



MINUTES OF THE 37th ANNUAL GENERAL MEETING OF THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA HELD AT THE CPA CENTRE, ON FRIDAY, 5TH JUNE, 2015 FROM 11.30AM AT NAIROBI

Present from the Council:	FCPA Benson Okundi	Chairman
	FCPA Fernandes Barasa	Vice-Chairman
	CPA Obare Nyaega	Council Member
	CPA Rashid Mohamed (MBS)	Council Member
	FCPA Julius Mwatui,	Council Member
	CPA Wycliffe Shamiah	Council Member

Apologies from the Council:

CPA Rose Mwaura	Council Member
CPA Geoffrey Malombe (HSC)	Council Member
Ms. Damaris Kimosop	Council Member
FCPA Pius Nduatih, (OGW)	Council Member
CPA Susan Oyatsi	Council Member

In Attendance: CPA Dr. Patrick Ngumi Chief Executive & Secretary to the Council

Present from Institute Members: As per Appendix 1 (To be circulated)

Apologies from the Institute Members: As per Appendix 2 (To be circulated)

AGM 1/2015 Quorum & Notice of Meeting

The Chairman called the meeting to order following the attainment of the mandatory quorum of one hundred (100) in accordance with Section 7(1) of the first schedule of the Accountants Act No. 15, 2008 and By-43.

AGM 2/2015 To note Apologies

The Chairman noted the apologies received and further stated that they have been duly recorded by the Chief Executive and Secretary to Council.

The Chairman noted that various proxies had been received and that they were duly recorded by the Secretary.

AGM 3/2015 Adoption of the Agenda

The Chairman noted the circulation of the Notice and the Agenda of the 37 Annual General meeting through the E-connect and the same was posted in the Institutes website. The Chairman also took note that FCPA Erastus Omollo and CPA Joshua Kamwere had proposed agenda items to be adopted by members.

Members unanimously resolved to amend the days Agenda to include the following:

The review of election policy and guidelines
Equality of rights for candidates during elections
Policy of composition of committees of Council

The motion was proposed by CPA Joel Kobia (M/n 11045) and seconded by CPA Grace Mabishi Kulola (M/n 2276).

AGM 4/2015 Minutes of the 36th Annual General Meeting

The Minutes of the 36th Annual General Meeting as proposed by CPA William Irari Kamau (M/n4879) and seconded by CPA Absolom Mwaniki Macharia (M/n 2469) were confirmed as a true record of the proceedings of that meeting.

AGM 5/2015 To Receive and Adopt Council Report for year end 2014

5.1: Chairman's Remarks

The Chairman addressed the members providing an update on the activities undertaken by the Council and the Institute over the past year. The highlights of the Chairman's remarks were as follows:

Enhanced Focus on Member Services

Members were informed that the Institute had put measures in place to ensure that member services are hastened with the key interest being member satisfaction. This was achieved through a member's baseline survey that assisted the Council and the Management to profile members by understanding the different categories of members and the different needs required.

Contribution to Public Policy

Members were informed that the Institute participated and made significant contributions in Public Policy. The Institute developed and disseminated to relevant offices various position papers on Governance.

The Institute gave an opinion on the provision of the substantive input in the 2014/2015 National budget policy statement with a critical analysis of the micro and macro economic situation in the Country that required government priority in the medium term.

Promotion of Good Governance and Accountability in Kenya

Members were informed that the Institute conducted a baseline survey on the status of the implementation of devolution and the report of the outcome shared with the relevant government organs. Members were further informed that the Institute shall continue to monitor the uptake of the Institute recommendations to be carried out to ensure effective implementation of devolution.

Promotion of Professional Standards and Practice in the Profession

Members were informed that the Institute developed illustrative financial statements (IFRS) for Banks and SMEs and the same was issued and published. Members were further informed that the Institute, introduced the ICPAK technical newsletter that disseminates information to members, responded to over 21 exposure drafts of the IFAC during the year, increased stringent measures on the registration of the ordinary members and practitioners to ensure quality of registered members and undertook the review of 85 audit firms to ensure compliance as per the prescribed practice standards.

Institutional Strengthening

Members were informed that the Institute has embarked on embracing Risk-Based Operations Approach with completion of the development and approval of the Enterprise Risk Management (ERM) Framework training of staff and Council on the ERM and the establishment of the Institute's Risk Champions.

Members were further informed that the Institute established and embraced a new-look organization structure that is responsive to member needs and aligned to the Institute's strategic Plan.

