with the **Society's Savings Policy**, the **by-laws**, and guidelines issued by the **Board of Directors from time to time**. Savings mobilization enhances the Society's liquidity, supports loan issuance, and promotes members' financial security.

6.2 Compulsory Monthly Deposits

- Every member shall contribute a **minimum monthly deposit** as prescribed in the by-laws.
- Deposits form the basis for loan eligibility and serve as collateral for loans.
- Deposits are withdrawable only upon cessation of membership and settlement of all outstanding obligations.
- Deposits earn annual interest, declared by the AGM upon recommendation of the Board, based on financial performance.

6.3 Voluntary Savings Products

In addition to compulsory deposits, the Society shall offer voluntary savings schemes to meet members' diverse needs, including:

- **Fixed Deposit Accounts:** Lump-sum savings held for an agreed period at fixed interest rates.



- **Target/Goal-Oriented Accounts:** For specific purposes such as education, medical care, housing, or retirement.
- **Junior/Youth Savings Accounts:** Opened for dependents or minors to inculcate a saving culture.
- **Special Purpose Accounts:** Established from time to time by the Board to respond to emerging member needs.

6.4 Interest on Savings

- Interest on deposits shall be credited annually, subject to the Society's performance.
- Interest rates shall be proposed by the Board and approved by the AGM.
- Fixed deposit accounts shall attract predetermined rates based on tenor and prevailing market conditions.

6.5 Security of Savings

- Members' savings shall be safeguarded through prudent investment practices and strong internal controls.
- The Society shall maintain **liquidity reserves** as required under SASRA regulations to guarantee accessibility of savings.
- The Society shall participate in the **Deposit Guarantee Fund (DGF)** where applicable, to protect members against losses.

6.6 Withdrawal of Savings

- Members may withdraw voluntary savings (other than compulsory deposits) subject to notice periods set by the Board.
- Compulsory deposits may only be refunded upon cessation of membership and after all obligations, including guaranteed loans, have been cleared.

7. FINANCIAL MANAGEMENT

7.1 General Principle

The Society's financial management shall be guided by the principles of **accountability, transparency, prudence, and compliance** with applicable laws and regulations. All financial activities shall align with the **Society's Financial Policy**, the **by-laws**, and guidelines issued by the **Board of Directors from time to time**.

7.2 Accounting Standards

- The Society shall maintain its books of account in line with **International Financial Reporting Standards (IFRS)** and SASRA reporting formats.
- Double-entry bookkeeping shall be used, with proper classification of income, expenses, assets, and liabilities.
- Records shall be updated regularly to reflect accurate financial positions.

7.3 Budgeting

- Annual budgets shall be prepared by management in consultation with the Board.
- Budgets shall cover revenue, expenditure, capital investments, and reserves.
- The Board shall approve budgets before the beginning of each financial year.
- Variance analysis shall be conducted quarterly to compare actual performance against budget.

7.4 Internal Controls

- Segregation of duties shall be maintained to prevent fraud and errors.
- Dual authorization shall be required for all payments and withdrawals.
- Bank reconciliations shall be conducted monthly.
- Cash handling shall follow approved cash management procedures.
- Regular internal audits shall be conducted by the Supervisory Committee and/or internal auditor.

7.5 Asset Management

- The Society shall maintain an updated asset register for all fixed and movable assets.
- Assets shall be properly insured against risks such as fire, theft, or damage.
- Disposal of assets shall follow procedures approved by the Board.
- Investments in fixed assets shall not exceed limits prescribed under SASRA guidelines.

7.6 Procurement

- Procurement shall be conducted in a **transparent, competitive, and cost-effective** manner.
- The Society shall maintain a procurement policy that outlines tendering, evaluation, and award processes.
- Conflict of interest in procurement shall be strictly prohibited.
- All procurement transactions shall be authorized by designated officers and approved by the Board where necessary.



