

DOCUMENT TWO

REPORT OF THE SECRETARY GENERAL TO THE 22ND GENERAL ASSEMBLY AT PCEA ST. ANDREWS CHURCH FROM 9TH TO 14TH APRIL 2018

INTRODUCTION

Mr. Moderator Sir, Commissioners, delegates, guests and all in attendance at this august General Assembly, may I salute you in our Lord's Jesus Christ's name. It gives much pleasure, joy and privilege to be able to join you as we usher in the 22nd General Assembly and also welcome Moderator of the 22nd GA and the Honorary Treasurer. Please join me in congratulating them on being elected, to serve God for the next period. May I also take this opportunity to express my gratitude to God for allowing me to continue serving Him within the same period. May I also extend a hand of welcome and fellowship for those newly faces of elected Elders and Ministers attending the GA for first time. This GA's composition and attendance are different from previous ones mainly arising from the recent restructuring of Church Groups. That is why the National Church Groups' Board Members are attending this GA as delegates.

CHURCH GOVERNANCE

The Church has continued to uphold her legal instruments of power and leadership with honor, and respect it deserves – our constitution stands out among the best of such from a cross-section of organizations in existence. The Bible has remained the supreme and canonical law that guides the Church spiritually, both for the membership and the leadership at all levels. Two years ago, we embarked on a process to review the Practice and Practice manual, with the goal of improving the governance of this Church to meet contemporary needs. May I therefore appeal to all of us to share our views with the reviewing team in order to make a contribution to it.

May I urge that we honor and respect our minutes and resolutions, since they are the basis upon which Church policies are created. Let us also uphold our positive traditions which give us a unique identity as a Church. Our Sunday worship services should be of appropriate duration and rich in variety. The Children and the Youth programs need reviewing to make them suitable for nurturing disciples for Christ. The Church should allocate first priority winning to Jesus Christ as Lord and Savior and developing disciples that emulate Him in their lives.

May I take this opportunity to remind us of calling by God to provide spiritual leadership to His people and the wider Society. There is therefore, the need to uphold high moral, ethical and spiritual standards, necessary for the effective and efficient leadership as is to be expected of us. I present this report to you, fully convinced that God has accompanied us in our journey thus far. It is important to realize that Christian leadership is not about positions, but, the call to serve God and fellow human beings as part of our worship; realizing that we too, are in the process of being transformed in our Christian character.

Our Presbyteries have put extra efforts at strengthening their parishes and congregations which has contributed to the current growth that a total of 56 Presbyteries. However, plans are afloat to soon subdivide some more. New Parishes and Congregations are also being formed. This signifies the rapid growth Church. The Office of General Assembly, therefore, wishes to express its gratitude to our Presbyteries for their continued invaluable cooperation and support. However, some Presbyteries have to be reminded of their responsibility and constitutional mandate to maintain high standards of discipline among Ministers and Elders.

CHURCH AND HER INSTITUTIONS

This great Church has a good history of starting and establishing institutions, some of which have grown to become major institutions including our hospitals and schools. They impacting the society positively for the kingdom of God by bettering their lives of the people they service. It is necessary to uphold the highest standards of service delivery while maintaining integrity as good Christian stewards. These institutions must continually work to improve their out-put in satisfying their clientele by up-grading their facilities and up-scaling service delivery.

As for the schools and our University, May request that , we, as a Church, utilize the opportunity accorded us at our schools, colleges and universities, to shape the learners imparting them the gospel and sharing with them our rich Presbyterian spirituality and wisdom. It is the opportune moment for our Church to take up her responsibility seriously, and fill the slots allocated for church representation at the County Education Boards, so that Church interests in education can be attended to. During the 20th GA, the church instructed Parishes to start privately run academies at least one per Parish while Presbyteries were to start private high Schools. In this way, the Church would counter-balance attempts from some quarters, to marginalize Church role in education of Kenyans by side-lining her sponsorship role in government schools.

NATIONAL CHURCH GROUPS/MINISTRIES

During the 2nd GAC of the 21st GA, the Church resolved to implement the restructuring of Church groups/ministries by the end of tenure for the 21st GA. This was effectively communicated with the Presbyteries and Regions for follow-up and action, with guidelines on handling properties and monies during the transition. This was done in good faith, with the intention that, Presbyteries would, henceforth be able to strengthen and effectively supervise the groups' operations from closer quarters. The move was, therefore, not meant to weaken or even kill the groups altogether as some might have supposed. In fact, the spirit of the resolution was that groups be strengthened economically and in terms of the service they render to their members by instructing the Central Finance Committee to cease censing groups from Parishes, and instead, squeeze the Head Office budget to accommodate the costs of running the Church Departments at the Secretariat.

DYNAMISM OF LEADERSHIP IN THE 21ST CENTURY

Global developments regarding Human Rights movement and democratization are impacting church governance both positively or negatively. This development calls for the Church to adjust accordingly in order adapt and become an organization characterized by transformative and effective governance.

