

KENYA USA DIASPORA SACCO

VETTING, NOMINATION, AND ELECTION POLICY

Table of Contents

Kenya USA Diaspora Sacco (KUDS) – Vetting, Nomination, and Election Policy	4
1. Introduction	4
2. Vetting, Nomination and Election Committee (VNEC)	4
3. Objective of Vetting, Nomination and Election Policy	5
4. Composition of Vetting, Nomination and Elections Committee	5
Election of VNEC Members	5
VNEC Non-Elected Members	5
5. Vetting, Nomination and Election Committee (VNEC) Meetings	6
6. Role and Duties of the VNEC	6
7. Terms of office	8
Board	8
Committee	8
VNEC	8
8. Approval by the General Meeting	8
9. Allowances/Remuneration of VNEC Members	8
10. Powers of the Vetting, Nomination, and Election Committee (VNEC)	8
11. Nomination of the Appeals Board	9
1. Appointment and Term	9
2. Standard of Conduct, Functions, and Responsibility	9
3. Meetings and Hearings	10
4. Appeals from the decision of Appeals Board	10
12. Eligibility Criteria for Membership in the SACCO Board or Committee	11
13. Vetting and Nomination Supporting Documentation	14
14. Preferred skills and competencies	14
15. Nomination Process and Procedure	15
16. Resolution of Nomination Disputes	17
17. Rejection of appeal	17
18. Filling of vacancies that fall outside the election cycle	17
19. Election Process and Procedure	18
Online or Electronic Voting	19
20. Campaign Procedures	19

21. Election General Rule	19
22. Document Management During Elections	21
23. Election Voting	21
Items for Implementation by the SACCO Board and other Relevant Organs besides the VNEC	22
24. Post-Election Activities	22
25. Indemnity	22

Kenya USA Diaspora Sacco (KUDS) – Vetting, Nomination, and Election Policy

1. Introduction

This policy covers the vetting, nomination, and election of candidates for the Kenya USA Diaspora SACCO Board, the Supervisory and Vetting and Nomination Committees, and other such committees that may be constituted by the Board and Annual General Meeting (AGM). It ensures that the vetting and nomination process and the ensuing elections are democratic, transparent, competitive, and inclusive and that, as a result, ethical, credible, and competent persons are nominated and elected into various SACCO offices through a fair and transparent process. The overall goal is to ensure that from nomination to elections, every eligible diaspora SACCO member, regardless of location, can participate in electing the officials of the SACCO.

The specific objectives of these policy guidelines shall be to:

- 1) Determine the role, composition, remuneration, and tenure of the Vetting and Nomination Committee (VNEC).
- 2) Provide guidelines on the vetting, nomination, and appeal process including:
 - a) Outlining the vetting criteria that establishes the eligibility and qualifications of candidates for various SACCO offices.
 - b) Defining the nomination, vetting, and appeal process.
- 3) Determine guidelines on the election process, including:
 - a) Preparing the annual elections calendar
 - b) Defining eligibility requirements for member voting
 - c) Establishing and streamlining electoral procedures across Diaspora constituencies (for example across time zones)
 - d) Determining and defining the mode(s) of voting during elections.
 - e) Determining and defining the election process and procedure

2. Vetting, Nomination and Election Committee (VNEC)

The primary function of the Vetting, Nomination and Election Committee (VNEC) is to vet any person interested in serving as a member of the SACCO Board, Supervisory Committee, or Vetting, Nominations, and Elections Committee, or any other committee as shall be established by the Board and AGM. The vetting and nomination exercise shall be done as per the guidelines set forth by the regulations in this policy and such other laws as may apply, including:

- ❖ The SACCO By-laws
- ❖ The Board Charter (for the Board of Directors)
- ❖ The Co-operative Act (Laws of Kenya)
- ❖ The SACCO Societies Act
- ❖ The Kenya Constitution: Chapter 6 - Leadership and Integrity Section

Note: The latest version of the above documents, and as shall have been duly registered or promulgated, shall take precedence.

3. Objective of Vetting, Nomination and Election Policy

Ensure that credible persons are vetted and nominated for elections in the society via a fair and transparent process. Accordingly, the VNEC policy ensures: -

- a) That competent people of integrity are nominated to stand for SACCO elections.
- b) Orderliness during the process of applying, vetting, nominating, and electing SACCO officials.
- c) The creation of clear vetting, nomination, and election guidelines and processes.
- d) The creation and enforcement of clear eligibility criteria for all electoral SACCO offices.
- e) The establishment of electoral zones as defined by the AGM.
- f) That the mode of voting during elections is defined.
- g) That an appeal process is created to handle any nomination or voting disputes.

4. Composition of Vetting, Nomination and Elections Committee

The VNEC is a creation of the AGM and has a fiduciary duty to Sacco members. The VNEC shall be composed of a minimum of **THREE (3)** and a maximum of **FIVE (5)** members, and the Sacco CEO or the senior-most employee of the Sacco as an ex-official member. To ensure efficient and expeditious conduct of business **each member shall initially have a three (3) year continuous term**, but be eligible for re-election for another final three (3) year staggered term, with the exception of;

- a) A co-opted member, who shall serve a one three (3) term or the time remaining for a vacant position.
- b) The Sacco CEO or the senior-most Sacco official who serves in an ex-official capacity.

All members will have voting rights except for the Sacco CEO or the senior-most Sacco official who serves in an ex-official capacity.

Election of VNEC Members

The VNEC members shall be elected by the Sacco members at the Annual General Meeting except for the CEO/senior-most Sacco official who is appointed by the Management Board.

VNEC members shall be vetted by a subcommittee comprised of representatives of the SACCO Supervisory Committee according to this policy's guidelines.

