

Kent Savers Credit Union: Twelfth Annual General Meeting
Virtual Meeting hosted by the Association of British Credit Unions (ABCUL)
5:30 pm Monday 15th May 2023

AGM has been recorded and can be accessed via the link below along with the full statements and statutory accounts:

<https://www.kentsavers.co.uk/about/agm/>

1. Apologies for absence

Apologies: Anthony Taylor

Panel Attendees: Stephen Sidebottom, John Stokes and Muhitur Rahman

Board Attendees: Kathy Cox, Adam Male, Lucy Swannell, Samantha Bagnall

Member Attendees: 51 registered of which 27 attended

2. Minutes of 2022 AGM, matters arising

Full reports and recording of 2022 AGM available on KSCU website

Poll 1 Acceptance of Minutes

Voting: 87% Accepted: 46% Abstain: 54%

3. Chair's statement & Business development report – Stephen Sidebottom (*refer to Appendix 1 for full statement*)

This year has been a challenging year for KS whilst trying to deliver value to members and contributing to the financial resilience of our community and I am hugely grateful to everyone for the work they have put in this year. I believe we are in a good position to build on our business development successes. Adam Male has stepped down from his role as business development director and is now active member of board; Mary Anum has left to focus on her own business and John Stokes has taken on treasurer role. Overall, we have well qualified board and supervisory committee. Our core team, Rebecca & Karen continue to provide outstanding support. I will be stepping down a chair after this AGM and we are formally appointing a new chair. These changes are normal and consistent with good governance practice; nothing changes who we are, and we remain committed to fair loans, safe savings and benefits of membership. Our aim is to build lifelong relationships with our members. We encourage saving and wise use of credit. Four key values underpin our behaviour:

- ***Caring:*** we look after our members
- ***Responsive:*** we listen to our members and respond promptly to them
- ***Ethical:*** we support our communities by helping the most disadvantaged
- ***Trustworthy:*** we offer high levels of integrity and professionalism which inspires trust

KS is focused on building financial strength and resilience and are grateful for financial support from partners and financial stakeholders. Thanks to Kent County Council (KCC), Citizen's Advice Bureau and Crosslight Advice for support regarding the new debt referral scheme, also KCC for support in our new Underwritten Loan Scheme, a pilot offering zero-interest loans. We are also working with KCC on a cross-Kent collaboration, allowing secure referrals between agencies.

KS has been working hard on new sustainable income schemes, we held an outreach event in March, attended by Damian Green MP plus Fair4All Finance and some of Kent's Ambassadors amongst others. We focused on three questions (i) how do we use own outreach to engage with more members, (ii) how do we strengthen our capital base, (iii) how do we work more closely with companies across Kent. Work from the event is on-going, with focus towards making KS part of affordability solutions.

Strengthen KS capital base is a priority and we've had donations, gifts and grants and very grateful to those that have gifted their deposits with KS as capital or subordinated loans.

Our first annual members survey showed that 80% of members recommend us, 62% said pleased with service, 65% recognised we are a fairer lender, 57% that we support our communities and 65% said that we offer a high level of trust.

It's been a privilege to serve members and the board looks forward to doing so over the coming year.

4. **Treasurer's report and Friends of Kent Savers – John Stokes** *(refer to Appendix 2 for full statement)*

First report as treasurer, it's clear the cost of living has affected members which has had a knock-on effect on KS, but results are in line with forecasts. Loan income from Bexley scheme was down by £6.6k as the scheme runs down. We've seen more loans being repaid than issued since April 2022, so loan book shrunk due to situation of those applying. Operating income down from last year as Bexley scheme runs down and we received less in grants (although in line with forecasts). Slight higher level of provisions for bad debts connected to cost of living difficulties experienced by members. Deposits were higher than withdrawals during the year and junior savers balances have grown.