The digital information, technology and communication world; is an area that posed great challenges and that demand change in the way we are doing things at the present. The younger generation of youth and children, do not comprehend things from an analogue platform. The Church is therefore bound to make necessary adjustments in order to effectively reach them with the saving gospel of Jesus Christ.

The servant leadership model that Jesus Christ introduced must prevail henceforth. It is a model, characterized by communication and dialogue and a democratic style.. The older generation must be prepared to accept and accommodate and become more imaginative, creative, innovative, purposeful and organized.

- **Leadership**

Leadership determines the destiny of a people, an organization or an institution. We, as the PCEA in the 21st Century, need to think deeply on our leadership capacity if, at all, PCEA will survive for next one thousand years. We have had shortfalls in our leadership capacity development. This could have been caused by a lack, or inadequate investment in cultivating high leadership standards, qualifications and developing structures for high cadre leadership capacity building. The people who hold leadership positions in our Presbyteries will always determine the destiny of PCEA at all other levels. It is the Presbyteries who give us leaders at the higher levels of this Great Church. It is also the Presbyteries who determine who is admitted for training and ordination for the Holy Ministry are they ruling or teaching elders. The Presbyteries should therefore be careful in determining the nature and quality of those people they admit in for the Holy Ministry. The Presbyteries, as the gate-keepers of PCEA, must therefore, hold this solemn responsibility very seriously.

In this century of debates, conversations and a democratic environment, we need highly qualified leaders who can intelligently articulate issues and give guidance. The level of a person's education should be a critical factor in determining leadership, though it is not the only thing to consider. This affects those to be elected, for example, to be Board members of church institutions. There is need therefore, for the church to invest heavily in capacity building in order to provide this much needed cadre of leadership that is not only innovative, but also creative and transformative.

- **Christian Leaders**

Christian leaders must be persons of integrity, industrious, absolutely honest and humble. They must demonstrate objective leadership, courage to be able to stand the test of time and always defend the kingdom of God values and interests.

- **Integrity**

The whole Bible is characterized by transparency and accountability. It records actions and stories of the people's failures and successes. In this 21st century, leadership at all levels has to be both accountable and transparent. The world, with its share of darkness is in dire need of Christian believers who are supposed to be the 'light' and 'salt' that Jesus Christ talked about.

The world is lacking integrity in many regards and this is evident in the rise of such vices as corruption, immorality and devaluation of hard work, among others. Transparency should be upheld by all those who call on the name of Jesus Christ as Lord and Savior.

STEWARDSHIP

A person cannot be a good steward unless he/she is already a disciple of Jesus Christ. Subsequently, the main task of the Church is to make disciples out of believers (cf. Luke 14: 25-33); these will, in due process, become good stewards. It is necessary to both accept and apply the teachings of Jesus Christ in a person's belief and lifestyle. Hugh Welchel has identified the following four principles of Biblical Stewardship in Christian living: i. Divine ownership of everything; ii. Human responsibility; iii. Human accountability to God; and iv. Reward for good stewardship. We need to be faithful stewards of everything that God has

given to us; be they: opportunities or provisions and give glorify to Him. We are, then, to serve the common good and further God's kingdom.

We have made every effort to be good stewards in relation to the running of our Church hotels, property and businesses; employing sound financial prudence and accountability. We have also ensured that more money is found and allocated for the Church's Mission work, alongside catering for her other needs. There are plans to further improve and expand these businesses.

With improved standards of stewardship, we hope to inspire the lower strata of the Church that they might emulate this model for greater success at levels. We are confident that in this way, PCEA will gradually regain trust and confidence of her members, partners and other stakeholders.

OUR JITEGEMEA PHILOSOPHY

Every institution is as good as its philosophy. An institution without a guiding philosophy is bound to perish or be confused. From the early 1970s, the *Jitegemea Philosophy* was crafted by among others, our fathers, the late Past Moderators: Very Revs: Charles Muhoro Kareri; Chrispus Kiongo; Jeremiah Gitau Kiongo; Dr. John G. Gatu; Bernard Muindi, and the Rev. Dr. Njoya who is still alive. This philosophy provided a divine direction that aimed at stressing the dignity of the African Church, which was then, being referred to as the Church of the Third World.

Time has come to re-introduced this philosophy to our people, lest they forget their Church's identity and history. Our philosophy determines how we think and act. Our training institutions should teach a unit on the *Jitegemea Philosophy* and assign research to be done on its meaning, continued relevance and its implications in the Church and society at the present and in the future.

Our philosophy should be emphasized when we train elders and students for ordained ministry. Our children' and Youth Ministries' curricula should also cover a section on this philosophy - it might contain such items as *The Art of leadership Along the Jitegemea Philosophy*. This philosophy has been tested and found to be in agreement with God's word- the Bible.