VNEC Non-Elected Members

1. Co-opted Member(s)

Where the membership of the VNEC falls below three or where committee vacancies arise outside the election cycle (e.g. through resignation, sickness or death, or any other circumstances making it impossible for a member to continue to serve), such position shall be filled by the management Board through the appointment of a temporary replacement by co-opting a member to complete the remainder of the positions term, or until the next General Meeting, provided that the appointee is vetted by a subcommittee comprised of representatives of the SACCO Supervisory Committee according to this policy's guidelines and vetting and nomination requirements.

2. The CEO

The CEO of the SACCO or the senior-most employee of the SACCO or any other senior employee of the SACCO who can represent the CEO. The CEO/CEO representative is Ex-official, that is, he/she has no voting rights but is mainly there to assist the VNEC, provide, facilitate with all pertinent SACCO information required for the purpose of the vetting process, and offer any necessary advice.

5. Vetting, Nomination and Election Committee (VNEC) Meetings

- a) At least two-thirds majority of the committee members and or a minimum of two members of the total number of committee members excluding the ex-official member(s) shall form a quorum for the disposal of business.
 - i. Any other motion shall be approved by a simple majority of votes (excluding the ex-official member(s)). Any decision taken by the majority at VNEC meetings shall be binding to all members and members present, absent and objecting. However, members may exercise their rights of objection and separation about decisions related to the VNEC meeting decision.
- b) If a member of the committee fails to attend three consecutive meetings without being excused or otherwise fails to perform his/her duties, the position may be declared vacant and filled as provided in this policy.
- c) All business discussed or decided at the Committee Meeting shall be recorded by the Secretary and or at least one other committee member present at the meeting.
- d) At the next meeting, after approving any alterations or variations, and not as alterations to the original record, the meeting shall, by resolution, adopt and date the final record.
- e) Committee members shall keep deliberations confidential.

6. Role and Duties of the VNEC

The VNEC's purpose is to seek the best-qualified individuals to be a nominee for each open position for the Board and or Sacco committees to be filled.

Its mandate/duties include:

- a) Electing its Chairman and Secretary. The VNEC shall choose among themselves, a Chairman, and a Secretary.
- b) Developing the vetting and nomination criteria.
- c) Preparing questions to which candidates respond in statements included in the nomination and election material.
- d) Setting the vetting, nomination, and elections calendar of activities
- e) Inviting applications from potential contestants for various SACCO management/board and committee(s) elections.
- f) Issuing nomination forms to candidates vying for seats on the SACCO management/board and its various committees.

- g) Vetting persons wishing to become members of the management/board and any other SACCO committee.
 - a. Evaluating all committee/Board applicants/candidates using the SACCO's established vetting criteria.
 - b. Make independent and final selection of qualified candidates to present for membership vote at the AGM.
 - c. Any disputes will be handled by the Appeals Boards established under this policy.
 - d. Ensure no disqualified candidate or otherwise shall be presented for election at the AGM to any Sacco board and or committee position unless;
 - i. Vetted and cleared by VNEC
 - ii. Cleared after the appeals dispute resolution and or decision by;
 - 1. The Appeals Board,
 - 2. The Arbitrator,
 - 3. The Commissioner of co-operative. The Minister/Cabinet Secretary may at any time and on any matter direct the commissioner as to the exercise of his powers and duties under the Co-operative Societies Act.
 - 4. The Co-operative Tribunal. Any party aggrieved by any order of the Tribunal may, within thirty days appeal against such order to the High Court.
 - 5. The High Court. Upon the hearing of an appeal, the High Court may:
 - i. Confirm, set aside, or vary the order in question.
 - ii. Remit the proceedings to the Tribunal with such instructions for further consideration, report, proceedings or evidence as the court may deem fit.
 - iii. The decision of the High Court on any appeal shall be final.
- h) Vetting members (including all current board and committee members) who reapply for nomination in accordance with this policy.
- i) Referring nomination disputes to the Appeals Board.
- j) Issuing nomination clearance certificates to vetted and cleared candidates.
- k) Holding joint meetings with the Board and the supervisory committee/on procedural matters only pertaining to the vetting, nomination, and election of SACCO Board and committee members.
- l) Preparing a report on the activities of the VNEC and presenting it to the SACCO Board, AGM, and the Regulator.
- m) Consider the proposed rules, changes in the by-laws or amendments and periodically amend the VNEC policy rules of practice and procedure- on an as-needed basis to meet the needs of the Sacco.
- n) In addition to periodically amending the rules and policy requirements as the need arises, the Committee shall conduct a comprehensive review of its rules, vetting and nomination requirements within sixty (60) days of the commencement of the third year of its term.
- o) Any amendments to the VNEC policy shall be submitted to the Board of Directors for approval.
- p) After the rules or amendments are approved by the Board, the rules shall be added to this policy and be supplemented and annotated appropriately. Any changes to the VNEC policy must be ratified at the next AGM before adoption.

7. Terms of office

Board

Members of the Board shall hold office for a period of three (3) years provided that one-third of the Board members shall retire every year on a rotational basis but will be eligible for re-election for another term of three (3) years. The chairman and Vice-Chair will be the last to retire on the rotation basis.

Committee

The Society shall have a supervisory committee consisting of three (3) SACCO members each elected at the AGM for a period of three (3) years subject to renewal for another one (1) term of three (3) years. One member of the Supervisory Committee shall retire annually on a rotational basis (with the chair rotating out last) and shall be eligible for re-election. These criteria shall apply to any other SACCO committee arising out of the AGM.

