

Soyosoyo SACCO Audit

This plan outlines the development of an audit tool for Soyosoyo SACCO, focusing on key areas and functionalities.

I. Objectives:

- **Enhance Transparency and Accountability:** Provide a systematic way to monitor financial and operational activities.
- **Improve Risk Management:** Identify and mitigate potential risks.
- **Ensure Compliance:** Verify adherence to SACCO bylaws, regulatory requirements, and internal policies.
- **Streamline Audit Process:** Automate tasks and generate reports for efficient audits.
- **Improve Data Integrity:** Ensure accuracy and reliability of data.

II. Scope:

The audit tool will cover the following key areas:

- Membership Management
- Loan Processing and Management
- Savings and Deposits
- Financial Reporting
- Internal Controls
- Compliance

III. Tool Features and Functionalities:

1. Membership Management Module:

- Verification of member registration data (ID, contact details, etc.).
- Tracking of member contributions and withdrawals.
- Audit trail of membership changes.
- Automated checks for duplicate memberships.
- Reporting on membership growth and demographics.

2. Loan Processing and Management Module:

- Verification of loan application documentation (credit scores, collateral, etc.).
- Tracking of loan disbursement and repayment schedules.
- Automated calculation of interest and penalties.
- Monitoring of loan portfolio quality (delinquency, defaults).
- Generation of loan aging reports.
- Audit trail of loan approval processes.

3. Savings and Deposits Module:

- Verification of deposit and withdrawal transactions.
- Reconciliation of member savings accounts.
- Monitoring of savings growth and trends.
- Automated calculation of dividends and interest.
- Audit trail of all transactions.

4. Financial Reporting Module:

- Automated generation of financial statements (balance sheet, income statement, cash flow statement).
- Variance analysis of actual vs. budgeted figures.
- Generation of customized reports for management and regulatory purposes.
- Data visualization dashboards for key performance indicators (KPIs).
- Automated generation of reports required by SASRA.

5. Internal Controls Module:

- Assessment of segregation of duties.
- Verification of authorization and approval processes.
- Tracking of access logs and user activity.
- Automated alerts for suspicious transactions.
- Documentation of control weaknesses and recommendations.

6. Compliance Module:

- Verification of compliance with SACCO bylaws and regulatory requirements.
- Tracking of regulatory updates and changes.
- Automated checks for compliance with anti-money laundering (AML) regulations.
- Generation of compliance reports.
- Storage of compliance related documentation.

7. Data Analytics and Reporting:

- Customizable reports and dashboards.
- Trend analysis and forecasting.
- Data export functionality (CSV, Excel, PDF).
- Audit trail of all actions performed within the tool.

8. User Management and Security:

- Role-based access control.
- Secure login and password management.
- Data encryption and backup.
- Audit logging of user activity.

Audit Tool for Soyosoyo Sacco

Date of Audit: [Insert Date]

Auditor Name: [Insert Name]

Audit Period: [e.g., January 1, 2024 - December 31, 2024]

Objective: To evaluate Soyosoyo Sacco’s financial integrity, operational efficiency, regulatory compliance, and member satisfaction.

1. Governance and Management

Audit Area	Criteria	Yes/No	Notes/Evidence
Board Composition	Elected board exists, meets regularly (min. quarterly), minutes recorded		e.g., Check meeting logs from 2024
Policies and Procedures	Clear bylaws and operational policies updated within last 2 years		Review policy doc dates
Leadership Accountability	Board oversees management; no conflicts of interest reported		Interview board members
Faith-Based Alignment	Activities reflect stated values		Compare social media posts to mission statement

Purpose: Ensures the Sacco’s leadership is transparent and aligned with its community focus

2. Financial Performance

Audit Area	Criteria	Yes/No	Notes/Evidence
Financial Statements	Balance sheet, income statement, cash flow prepared for audit period		Verify 2024 statements
Savings and Deposits	Member savings recorded accurately, reconciled monthly		Sample 10 member accounts
Loan Portfolio	Loans issued per policy, repayment rates >80%, defaults tracked		Check loan register vs. repayments

Revenue Streams	Interest income and fees documented; no unexplained variances		Cross-check with bank statements
Reserves and Dividends	Statutory reserves maintained (e.g., 20% of net surplus per Kenyan law)		Review reserve account balance

Purpose: Assesses financial stability and member benefit distribution, critical for a SACCO's survival.