ICPAK/KCAU/ECP-Maarifa Partnership

Members were informed that the ICPAK/KCAU/ECP-Maarifa Partnership materialized with the unanimous support from members in passing the resolution to engage in the partnership during the Special General Meeting of members held on 11th March, 2015. It was further reported that the Alliance Agreement and the Amended Trust deed were signed on the 3rd of June, 2015 and the pending affiliate and supporting contractual documents were to be reviewed and executed once the transaction advisors finalize in the review and drafting.

ICPAK Complex

Members were informed that the completion of the ICPAK complex has delayed due to various factors. That the main reason as to why the said delay ensued was as a result of poor management from the Project Manager and the procuring of the lift which delayed the progress in construction for almost seven months (7).

AGM 6/2015 To receive consider and adopt the Financial Statements for the Year 31st December, 2014 together with the Auditors report thereon.

The Chairman invited FCPA Julius Mwatu a Council member, to present to the Members the Financial Report for the previous year.

FCPA Julius Mwatu, invited the Auditors, Messrs Mazars Kenya (formerly Koka Koimhuri) who proceeded to give the auditors opinion and noted that the financial statements presented a true and fair representation of the Institute's accounts and were in accordance with the International Financial Reporting Standards.

FCPA Julius Mwatu then provided to the members a detailed analysis and review of the year's financial performance as contained in the Audited Financial Statements within the Annual Report, after which members were invited to discuss the financial statements.

During the ensuing discussions, the Council Member clarified that that the active membership in 2014 increased by 1,703 from 2013. This contributed to the increase in the subscription revenue from 125M in the year 2013 to 145M in the year 2014. It was further reported that the figures will highly improve in the year 2015 due to the waiver advanced on inactive members and the discounts extended to the new applicants.

It was further reported that the surplus recorded in 2014 was at 109M which was a significant increase from the year 2013 which had recorded 75M. Further to that, it was also noted that in the year 2014 there was a significant reduction in sales of IFRS handbooks which was noted to have moved from 7M in the year 2013 to 0.5M in the year 2014. The same was attributed to the fact that the handbooks are easily available in soft copy online.

It was noted that the operating deficit reduced significantly in the year 2014 moving from 14M in the year 2013 to 0.3M in the year 2014. However, total comprehensive income reduced by 5M as a result of reduced investment income which dropped from 22M to 2.7M in the year 2014. This would improve in 2015 upon the full occupation of the new ICPAK complex.

It was further noted that the total assets of the Institute have surpassed the 1billion mark in the year 2014, which was as a result of the increased costs of the work in progress expenditures of the ICPAK complex.

The cash and cash equivalents was noted to have significantly reduced from 139M in the year 2013 to 27M in the year 2014. This was as a result of liquidation of fixed deposits to finance payments for work in progress in the construction of the ICPAK complex.

One member sought clarification on the undated financial report and it was clarified that it was a printing error and that the financial report is well dated and signed.

6.1: Adoption of the Annual Report and the 2014 Financial Statements

The members unanimously resolved to adopt the Annual Report and the Financial Statements for the year end 2014 as presented and commended the Council for a well elaborated, refined and detailed financial statements and annual report. The report as adopted was proposed by CPA Francis Onyalo Ochung (M/n 3676) and seconded by CPA Hesbon Oyieko Omollo (M/n 4749).

AGM 7/2015 To appoint the Independent Auditor of the Accounts of the Institute for the year ended 31st December 2015 and authorize the Council to fix the remuneration of the Auditor

The Council recommended to the members the appointment of Messrs Mazars Kenya as the Institute's external auditor for the 2015 financial year noting that Messrs Mazars Kenya had expressed interest to continue serving as the Institute's external auditor for the 2015 financial year.

Members unanimously resolved to appoint Messrs Mazars Kenya as the Institute's auditors for 2015 financial year and further resolved to authorize the Council to fix their remuneration as proposed by CPA Joseph Cheruiyo Langat (M/n 7341) and seconded by CPA Henry Nyachae (M/n 2080)

AGM 8/2015 Review of Elections Policy and Guidelines

The Agenda was tabled by FCPA Erastus Omollo who requested the Council to review the Institute's Election's Policy and Guidelines in order to safeguard the image of the Institute and the profession at large.

After extensive deliberations members unanimously resolved that the Institutes Elections Policy and Guidelines should be reviewed with the intent to safeguard the image of the Institute as proposed by CPA Morris Odhiambo Odundo (M/n 999) and seconded by CPA Caren Atieno (M/n 8134).