Looking forward to this year, we expect cost of living issues to continue and we are assisting where we can. We are grateful to those members that have donated their savings to help us improve living standards for as many people as we can. We are increasing our focus to work with other agencies to assist more potential members and increase our outreach and capital support. We anticipate loss for this year considering demand and pressures on our budgets. A dividend was considered but we have recommended no dividend is paid not whilst we deploy grant funds from third parties.

I would like to thank KS staff for their continual hard work and diligence.

Friends of Kent Savers income was down resulting in donation of £313. The average number of people playing reduced to 18 (down from 20). If any member is interested in subscribing to lottery, details are on the KS website.

Q (from member attendee) How much of the other operating income was made up of the Bexley council A - £4700

5. Supervisory committee report - Muhitur Rahman (refer to Appendix 3 for full statement)

Supervisory committee was a full committee with 3 member but unfortunately both other members have since resigned, we would like to thank Nigel for his support over the last 2 ½ years and also James for his support over the last 6 months.

Regulatory compliance is satisfactory with no complaints or other matters referred to the committee

Board have been quorum at every board meeting and supervisory committee have been present at 11 out of 12 board meetings.

Committee has completed 3 audits; we were unable to complete the 4th due to staffing issues

Members of the supervisory committee have attended International Credit Union Day, Internal audit training Webinar and ABCUL AGM.

The Chair highlighted the value that the Sup Comm has brought to KS and the board and members of the credit union.

6. Questions from members

Q. (Michael Reynolds) Why has the operating income fallen by nearly £100,000 from 2021 to 2022?

A. (John Stokes) reduction in grants; the grants in the previous year were roughly £100k more.

Q. (Michael Reynolds) What is the average loan size?

A. (John Stokes) c£1300 but some months can be as low as £600. (Stephen Sidebottom) loan size is driven by the type of loan requests we get, and we give a number of small loans out.

Q. (Martin Kingman) Capital ratio has dropped from 12 to 6%, will the loss of Bexley put us at risk of dropping below 3%?

A. (John Stokes) the loss of Bexley won't damage the ratio itself, it's the growth in deposits and capital raising that affect the capital ratio.

7. Motions:

Board members are not able to vote on-line so have pre-voted and accepted the motions. The figures below do not include the board members votes.

- a) This AGM permits the Board to declare interim dividends and to establish differentiated dividend rates as it sees fit

Voting 80% Approved 94% Abstain 0% No 6%

- b) This AGM agrees to the payment of a zero dividend for 2021-2022 as recommended by the Board of Directors

Voting 85% Approved 100% Abstain 0% No 0%

c) Do you approve the Audited Accounts for the financial year 2021-2022?

Voting 78% Approved 100 % Abstain 0% No 0%

d) Do you approve directors standing for election (Adam Male and Anthony Taylor)

Voting 90% Approved 100% Abstain 0% No 0%

8. Any other business

Chairman thanked members for joining the AGM, highlighting it was an important part of CU life. Chair thanked all volunteers, and the board looks forward to continuing to serve in the coming year.

Message from Kent Housing Group – “Thank you for all your work and pleased to be working with you”.

Meeting closed at 18.09

Appendix 1 - Chair’s statement & Business development report – May 2023

Appendix 2 – Treasurer report – May 2023

Appendix 3 – Supervisory Committee Annual Report – April 2022 – April 2023

Appendix 4 – Candidates for board

Appendix 1 Chairman's Report

This has been a challenging year for Kent Savers as it has focused on delivering value to our members and contributing to the financial resilience of our community.

Our lending business is weighted towards people who have experienced severe financial impact through both the pandemic and the deepening cost-of-living crisis. We continue to contact members in need and put appropriate arrangements in place to support them.

I am grateful to the Kent Savers team and volunteers for the incredible work they have done over the last twelve months. We have seen quite a few changes in the team, and I believe we are well positioned to build on our business development successes.