VNEC

Members of the vetting and nomination committee (VNEC) shall be elected for one (1) term of three (3) years subject to renewal for another one (1) term of three (3) years. VNEC members shall be subject to retirement on a rotational basis (with the chair rotating out last) and shall be eligible for re-election. Where a VNEC falls below three (3) members through resignation, expulsion or death, the Board shall co-opt another member for the remainder of the term. Any such appointee shall be vetted as in this policy

A period of two (2) years must pass before a member can run for a previously held position. A member is eligible to vie for another position upon retiring from or being voted out from their current position. This provision applies to all elected SACCO offices.

8. Approval by the General Meeting

The VNEC shall be established by a provision of the SACCO by-laws. Once created it shall stand ratified and confirmed by the AGM

9. Allowances/Remuneration of VNEC Members

The VNEC shall be remunerated/paid such allowances for their services and expenses as are paid to the rest of the SACCO management Board and or any other SACCO committees as provided for in the SACCO by-laws or as determined by the AGM and approved budget.

10. Powers of the Vetting, Nomination, and Election Committee (VNEC)

The VNEC shall have access to any SACCO accounting records, books, or documents as may be necessary to carry out its duties of vetting and nominating candidates for office. Accordingly, in the process of performing its duties, it shall have the power to:

- a) Request in writing from the CEO/senior-most employee of the SACCO information/records/data as may be necessary for the performance of duties.
- b) Require the production of any books, documents, register, loan records or list of members or shares kept by the SACCO.

- c) Request other information/explanations from any officer of the SACCO as may be necessary for the performance of its duties.
- d) The VNEC will only request information for candidates vying for office. The information will remain confidential and will only be used for vetting purposes.

11. Nomination of the Appeals Board

The Board shall establish and appoint a Nomination Appeals Board (hereinafter referred to as the “Appeals Board”) which shall finally determine all and any nomination disqualification disputes of a candidate if such matters cannot be resolved within the VNEC appeal process.

The Appeals Board shall resolve such matters in a timely manner and provide a report and recommendation to the Board of Directors.

Appointment and Term

The Appeals Board shall consist of a Panel of a minimum of three (3) and a maximum of five (5) members. At least one of whom shall be a lawyer of not less than five (5) years in good standing. Two of the panel members shall be of either gender.

The Board shall endeavor to appoint independent persons (non-SACCO members, board, committee or SACCO employees) to this Appeals Board. However, due to the unique position of Diaspora Sacco, and as shall be allowed and guided by the Ministry of Cooperatives, the Board may appoint independent persons from the general Sacco membership, except:

- a) Board members.
- b) Any Sacco and or committee member vying for elections.

The Appeal Board shall be an ad hoc body established to deal with disputes arising out of the nomination process and or violation of the VNEC policy in a particular election and shall stand dissolved upon the conclusion of the nomination process.

The Appeal Board shall be constituted at least thirty (30) days prior to the beginning of the nomination process. However, in case of any unforeseen circumstances, the board shall be constituted within the most reasonable time of the Nomination period and or at least on or before two (2) weeks prior to the AGM.

Standard of Conduct, Functions, and Responsibility

- a) Shall be person(s) of high moral and personal integrity.
- b) Are expected to be diligent, industrious, and judicious and participate in all appeals expeditiously.
- c) Members are uncompensated appointees, able to devote enough time to the Sacco affairs; and willing to fairly and uniformly apply the VNEC policy, Co-operative Act, and relevant Sacco Societies Regulations and Procedures.
- d) Any nominated member who has had involvement, made a determination or has a conflict of interest in the matter, which is the subject of the appeal, shall be INELIGIBLE to sit as a member of the Appeals Board convened to hear that same matter.

e) Terms of Reference.

To ensure the Appeal Board fulfills its function and responsibilities and restricts itself to its stated mandate, the Board of Directors MUST provide the Appeals Board with the terms of reference and time required to provide a decision. These terms of reference may be amended, varied or modified in writing after consultation and agreement with the Board of Directors.

The purpose of the Appeals Board is not to litigate, but to investigate the dispute, allegation(s), and or violations, and provide a decision.

Meetings and Hearings

The Appeals Board must meet within two days after it is constituted in order to execute its mandate in a timely manner.

1. The members shall elect a chairman and a secretary from among their number.
2. The applicant for dispute and or violation(s) has the burden of proof, including the burden of going forward with the evidence and burden of persuasion, with respect to any question of fact.
3. If, after a review of the facts presented by the appellant, the Appeals Board determine that there is a reasonable belief that there has been a violation of the VNEC policy, the Board shall make a decision, and or recommend action to correct, and or address the violation, and or dispute.
4. However, if, after a review of the facts presented by the VNEC, the Appeals Board determines that there is a reasonable belief that the dispute has no merit and or no violation of the VNEC policy, the Board shall make a decision, and or recommend action to uphold the VNEC vetting and nomination decision.
5. The Appeals Board has NO authority to make decisions contrary to any provision of the VNEC policy and or the Sacco by-laws.

Appeals from the decision of Appeals Board

Generally. A person aggrieved by a decision of the Appeals Board may further appeal the decision to:

- a) An Arbitrator, or
- b) The Commissioner of co-operative. The Minister/Cabinet Secretary of Co-operative Development may at any time and on any matter direct the commissioner as to the exercise of his powers and duties under the Co-operative Societies Act to hear and determine any disputes for any Sacco Society as per the Co-operative Act guidelines.
- c) Any person aggrieved by the decision taken by any order of the Commissioner under Section 73(1) of Co-operative Act, may within thirty (30) days appeal to the Co-operative Tribunal.
- d) Any party aggrieved by any order of the Tribunal may, within thirty (30) days appeal against such order to the High Court on matters of law.
- e) A person who meets the threshold standing requirements under the Kenyan law has the standing to file a petition in the High Court of Kenya for judicial review of a decision of the Tribunal. Upon the hearing of an appeal, the High Court may:
 - i) Confirm, set aside, or vary the order in question.
 - ii) Remit the proceedings to the Tribunal with such instructions for further consideration, report, proceedings or evidence as the court may deem fit.