AGM 9/2015 Equal rights for candidates and voters during the Institute's Election

The Agenda was tabled by CPA Joshua Kamwere who requested the Council to amend the Institutes By -law 10 and to harmonize the rights of voters and candidates during the Institute's Elections.

After extensive deliberations members unanimously agreed to defer the Agenda item and give the Council time to review and give proper guideline and direction as proposed by CPA Charles Mugo Ciugu (M/n 1980) and seconded by CPA Chripus Reuben Mbogo (M/n7470).

AGM 10/2015 Policy on Composition of Council Committees

The Agenda was tabled by CPA Joshua Kamwere who requested the Council to formulate a policy on the composition of Council Committees and the same to align the composition of the Committees with the

provisions of the Constitution to meet the gender balance and to accommodate the physically challenged and the youth.

After extensive deliberations members unanimously agreed to defer the agenda item and allow the Council to give proper feedback to members as proposed by CPA Phillip Ogutu (M/n 9138) and seconded by CPA Elizabeth Waleghwa Masema (M/n 8083).

AGM 11/2015 Presentation of Commendation & Fellowship Certificates

The Chairman noted that 17 Commendations and 12 Fellowships would be awarded and they were as follows:

Commendation:

	NAME	MEMBER NO.
1	CPA Patrick Mwirigi Kwagara	3021
2	CPA Ahmed Salyani Mohamed Yusuf	2656
3	CPA Jack Wasonga Kasole	7390
4	CPA Mohamed Abdulla Ebrahim	4069
5	CPA Athman Ahmed Athman	1450
6	CPA Hesbon Omollo Oyieko	4749
7	CPA Georgina Malombe Maria	5138
8	CPA Orlando Da Costa-Luis Mario	1424
9	CPA Farheen Khandwalla Mohammed Asghar	4604
10	CPA Juma Yusuf Mulindwa	1406
11	CPA Suresh Solanki Maganlal	1685
12	CPA Josephat Mbuthia Mwai	1376
13	CPA Paul Wanyagi King'ori	2127
14	CPA. Reuben Gitahi Boro	3687
14	CPA Wilfred Owalla	2793
16	CPA Esther Maiyo	2714
17	CPA Joshua Kamwere	7878

Fellowship:

No.	NAME	REG NO.
1	Hon. CPA Abdullahi Mohamad Ahmed	3199
2	CPA Tom Gitogo Mbuthia	2536
3	CPA Yusuf Omari Kungu	3216
4	CPA Francis Wanganju	407
5	CPA James David Kabeberi	1356
6	CPA Tom Omariba Oyugi	3394
7	CPA Rosemary Gituma	2686
8	CPA George Rutto Kipkoech	6696
9	CPA Benson Ochieng Okundi	2348
10	Hon. CPA Billow Kerrow	1825
11	CPA David Baiya Mburu	2054
12	CPA John Erick Ouko Rero	3687

The members were presented with their Commendation and Fellowship Certificates respectively.

AGM 12/2015 2015 Council Elections

The Chairman invited CPA Isaac Ruto (M/n 5893) who served as the Returning Officer for the 2015 Council Elections to present the report on the results of the Elections.

The Returning Officer reported that the 3 vacancies arising in year 2015 were declared on the 10th February 2015. There was one (1) vacancy for Council Chairmanship and two (2) vacancies for Council Membership. On declaration, members were requested to express an interest by completing Nomination Forms which were to be returned by 21st March, 2015 at 5.00 p.m. The nomination form was required to be filled by the candidate, a proposer, a seconder and five supporters all of whom must be members of the Institute in good standing.

A total of twenty (20) members picked nomination forms, with seventeen (17) seeking Council Membership and three (3) seeking the Chairmanship. A total of fourteen (14) members returned their nomination forms, three (3) for the position of Chairman and eleven (11) for the position of Council member.

The requirement of Candidates and their supporters to be in good standing was applied strictly and this included compliance with the annual requirements for Continuous Professional Development (CPD) hours, being upto date with membership subscriptions with no record of professional misconduct. For each of these requirements, each relevant departmental head had to check and verify for each applicant. The results of the Nomination Opening process were as follows:

12.1: Chairman:

Results of the Nomination Process

There were three (3) candidates for this position, FCPA Fernandes Barasa, CPA Rosemary Gituma and CPA Rashid Mohamed. The candidates and their supporters were confirmed to have fully paid up their annual subscriptions, they had also complied with the required hours of Continuous Professional Development and had no record of professional misconduct.

The candidates were therefore declared validly nominated to contest for Chairmanship.

