



KENYA INSTITUTE OF SUPPLIES MANAGEMENT

KISM Towers | 12th Floor | Ngong Road | P.O. Box 30400-00100 Nairobi, Kenya | E-mail: admin@kism.or.ke
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MINUTES OF THE 5TH HYBRID ANNUAL GENERAL MEETING OF THE KENYA INSTITUTE OF SUPPLIES MANAGEMENT HELD PHYSICALLY AT THE KENYATTA INTERNATIONAL CONFERENCE CENTRE AMPHITHEATRE AND VIRTUALLY VIA VIDEO CONFERENCING (ZOOM PLATFORM) ON 22nd APRIL 2022 AT 2.30PM

MEMBERS PRESENT (AS PER THE APPENDIX)

5THAGM(KISM)/22/04/2022/01: PRELIMINARIES

1.1 PRAYER

The meeting begun at 3.00 pm with a word of prayer from Council Member Henock Kirungu.

1.2 OPENING AND WELCOME NOTE BY THE CHAIRMAN

- a. The Chairperson of Council thanked the Members for taking the time to attend the meeting.
- b. He added that this was the 5th Annual General Meeting (AGM) of the Institute and the second for the substantive Council. It was also the first time that the Annual General Meeting was being conducted in a hybrid setting with members present both physically and virtually.
- c. He looked forward to a fruitful and productive discussion with members.

1.3 CONFIRMATION OF QOURUM

The Secretary confirmed that quorum had been met to convene the AGM with 114 members virtually and 32 members physically present at the start of the meeting. The quorum for the Annual General Meeting was 100.

1.4 READING OF THE NOTICE

The Secretary read out the AGM Notice and confirmed that the same had been circulated via the dailies duly notifying members of the meeting.

1.5 ADOPTION OF AGENDA

The agenda for the meeting was read out as follows:

1. Preliminaries:
 - a. Prayer;
 - b. Opening;
 - c. Confirmation of Quorum;
 - d. Reading of Notice; and
 - e. Adoption of Agenda.



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2. Confirmation of the AGM Minutes dated 30th April 2022;
3. Annual Report for the Council FY 2021;
4. Presentation of KISM Audited Accounts (FY2019);
5. Appointment of the Auditor;
6. Motions (if any); and
7. Any Other Business (AOB)

The agenda was adopted as proposed by Dr. Lutsuli Anthony (Member No. 68059) and seconded by Mr. Kieni Julius (Member No. 62669).

5THAGM(KISM)/22/04/2022/02: CONFIRMATION OF THE MINIUTES OF THE 4TH ANNUAL GENERAL MEETING HELD ON 30TH APRIL 2021

The minutes of the 4th Annual General Meeting were proposed by Mr. Kennedy Ariembi (Member No. 71541) and seconded by Mr. Fidel Muema (Member No.73355).

5THAGM(KISM)/22/04/2022/03: MATTERS ARISING FROM THE 4TH ANNUAL GENERAL MEETING HELD ON 30TH APRIL 2021 Noted

that:

1. On KISM Towers, the Institute was awaiting response on the request for further support from the National Treasury. The current financing status of KISM Towers was as follows: KISM's own sources (KShs. 507,686,648); National Treasury Support (KShs. 608,000,000) and the balance payment to Contractor/Consultants stood at KShs. 288,431,392.59.
2. The Professional Register had been cleaned up and a member register generated and updated monthly. The first ever gazette notice of licensed practitioners was released on 24th December, 2021.
3. The Registration and Licensing Policy was now in place.
4. Compliance notifications had been submitted to Accounting Officers and CEOs with compliance audits scheduled for Quarter 2 of the current financial year.