- iii) The decision of the High Court on any appeal shall be FINAL.

12. Eligibility Criteria for Membership in the SACCO Board or Committee

The VNEC shall be charged with the responsibility of preparing the vetting and nomination criteria to which all potential candidates for SACCO management and or committee(s) seats shall be subjected. To be cleared to run for office, candidates must meet all eligibility criteria as laid out in SACCO by-laws and in the vetting and nomination policy. Any SACCO member, including the current/retiring Board and Supervisory committee or any other SACCO committee member who wants to vie for office, must be vetted.

A member can only vie for one position during any nomination/election cycle.

Sources of Authority

SACCO Board and Committee members are public officers that are subject to the:

- 1) Public Officer Ethics Act (No. 4 of 2003, No. 7 of 2007, No. 31 of 2016, No. 11 of 2017 and its successors
- 2) Constitution of Kenya (Chapter 6: Leadership and Integrity)
- 3) The amended Cooperative Societies Act 2004
- 4) The Co-operative Societies Rules 2008
- 5) The SACCO Society Act 2008 and the SACCO Societies (Amendment) Bill, 2018
- 6) The SACCO Societies Regulations
- 7) The registered By-laws of the co-operative society
- 8) The Law of Cooperatives in Kenya

Eligibility Criteria and Requirements

In accordance with this policy, laws and subject to the statutes of the KUDS SACCO:

- 1) No person shall be eligible to serve as a member of the Board of Directors or any SACCO committee if he/she:
 - a) Is not a member of the SACCO.
 - b) Is a current employee of the SACCO.
 - c) Has not been an active, fully paid-up member of the SACCO for at least one (1) year prior to the Annual General Meeting (AGM). An active fully paid-up member is defined as a member who:
 - I. Has full and paid share capital status as outlined in the SACCO membership policy or SACCO by-laws.
 - II. Has a minimum of one (1) year contribution in their SACCO savings accounts (current annual minimum members' contribution).
 - III. Has maintained regular and consistent SACCO contributions (i.e. monthly, quarterly, lump-sum payments, etc.) for the last one (1) year prior to the month before the onset of the nomination process (i.e., when the call for nominations is made by email or any other means). For example, if the advertisement for the vacant position(s) is made in March, then the relevant contribution history to be considered shall be from February of the previous year to February of the current

year in accordance with the member's contributions policy as stated in the SACCO by-laws.

1. **For Election Purposes Lump-Sum Contributions:**

- *Lump-Sum contributions shall be defined as:*
 1. *Any total amount contributed that is not consistent with the member's average monthly contributions for the last 6-12 months prior to that contribution.*
 2. *As a series of contributions made in anticipation of a member intending to vie for a board and/or committee position and is made less than 6 months prior to the advertisement of a vacant Board and or Committee position.*
 - *For election purposes, lump-sum contributions shall not apply retroactively in order to meet the regular contribution requirement. For example, a member who has not been making any contributions in the last 2-6 months fails to meet the regular contribution requirement even if he/she suddenly makes large contributions when Board and/or Committee seats fall vacant/or is advertised. For election purposes, such contributions are not consistent with the required monthly contributions as stated in Section 25.3 of the Sacco by-laws and in Section 17of the Co-operative Act.*
 - *However, a member can make lump sum contributions and request that the amount be distributed across several future calendar months without penalty. These contributions should be reflected in the members statement showing an amount recorded for each month specified. This requirement is meant to ensure that all members adhere to the requirement for regular and consistent SACCO contributions and that they embrace the regular SACCO savings and/or contributions culture and financial discipline that is the core principle of the SACCO model.*
 - *Moreover, this regular savings and contributions stipulation is meant to safeguard all SACCO members by preventing anyone from taking advantage of others by rushing to save or contribute large amounts in order to qualify to vie for a SACCO leadership position. Rather, members should make regular and/or consistent SACCO contributions in order to create a pool of funds that can be used to make loans to members as needed.*
- IV. Is delinquent on loans with the SACCO for more than 60 days within 2 years prior to elections as stated in the SACCO by-laws Section 38 (f).
- V. As specified in the Co-operate Act [Section 28 (4 (n) and (o)), a loan defaulter cannot hold a SACCO office for FIVE (5) years following the default.
- *(n) The Act Section 28 4(n): No person shall be a member of a committee if has any un-cleared debt owing to a co-operative society at the end of its financial year other than in respect of a loan under the provision of any rules made under this Act; and*
 - *(o) is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under this Act.*
- 2) Has defaulted on a loan to any other financial institution in Kenya or his/her country of residence in the last 5 years prior to the AGM. A member may be required to submit a credit reference bureau report/certificate from Kenya and/or his/her country of residence to certify

that he/she is not a loan defaulter. A loan defaulter is barred from running for office five (5) years after discharge.