7.7 Financial Reporting

- Management shall prepare monthly, quarterly, and annual financial reports for submission to the Board.
- Audited financial statements shall be presented to members at the AGM.
- Reports shall also be submitted to SASRA and the Commissioner for Co-operative Development as required by law.
- Reports shall include key performance indicators such as liquidity, capital adequacy, loan portfolio quality, and delinquency ratios.

7.8 Statutory Compliance

- The Society shall comply with all statutory obligations, including:
- Taxation: Filing and remittance to the Kenya Revenue Authority (KRA).
- Regulatory Fees: SASRA licensing and annual supervisory fees.
- NSSF and NHIF contributions: For all employees as per the law.
- POCAMLA obligations: Reporting of suspicious transactions to the Financial Reporting Centre (FRC).

8. RISK MANAGEMENT & COMPLIANCE

8.1 General Principle

The Society shall adopt a **comprehensive risk management framework** to identify, assess, mitigate, and monitor risks that may affect its operations. Risk management practices shall align with the **Society's Risk Management Policy**, the **by-laws**, and directives issued by the **Board of Directors** from time to time.

8.2 Categories of Risk

The Society recognizes the following key risk categories:

- Credit Risk: Possibility of members defaulting on loan repayments.
- Liquidity Risk: Inability to meet short-term financial obligations.
- Operational Risk: Loss arising from internal processes, human error, system failures, or fraud.
- Legal and Compliance Risk: Exposure due to non-compliance with laws, regulations, or contractual obligations.
- Market Risk: Losses due to fluctuations in interest rates, inflation, or other macroeconomic factors.
- Reputational Risk: Damage to the Society's public image due to mismanagement or unethical practices.
- Strategic Risk: Risks arising from poor decision-making or inadequate strategic planning.



8.3 Compliance with Regulatory Requirements

- The Society shall comply with all provisions of the Co-operative Societies Act, Sacco Societies Act, and SASRA Regulations.
- Compliance with prudential standards including capital adequacy, liquidity ratios, and loan provisioning is mandatory.
- Periodic returns shall be submitted to SASRA, the Commissioner for Co-operative Development, and other regulators.
- Policies shall be reviewed regularly to ensure alignment with changes in law or regulatory guidance.

8.4 Anti-Money Laundering & Counter-Terrorism Financing (AML/CFT)

- The Society shall implement strong AML/CFT controls in compliance with POCAMLA (2009) and related guidelines.
- Know Your Customer (KYC): Full identification and verification of members prior to onboarding.
- Customer Due Diligence (CDD): Risk-based monitoring of transactions and member activities.
- Suspicious Transaction Reporting (STR): Timely reporting of suspicious activities to the Financial Reporting Centre (FRC).
- Staff Training: Regular AML/CFT training for staff and officials.

8.5 Internal Audit & Oversight

- The Supervisory Committee shall provide oversight on compliance and internal control systems.
- The Society shall engage internal and external auditors to conduct periodic audits.
- Audit findings shall be reported to the Board and AGM, with corrective actions taken promptly.

8.6 Business Continuity & Disaster Recovery

- The Society shall maintain a Business Continuity Plan (BCP) to ensure uninterrupted services during disruptions.
- Measures shall include regular data backup, offsite storage, alternative office arrangements, and ICT disaster recovery systems.
- The Board shall test and review the BCP at least annually.

8.7 Risk Monitoring & Reporting

- Risk registers shall be maintained to track identified risks, mitigation measures, and responsible officers.
- Management shall submit quarterly risk reports to the Board.
- Emerging risks shall be escalated promptly to ensure proactive management.

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9. INFORMATION & DATA MANAGEMENT

9.1 General Principle

The Society shall ensure that all information, records, and data are managed securely, accurately, and in compliance with the **Data Protection Act (2019)**, the **Co-operative Societies Act (Cap 490)**, the **Sacco Societies Act (2008)**, and other applicable laws. Information management shall safeguard members' privacy, support efficient operations, and promote accountability.

9.2 Records Management

- A comprehensive records management system shall be maintained, including member records, financial documents, loan files, and governance records.
- Records shall be organized, indexed, and stored for easy retrieval.
- Archiving and disposal of records shall comply with the Public Archives and Documentation Service Act and the Society's Records Retention Policy.
- Both physical and electronic records shall be safeguarded against unauthorized access, damage, or loss.