ACHIEVEMENTS

The Office of the 21st General Assembly, has worked tirelessly, to ensure that as many of the Church's resolutions, as possible, are implemented by the time of the 22nd General Assembly.

Significant achievements have been realized amidst myriad challenges and obstacles. However, our good God has always. Besides implementing the back log of the piled of resolutions; the 21st G.A also had to focus attention towards fulfilling its commitment to realize the following five pillars namely:

1. Directing and mobilizing the Church resources around the theme of the 21st GA, "**Let us arise and rebuild the broken walls**", based on Neh. 2:18. This theme has informed all the Church's mission work strategies and activities over this period.
2. Saving our Church institutions and investments from the long standing and debilitating debt burden.
3. Empowering our people economically, down to the grass-roots, by establishing Cooperative SACCOs in several Parishes.
4. Establishing the proposed Presbyterian Seminary of East Africa.

5. Improvement performance and making our people's satisfied in our service delivery to them, by encouraging bench-marking with the best practices available within both the religious circles and in the market place.

The following has been accomplished thus far:

First, we have realized the long talked about and awaited devolution and restructuring of our various church groups.

Secondly, we now, at last, have been able to obtain a license for the Church to run her own Television station, named Kirk TV Station.

Thirdly, by God's grace, alongside your unswerving loyalty and support, we have been able to clear Church debts that accumulated over the years, amounting to Ksh.750 Million, owed to various creditors.

Fourthly, we have been able to put structures in place for our projects which were running at a loss and turned them around into profit-making institutions.

Fifthly, we have managed to get the PCEA SACCO Ltd., regain a growth trajectory, by urging and encouraging our institutions to become corporate members, who are buying shares to enable them obtain small loans without hindrance.

Sixthly, we have been able to prepare both personnel and the mission field to meet our set expectations. For an example, we have divided Uganda Mission Area into five zones and put each zone under the care of an existing Church Region.

Seventhly, we initiated the process of establishing Presbyterian Seminary of East Africa, and despite limited financial resources, we have provided opportunities to many of our Ministers, Ministerial Students and Missioners to benefit from training courses offered at the Seminary.

Eighthly by Gods grace we were able to raise over Seventy Millions for our University

Ninthly, the church has done the long awaited renovations of the Building which hosts the Head office and the Jabavu Flats which are now admirable and appealing.

Tenthly, the church started Kirk Insurance Agency which is growing rapidly headed to becoming Insurance Company.

Eleventh, the registration and establishment of Kairete Company as a business arm of the Church which has a capital of 15 Millions by today.

Twelfth, the upgrading of the Milele Nairobi Hotel both administratively and Service wise. There is also an expound work oOn the grounds as far as landscaping of the compound with beautiful gardens.

Thirteenth, the church has been able to bring back our partners in Missions e.g. Church of Scotland, Northern Ireland, Korea and PCUSA and others gaining back their confidence with PCEA and her Institutions.

ENVIRONMENT

The Church has a primary role to safeguard the environment and Eco-system since God commissioned human Beings to work, care and govern His creation from the beginning (cf. Gen. 1:25-18; 2:2-15). The Church of Jesus Christ, therefore, has a biblical mandate to work, govern and take care of God's creation, being answerable to Him as stewards. The PCEA Church, in its General Assemblies, courts and committees meetings should deliberately debate on matters of the environment and the eco-system. Our university and Lay Training Center must now introduce in their training of all people in Eco-theology and Eco-mission.

The existing committee on *Environmental Stewardship and Sustainable Agriculture* in collaboration with the BSR need re-invigorate its activities and cascade these to the grass-roots and guide the Church in issues of food security, maintenance, and preservation of the co-system.

CHURCH AND SOCIETY:

- **Justice, Human Rights And Peace**

Our institutions, especially P.U.E.A ; the Lay Training Center and the Presbyterian Seminary of East Africa, must now invest in providing courses in the area of humanities. The Church needs to revive and strengthen the *Justice Peace and Reconciliation Committee*. Meanwhile, an advisory committee on these matters, comprised of a few professionals and experts, could form a 'Think - Tank' that can be guiding the Church on how to respond proactively to related issues that arise from time-to-time .

- **Church And State**

The Church must continue to pray and support civil authorities while remaining a voice for the voiceless in society (cf. Esther 4:1-17; 1 Tim. 2: 1-7; Rom 13:1-7; Mt. 5:13-16) The Church must also remain independent enough, to be able to stand as the conscience of the nation and challenge evil in society, while offering hope for an alternative to prevailing unacceptable circumstances. When righteousness is on the throne a nation prospers and vice versa. The Church has the responsibility to equip her members to participate effectively at both the National and County government levels. The members must participate especially with regard to planning, legislation and budgeting processes at both levels. They must also monitor and evaluate the extent to which the party in power has implemented its manifesto as promised to the electorate. The Church must courageously be involved in both advocacy and lobbying for worthy causes that add value to the people. The voice of the Church must be heard and her leadership manifested at times of national crises that hit the scene time and again. The church must fight evil within and without its own corridors in order to lend credibility to her leadership of society. The church must hold in check the excesses of the state organs be they legislature, judiciary or executive. She will also check the trends in the civil society and other groups or individuals; always seeking the righteousness and justice for all.