3. Internal Controls

Audit Area	Criteria	Yes/No	Notes/Evidence
Cash Handling	Daily cash counts, dual sign-off on disbursements		Observe process or check logs
Record Keeping	Digital/paper records secure, backed up, and auditable		Test access to 2024 records
Fraud Prevention	Segregation of duties (e.g., loan approval vs. disbursement)		Map staff roles
Audit Frequency	Internal audits conducted at least biannually, findings acted upon		Review last audit report (e.g., 2024)

Purpose: Protects against mismanagement or fraud, a noted issue in SACCOs per Kenyan media trends.

4. Regulatory Compliance

Audit Area	Criteria	Yes/No	Notes/Evidence
Registration	Valid SACCO license/registration with relevant authority (e.g., SASRA)		Check certificate validity
Reporting	Annual returns filed with regulator on time (e.g., by March 31, 2025)		Confirm submission receipt
Tax Compliance	Taxes paid or exemptions documented		Review tax filings for 2024

Member Rights	AGM held, members informed of financial status (e.g., via social media or meetings)		Check AGM minutes or Social media
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Purpose: Ensures legal operation, especially if Soyosoyo Sacco is deposit-taking, requiring SASRA oversight in Kenya.

5. Member Engagement and Services

Audit Area	Criteria	Yes/No	Notes/Evidence
Membership Growth	New members added in audit period, retention rate >70%		Compare 2024 vs. 2025 member lists
Loan Accessibility	Loans processed within stated timeframe (e.g., 1 day)		Sample 5 loan applications
Communication	Regular updates to members (e.g., Social media posts & Whatsapp)		Review Social media activity activity
Satisfaction	Member complaints logged and resolved within 30 days		Check complaint register

Purpose: Gauges how well Soyosoyo Sacco serves its community, reflecting its X presence as a member-facing tool.

6. Risk Management

Audit Area	Criteria	Yes/No	Notes/Evidence
Risk Assessment	Risks (e.g., loan defaults, liquidity) identified and monitored		Review risk register
Insurance	Assets and member deposits insured where required		Verify insurance policy
Contingency Plan	Plan exists for financial shocks (e.g., 10% liquidity buffer)		Test plan documentation
Social Media Risk	X, Instagram, Facebook & Whatsapp accounts secure, no misleading claims		Audit recent posts for compliance

Purpose: Mitigates threats to stability, including digital risks from its active X presence.

Scoring and Recommendations

- **Scoring:** For each “Yes,” score 1 point; “No,” 0 points. Total score: [Sum]/25.
- **Thresholds:**
 - 20-25: Strong performance, minor tweaks needed.
 - 10-20: Moderate, address key gaps.
 - Below 10: Urgent overhaul required.
- **Recommendations:** [Auditor to fill based on findings, e.g., “Enhance loan tracking system” or “Formalize AGM notifications”]
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SOYOSOYO SACCO DIVIDEND POLICY

1. Purpose

This policy guides the declaration, calculation, and distribution of dividends to members of Soyosoyo SACCO. It ensures fairness, transparency, and compliance with the SACCO's by-laws, loan policy, and relevant cooperative laws.

2. Legal & Policy Framework

This policy is guided by:

- The Co-operative Societies Act, 2004 and Rules.
- Kilifi County Co-operative Societies Act & Regulations.
- Soyosoyo SACCO By-laws (By-law 71 – Distribution of Surplus Funds).
- Soyosoyo SACCO Loan Policy (Section 2 – Credit Management and Loan Repayment).

3. Eligibility for Dividends

A member shall qualify for dividends if they meet all the following conditions:

1. **Active Membership:** Must be a registered member with a minimum of one share fully paid.
2. **Consecutive Payments:** Must have made at least three (3) consecutive monthly contributions prior to the end of the financial year.
3. **Loan Compliance:** Must not have any loan or guaranteed loan in default as at the date of dividend declaration.
 - Members with loans in arrears exceeding 30 days, or whose guarantors are servicing their loan, will not receive dividends until arrears are cleared.
4. **No Suspension/Expulsion:** Members suspended or expelled under By-law 18 for non-compliance, willful default, or misconduct will not be entitled to dividends for the year of suspension/expulsion.

4. Determination of Dividend Pool

At the end of each financial year (January 1 – December 31):

1. Net surplus is determined after audit and AGM approval.
2. Not less than 20% of surplus is transferred to the Statutory Reserve Fund (or 30% if capital is below 10% of total assets).