9.3 Digital Platforms and E-Loan Systems

- The Society shall deploy digital platforms, including mobile applications, online portals, and USSD solutions, to facilitate savings, loan applications, disbursements, and repayments.
- E-Loan Systems Governance:
 - Loan applications may be submitted electronically, subject to Board-approved guidelines.
 - Digital platforms shall incorporate **authentication, encryption, and audit trails** to ensure data integrity and security.
 - Regular system audits shall be conducted to identify vulnerabilities and ensure compliance with ICT and data protection policies.
 - The Board shall approve policies governing e-loan operations, including eligibility, limits, turnaround times, and documentation.
- Digital service providers (e.g., mobile money operators, fintech partners) shall be vetted to ensure compliance with Central Bank of Kenya (CBK) and SASRA regulations.

9.4 Data Protection & Privacy

- Member data shall only be collected, processed, and stored for lawful and authorized purposes.

- Consent shall be obtained from members before use of personal information for secondary purposes.
- Data shall be stored securely with appropriate access controls.
- Breaches of data security shall be reported promptly in compliance with the **Office of the Data Protection Commissioner (ODPC)** guidelines.

9.5 ICT Systems and Cybersecurity

- The Society shall maintain robust ICT systems to support its operations, including accounting software, loan management systems, and mobile banking platforms.
- Cybersecurity measures shall include:
 - Strong password and access control policies.
 - Firewalls, antivirus, and intrusion detection systems.
 - Regular penetration testing and system updates.
- Staff shall be trained regularly on ICT security awareness and data handling best practices.

9.6 Information Sharing and Reporting

- Information shall be shared with regulators, members, and stakeholders in accordance with legal requirements.
- Member account information shall only be disclosed with their consent, or as required by law (e.g., court orders, AML/CFT reporting).
- Periodic ICT and data management reports shall be presented to the Board.

9.7 Business Continuity for ICT Systems

- The Society shall maintain a Disaster Recovery Plan (DRP) for ICT infrastructure.
- Data backups shall be conducted daily and stored both onsite and offsite.
- Redundancy systems (servers, cloud storage) shall be maintained to guarantee availability of services.
- Recovery drills shall be conducted periodically to ensure readiness.

10. HUMAN RESOURCE MANAGEMENT

10.1 General Principle

The Society recognizes that its human resources are central to achieving its mission. Human resource management shall be guided by the principles of **fairness, meritocracy, professionalism, and compliance with Kenyan labour laws**. HR practices shall also align with the **Society's Human Resource Policy**, the **by-laws**, and directives of the **Board of Directors**.

10.2 Recruitment and Selection

- Recruitment shall be transparent, competitive, and merit-based, in line with the Employment Act.
- Vacancies shall be advertised internally and externally where necessary.
- Selection panels shall be constituted to ensure fairness and impartiality.
- All staff appointments shall be approved by the Board of Directors.

10.3 Staff Orientation and Induction

- Newly recruited staff shall undergo an induction program covering the Society's vision, mission, policies, culture, and operations.
- Orientation shall include training on the Co-operative Societies Act, SASRA guidelines, and AML/CFT requirements.

10.4 Training and Capacity Building

- The Society shall invest in continuous professional development of its staff and officials.
- Training programs shall cover technical skills, financial management, customer service, ICT, risk management, and compliance.
- Staff shall be encouraged to pursue relevant professional certifications.

10.5 Performance Management

- A performance appraisal system shall be implemented to evaluate staff against agreed targets.
- Appraisals shall be conducted at least annually and linked to career progression and rewards.
- Underperformance shall be addressed through capacity building, mentoring, or disciplinary procedures where necessary.

10.6 Remuneration and Benefits

- Salaries and benefits shall be aligned with market standards, affordability, and the Society's financial capacity.
- Staff shall be entitled to statutory benefits including NSSF, NHIF, and retirement benefits as prescribed by law.
- Additional benefits such as medical cover, allowances, and bonuses may be provided as approved by the Board.