- **Crimes In The Church**

Moderator Sir, the Church, like other human set-ups, is evolving, and is now getting short of that type of old generation Christians who were trustworthy. Nowadays, the present generation requires to be addressed professionally. The Church does not sufficiently pronounce herself by way of statutes, on matters of

criminal nature, in terms of what the Church's jurisdiction can adequately handle, and that which must be left to the State/Civil authorities to deal with. It is desirable that this matter be addressed in Church's constitutional review process.

CHURCH AND MISSION

In the 21st century we must be guided by the three dimensional commission:

First, is *the Great Commission* (cf. Mt. 28:16-20) which tasks the Church to disciple all the nations of the world by teaching and baptizing or transforming their life-and-world view so as to conform to that of God as contained the Bible. In this way, the mission will involve turning the kingdoms of this world into the kingdom of God and Jesus Christ as Lord.

Secondly, is the *Greater Commission* (cf. Mk. 16:15), referring o the need to reach all creation with God's redemptive love and rediscovering t he creation mandate of Gen. 1:25-28 and 2:8-15.

Thirdly, is the *Greatest Commission* (cf. Lk. 10:25-37), expressing holistic love for God and neighbor in practical daily living. Salvation here is understood as not only benefitting a person's soul, but the entirety of his/her being as well. This approach to mission work must therefore include all of God's people (cf. Eph. 4:11-13). The Church must not only equip, but also mobilize all believers for service in God's kingdom. The Church, and indeed, every believer, has been created, saved and called by God for the purpose of working in His vineyard (cf. Eph. 2:10). All work of God's people must be seen as mission work in this context, since it puts God at the center of all work - whether sacred or secular.

For our mission expansion, I suggest Moderator Sir within the shortest time and indeed within the life of the 22nd GA we create three new Mission presbyteries:

1. In the lower Eastern Part of Kenya
2. Uganda as a whole
3. Northern Eastern Part of Kenya.
4. This is a decision that this presbytery should make with agency to support the bigger expansion strategy of the church.

CHILDREN AND YOUTH MINISTRY

May I now Sir, turn our attention to the question of Children and Youth Ministry within our Church. We cannot over emphasize the fact that Children and Youth Ministries in our Church are key to the future survival of the Church itself. The 21st Century child lives in a very different environment from that of previous generations. Technology, democracy, human rights, communication, globalization and other socio-cultural, political and economic trends have greatly impacted the modern child. The Church too is also impacted by these trends.

That is why , Mr. Moderator Sir, the Church School child and the teen-ager, should be made to feel at home at church, school and other places. We, therefore, have to construct and install adequate and appropriate facilities for the purpose. We, then, have to deliberately plan, budget and invest heavily in this regard. Let

us also rediscover the teachings as contained in the Catechism, so as to properly ground our children in the doctrines and traditions of our Church.

“WORKING TOGETHER”

Synergy is the creation of a whole that is great than the simple sum of its parts. The term **synergy** comes from the Attic Greek word “ouvepyia” synergy from synergos ouvepyos, meaning “working together”

Whereas working together can produce positive and negative impacts for now we would rather focus on “Positives synergy” Sometimes positive synergy is called the impact of $2+2=5$ instead of 4. Operation independently each unit can produce two units of output. However, by combining their effort and working together effectively the two subsystems can produce five unit of output. This will help us combine our thoughts and our activities in a manner to encourage cohesion, sharing of wisdom, and eventually collective growth.

We are therefore proposing deliberate Re- investment by all institutions and parishes in a share based model into “Kairete Company” to grow it into the desired great company that will help this church invest for the purpose of Mission expansion at all Levels.

We can also work on bringing our small SACCOS into one big giant SACCO, though individual SACCO's resources will still belong to them but establish a superb structure of one giant Sacco with branches in all our Parishes.