Adam Male has stepped down as business development director and is now an active member of the Board. Mary Anum left as Finance Director, and John Stokes agreed to take on the responsibilities of Treasurer. We have well qualified Board and Supervisory Committee members who are approaching the next stage of Kent Saver's growth with enthusiasm and energy.

In the core team, Rebecca and Karen continue to provide outstanding service to members and are hugely valued for the work they do.

I will be stepping down as Chair after this AGM; we have identified and offered the role to an outstanding candidate and are in the process of formally appointing him to succeed me. These changes are part of the normal life of a volunteer-led organisation and are consistent with good governance practices of changing people with key responsibilities on a regular basis.

Nothing changes about who we are; Kent Savers remains committed to fair loans, safe savings, and the long-term benefits of membership. This Purpose is articulated in the Credit Union's mission statement:

Kent Savers is a community financial organisation owned and controlled by members for their benefit that operates with care, efficiency, and integrity.

We aim to build lifelong relationships with our members by meeting their financial needs and supporting their financial well-being. We encourage saving and wise use of credit.

We aspire to grow our membership to support the needs of more people and build community financial resilience, while maintaining our long-term financial stability.

Four key values underpin how we behave with members and other stakeholders:

- ***Caring:*** we look after our members
- ***Responsive:*** we listen to our members and respond promptly to them
- ***Ethical:*** we support our communities by helping the most disadvantaged
- ***Trustworthy:*** we offer high levels of integrity and professionalism which inspires trust

The role that Kent Savers plays in building financial strength and resilience in our community and addressing the risk of growing and persistent problem debt is recognised by our partners and members, and we are grateful for the financial support and capital contributions we received from them in the past year.

These values have driven our business development initiatives in the last year:

We have continued to develop social media marketing, including using video case studies from our members; we intend social marketing to continue but with an eye on costs.

We wish to thank Kent County Council, the Citizen's Advice Bureau offices and Crosslight Advice for their assistance in helping to set up a new Debt Relief Order referral scheme with Kent Savers.

We are also very grateful for Kent County Council's active involvement in designing a new Underwritten Loan Scheme, which is a pilot to offer a zero-interest loan to people who would, as a result, be able to self-address financial arrears.

We are also working with Kent County Council as part of the broad-ranging Financial Hardship group which is a cross-Kent collaboration supported by [ReferKent](#), an online platform enabling referrals to be made securely between advice agencies and their partners.

For some years now Kent Savers has collaborated with Bexley Council to help tenants referred by Bexley with rent deposits. Following a change in the way this is supported by central government, the scheme is now being run off.

Kent Savers has been working very hard in the last year to create new, sustainable income streams and to strengthen county-wide partnerships.

We held an Outreach Event in March 2023 attended by Damian Green, MP, executives of Fair4All Finance with which we are hoping to form closer joint initiatives, KCC, some of Kent's high-profile Ambassadors, representation from the Diocese of Rochester, grant providers, district councils and Housing Associations.

We discussed three questions in that meeting: (i) how does Kent Savers utilise their own outreach to support more potential members, in particular those experiencing financial challenges right now; (ii) how does Kent Savers strengthen its capital base and ratios such that we can support many more members; and (iii) how can we work closer with firms across Kent (and in particular the local authorities and housing associations) to reduce the dependency on loan interest to cover operational costs – for example by increasing access to skilled volunteers within their own organisations.

Work from that event is very much ongoing; in just the last month we have progressed discussions with KCC, two local authorities and housing associations, the umbrella organisation for housing providers and associated firms in Kent, a large NHS trust regarding their own staff's welfare, and one of the Church of England Deaneries. The focus of those programs is on making Kent Savers part of affordability solutions with Housing Associations' and Local Authorities' residents or constituents; outreach to members through church communities to the foodbank network; and advocacy of Kent Savers in a particular social sector to their own stakeholders.

Strengthening Kent Savers' capital base is an ongoing priority and we are pleased to report some success with donations, gifts and grants. We are very grateful for the generosity of members who have gifted their deposits with Kent Savers as capital or subordinated loans.