- 3) Has been declared bankrupt in the last one year or has a current bankruptcy notice in any country of domicile/residency.
- 4) Has a current tax lien with tax authorities in any country.
- 5) Has not filed relevant tax returns for *more* than three (3) years either in Kenya, US or any other country of residence.
- 6) Has been adversely named by the commissioner or his/her representative in an inquiry report endorsed by an Annual or Special General Meeting for mismanagement or corrupt practices whilst still a member of the SACCO Board in the last ten (10) years or named in any national inquiry where he/she has been shown to be engaging in dishonest activities. Must not be negatively mentioned in any inquiry on abuse of office.
- 7) Has a previous criminal record or has been convicted of any offense involving financial impropriety or has been imprisoned for three (3) months for a crime involving fraud, perjury or breach of contract to a licensed financial institution.
- 8) Is an official of or holds a political office at any level or is involved in any political activities that would compromise or conflict with the interests of the SACCO;
- 9) Is a member of the board of directors of another existing SACCO licensed under the Co-operative Act.
- 10) Is a member of a co-operative society that lends money to its members or lends money on his own account.
- 11) Is a Board or committee member of a co-operative society, which trades in goods or products, trades either on his own account or some other person's account in the same type of goods or products as the SACCO.
- 12) Holds any political office in the government of Kenya.
- 13) Shall not have attained a minimum of secondary education or high school diploma or GED.
- 14) Is under eighteen (18) years of age.
- 15) Is of an unsound mind.
- 16) Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under the SACCO's by-law and or Co-operative Act, and or does not comply with chapter six (6) of the Kenya Constitution on Leadership and Integrity.
- 17) Has been removed from Public office on disciplinary grounds in his/her country of residence or any other country.
- 18) A person shall not hold office-
 - a) As a SACCO Board member for more than two (2) continuous terms of six (6) years. A board member is required to wait two (2) years before running for the same office. A member of the Board shall be eligible to vie for the Vetting committee, Supervisory committee or any other SACCO committee position after completing a term of office.
 - b) As a SACCO Supervisory committee member or any other SACCO committee member for more than two (2) continuous terms of six (6) years. A committee member is required to wait two (2) years before running for the same office. Members of the Vetting committee, Supervisory committee or any other SACCO committee shall be eligible to vie for a Board member position after completing a term of office.
- 19) Declare any conflict of interest(s) that may interfere with the conduct of his/her official duties.

13. Vetting and Nomination Supporting Documentation

These are items that may be requested by VNEC to confirm/affirm a candidate's eligibility and qualifications: (Note: VNEC reserves the right to request all or any supporting documents as required)

- a) Copy of ID card; (to verify the name (s) and or one is a Kenyan);
- b) Academic and professional certificates;
- c) A certificate of good conduct or background check;
- d) Certificate of highest educational attainment and/or professional certifications;
- e) Compliance certificate from the tax authority of the member's country of residence;
- f) Actionable declaration of the truthfulness of all information provided ---submission of false information is enough grounds for disciplinary action such as nomination disqualification or dismissal from office or criminal proceedings in his/her country of residence;
- g) Actionable declaration of no previous record of sanction or a negative Commissioner for Co-operative Development (CCD) inquiry/inspection report for mismanaging any other Co-operative society licensed under the cooperative Act;
- h) Actionable declaration of no undeclared or undischarged bankruptcy;
- i) Actionable declaration of no previous record of conviction in a court of law in the last five (5) years.

14. Preferred skills and competencies

Preferred skills and competencies desired by the SACCO include the following among others:

- a) Demonstrated proven leadership ability, skills, integrity, competence, objectivity and impartiality;
- b) Commitment to selfless public service and/or interest;
- c) Diversity criteria, including but not limited to gender, ethnicity, race, age, disability and geography/zones, etc. Nevertheless, the diversity requirements are secondary and thus the VNEC shall not compromise other primary eligibility requirements for the sole purpose of meeting these diversity requirements;
 - i. Zones can be created by the AGM based on the geographic distribution and/concentration of SACCO members
 - ii. The need for Zones or existing zones shall be re-evaluated every three (3) years by the AGM.
- d) KUDS aspires to have a diverse and balanced board and encourages members through civic education, to ensure the elected board is representative of the member population.
- e) Demonstrate competence and ability to perform the role for which one is vetted, nominated, and elected through:
 - I. Demonstrated knowledge and experience of the SACCO and Co-operative movement.
 - II. Possession of professional qualifications that will provide support and oversight over SACCO portfolios including but not limited to Finance, Audit, Law, Business, Information Technology, HR, Engineering, Business Development, Customer Service, Arts, etc.;
 - III. Awareness of diversity, governmental affairs, public relations, marketing, leadership development, engineering, etc.

15. Nomination Process and Procedure

The vetting, nomination and elections committee (VNEC) serves to promote democratic, free, fair, transparent, accountable, inclusive, credible and peaceful internal vetting, nominations, and elections.

- 1) The nomination process shall commence no later than ninety (90) days prior to the AGM or any other timeframe that the VNEC recommends based on prevailing circumstances.
- 2) VNEC shall publish the nomination process, dates and timelines at least thirty (30) days and not less than fifteen (15) days before the nomination deadline.
- 3) The VNEC committee shall give a notice of fifteen (15) days to receive the Nomination Form and supporting documents from aspiring candidates, including any current Board and committee members that wish to be re-elected or re-appointed after completing their term of office.
- 4) VNEC forms, and nomination and election procedures shall be published on the SACCO website and communicated via email and other SACCO communication channels.
- 5) Candidates may not apply for more than one open position.