Below are some areas I think we need to establish way of “laboring together”

1. Finance strategy; synergized, synchronized, and harmonized methodology of:
 - i. Combined effective - **treasury management**- (Kairete and Head office finance) this will ensure strength in negotiation of interest rate with commercial institutions
Logic; *The larger the deposit the better the return and the power to negotiate.*
 - ii. Combined **Investment Analysis** – Head office will provide consultancy and advisory to organs before they invest above 10,000,000 or set threshold (via Kairate/any other body that may be set)
Logic; *In the recent past investment decision have been done at times without proper analysis which led to huge losses and poor implementation strategy, this can be avoided where investment analysis is done carefully by the church even if via well recognized investment adviser via kairete who will later to business committee compressively the projects in the pipeline to avoid getting to the trap of wrong investment and wrong debts.*
 - iii. **Internal audit and compliance** function at the head office for the entire church has continuous, effective audit and compliance reporting.
Logic; *If each level/institution was to hire internal auditors the wage bills would increase, the staff would get used to their local environment and eventually compromised as such a strong audit function combining all staff from the institution with fully qualified accountant would work to ensure that at least every institution is audited on quarterly basis and report shared with the respective board; they may also perform audit in a sequential manner to all presbyteries to ensure compliances.*

- iv. Generally share best practice of financial reporting and including sharing of staffs within the institution with a possibility of single comprehensive E.R.P.

Logic; *This will reduce fraud in parishes and institutions as well as secretariat, reduce cost of purchasing software in all the over 370 parishes/institutions and ensure compliance with statutory deductions.*

2. Ministry strategy;

The following areas of ministry focus require us to work together as parishes, Presbyteries and institution as well as the head office secretariat.

- i. **Institution capacity;** We need deliberate effort to advance the skills of our Ministers, elders and deacons and employees in well researched current methodologies of ministry as well as temporary skills as such we will be organizing conferences in presbyteries , regions etc. to ensure effectiveness.

Logic; *Capacity building forum are not expensive to run in terms of personnel and other cost as we will develop synergies around several areas of Capacity Building.*

- ii. **Service to humanity;** Meeting the social needs of our society has been a huge challenge we need to work around this area and establish and strengthen the board of social responsibility to ensure effective working e.g. Run a Presbyterian scholarship for needy student similar to the wings to fly and leverage with the corporate world as well as church members who are willing to support such initiatives.

- iii. **Mission work and Outreach programs**

This area needs emphasis by all. I suggest Moderator Sir, that all our financially able congregations be twined with congregations in Mission areas for the purposes of mentoring and support growing them into maturity.

3. Institutional Strategy.

- i. We are proposing a deliberate synergy process between our three hospitals with a view of developing a referral first class health care facility to meet the current health care in the country **“Presbyterian Referral hospital”**
- ii. We are proposing a deliberate synergy in creation of **“Presbyterian Group of schools”** as very efficient and high class franchise which will ensure very high standard of all our current schools and academies. Ownership and management will still be under the local owners but we can have a common culture, philosophy, and quality standards of all our schools. Moderato Sir, to be more clear being a group of Presbyterian School will not snatch ownership with all its opportunities gains, and liabilities as we serve humanity.

CHURCH AND PROFESSIONAL

Our creator God gave us the example of excellence when He created the world. (Gen 1:431). The psalmist proclaimed “O Lord our Lord, how excellence is your name in all the earth “(Ps 8:1).

Excellence is about paying attention to details, the little things that mean a great deal. Paul told Corinthians "But everything should be done in a fitting and orderly way", 1cor 14:40. While this is what the bible holds, many churches do not seem to understand the importance of high professionalism or high standard. This has led the world to view the church as one that operates in substandards. We cannot blame them because this is a fair and accurate assessment. Some church leaders comfortably quote Act 4:13(Peter and John were not schooled) as an excuse to support their complacency. Though it is unhealthy to claim perfection in our fallen nature, it is equally destructive to coddle mediocrity.

PCEA being one of the pioneers of education in Kenya is endowed with much professional way. This notwithstanding, the church has for a long time and for various reasons failed to tap the skills and the competencies of the many professionals she has at her disposal. During this era of total quality, high standards, and total compliances, unless we embrace and seek support and guidance from our professionals, it will be difficult for the church to influence the professional world. For this reason, there is an urgent need for the church at all levels to utilize the professionals in the areas. In addition, the church should take stock and ascertain the professionals she has and their areas of expertise

CHURCH LAND

Over the years, the church has acquired a substantial amount of land either through the missionaries, donation from individuals and groups, government allocation or bought by the church at various levels. It is perturbing to note that some of these parcels though we have sat on them for a long time and in some areas done a lot of developments, we don't have legal ownership documents of the same. This scenario has at times put the church in a very unfortunate position forcing it to buy the property twice, and more disturbing is that the church is battling many court cases related to land and properties. This scenario is not suitable.

EDUCATION

At the time of introduction of Christianity in Kenya, missionaries took education very seriously since they knew there was going to be no meaningful Christian life without a carefully planned and implemented education program. PCEA has an indisputable history of pioneering education in the country. Some of the leading schools in the country are sponsored schools.