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5. The electronic voting module was currently at trial stage. Elections regulations had been approved by the Parliamentary Committee and had been submitted to the Attorney General for finalization and gazettelement.
6. The Disciplinary Policy and Procedures, Code of conduct, standards and guidelines had been implemented and fully operationalized.
7. Publication of the 1st judgement under the Disciplinary Committee had been posted on the website.
8. The sensitization of the disciplinary instruments would be carried out in Q2 of 2022 during the membership fora.
9. The development of the Disciplinary Committee's Investigation Manual was currently underway.
10. The Public Relations and Communications Policy was work in progress with an update to be provided in the next meeting.
11. The draft Service Charter had been developed and the Member Service Centre was under development.
12. Partnership with the National Bank was terminated with the Institute pursuing other alternatives on possible value adds to the membership cards.
13. Staff had been trained on Customer service and culture change practice with the customer service desk equipped with a modern call centre.
14. The Mentorship, Coaching and Internship Policy (KMCIP) had been developed and launched.
15. The Benevolent Fund had been set up and operationalized under the *Wanunuzi* Sacco.
16. The draft Regional Chapter Policy had been developed and was awaiting member sensitization and validation in Q2 2022.
17. Professional Standards, CPD policies and accredited trainers had been developed and approved respectively.
18. The Institute's Human Resource Instruments had been submitted to the State Corporations Advisory Committee (SCAC). The Institute was awaiting their feedback.
19. The Supply Chain Management (SCM) Bill 2021 was currently with the National Treasury for review and further processing before submission to Parliament.



5TH AGM(KISM)/22/04/2022/04: ANNUAL REPORT FY 2021 The

Annual report was presented as highlighted below:

Noted that:

1. The Annual Report provided an overview of the impact made through the Council and Statutory Committees, operational and governance performance, and activities undertaken by Management for the Institute in the Financial Year 2021.
2. The financial statements submitted were for the FY 2019 due to delay in ratification of the Annual Audit reports by the Office of the Auditor General. It was the belief of the Council that the same would be regularized within the financial year to enable detailed reporting of the subsequent years in the next FY 2023.
3. The Report recorded the following achievements by the Statutory and Council Committees respectively:
 - a. Statutory Registration Committee: This Committee is charged with the mandate to register and license members functioning as professionals in the field of Supply Chain Management (SCM). The achievements recorded were as follows:
 - i. New System Infrastructure installation;
 - ii. Membership self-service portal /Accounts Activations;
 - iii. Recruitment of the Institute's Registrar;
 - iv. Publication the first list of bonafide licensed practitioners since the inception of the Institute and enactment of the SPMA law;
 - v. Notifications sent to Accounting officers and Chief Executive Officers on compliance with the Act with compliance audits scheduled from Q2 of 2022.
 - vi. Increase in membership to over 5000 active members from the previous year's 2000.
 - vii. Data clean-up exercise of the Register with a total of 56 duplicate records expunged. Over 2000 serial numbers randomly skipped were also retired.
 - viii. Implementation of the Registration Policy was undertaken.



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- b. Statutory Disciplinary Committee: The Committee is mandated to receive and investigate complaints related to cases of professional misconduct by supplies practitioners. The achievements of the Committee during the year included:
- i. Implementation of the Disciplinary Policy, Disciplinary procedures guidelines and the code of ethics and standards of professional conduct.
 - ii. Receipt of four (4) complaints of which three were in different stages and one had been fully processed and uploaded on the website.
 - iii. Had undertaken development of the Investigation Procedures Manual that would ensure systematic approach to investigations.
- c. Professional Standards Committee of the Council: The Committee is mandated to assist the Council in professionalization of the procurement practice in Kenya. The achievements of the Committee included:
- i. Twenty-six (26) workshops conducted in the year 2021. A total of 2,035 participants were trained in the 26 workshops. A further 1090 individuals were trained in the In-house workshops in 35 separate workshops conducted for 29 different organizations.
 - ii. Fifteen (15) webinars were done and 3,498 practitioners trained through virtual platforms.
 - iii. Lowered training fees.
 - iv. Training of Trainers undertaken from 17th -18th June 2021 to sharpen the training skills of KISM's seasoned trainers as well as equip new trainers with beginner skills for training.
 - v. The KISM CPD and Accreditation Policy was done in July 2021 and validated by members on 14th February, 2022 on the virtual platform.
 - vi. Fifteen (15) courses were accredited from three (3) firms in 2021 under the 2021 guidelines. Accreditation is currently done on course-by-course basis.
- d. Corporate Affairs Committee of the Council: The Committee is tasked with oversight over Governance aspects of the Institute focusing on Financial and Human Resource Optimization. The achievements highlighted were as follows:



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- i. Developed Human Resources Instruments currently under review by the State Corporations Advisory Committee (SCAC);
 - ii. Entrenched Performance Management Systems at the Institute;
 - iii. Recruitment of Critical Roles: Registrar, Internal Auditor, Corporations Secretary/Legal Services, Supply Chain Manager, HR Manager, ICT Manager;
 - iv. Development of key policies such as the Human Resource Policy, Finance Policy, Procurement & Asset Disposal Policy to ensure Compliance with Governance instruments- Budgets & Procurement & Disposal plan;
 - v. Enhanced Financial Control instruments; and
 - vi. Oversight over the leasing of KISM Towers.
- e. Audit and Risk Committee of the Council: The Committee is tasked with providing assurance on the effectiveness of the Institute's operations with regard to the quality of risk management, financial reporting, financial management, governance and internal control processes. The achievements highlighted were as follows:
- i. Development of the Internal Audit Charter;
 - ii. Recruitment of the Internal Auditor;



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Undertaking risk assessment of the Institute processes and procedures.

f. Membership Welfare and Advocacy Council Committee: The Committee is tasked with undertaking membership welfare and enhancing advocacy in terms of pursuing products and services that bring tangible benefits to the members. The achievements were highlighted as follows:

- i. KISM Spurs SCM Excellence Awards 2021 was held for the second time on 16th December 2021 at PrideInn Paradise, Shanzu, Mombasa.
- ii. Development of a draft policy to guide and support implementation of Regional Chapters.
- iii. Publication of the e-newsletter in the first quarter (Jan – Apr) and a special edition newsletter in the month of December.
- iv. Launch of the KISM Writers club to leverage on Supply Chain Management talents and skills as writers to influence and change narrative of supply chain globally starting locally.
- v. Termination of the MoU for provision of visa membership cards by National Bank due to the bank's failure to meet its obligation in delivering the cards within the agreed timelines.

iii. Setting up internal controls for the Institute; and iv.



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4. The Council underwent a Board Evaluation in the FY201 and the results were as follows:

	Name	Position	Total Tally	% Score
1.	Mr. John Karani Ndiwa	Chairman	4.4444	88.89
2.	Dr. Vincensia Anyango Apopa	Member	4.2732	85.46
3.	Ms. Grace Catherine Njeri Murichu	Member	4.0306	80.61
4.	Ms. Diana Nadzua Mwacharo	Member	3.8821	77.64
5.	Mr. Henock Korosso Kirungu	Member	3.9660	79.32
5.	Mr. Jeremiah Kiio Nthusi	Member	4.0638	81.28
7.	Ms. Nimo Abdullahi Hussein	Member	3.9223	78.45
8.	Mr. Moses Allan Omondi	Member	4.0136	80.27
	Cumulative Score: Chairman + Council		4.0745	82.00
	Secretariat			
1.	Mr. James Kaloki (then Ag. CEO)	CEO	2.2464	44.93
	Cumulative score: Council + Secretariat		3.1409	62.82

5. The KISEB Board was inaugurated in May 2020 with the mandate to prescribe and regulate syllabuses, prepare and conduct examinations for professional supplies certification. KISEB launched a Revised Curriculum CPSP-K Professional Diploma and APS-K Diploma) on 8th October 2021.
6. The SPMA 2007 had been reviewed to comply with the 2010 constitution and in keeping with modern developments. It had been submitted to the National Treasury for submission to the next stage.
7. The Council Election Regulations had been approved by the Parliamentary Committee on Delegated Legislation and was awaiting publication through the office of the Attorney General.
8. The Kenya School of Supply Chain Management had been established and was in the process of accreditation by the Technical and Vocational Education and Training Authority (TVETA).
9. The Council had embarked on initiatives aimed at enhancing collaboration with Council of Governors and County Assemblies to ensure that capacity building for SCM Professionals is prioritized to entrench professionalism at the County level.