- 6) All complete applications must be received by the published VNEC deadline without exception. Late applications (including the late submission of the required documents described in this Vetting, Nomination, and Election Policy) shall not be considered.
- 7) All candidates shall comply with this policy, the VNEC Code of Conduct as specified in the SACCO by-laws.
- 8) Vetting, nominations and elections shall be devoid of malpractices identified in this policy, the SACCO by-laws and other applicable governing laws, including but not limited to:
 - a) Dissemination of false information during or after nomination.
 - b) Misuse/distortion of VNEC communications or messages
 - c) Voter buying and rigging.
 - d) Use of foul language.
 - e) Breach of peace.
 - f) Use of intimidation tactics during elections.
- 9) Any candidate vying for office who violates the rules in this policy and established code of conduct shall be deemed as unfit for office and shall be disqualified by the elections presiding officer from the current election.
- 10) Prospective candidates shall submit nomination forms and supporting documents by email/mail or as instructed by the VNEC and within the stipulated deadline.
- 11) A complete application shall include:
 - a. A SACCO Identification number.
 - b. A fully and duly completed/filled and signed Nomination Form that includes a declaration of truthfulness of the information provided, and commitment and loyalty to SACCO policies. If any of the information provided on the form and supporting document is later found to be falsified or cannot be verified the applicant or officer shall be automatically disqualified, terminated or disciplined according to the provision of the SACCO by-laws.
 - c. A copy of a government issued picture identification card (ID) (of your country of residence) including but not limited to passport, driving license, voter ID Card, etc.).
 - d. Copies of academic and professional certificates.
 - e. The VNEC may also require candidates to submit additional documents that may include but are not limited to:
 1. A valid tax compliance certificate/copy of tax return.

2. A valid certificate of good conduct.
 3. A credit report.
 - f. An incomplete application shall be grounds for a candidate's automatic disqualification from the nomination process.
- 12) The VNEC shall appraise the documents to ensure the candidates meet the requirements in accordance with the VNEC Policy.
 - a) Verify that the individual application is in accordance with VNEC requirements.
 - b) Verify that all supporting documents are included in the application.
 - c) Verify that the candidate is a Kenyan.
 - d) Upon receiving the Application Form, the VNEC shall acknowledge receipt of the same within five (5) working days.
 - 13) The VNEC shall check any or all references provided by the applicant. An existing board member cannot serve as a reference for another board member. To avoid conflicts of interest, candidates cannot use immediate family members as references.
 - 14) Upon completion of the vetting process, candidates/applicants will be duly notified of their nomination status by the VNEC secretary within five (5) days.
 - 15) The VNEC shall issue a Nomination certificate to all qualifying candidates no later than three (3) days prior to the AGM. The Nomination certificate must be produced by the candidate at the AGM prior to the commencement of the electioneering exercise.
 - 16) Upon completion of the vetting process, the VNEC shall compile the results of the Nomination which will include the:
 - a) Total number of applications submitted within the stipulated deadline.
 - b) Total number of late applications.
 - c) Total number of disqualified candidates.
 - d) Total number of successfully vetted and forwarded candidates for seats on the:
 - i. Board
 - ii. The VNEC Committee
 - iii. Supervisory committee
 - iv. Any other committee as may be established by the AGM
 - 17) The final list of qualifying candidates shall be signed by the VNEC Chairman and the VNEC members. However, if all the VNEC members are not available, the chairman and one (1) VNEC member shall be considered adequate to sign the list. The Final list of duly vetted and approved candidates/nominees shall be sent to the Board through the SACCO Secretary within forty-eight (48 hours) of signing.
 - 18) If there are no qualified candidates after the vetting process for any or all the vacant offices, the Board shall fill the vacancies through the appointment of temporary replacements until the next elections are held. Any such appointee(s) shall be vetted by the VNEC using the SACCO VNEC criteria and requirements.
 - 19) The list of vetted candidates, shall stand as the final elections list which cannot be revised, altered, or changed by anyone else or any other organ of the SACCO including the Board.
 - 20) At the end of the Nomination exercise, and not less than a minimum of ten (10) days before the Annual General Meeting (AGM), a list of all qualifying candidates and the positions that they are vying for shall be published on the official SACCO notice boards, website, social media, and postings. In addition:
 - a) A notice shall be sent through email or through any other form of communication acceptable to the SACCO membership.
 - b) All written notices shall include a statement of the business to be dealt with at the Annual General Meeting and supporting documents.

- 21) Candidates who fail the SACCO vetting and nomination exercise shall have the right of appeal.
 - a) The appeal and its supporting documents shall be emailed to the VNEC within twenty-four (24) hours of the VNEC's release of vetting results. The VNEC will have forty-eight (48) hours to investigate and respond to any such appeal.
 - b) If the candidate is not satisfied with the VNEC's decision, a further appeal via email shall be made to the SACCO Appeal Board within twenty-four (24) hours of the release of the VNEC's Appeal decision with any supporting evidence and explanations as to why the Appeals Board should consider the appeal.
- 22) The appeals board shall acknowledge such an appeal within forty-eight (48) hours of its receipt and execute its mandate as stipulated in this policy
- 23) Any appeal outside of this timeframe shall be null and void.
- 24) The decision of the SACCO Appeals Board shall be final and binding and shall not be overruled by the VNEC or any other organ of the SACCO. However, members who not satisfied by the decision of the SACCO Appeals Board have provision for further appeal as stipulated in this policy.
- 25) VNEC shall check and close the voting register after the completion of the vetting procedure and after all vetted candidates have been issued with nomination certificates no later than three (3) days prior to the AGM.
- 26) Only VNEC vetted and cleared candidates may contest elections. Nominated candidates must present to the VNEC their nomination certificates at the AGM before elections.
 - a. Candidates who fail to produce a nomination certificate shall be disqualified and barred from participating in the elections at the AGM.
 - b. The list of nominated candidates and the positions they are vying for must be read out to the members at the AGM.

16. Resolution of Nomination Disputes

Any person aggrieved by the decision of the VNEC can, in writing and with supporting documentary or electronic evidence appeal to the SACCO Appeals Board according to this policy's guidelines and timelines.