But in the recent past, our presence and relevance in schools including those we sponsor has begun to wane in many aspects. Some of our major schools are headed by non-Presbyterians appointed without our knowledge or involvement to a position which is rightfully ours (Read Education Act No. 14 of 2013; 56, 5). The same Education Act 2013, section 27, is very clear that the sponsor is an integral player in the school system. We should therefore regain our position and secure our tomorrow's relevance by, among other measures, investing sufficient resources in educational matters, specifically in the following areas:

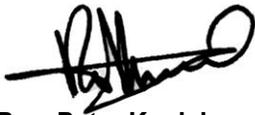
- a. Chaplaincy Ministry.
- b. Pastoral Program of Instructions (PPI)
- c. BOM's in sponsored schools
- d. PCEA education representation in the various organs as provided for in the Act

But even as we do all that, more attention should be directed towards coming up with a structure that would bring our fully owned schools together. We have many schools but each does its own things. The approach of Nairobi East Presbytery where all PCEA schools set and do common exams needs to be applauded and replicated in all schools. Cooperation is the way to go, and it is by having all our private schools under

Presbyterian Group of School as much as they will retain their names and ownership. This will ensure high quality, good standards, and common culture and gives us bargaining power in the sector of education hence influencing positively the Kenyan Education.

CONCLUSION

Moderator Sir, I invite this great Assembly to consider the content of this report of the Secretary General and accept the several resolutions which has emanated from it for the good of this great church. Moderator Sir, I wish to thank you for our friendship and partnership in the service of this church since our appointment to the office. On an equal measure I wish to thank all other my colleagues in the PCEA Head office, all Personnel, and Ministers, our church courts, for the great support they have accorded us within the live of the 21sr GA and invite the same support in the 22nd GA. It's my prayer that all of us will hold each other's hand for us to achieve greater things for the kingdom of God. God bless PCEA and give her success in all her mission as God agent in Mission.



Rev. Peter Kaniah
SECRETARY GENERAL

APPENDIX 1

REPORT OF JITEGEMEA CREDIT SCHEME (JCS) TO THE 21ST GENERAL ASSEMBLY

INTRODUCTION

Jitegemea Credit Scheme (JCS) was incepted in 1998 as a Microfinance Institution (MFI) of the PCEA under the Board for Social Responsibility (BSR). Notably, due to the financial nature of its operations and for the important purpose of accessing funding from both local and international financiers including other credit agencies as well as meeting the government financial regulation, the Church through a resolution authorized its registration as a business entity. The incorporation of the Institution as a Company Limited by Guarantee and no shares was effected on March 10, 2003.

Practically, the Institution could not have initially been registered as a Company Limited by shares as the bulk of the funds JCS would eventually receive from the financiers were meant for on-lending to JCS deserving clients/customers as opposed to benefitting the shareholders

CORPORATE GOVERNANCE

Evidently, the Institution has continued to run smoothly under visibly committed, competent and visionary Board of Directors comprising seven (7) people drawn from PCEA Membership. By virtue of their positions and standing in the Church, the two senior Officers of the PCEA General Assembly namely the Moderator of the General Assembly and the Secretary General sit on JCSBoard as Ex – Officios which creates the necessary and vital link between the institution and the church. In all sense of the word, to bring JCS this far, the Board has been the torch bearer as it even continued to articulate the principal policies of the organization. Also important to note, is that the Board Members have over time undergone governance training to adequately equip them to continue to fulfil their governance responsibilities.

MANAGEMENT TEAM

Over nineteen (19) years, the Institution has continued to build a vibrant and well-focused management team adopted to team responsibility at all levels of JCS operations. Activities and exercises meant for team building and enhancement are immensely valued. The team of (9) nine is made up of the founding CEO, Deputy CEO, Head of Finance and Strategy, Head of Operations, Head of HR and Administration, Head of Marketing Research and Product Development, IT Manager, Internal Auditor and Legal Officer.

A JOURNEY OF 20 YEARS

In 2018, JCS is celebrating 20 successful years of credit work. As we look back, we have no hesitation in thanking God for this far He has brought us as a Financial Institution. The financial journey in credit work cannot in all circumstances be said to have been a bed of roses or smooth sailing for that matter. As in the ocean, we have in the past experienced financial storms and waves – especially when JCS expanded its lending volume and the number of clients increased exponentially. There were times we desperately needed funds urgently to meet the needs of the new clients.

AMAZING GRACE AND FAVOUR

Our Lord God has faithfully continued to provide His grace and favor to JCS. Since inception in 1998 the following has been the progress;

- ❖ From a staff count of three (3) the Institution has now a staff of 144
- ❖ The portfolio size has grown from the initial grant capital of Kshs 20 Million originally provided by ICCO in the Netherland to a portfolio of over half a billion Kenya shillings
- ❖ The branches have grown in number from the original two (2) to eighteen (18) covering the twelve (12) counties in the country.
- ❖ The clients' savings now stand at Kshs. 189Million.
- ❖ The number of JCS loan clients (customers) has also grown to 17, 073
- ❖ JCS has a Head Office located in its own building named JITEGEMEA BUSINESS CENTRE at Buruburu Shopping Centre, Nairobi.
- ❖ Overtime,JCS has extended the credit to PCEA Parishes, Presbyteries together with PCEA Institutions and individual members
- ❖ The best loan payers among the PCEA fraternity is:-
 - Kihumbuini Presbytery

The Presbyteries has set a good example in fulfilling their commitments and obligations.