10.7 Code of Conduct and Ethics

- Staff and officials shall uphold the highest standards of integrity, professionalism, and confidentiality.
- Conflict of interest in decision-making, procurement, or loan processing shall be prohibited.
- Staff shall sign and comply with a Code of Ethics developed by the Society.

10.8 Workplace Health, Safety, and Welfare

- The Society shall comply with the Occupational Safety and Health Act (2007).
- The workplace shall be safe, accessible, and free from hazards.
- Policies shall be in place to prevent sexual harassment, discrimination, or unfair treatment.

10.9 Disciplinary and Grievance Procedures

- Disciplinary measures shall be fair, consistent, and guided by the Employment Act and internal HR policy.
- Employees shall have the right to be heard before disciplinary action is taken.
- A grievance-handling mechanism shall be established to resolve staff complaints fairly and promptly.

10.10 Exit and Separation

- Exit procedures (resignation, retirement, termination, or redundancy) shall follow legal provisions and contracts of employment.
- Exit interviews shall be conducted to capture feedback and lessons for improvement.
- Certificates of service shall be issued to departing staff in line with the Employment Act.

11. EXTERNAL RELATIONS & CORPORATE SOCIAL RESPONSIBILITY (CSR)

11.1 General Principle

The Society recognizes the importance of maintaining strong external relationships with stakeholders and contributing positively to the community. External engagements shall be guided by the **Society's by-laws**, directives of the **Board of Directors**, and applicable national laws, including the **Co-operative Societies Act** and relevant corporate governance standards.

11.2 Stakeholder Engagement

- The Society shall maintain open, transparent, and regular communication with its stakeholders, including:

- Members.
- Regulators (SASRA, Commissioner for Co-operative Development, Financial Reporting Centre).
- Government agencies.
- Financial institutions and development partners.
- Community organizations.
- Stakeholder consultations shall be incorporated in strategic planning and policy development.
- Feedback mechanisms (surveys, forums, digital platforms) shall be established to enhance accountability and responsiveness.

11.3 Partnerships and Collaborations

- The Society shall build partnerships with banks, microfinance institutions, development finance institutions (DFIs), and other co-operatives to expand access to affordable financial services.
- Partnerships with fintech and mobile network operators shall be pursued to strengthen digital financial services such as mobile savings, e-loans, and digital payments.
- Collaboration with training institutions and professional bodies shall be promoted to enhance capacity building for staff, members, and leadership.

11.4 Corporate Social Responsibility (CSR)

- The Society shall commit a portion of its surplus, as approved by the Board and AGM, to community development initiatives.
- Priority CSR areas include:
 - **Education Support:** Scholarships, bursaries, and school infrastructure support.
 - **Community Development:** Water, health, and renewable energy projects.
 - **Environmental Sustainability:** Tree planting, clean energy promotion, and waste management initiatives.
 - **Financial Literacy:** Member and community sensitization on savings, credit, and financial management.
- CSR activities shall be aligned with national development priorities and the UN Sustainable Development Goals (SDGs).

11.5 Advocacy and Representation

- The Society shall participate in co-operative networks, unions, and federations to influence policies affecting the sector.
- The Society shall advocate for favorable regulatory and business environments for SACCOs.
- Engagement with policymakers shall be professional, transparent, and in the best interests of members.

11.6 Communication and Public Relations

- The Society shall maintain an official communication policy to guide engagement with members, the media, and the public.
- Communication channels shall include newsletters, websites, digital platforms, and official notices.
- Only authorized officials shall issue statements on behalf of the Society.

12. REPORTING & DISCLOSURE

12.1 General Principle

The Society shall ensure **timely, accurate, transparent, and consistent reporting and disclosure** of financial and operational information to its members, regulators, and other stakeholders. All reporting practices shall be guided by the **Society's by-laws**, the **Board of Directors' directives**, and applicable laws.