The Appeals Board shall:

- a) Hear disputes arising from vetting, nomination and election process.
- b) Receive and acknowledge the appeals within the time frame specified in this policy
- c) Resolve disputes within five (5) days upon receiving any such appeal.
- d) Notify both VNEC and the appellant of its final decision within a maximum of twenty-four (24) hours.

17. Rejection of appeal

Appeals can be rejected due to:

- a) Late submission
- b) Lack of evidence
- c) Other logical reasons

18. Filling of vacancies that fall outside the election cycle

- 1) Board or committee vacancies that arise outside the election cycle (e.g. through resignation, sickness or death, or any other circumstances making it impossible for the member to continue to serve) shall be filled by the board through the appointment of a temporary replacement to

complete the remainder of the term, provided that the appointee is vetted by the VNEC according to this policy and published SACCO VNEC criteria and requirements.

- a) The Board shall advertise the vacancy to SACCO members and send a minimum of two (2) shortlisted candidates for each vacant position to the VNEC for vetting.
 - b) The VNEC will submit the final list of vetted candidates to the Board.
 - c) The Board shall then select the most qualified candidate(s) from the list of vetted candidates.
- 2) The Board must fill any such vacant positions within thirty (30) days of their falling vacant.

19. Election Process and Procedure

The voting procedure or method adopted by the SACCO shall guarantee democratic, free, fair, transparent, accountable, inclusive, credible and peaceful elections. Additionally, the SACCO shall guarantee the secrecy of the ballot and confidence of the SACCO members and aspiring candidates.

General requirements after nomination

- a) The VNEC shall check and close the voting register after all nomination applications have been received and vetted candidates issued with nomination certificates.
- b) Only duly vetted and nominated candidates may contest elections. Nominated candidates must present their nomination certificate at the AGM before elections (candidates who fail to produce a nomination certificate shall be automatically be disqualified and barred from participating in the elections at the AGM). The list of nominated candidates and the positions they are vying for must be read to the members at the AGM.
- c) The notice for elections and AGM shall be advertised on the SACCO website and any other approved communication method to the members twenty-one (21) days or at a minimum fifteen (15) days before the AGM by the Board and the CEO/General Manager
- d) The Board shall appoint a returning officer to oversee the elections at the AGM. The returning officer will take over the election process.
 - i. The returning officer shall be an independent person and NOT a member of the VNEC or the SACCO.
 - ii. The returning officer shall dissolve the management positions for the retiring Board and committee members.
 - iii. The returning officer may appoint the VNEC to assist with the elections.
 - iv. The returning officer shall ask the SACCO members the preferable method of voting at the AGM. The voting method must be among the three (3) methods listed below:
 1. Secret ballot
 2. Queuing
 3. Show of hands
 - v. AGM votes shall be tallied with those that may have been received via email, mail, or online voting.

- vi. No SACCO member shall be entitled to vote by proxy.

Online or Electronic Voting

Once electronic and/or online voting is approved by the commissioner, it shall be duly adopted by the SACCO and the necessary logistic/methodology of voting will be formulated by the VNEC

20. Campaign Procedures

- 1) All candidates must conduct their campaigns within the guidelines provided by this policy and SACCO by-laws.
- 2) SACCO members and candidates for office must avoid electoral misconduct which includes but is not limited to:
 - a) Use of false information before or after candidate nominations. The VNEC will automatically disqualify any candidate who provides, propagates or uses false information, or distorts VNEC communication to gain electoral advantage.
 - b) Voter buying, undue influence on voters, and rigging of elections.
 - c) Use of foul language against any SACCO member, board member, other candidates or VNEC.
 - d) Breach of peace by action, word, or deed.
 - e) Use of physical or electronic member gangs in election areas or online election sites.

21. Election General Rule

The supreme authority of the SACCO Society shall be vested in the Annual General Meeting (AGM) at which members shall have the right to attend, participate and vote on all matters as stipulated in Rule 27 of the Co-operative Act.

- 1) Elections shall be held at the Annual General Meeting every year subject to confirmation.
- 2) The Board shall notify SACCO members of the vacancies arising in both the Board and all SACCO Committees ninety (90) days prior to the AGM.
- 3) There shall be a VNEC constituted as mandated by the Members and prescribed in SACCO By-laws per the SACCO Electoral Policy formulated by the Board to vet and clear the prospective candidates for elections.
- 4) The basis for election and vacation from office of the Supervisory Committee, VNEC or any other SACCO committee shall be the same as for the Board of Directors
- 5) The SACCO shall put in place mechanisms to create an enabling environment for members to participate in the elections peacefully (such may include measures to prevent violence, friendly voting hours and locations/venue, method, etc.)
- 6) Voting shall be done according to the methods stipulated in this policy, by-laws or any other method agreed upon at the AGM.
- 7) The board must ensure all eligible SACCO members are accommodated and accorded all necessary opportunities to participate in the elections.