In Spring 2022 Kent Savers launched its first Annual Members Survey (which is about to be repeated). In summary of the results:

Kent Savers' values and reputation:

- 80% of our members recommend us, and 62% are pleased with the services they receive.

- 65% of our members recognise that we are a fairer lender than other lenders, that we support our communities (57%), and that we offer a high level of trust (65%).

Positive impact on the well-being of our members and communities:

- Our members care most about their household health (81%) and the needs and well-being of their local communities (64%).

Diversity and inclusion:

- The majority of 5K+ active members are women (66%).
- Most of our net borrowers live in medium to highly deprived areas (1st and 5th decile of the National Index of Multiple deprivations).
- In contrast, net savers live in the least deprived areas, which may indicate we are offering the right products to the needs of our members.

Our strategy remains to grow the support Kent Savers offers to members and to achieve a sustainable business surplus over the cycle underpinned by increased funding and capital.

The Board looks forward to continuing to serve members over the coming year.

Stephen Sidebottom

Chair

Appendix 2 – Treasurer Report

As my first report as Treasurer, it is clear that the Cost of Living Crisis which started late in 2021, has affected our members and that has had a knock on effect on Kent Savers. I wish that the results were better although there are in line with the forecast made at the last AGM.

Interest earned in 2021/22 from loans issued was the same as in 2020/21. There was a reduction in the income from loans related to the Bexley scheme of £6.6K and an increase in the income from our other loans of a similar amount. No matter what the economic issues, we would always have been in a period of change as we moved more into direct loans and less on Bexley referrals. Our Loan Book was steady until April 2022 but since then we were having more loans repaid than issued and so our loan book shrunk. The main reason for this is that more applications were received that were from members who were unable to afford the repayments on the loans, or were already heavily indebted or in arrears. As a result our rate of loan application approval has reduced.

Most significantly Other Operating Income was down compared to last year. We earned less from services provided to Bexley Council as the scheme we operated on their behalf started to run down and more importantly we received less in grants although in line with our forecast for this year. Administrative expenses were controlled and were slightly lower than in the previous year.

However, connected with difficulties that our members were having with the cost of living, there was a slightly higher level of provisions for bad and doubtful debts.

The overall loss in the year was slightly lower than the previous Treasurer forecast.

Deposits were higher than withdrawals and the members balances at 30 September 2022 were almost up to their balances at 30 September 2020. Pleasingly the balances held by our Junior Savers have grown throughout the year.

Looking forward to the current year we see our members continuing to face cost of living difficulties and we are doing whatever is prudent and affordable to assist them. We are extremely grateful to certain of Kent Savers' members who have voluntarily donated their savings to help us improve living standards for as many people as we can.

Given the pressures on families and people across Kent, we have increased our focus and efforts on working with other agencies through which we can assist more potential members and design initiatives to increase our outreach, and gain support in our capital and operational expense structures. We will continue that work with those agencies to develop relevant products and schemes to further help our existing and potential members. We do anticipate another loss for the current year, which is not surprising given the demand on our services and the pressures on our budgets.

A dividend has been considered by the Board but with the loss anticipated for the current year, it is recommended that no dividend is paid this year – nor indeed while we deploy grant funds from third parties.

We would like to thank some very generous members who have converted their account balances to donations to the Credit Union and to those members who have offered to convert their share balances to subordinated loans. These actions will strengthen the reserves of the Credit Union and help us achieve our aims.

Finally, I would like to thank all the staff at Kent Savers for their hard work and diligence.