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10. The Institute had initiated Strategic Partnerships with several Institutions for the furtherance of Members needs and aspirations.
11. Wanunuzi SACCO had issued its first loan to members. The SACCO deposit displayed an upward growth monthly. The membership stood at two hundred and thirty members as at the end of December 2021.
12. There were queries on the following submitted by members with regard to the annual report:

	MEMBER NAME	QUESTION	RESPONSE
1.	Dr. Lutsuli Anthony (Member No. 68059)	Is KISM a state corporation or a professional body?	Clarification over the status of KISM was sought from the Office of the Attorney General with confirmation that the Institute was indeed a state corporation with a regulatory mandate. It was further clarified through the Executive Order No. 2 of 2020 that placed KISM as a State



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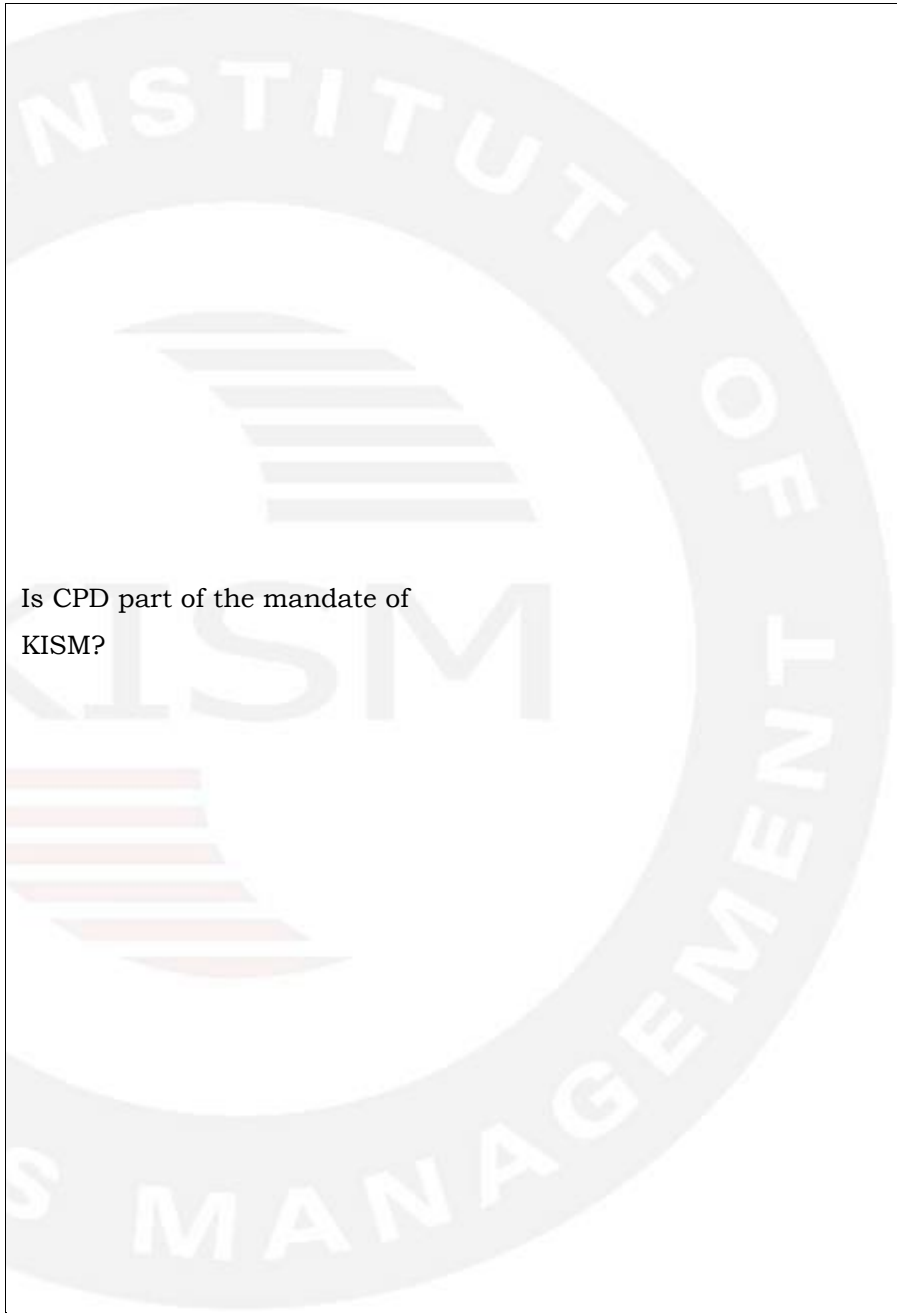
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			Corporation under the Nationa l Treasury.
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	 <p>Is CPD part of the mandate of KISM?</p>	<p>The SPMA Act section 10 gives KISM ownership over CPD points.</p>
	<p>Why does the financial year of KISM end in December and not June unlike other state agencies?</p>	<p>The calendar year is provided in the current Act which in relation to the Bill has been reviewed to</p>