JCS AREA OF OPERATIONS

Currently JCS operates in various towns namely

- | | |
|------------|---------------|
| ▪ Malindi | ▪ Machakos |
| ▪ Mombasa | ▪ CBD Nairobi |
| ▪ Nakuru | ▪ Ruiru |
| ▪ Naivasha | ▪ Kasarani |
| ▪ Narok | ▪ Kitengela |
| ▪ Eldoret | ▪ Kajiado |
| ▪ Nyeri | ▪ Jogoo Road |
| ▪ Embu | ▪ Ngong |
| ▪ Meru | ▪ Thika |

Presently,JCS products include the following:

- | | |
|-----------------|---|
| ✚ Biashara Loan | ✚ Church loans |
| ✚ Asset Loan | ✚ Growth Oriented Enterprises (GOE ^s) |
| ✚ Hitimu Loan | ✚ Emergency Loan |
| ✚ Consumer Loan | ✚ Energy Loan |
| ✚ Mazao Loan | |
| ✚ Agribusiness | |
| ✚ SME loans | |

KEY CHALLENGES

- ❖ Operating in a highly competitive financial environment in the country (Financial Industry is highly competitive)
- ❖ Operating in a politically charged atmosphere as during the 2017 elections
- ❖ Repayments of expensive loans we inevitably request from our financiers for on lending to JCS clients
- ❖ Raising adequate debt and equity capital to enable the Institution to transform into Microfinance Bank in a period of two (2) years
- ❖ To get the stakeholders to raise the share capital amounting to Kshs. 800 million as proposed during the Board Retreat held at Naivasha from April 28-30, 2016.

WAY FORWARD

- ❖ To conduct vigorous fundraising activities in preparation for JCS becoming a Microfinance Bank within a period of two (2) years
- ❖ To continue to train JCS staff on banking systems so as to enhance their skills and competencies necessarily required in running a Microfinance Bank
- ❖ To re-engineer the group lending mechanisms and processes with a view to getting more clients. The 65% at the bottom of the pyramid.
- ❖ To continue to promote the elements of inclusiveness in providing more loans to PCEA Church, Church groups and Institutions

Rev. Patrick Rukenya
CHAIRMAN

Dr. Francis Kihiko
SECRETARY

APPENDIX II

STAFF RETIREMENT BENEFITS SCHEME REPORT TO THE 22ND GENERAL ASSEMBLY

PREAMBLE

The Staff Retirement Benefit Scheme was established in 1993. The scheme is run by Board of Trustees who are elected or appointed on rotational basis for a term of three years, renewable. The fund is managed by Britam Insurance Company Ltd . The scheme is fully registered with the Retirement Benefit Authority (RBA), the regulatory body of all Pension schemes and with the Kenya Revenue Authority.

MEMBERS OF THE BOARD OF TRUSTEES

1. Mr. Joseph M. Kamau	Chairman
2. Rev. Milkah N. Muiruri	Secretary
3. Rev. Jennifer Muchemi	Member
4. Mrs. Carolyn W. Maina	Member
5. Miss Virginia Magundu	Member
6. Rev. Peter K. Ndungu	Member
7. Mr. Charles Muiruri Njuguna	Member
8. Rev. Edward Karanja K.	Member
9. Ms. Mercy W. Kiana	Member

EX-OFFICIO MEMBERS

• Rt. Rev. Julius G. Mwamba	Moderator 21st General Assembly
• Rev. Peter Kaniah	Secretary General
• Rev. Alfred M. Kanga	Deputy Secretary General
• Mr. Amon Nderi	Honorary Treasurer

CONTRIBUTION AND MEMBERSHIP

Contributions to the scheme are expressed as a percentage of the member's basic salary. The member/ employee contributes 10% while the employer contributes 15%. All permanent employees of the church are eligible for membership. Membership numbers are obtained from Head Office upon provision of evidence of permanent employment. Currently membership stands at 1310 though not all accounts are active.

FUND ACCOUNT

The Fund, which was with Liberty Life was moved to Britam in 2015. We are still in transition period as the last and final transfer will be done in May this year.

The following is a provisional position of the fund as at 31st December 2017:

Opening balance	748,184,000
2016 contributions	106,156,000
Provisional interest	31,467,000
Expenses	(7,121,000)
Withdrawals	<u>(18,197,000)</u>
Net balance before final interest	<u>860,489,000</u>

ANNUAL GENERAL MEETING

The scheme held its 9th Annual General Meeting on 21st September 2017. A total of 375 members attended the AGM, a 12% increase compared with 2016 attendance. During the meeting, Audited accounts of the scheme were presented to the members. Members were also addressed by a representative from the both the both Fund managers, Liberty Kenya and Britam respectively. Members were also given their statements and their concerns noted for action.