John Stokes

Treasurer and Director

Appendix 3 Supervisory Committee Annual Report

Executive Summary

- Nigel Clibbens has resigned following almost a 2 ½ year tenure and James Hodgson has resigned following ½ year with the Supervisory Committee. **Muhitur Rahman is being nominated as Chair of the Supervisory Committee.**
- **Regulatory Compliance satisfied; no Board Oversight related matters to report; and no complaints or other matters have been referred to the Supervisory Committee during the last year.**
- **3 out of 4 planned audits completed and internal audit action tracker and monitoring log developed to track progress with outstanding audit actions.**
- One Member of the Supervisory Committee attended the **International Credit Union Day** in Oct-22 and one person attended an **Internal Audit Training Webinar** in Mar-23. One Member of the Board attended the **ABCUL AGM** in Mar-23.

Purpose

The Supervisory Committee is an **independent** Committee elected to monitor the operation of Kent Savers to ensure that agreed policies and procedures are followed. The Committee provides the Board with a continuous appraisal of the Credit Union's systems of **internal control, governance, and risk management.**

We work on behalf of the **Members** to provide objective challenge and to assess the effectiveness of the controls operating throughout the Credit Union. Principally this is achieved through delivery of internal audit checks, which include the review of documentation, systems and processes, and through attendance of Board Meetings to observe the decision making and governance arrangements in practice.

The purpose of this report is to provide Members with a summary of our activity for the year and to evidence that we have discharged our duties and responsibilities in accordance with our Terms of Reference (**Appendix A**).

Composition

We aim to have between **two and three** Members of the Supervisory Committee, **independent of the Board and other Committees**, with a mix of skills, experience, and stature to discharge our duties. We have been operating with between two and three members during 2022/2023.

Nigel Clibbens, who was elected to the Supervisory Committee in 2021, has **resigned** from Kent Savers **effective 16-May-23** and therefore not seeking formal re-election. The Supervisory Committee wishes to express its gratitude to Nigel for providing unwavering guidance and support during his tenure.

James Hodgson, who joined the Supervisory Committee in 2022 has also **resigned** from Kent Savers, **effective 16-May-23** and therefore not seeking formal election. The Supervisory Committee thanks James for his contribution.

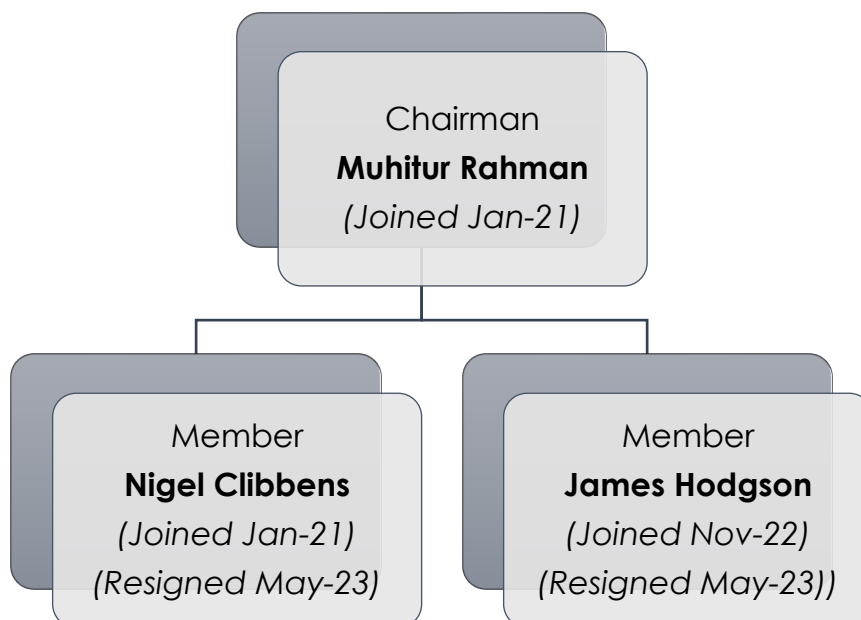
Muhitir Rahman, who was elected to the Supervisory Committee in 2021, is being **nominated as Chair of the Supervisory Committee**.