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			be in line with the current status in Government.
2.	Mr. Mwaniki Gachuba (Member No. 63173)	I was not a member of the Legislative Committee I was only co-opted and did not attend many meetings.	A Co-opted member is regarded as a member and therefore it is in order that the member be addressed as such.
		Why is KISM being evaluated by the State Corporations Advisory Committee (SCAC)?	By virtue of KISM being a state corporation it must be evaluated by SCAC.

Adoption

The Chairman’s report was adopted as proposed by Mr. Idy Kembere (Member No 65862) and seconded by Dr. Lutsuli Anthony (Member No. 68059).

5TH AGM(KISM)/ 22/04/2022/06: ANNUAL AUDITED ACCOUNTS FY 2019

The annual audited accounts for the financial year 2019 were highlighted below:

In-attendance

Mr. Samuel Muchiri – Office of the Auditor General **Noted**

that:

1. The Office of the Auditor General stated that the financial statements presented fairly in all material respects, the financial position of the Institute and further added that the Institute had complied with International Financial Reporting Standards and compliance with the Public Finance Management Act as well as the Supplies Practitioners Act. The opinion issued was qualified on the following grounds:
 - a. Variances between the ledgers and trial balances;



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- b. Unsurrendered imprest;
- c. Unsupported expenditure;
- d. Unpaid withholding tax;
- e. Non-compliance with State Corporation Advisory Committee Circulars;
- f. Procurement activities outside e-procurement;
- g. Procurement of services without prequalification;
- h. Weak internal control systems; and
- i. Lack of Risk Management Policy and Risk Registers.

2. Members raised the following issues with regard to the audit report and the financial statements for the year 2019.

	MEMBER NAME	QUESTION	RESPONSE
1.	Mr. Mwaniki Gachuba (Member No. 63173)	Why the current Council and Secretariat signed the financial statements and included their names in the report when they were not the ones in office?	The Office of the Council and Secretariat exists in perpetuity and therefore it is in order that the current council sign off on the documents.
		Why did the Council not have private auditors as provided by the Act and submit the same for concurrence from the Office of the Auditor General?	The Officer from the Office of the Auditor General confirmed that the remaining reports would be ready and presented at the next AGM therefore no need to engage external auditors as the same would still need
			review and consideration by the Office of the Auditor General.
2.	Mr. Kennedy Arienbi (Member No. 71541)	The Audit and Risk Committee of the Council needs to ensure that the pending audit issues are addressed in efforts to enhance compliance with the law. These were weighty matters that required urgent action by the Committee.	

Resolved that:



The Financial Statements for the year ended 31st December 2019 together with the Directors' and Auditors' Reports thereon be adopted as proposed by Mr. Peter Momanyi (Member No. 62841) and seconded by Mr. Andrew Juma (Member No. 65165).