The Council noted that Accountants Act No. 15 of 2008 had provisions in Section 7(2) of the Act which required the Chairmanship nominees to have served for one year as a Council member or in Council committees and to have been a member for 7 continuous years. It was confirmed that the candidates had served in Council and were active members for more than 7 years continuously.

Election results for the positions of Chairman were as follows:

	<u>MN</u>	<u>Votes</u>
FCPA Fernandes Barasa	M/n 2918	2318
CPA Rashid Mohamed	M/n 4801	1454
CPA Rosemary Gituma	M/n 2686	699

FCPA Fernandes Barasa was therefore declared validly elected for a term of two years.

Resolved: The members unanimously resolved to confirm the election of FCPA Fernandes Barasa as Chairman of the Council for the year June 2015-June 2017.

12.2: Council Members:

Results of the Nomination Process

The Returning Officer reported that Eleven (11) prospective candidates submitted their nomination forms for the position of Council Member. Of the eleven, five(5) of them were found to have met all the requirements of

the Institute and were in good standing and were declared to be validly nominated to contest for the two vacant positions of Council Member. These were as follows:

	<u>M/N</u>
CPA June Nduku Kivinda	7868
CPA Samuel Christopher Ogowe Okello	4308
CPA Reuben Kipngeno Korir	6129
CPA Mghenyi Constatine Mwikamba	4713
CPA Mohammed Abdulla Ibrahim	4801

The Returning Officer noted that the nomination Forms of the other six (6) candidates had deficiencies with regard to compliance with the required annual hours of Continuous Professional Development and payments of subscriptions and as a result were nullified.

Results of the Election Process

The results of the elections were as follows;

Council Member

	<u>M/N</u>	<u>Votes</u>
CPA June Nduku Kivinda	7868	2411
CPA Samuel Christopher Ogowe Okello	4308	2303
CPA Reuben Kipngeno Korir	6129	1399
CPA Mghenyi Constatine Mwikamba	4713	1363
CPA Mohammed Abdulla Ibrahim	4801	699

From the above, the two leading candidates were:

CPA June Nduku Kivinda	2411 votes
CPA Samuel Christopher Ogowe Okello	2303 votes

The two members were accordingly declared to be validly elected for the 2 vacant positions of Council Members for a term of 3 years with effect from 6th June, 2015.

Resolved: The meeting unanimously resolved to confirm the election as Members of the Council of the above two (2) members of the Institute.

The Returning Officer reported that the Institutes Internal and External Auditors, Messrs Koka Koimburi had audited the system and certified that having sampled the members who voted, the system output represented a true reflection of the voting patterns. He congratulated the candidates on their good conduct during the voting period and the members for having voted in large numbers and further encouraged members who did not participate in the voting to consider exercising their democratic right in future.

The Chairman congratulated the newly elected three members of the Council.

12.3 Hand Over

Closing Remarks

In his closing remarks, the Chairman stated that he was honored to have served members for a period of two (2) years and pointed out the significant strides made by ICPAK during his tenure. He further said that he was proud to leave at a time that the CPA is recognized as professionals who adds value and made a significant contribution to the economy. He challenged the incoming Council to be committed and work towards building on the successes of the past and ensure that ICPAK continues to play a leading role in the development of our nation.

The Chairman handed over the instruments of office to the new Chairman FCPA Fernandes Barasa who later introduced the newly elect Council members (CPA June Kivinda and CPA Samuel Okello) and presented them with the Council manual.

The newly elect Chairman FCPA Fernandes Barasa in his acceptance speech thanked members for the confidence exuded and pledged to enhance the developments so far established, to enhance the relationship between the Institute and the public sector, to strengthen the branches and to continue with the work the previous Chairs had established.

AGM 13/2015 Any Other Business

There being no other business to transact, the Chairman declared the 37th Annual General Meeting adjourned at 15.33 pm.

These minutes are confirmed as a true record of the proceedings of the 37th Annual General Meeting.

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Chairman

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Date

MATTER ARISING FROM THE 37TH AGM

MINUTE	ISSUE	STATUS
Min. 8/2015	Review of Elections Policy and Guidelines.	Reviewed amended and uploaded in the Institute website
Min. 9/2015	Equal rights for candidates and voters during the Institutes Election. Members resolved that the Council to review and give direction to members.	Reviewed and well captured in the new Elections Policy and guidelines
Min. 10/2015	Policy on composition of Council Committees. Members resolved that the Council to review and advice members.	Council committees enhanced by the introduction of the Youth Committee and Public Sector committee