The Supervisory Committee has **no known conflicts of interest to declare** and continues to promote active rotation of Members to allow for objectivity to be reset and for new thinking and fresh ideas to be brought to the work programme, a particularly important aspect in a compliance and oversight role.

Review of 2022/2023

Committee Membership

The structure for the Supervisory Committee from March 2023 is proposed as:



Regulatory Compliance

Review of PRA Annual Assessment 2022

The **PRA** issued its **annual letter** to the Credit Union sector on **14-Oct-22**:
[PRA Annual Assessment of the Credit Union sector \(bankofengland.co.uk\)](https://www.bankofengland.co.uk/pras/annual-assessment-of-the-credit-union-sector-2022)

The Supervisory Committee, as per previous years, led the review internally at Kent Savers and concluded a **SATISFACTORY** outcome for this review.

PRA Rule Compliance

We are required by the Prudential Regulatory Authority ("PRA") to report on the following items:

Key Requirement	Compliant?
Kent Saver's compliance, or otherwise, with PRA rules concerning Depositor Protection: Rules 11, 12, 14, 15, as applicable	✓
Whether Kent Savers has always maintained a policy of insurance complying with PRA rule 2.10	✓ (Renewed in Feb-23)
Any additional activities as described in PRA rules 3.3, 3.5, Chapter 4, 6.4 or Chapter 7 that Kent Savers is carrying out and whether these are in compliance with any requirement of the PRA rules applicable to those additional activities	✓ (Chapter 4 & Chapter 7) – N/A

External Audit

With respect to **External Audit**, in accordance with our Terms of Reference the Supervisory Committee will:

Undertake the procurement and appointment of suitable External Audit for KSCU, and provide oversight and support where necessary

Alexander Sloan were reappointed as external auditors for Kent Savers for the **30 September 2021** and **30 September 2022** accounts, with an **option to extend for a third year** with the agreement of both parties – reappointment is subject to review by 30 September 2023.

Complaints and other matters

No **complaints or other matters have been referred to the Supervisory Committee** during the last year.

Board Oversight

The Terms of Reference for the Supervisory Committee sets a commitment for us to have regular attendance at Kent Savers board meetings. These are generally held monthly. Our role at these meetings is as follows:

Maintain a regular presence at monthly Board meetings to provide challenge, oversight and ensure that the Credit Union is being governed in accordance with the regulations and the agreed Policy and Procedures Manual

Our attendance record is set out below:

Board Meeting	Board Attendance	Board Quorum?	Supervisory Committee Member Present?
26-Apr-22 (Apr)	7/9	✓	✓
31-May-22 (May)	8/9	✓	✓
28-Jun-22 (Jun)	6/9	✓	✓
26-Jul-22 (Jul)	7/9	✓	✓
06-Sep-22 (Aug)	7/10	✓	✗
27-Sep-22 (Sep)	6/10	✓	✓
25-Oct-22 (Oct)	7/9	✓	✓
29-Nov-22 (Nov)	8/9	✓	✓
10-Jan-23 (Dec)	7/9	✓	✓
31-Jan-23 (Jan)	7/9	✓	✓
28-Feb23 (Feb)	9/9	✓	✓
28-Mar-23 (Mar)	5/9	✓	✓

The Board has met monthly throughout the last year, usually on the last Tuesday of every month with a couple of variations to cater for holiday seasons. The Supervisory Committee, either as a group or individually, have been **present at every meeting except one**. During these meetings, the Committee has provided regular update and audit reports, oversight, and challenge where necessary.

The Supervisory Committee has **met independently on a formal basis four times (quarterly)** during the year and has usually met monthly on a more informal basis to progress our work programme. The purpose of these meetings was to discuss and agree our work plan for the year and consider how to further develop and enhance the Committee. We issued Quarterly Reports to the Board on the following occasions:

Date	Supervisory Committee Report Issued?
Jun-22	✓
Sep-22	✓
Dec-22	✓
Mar-23	✓

Quarterly Audits

A list of **thematic audits** undertaken by the Supervisory Committee during the last year are displayed with the associated outcomes:

Audit	Date	Outcome
Review of Governance Code and Good Practice	Jun-22	SATISFACTORY
Compliance with PRA Rules	Sep-22	SATISFACTORY
Review of PRA Annual Assessment 2022	Feb-23	SATISFACTORY

The Supervisory Committee had planned 4 audits but were only able to complete 3 during the year as a result of lack of staff support.