- 8) During elections, the returning officer shall present only duly vetted and nominated candidates for the vacant positions.
- 9) Each nominated/cleared candidate(s):
 - a. Must present his/her nomination certification issued by the VNEC to the returning officer. Candidates who fail to produce a nomination certificate shall be disqualified and barred from participating in the elections at the AGM.
 - b. If a candidate is not physically present at the AGM, a copy of the nomination certificate can be presented by the General Manager or the highest employee of the SACCO on behalf of the candidate.
- 10) Irrespective of the number of shares held by a member, no member shall have more than one vote.
- 11) Aspiring candidates shall not be allowed to have agents at the polling/voting venue.
- 12) Aspiring candidates shall not be allowed to serve or work at the AGM in a capacity, role, or manner that might prejudice or bias the members in favor of or against any or all the other candidates. Board members or committee members who are aspiring candidates will only be allowed to serve in an official capacity.
- 13) A nominee who is duly nominated can be voted in absentia.
- 14) Within fourteen (14) days of the elections, the SACCO Secretary/Chairman shall forward to the Commissioner of Cooperatives the names and addresses of all persons elected to the Board, Supervisory Committee or any other SACCO committee.
- 15) Every Board and Supervisory Committee or any other committee member shall within thirty (30) days of being elected, declare their wealth to the Commissioner of Cooperatives as stipulated by the cooperative Act.
- 16) A Candidate who is not satisfied with the elections shall have a right to appeal. The candidate must notify the presiding officer of his/her intent to appeal the elections results. Such an appeal must be made to the presiding officer immediately after the elections results have been announced and before the AGM has adjourned. Any appeal after the adjournment of the AGM shall be considered null and void.
- 17) If an elected candidate declines to serve after he or she has been elected but before the AGM adjourns, the returning officer will declare the runner-up duly elected.
- 18) During the voting for offices that have staggered terms or that last more than a year, the SACCO secretary should include in the minutes when the term expires. The minutes may say, for example, " Mary John" was elected to the board for three years. Her term expires May 2023."
- 19) If members question the validity of an election or the voting procedure, a member should make a motion to recount the votes within a reasonably brief time after the presiding officer has announced the election outcome but not after the AGM has ended. The motion to have a vote for an office recounted needs a seconder, is not debatable and takes a majority vote to adopt.
- 20) The returning officer shall announce the candidates with the highest number of votes in the elections as duly elected members of the Board, Supervisory Committee or other Committee.

- 21) After the presiding, officer announces and presents the election winners and the AGM has concluded, it is too late for any candidate or SACCO member to dispute the outcome of the election.

22. Document Management During Elections

The following shall be provided by the Board (Chairman/Secretary):

- a) Serialized ballot papers for the conduct of physical AGM elections.
- b) Serialized transparent ballot boxes.
- c) Tally sheets
- d) Election certificates
- e) A valid voter register (including SACCO member numbers) that shall be created by the VNEC in collaboration with the Board and CEO at least 7 days before the AGM
- f) The VNEC and the Returning Officer shall ensure that election winners are issued with election certificates at the conclusion of the elections.

23. Election Voting

At every election, the returning officer shall ensure that:

- a) Whatever voting method is used, the system is simple, accurate, verifiable, secure, accountable and transparent;
- b) The votes cast are counted, tabulated and the results announced promptly by the presiding officer;
- c) The results from the electronic/email voting are openly and accurately collated and promptly announced along with those from the physical vote at the AGM;
- d) Appropriate structures and mechanisms are in place to eliminate electoral malpractice including the safekeeping of election materials.

Items for Implementation by the SACCO Board and other Relevant Organs besides the VNEC

24. Post-Election Activities

- 1) The duly elected persons shall participate in the next scheduled board meeting (within 30 days) after the AGM.
- 2) The duly elected persons shall be required to present to the Board Secretary a completed and executed (signed) copy of a Board appointment letter, and a copy of the Board Charter, failure to which you the elected persons will not be allowed to sit on the Board as a member.
- 3) No person shall be a member of the Board if he/she has not, within thirty (30) of being elected/appointed, declared his wealth to the Commissioner in the prescribed manner.
- 4) The duly elected persons shall within fourteen (14) days execute Indemnity to the SACCO in compliance with Section 27(b) of the Co-operative Societies Act. A Completed Form V in the schedule of SACCO Rules shall be lodged with the Commissioner of Co-operatives.
- 5) All Board Members shall individually provide an indemnity amount approved by the AGM.

25. Indemnity

Board Members shall file INDEMNITY to the Commission of Co-operative.

- 1) Every Board member shall, pursuant to section 27(b) of the Co-operative Act, file an indemnity in Form V set out in the Schedule to these Rules whose amount shall be determined by the general meeting and which shall be lodged with the Commissioner within fourteen (14) days of his election to the Committee.
- 2) A Board member who fails to comply with the requirements of this rule shall automatically cease to be a member of the Board.
- 3) As per the powers and privileges vested on the Sacco society by the Co-operative Act and Rules:
 - a) The AGM shall fix the INDEMNITY amount for the elected Board of Directors and Management staff.
 - b) All Board members shall each provide an INDEMNITY of an amount approved by the AGM.
 - c) A duly completed INDEMNITY Form V in the schedule to the Rules pursuant to section 27 (b) of the Act shall be lodged with the Commissioner within fourteen (14) days upon election to the board.
 - d) The INDEMNITY amount shall be fixed by the AGM meeting from time to time.

VETTING, NOMINATION, AND ELECTION POLICY ACCEPTANCE

We the undersigned Executive Officers of KENYA USA DIASPORA SACCO named here-in do hereby accept and receive this policy for and on behalf of the society.

TITLE & NAME

CHAIRMAN.....

Signature.....

VICE CHAIRMAN.....

Signature.....

SECRETARY.....

Signature

TREASURER.....

Signature.....

OFFICIAL CERTIFICATION

I here- by CERTIFY that the foregoing Nominations, Vetting and Elections Policy of KUDS have been approved and duly registered.

Given under my hand at Nairobi thisDay of.....2019

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT

Policy Formulation Committee:

Version	Name	Committee	Signature	Date
First/Initial Policy Draft	Ralph Kilundu	Board		
	Angela Karanja	Board		
	Geoffrey Mburu	Supervisory Committee		
	John Kagiri	VNEC		
	Kefa Otiso	VNEC		
	Susan Mwaura	VNEC		