12.2 Financial Reporting

- **Monthly Reports:** Management shall prepare monthly financial reports (income, expenditure, cash flow, and loan performance) for the Board.
- **Quarterly Reports:** Financial performance reports, including liquidity ratios, capital adequacy, and delinquency analysis, shall be prepared for regulatory compliance and oversight.
- **Annual Reports:** Audited financial statements, management reports, and committee reports shall be presented to members at the AGM.
- **Regulatory Returns:** Financial and prudential returns shall be filed with SASRA and the Commissioner for Co-operative Development as per statutory requirements.

12.3 Operational Reporting

- Management shall provide periodic reports on membership growth, savings mobilization, loan portfolio, risk exposure, ICT systems, and human resources.
- Performance indicators shall be tracked to ensure efficiency and sustainability.
- Key operational reports shall be shared with the Board, Supervisory Committee, and Credit Committee for oversight.

12.4 Regulatory and Statutory Reporting

The Society shall comply with mandatory reporting obligations, including:

- **SASRA:** Prudential returns, liquidity ratios, non-performing loan reports, and compliance reports.
- **Commissioner for Co-operative Development:** Annual returns, by-law amendments, and governance reports.
- **Kenya Revenue Authority (KRA):** Tax filings, PAYE, VAT, and other statutory deductions.
- **Financial Reporting Centre (FRC):** Suspicious Transaction Reports (STRs) and AML/CFT compliance reports under POCAMLA (2009).
- **Other regulators:** NSSF, NHIF, and other relevant statutory bodies.

12.5 Member Reporting and Disclosure

- Members shall receive at least **annual account statements** showing savings, loans, interest, and dividends.
- Information on new products, policy changes, and AGM resolutions shall be communicated promptly via official channels (circulars, newsletters, SMS, website, or digital platforms).
- Members shall have the right to request information on the Society's operations, provided it does not compromise confidentiality or data protection obligations.

12.6 Transparency and Accountability

- Reports presented to members and regulators shall be factual, accurate, and prepared in line with IFRS and SASRA standards.
- Disclosure of financial and operational information shall be made in good faith, free of misrepresentation or omission.
- The Society shall embrace a culture of openness to strengthen member trust and safeguard institutional reputation.

13. POLICY REVIEW & AMENDMENTS

13.1 General Principle

The Society shall maintain an adaptive operational framework that allows for **regular review and amendment** of this manual to reflect changes in law, regulatory requirements, and evolving operational needs.

13.2 Review Cycle

- This operational manual shall be reviewed **at least once every three (3) years** or earlier if:
 - Directed by SASRA or the Commissioner for Co-operative Development.

- o Significant legal, regulatory, or policy changes occur.
- o The Board identifies operational gaps or emerging risks that necessitate revisions.

13.3 Amendment Procedure

- Proposed amendments may originate from:
 - o The Board of Directors.
 - o Management through the CEO.
 - o Statutory or regulatory directives.
- Draft amendments shall be reviewed by the Board for compliance with the **Co-operative Societies Act, Sacco Societies Act, SASRA Regulations**, and the Society's by-laws.
- Amendments that materially affect members' rights or obligations shall be **ratified by the AGM** before adoption.

13.4 Approval

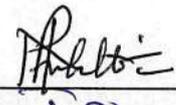
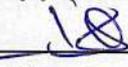
- All amendments shall be formally approved by the Board of Directors and, where applicable, ratified by the Annual General Meeting (AGM).
- Upon approval, the revised manual shall be dated, signed by authorized officers, and circulated to management, committees, and members.

13.5 Communication of Amendments

- The Society shall communicate amendments to all stakeholders through official circulars, newsletters, digital platforms, or notices at the Sacco's offices.
- Training or sensitization sessions shall be conducted for staff, officials, and members to ensure full compliance with updated provisions.

14. SIGNATURE

This manual is hereby adopted by the Board of Directors of Energy Savings and Co-operative Society.

Chairman: Paul N. Mbuti Signature  Date: 8/11/25
 Secretary: Stella Ndemi Signature  Date: 8/11/25
 Treasurer: Tom O. Oloo Signature  Date: _____