During the last year, the Supervisory Committee developed an **internal audit action tracker and monitoring** log to ensure historic audit actions are followed up by the **Management** and **Board** of Kent Savers.

The Supervisory Committee has **thematic audits planned for each quarter of the 2023/2024** year.

Profile & Networking

During the year, one Member of the Supervisory Committee attended the **International Credit Union Day** in Oct-22. One person attended an **Internal Audit Training Webinar** in Mar-23. One Member of the Board attended the **ABCUL AGM** in Mar-23.

2023 & Beyond

Our focus for the year ahead will be on:

Committee Membership

- Recruitment for additional Members and succession planning

Regulatory Compliance

- Review of PRA Annual Assessment
- PRA Rule Compliance
- Oversight of appointment of External Auditor
- Oversight of implementation of the New Consumer Duty
- Referred complaints and other matters

Board Oversight

- Regular attendance at Board Meetings

Quarterly Audits

- Deliver regular thematic audits

Profile & Networking

- Networking at trade association events and continuous Learning & Development

Conclusion

The Supervisory Committee hopes to have evidenced to the Members of Kent Savers, via this Annual Report, how **we have discharged our duties and responsibilities in accordance with our Terms of Reference**. We endeavour to continue to serve our Members into the next year.

Muhitur Rahman
Chair of the Supervisory Committee
Kent Savers Credit Union

Appendix A

Kent Savers Credit Union

Supervisory Committee: Terms of Reference

Purpose of the Committee

The Supervisory Committee is an independent Committee designed to monitor the operation of Kent Savers Credit Union (KSCU) to ensure that agreed policies and procedures are followed. The Committee provides the Board with a continuous appraisal of the Credit Unions systems of internal control, governance and risk management arrangements. In addition to helping to ensure that the Credit Union operates in accordance with relevant rules and legislation.

For KSCU the Supervisory Committee also fulfils the role of the internal audit function, and will conduct a series of reviews each year into how the Credit Union operates, and report the findings to the Board. These reviews are set out in the Internal Audit Plan which is agreed by the Board annually.

Composition

The Supervisory Committee is comprised of between 2 and 3 voluntary Members of KSCU, usually elected as part of the Annual General Meeting (AMG). A Member may be co-opted during the year, upon agreement by the Committee, and that appointment is then ratified at the next AGM. While not essential, the Committee may elect a Chair to provide direction and ensure that the duties of the Committee are fulfilled.

Members shall generally hold office for 3 years at which point they shall retire at the Annual General Meeting, but are eligible for immediate re-election.

Restrictions

In order to safeguard the independence of the Supervisory Committee, Members must not be:

- A member of the Board of Directors
- A member of any other permanent committee of the Credit Union
- An employee of the Credit Union
- An undischarged bankrupt

Regulations

Credit unions are regulated by the Financial Conduct Authority. The credit union sourcebook (CRED) [Section 8](#) deals specifically with supervision, and gives authority for the Supervisory Committee. Further guidance is set out in the Financial Services handbook supervision chapter known as [SUP](#). The Committee's duties, responsibilities and activities are all undertaken with full regard to these regulations.

Authority

Members of the Supervisory Committee can attend any meeting of KSCU and have the right to be heard at these meetings. However, they shall not have any decision making or voting rights at these meetings.

In accordance with the credit union policies and procedures, Members of the Supervisory Committee have the right to access the office, staff and all systems and documents of the credit unions for the purposes of fulfilling the duties and responsibilities of the Committee. Staff and Board Members will also cooperate with requests made by the Supervisory Committee associated with fulfilment of its role and responsibilities.

