

NASFUND CONTRIBUTORS SAVINGS & LOANS SOCIETY

MINUTES OF SPECIAL BOARD MEETING NO.1 OF 2003

DATE : Monday 29th September 2003

TIME : 2:00 pm

VENUE : Nasfund Board Room

1. Meeting Opened

The Interim Chairman Mr. Ian Tarutia opened the meeting at 2:20 pm. He welcomed the members of the Interim Board and informed them that this was the first formal Meeting.

1.1 Members Present:

:	Ian Tarutia	-	Interim Chairman
:	Stephen Beach	-	Member
:	Reginald Monagi	-	Member
:	Reuben Elijah	-	Member

1.2 **Apologies:** Nil

1.3 **Absentees:** : Dr. Moseley Moramoro.

1.4 **Attending:** : Erastus B. Kamburi - Secretary

2. DISCLOSURE OF CONFLICT OF INTEREST

2.1 Ian Tarutia declared a conflict of interest in relation to the discussions on **** as himself and **** both sit in the **** board.

3. CENTRAL BANK LETTER OF 23rd SEPTEMBER 2003.

3.1 The Interim Chairman referred to the Central Bank letter of 23rd September 2003 and gave an abridged version of his Paper to the Board dated 29th September 2003 highlighting the following pertinent points:

- The position of Manager NCSL Society was offered to **** in a letter dated 9th September 2003 after the three short-listed applicants were interviewed by the Interim Board.
- The letter of offer specifically stated that his appointment as Manager was conditional upon satisfying the Central Bank's "fit and proper persons" test.
- **** accepted the conditional offer and commenced work on the 15th September 2003.
- Subsequently, the Central Bank directed that NCSLS withhold further engagement of **** pending further enquiries.
- As of Thursday 25th September 2003, **** has been formally stood down for an indefinite period pending resolution of this matter with the Central Bank.

- The Central Bank has raised questions in relation to ****'s professional integrity and conduct in his previous employments with ****, ****, ****.

3.2 The Secretary informed the Board of the following matters:-

- There is nothing in the S&L Society Act that expressly requires the “fit and proper person” test to be applied to the Manager and senior officers of S&L Societies. However, there may be a general directive previously issued by the Registrar to that effect that the Secretary may not be aware of.
- The Board is empowered by the Act to appoint the Manager as it did. The process and procedures for such appointment need only to comply with proper governance practice and not necessarily the fit and proper person test under the Superannuation Act.
- The Registrar has the power to refuse to endorse the appointment and instead, direct the suspension and or termination of the appointee.

3.3 The Interim Chairman requested the members for their comments.

- Stephen Beach commented that NCSLS cannot go back and go through the interview process again. He enquired as to whether the Referees were contacted in relation to the conduct of the applicant. If Referees had not been contacted in the first instance, than that ought be done now and proper response should be made to the Central Bank with a request for the Registrar to make a decision as to whether he should endorse or revoke the appointment.
- Reginald Monagi supported Stephen Beach's comments and requested that NCSLS check the references provided by the incumbent, especially those relating to his employment with Harbours Board and respond to the Central Bank in the manner as suggested.
- Reuben Elijah expressed similar views and stated that there is a Directive from the Registrar which would subject the Board and senior Management to a fit and proper persons test.

3.4 The Board having considered and discussed the matter **resolved** that:

An appropriate response to the Central Bank be drafted, addressing the following matters:

- **The process and procedures followed in making the appointment; and**
- **Names of Referees contacted and their response to the past conduct and experience of the appointee; and**
- **Advise the Registrar that at the time the appointment was made, and with the information available to the Board at that time, the Board was satisfied that the incumbent was the right person for the position. If there is information available to the Registrar that casts serious doubt on the conduct and experience of the appointee than it is within the powers of the Registrar to direct that the appointment of **** be terminated and provide the basis for such a direction.**
- **A draft of the response to the Central Bank be circulated to the Board Members for their approval before it is delivered to the Registrar.**

4. BOARD FEES

The interim Chairman informed the Board that the proposed Board fees Schedule as contained in the NCSLS Five Year Plan was generally approved by the Central Bank and that since this meeting constituted the first formal meeting, the Board members would be entitled to be paid the sitting allowance.

It was **resolved** that:

- **The Registrar be informed of the payment of Board fees as a matter of formality; and**
- **The Board members be paid sitting allowance as per the Board Fee Schedule as approved by the Central Bank; and**
- **The Interim Chairman shall not be paid the sitting allowance for this Meeting and all subsequent Meetings.**

5. CLOSE OF MEETING

There been no further matters, the Interim Chairman closed the meeting at 2.50 pm

**SIGNED AS A TRUE AND CORRECT
RECORD OF THE MEETING:**

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Ian Tarutia
INTERIM CHAIRMAN

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Erastus B. Kamburi
SECRETARY