5TH AGM(KISM)/22/04/2022/07: APPOINTMENT OF AUDITOR The appointment of the Auditor was undertaken as follows:

Noted that:

The Council recommended to the members the engagement of the Office of the Auditor General in line with Section 48 of the Public Audit Act, 2015 and Article 229(7), as the Institute's External Auditors for the year ending 31st December 2020.

Resolved that:

The resolution was adopted as proposed by Mr. Felix Odhiambo (Member No 65228) and seconded by Dr. Purity Murigi (Member No 62506).

5TH AGM(KISM)/22/04/2022/08: MOTIONS

There was confirmation that the Secretariat had received a motion from Mr. Mwaniki Gachuba.

Noted that:

1. The Council through the Secretariat had received a notice of motion dated 5th April 2022 from Mr. Mwaniki Gachuba Member confirmed by the Secretary.
2. The motion was read out by Mr. Mwaniki Gachuba and contained eighteen motions for adoption by the membership. The highlighted contents of the motion were as follows:
 - a. The motions were heavily dependent on the main motion that the Council be removed from office on the basis that the membership had not approved any budget for the Institute,
 - b. Lack of transparency from the Council and lack of communication to the membership,
 - c. The Council had not taken its leadership matters seriously and there was no clear understanding on the dealings between KISEB and KISM,
 - d. The funding of KISM Towers was still unclear. He further raised issue on dismissal of the former Chief Executive Officer and suspension of a staff of the



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Institute,

- e. Theft of furniture that required that the entire Council be surcharged,
 - f. The need to have a private auditor audit the books of accounts, appointment of a forensic auditor and have a special general meeting,
 - g. The need to contract a valuer to value the KISM towers and provide a comprehensive report on acquisition and ownership,
 - h. Recruitment of a company secretary to review Council affairs,
 - i. The Institute should stop capacity building to the detriment of private practitioners and concentrates on CPD, capping CPD activities to KShs. 5,000 per day and devolved,
 - j. Council Members should only attend CPDs at their own expense,
 - k. Saving private practice as the Council was putting private practitioners out of business,
 - l. The request that the CEO liaise with the Attorney General on the need to have a letter of no objection to stop people registering supply chain business that protect the profession from quacks, and
 - m. The request that the CEO liaise with the Director General of PPRA to ensure that no objection letters were entrenched at public practice level and the Institute should be stopped from practicing and in competition with its own members and the persons who should be admitted to the annual general meeting should be members in good standing as of 31st December 2021.
3. The Institute did not have regulations in place to guide in the conduct of how motions were to be treated especially on the proposed impeachment of the Council.
 4. The Motions had raised matters that were subjudice and could therefore not be discussed by members.
 5. The Council elections were coming up and therefore there was no critical need to have them vacate office.
 6. The matters presented in the motion were weighty and required a special meeting for them to be addressed.



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7. Some of the proposals raised in the motion were good and the Council required to review the same and adopt for the benefit of the Institute.
8. The Council was prioritising the development of the general regulations to aid in the smooth running of annual and special general meetings.
9. The previous Council was available to clarify any issues that had been raised in the audit report to bring the matters to finality.
10. There was a proposal to address the motions that were not weighty however the same was pegged on what modus operandi would be used by the Council in the absence of the said regulations.

Resolved that:

1. The Council should spearhead the adoption of general regulations for the conduct of the annual and special general meetings.
2. The membership cannot discuss matters that are subjudice and under any conflict with the law.
3. The motion be placed aside until the regulations are in place to guide in its discussions.

5TH AGM(KISM)/22/04/2022/09: ANY OTHER BUSINESS (AOB)

There was no other business raised by any of the members.

4TH AGM(KISM)/30/04/2021/10: CLOSING

The meeting ended at 7:10pm with a word of prayer.

Circulated by:

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Secretary

Signature

Date

Confirmed by:



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Chairman **Signature** **Date**

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Secretary **Signature** **Date**