3. Provisions for doubtful debts are deducted until 100% coverage is achieved.
4. The remaining balance becomes the distributable surplus, from which dividends are paid as per AGM-approved rates.

5. Dividend Rate

- The Management Committee shall recommend a dividend rate annually, based on audited financial performance, and present it for approval at the AGM.
- The rate shall be competitive yet sustainable, balancing member reward and SACCO growth.

6. Mode of Distribution

1. **Basis:** Dividends shall be calculated on the **average shareholding** for the financial year.
2. **Payment:**
 - Dividends shall be credited to the member's deposit account within 30 days of AGM approval.
 - Members may opt for cash payment or reinvestment in additional shares, subject to SACCO procedures.

7. Members with Loans

1. Dividends for members with performing loans will be credited to their accounts but may be applied to offset loan arrears first, if any.
2. Members with non-performing loans (arrears >30 days) will have dividends applied directly to reduce outstanding balances until compliance is restored.

8. Unclaimed Dividends

Dividends unclaimed for two consecutive years shall be transferred to the SACCO's Education or Development Fund, subject to AGM approval.

9. Transparency & Reporting

- The Management Committee shall disclose dividend rates, qualifying criteria, and total amount distributed in the AGM report and publish them on the SACCO notice board/communication channels for member awareness.

10. Review of Policy

This policy shall be reviewed every three (3) years or earlier as needed to ensure compliance with legislation, by-laws, and member interests.

SOYOSOYO SACCO DECISION-MAKING POLICY

1. Purpose

This policy ensures timely, transparent, and accountable decision-making across all levels of Soyosoyo SACCO governance. It closes the “By When?” gap by defining clear turnaround times (TAT), escalation procedures, and automatic adoption of plans when decision-makers fail to act.

2. Scope

This policy applies to:

- Management Committee
- Pioneers/Founding Members
- Sub-Committees
- Staff and Volunteers

It governs decisions relating to strategy, risk mitigation, operations, and member service matters.

3. Key Principles

1. **Timeliness:** All substantive issues must be addressed within clear TATs.
2. **Escalation:** Matters unresolved by the Management Committee are escalated to the Pioneers.
3. **Automatic Adoption:** If both levels fail to act, the proposed plan is implemented as originally presented.
4. **Transparency:** All decisions, including escalations and auto-adoptions, must be communicated to members.
5. **Collective Engagement:** WhatsApp, online forums, and virtual meetings should be used to facilitate consensus quickly.

Summary Table:





Step	Responsible Party	Turnaround Time (TAT)	Action
1	Issue Raised (by any member, staff, or committee)	Immediate	Logged in decision register and acknowledged.

Step	Responsible Party	Turnaround Time (TAT)	Action
2	Management Committee Review	7 days	Deliberate and decide.
3	Escalation to Pioneers	7 days	Pioneers deliberate and decide.
4	Automatic Adoption (“Abujubuju Clause”)	Day 15	If no resolution from either level, original proposal is adopted as presented and moves to implementation.
5	Communication to Members	3 days after decision/auto-adoption	Resolution shared via WhatsApp, online forums, and SACCO notice board.

5. Use of Digital Platforms

- **WhatsApp & Online Forums:** Used to collect quick feedback and build consensus.
- **E-voting or Polls:** Can be used for urgent approvals requiring member participation.
- **Decision Tracking:** All issues, deadlines, and resolutions are recorded in a central decision register, updated weekly.

6. Key Risk Gaps (in Order of Severity)

Severity	Risk Gap	Current Status	Action
 Critical	Decision delays on risk mitigation plans	Mitigation plans identified but not actioned	Apply 7-day + 7-day + auto-adoption process.
 Critical	Lack of accountability for overdue issues	No single owner	Assign responsible person in decision register.
 High	Poor member engagement	Limited feedback from members	Mandatory updates via WhatsApp & online forum.
 Moderate	Weak tracking of resolutions	No central log	Maintain a digital decision register accessible to committee and supervisory team.

7. Monitoring & Compliance

- Supervisory Committee to review TAT compliance quarterly.
- Chronic non-compliance is reported at the AGM, with corrective action taken.

8. Review of Policy

This policy will be reviewed annually or earlier if needed to address operational gaps or member feedback.