Duties & Responsibilities

The Supervisory Committee shall:

- Perform the Internal Audit for KSCU to assess the effectiveness of the internal control, governance and risk management processes as set out in an annual internal audit plan
- Report the findings and conclusions of any Internal Audit review to the Board and follow-up on the implementation of recommendations
- Undertake the procurement and appointment of suitable External Audit for KSCU, and provide oversight and support where necessary
- Provide a written report to the Annual General Meeting (AGM) setting out how the Committee has discharged its duties over the course of the year
- Deal with any complaints related to the Complaints Officer, or complaints referred by the Board. The Committee shall provide oversight of complaint investigations of Board Members
- Consider relevant matters referred to them by the Board
- Maintain a regular presence at monthly Board meetings to provide challenge, oversight and ensure that the Credit Union is being governed in accordance with the regulations and the agreed Policy and Procedures Manual
- Keep under consideration the Policies and Procedures specific to the operation of the Supervisory Committee, and provide updates where necessary for Board approval

Procedure

The Supervisory Committee will meet a minimum 4 times during the year, and the outcomes of these meetings will be documented and circulated to the Board. Actions arising for the Supervisory Committee will be tracked and followed-up by Members of the Committee and reported to the Board.

The Supervisory Committee will undertake their duties in accordance with the Policies and Procedures KSCU.

Review

These Terms of Reference will be kept under review and any proposals to formally update will be reported to the Board prior to the AGM each year.

Extract from CREDS 2.2.45 setting out minimum audit coverage

System of Internal Control

The system of internal control is the process for assuring achievement of the credit union's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. It incorporates both financial and non-financial systems.

Assurance over the system of internal control is provided mainly through completion of the internal audit plan, which takes into account the key risks in each area of the credit union's business. The objective of each audit review is to determine the adequacy and effectiveness of the controls in place to address those risks.

Minimum Areas for Internal Audit

Areas that should be covered CREDS 2.2.45

- Verification of cash (counting and reconciliation) without prior notification
- Bank reconciliation (checking records against bank statements)
- Verification of passbooks or account statements
- Checking compliance with policies and procedures
- Checking compliance with relevant Acts, secondary legislation and rules
- Checking minutes and reports of the Board for compliance, and assessing regularity and completeness
- Checking loan applications
- Verification of the credit unions assets and investments

Areas that should be covered (risk based)

- Physical Cash and Negotiable item count;
- Review of Investments;
- Bank Account reconciliation;
- Random Sample and review of outstanding loans and loans granted in past 6 months;
- Review of loans on the delinquent loan list;
- Compliance with policies and procedures;
- Determination that general ledger account balances with their subsidiary ledgers;
- Verification of opened and closed accounts;
- Review of employee and directors savings, shares and loan accounts; and
- Review of internal control reports.

Appendix 4 Candidates for the Board of Directors

Directors as proposed by the Board. There are no other nominations.

The following candidates are offering themselves for election to the Board of Proposers Directors as proposed by the Board. There are no other nominations.		Proposers
Adam Male	<p>Adam initially joined Kent Savers in September 2021 and was invited to join the Board in December 2022. He focusses on Business Development for Kent Savers.</p> <p>He began his career in investment banking before leaving to start his own business within the property technology sector. He developed innovative technology streamlining the rental process for landlords and tenants in the UK before exiting the business in 2018 to a major media company.</p> <p>Adam is married with two children and lives in Tunbridge Wells, Kent.</p>	The Board
Anthony Taylor	<p>Anthony joined Kent Savers in May 2022. Anthony has always lived in Kent, currently in Ashford and has three children, with three grandchildren.</p> <p>Anthony has had a 30 year career in operational H&S, compliance and risk management and supports our marketing while chairing our Risk & Compliance sub-committee.</p>	The Board

May 2023