ACHIEVEMENTS

- Considerable progress has been achieved in reconciling our Accounts with those of the fund managers.
- Withdrawals from the scheme are paid within the stipulated period of 30 Days.
- Compliance with the RBA rules and regulations is at advanced stage.
- We now have an SRBS office with a full time employee.
- Computerized generation of fully updated member statements has also been achieved.
- In March this year, we were able to hold a workshop for our members who are retiring at the end of this year which was really appreciated by the participants.

CHALLENGES

- Failure by some presbyteries to remit the deductions on time.
- Presbyteries bank their contributions directly and then fail to send the banking slips and supporting schedules to the pension's office.
- We have an increased number of contract employees who are paid gratuity but would like the church to consider an individual pension plan for them collectively other than doing it individually
- The issue of pension arrears held by presbyteries remains a challenge.

WAY FORWARD

- Member education should be enhanced
- Think of an umbrella scheme to cater for the growing number contract employees
- Customized education for those about to retire is key
- Full compliance with the RBA rules and regulations
- Linkage with our fund managers for better operation of the scheme.

- Presbyteries should be instructed to remit the contributions on monthly basis

CONCLUSION

We wish to thank God Almighty for enabling us to have this scheme which has become a blessing to many.

We also want to thank the General Assembly office, the Board of Trustees, our members and all the members of staff for their contribution and support which has led to the success of the scheme.

God bless you all.

Rev. Milkah N. Muiruri
SECRETARY

Mr. Joseph Mbuki Kamau
CHAIRMAN

DOCUMENT TWO - RESOLUTIONS

1. This GA receives the report of the Secretary General with gratitude and thanks to God.
2. This GA appreciates the work done by our General Assembly secretariat and other Church organs, for surmounting and the daunting task of implementing the various long standing resolutions of our Church Courts. Further this GA commends the efforts made so far in fulfilling the five pillars set by the 21st GA and wishes them God's blessings as they continue with the good work of steering the Church towards greater heights of accomplishments.
3. This GA appreciates the work in progress on the reviewing of the Practice and Procedure Manual and instructs the Business Committee to ensure the review is completed by the next GAC 2019.
4. This GA notes that the period of previous strategic plan has expired, further the GA instructs Business Committee to ensure that another strategic plan for five years is in place within the next six months.
5. This GA realizing that our Church has many and diverse professionals who could provide the much needed advise to the Church in various ways, instructs the Business Committee to identify and come up with a databank within six months which would help us to utilize them when need be.
6. This GA recognizes environmental stewardship and care of God's creation as a cardinal responsibility human beings were created to carry. Therefore in recognition of this important component of the faith and work of Gods people; the GA instructs the Training and Personnel Development Committee to find ways and means of teaching eco-theology and eco-mission in our institutions of high learning.
7. The GA being aware of environmental hazards and degradation of ecosystem instructs the Business Committee to rejuvenate environmental stewardship and sustainable agriculture committee; cascading its mandate and operations to the grassroot level.
8. This GA observes and accepts that the Church has a role to play as the "Salt" and "Light" in a society plagued by hatred, ethnic division, economic injustices, political and predictability, corruption and environmental destruction. This GA therefore instructs the Business Committee to revive and strengthen the JPRC so as to engage in civic education and citizen participation in governance at both national and county government levels.
9. This GA appreciates that Synergy affords the Church the potential to utilize her limited resources at greater efficiency and maximize her productivity. This GA therefore instructs the Business Committee to come up with a mechanism to facilitate various church organs and institutions to develop Synergy in such areas: Financial management and investment, mission and ministry and Church's institutional infrastructure.

10. This GA realizing that PCEA require to be a modern, relevant and dynamic sustainable organization and appreciating the need for rebranding and rediscovery of her identity, instructs the Finance Committee in collaboration with the Training and Personnel Development committee to facilitate research and training in the areas of theology, philosophy, history, traditions and character.
11. This GA acknowledging the critical importance of education and molding of our Children to be better citizens of our world and members of the Church of Christ; instructs the Central Finance Committee to support our Education Department to effectively guide the Church in engaging in the chaplaincy ministry, pastoral programme of instruction in schools and PCEA's representation in various educational organs as provided for in the Education Act.
12. This GA instructs all the Presbyteries to urgently constitute a taskforce to pursue acquisition of legal document for all our properties and present a progressive report within six months to the Business Committee.
13. This GA congratulates the Rt. Rev. Julius Guantai Mwamba on his nomination and election as Moderator of the 22nd General Assembly, further this GA congratulates Mr. Daniel Waithima Kibirii on his election as the Honorary Treasurer and wishes them God's blessings as they serve in His Kingdom.