



ENHANCING GOVERNANCE EFFECTIVENESS

GOVERNANCE INTEGRITY & EXCELLENCE IN PENSION SERVICES DELIVERY

RATIONALE FOR CONDUCT REGULATION

LEGAL AUTHORITY

Guidelines are issued in exercise of the powers conferred by section 5 (b), 5(ba) and 55 (3) of the RBA Act.

KEY OBJECTIVES

- ✓ Maintain good governance among service providers.
- ✓ Enhance delivery of services to customers.
- ✓ Emphasize Stakeholder and Consumer education.

CORE PRINCIPLES OF GOVERNANCE INTEGRITY



ACCOUNTABILITY



TRANSPARENCY



FAIRNESS &
EQUITY



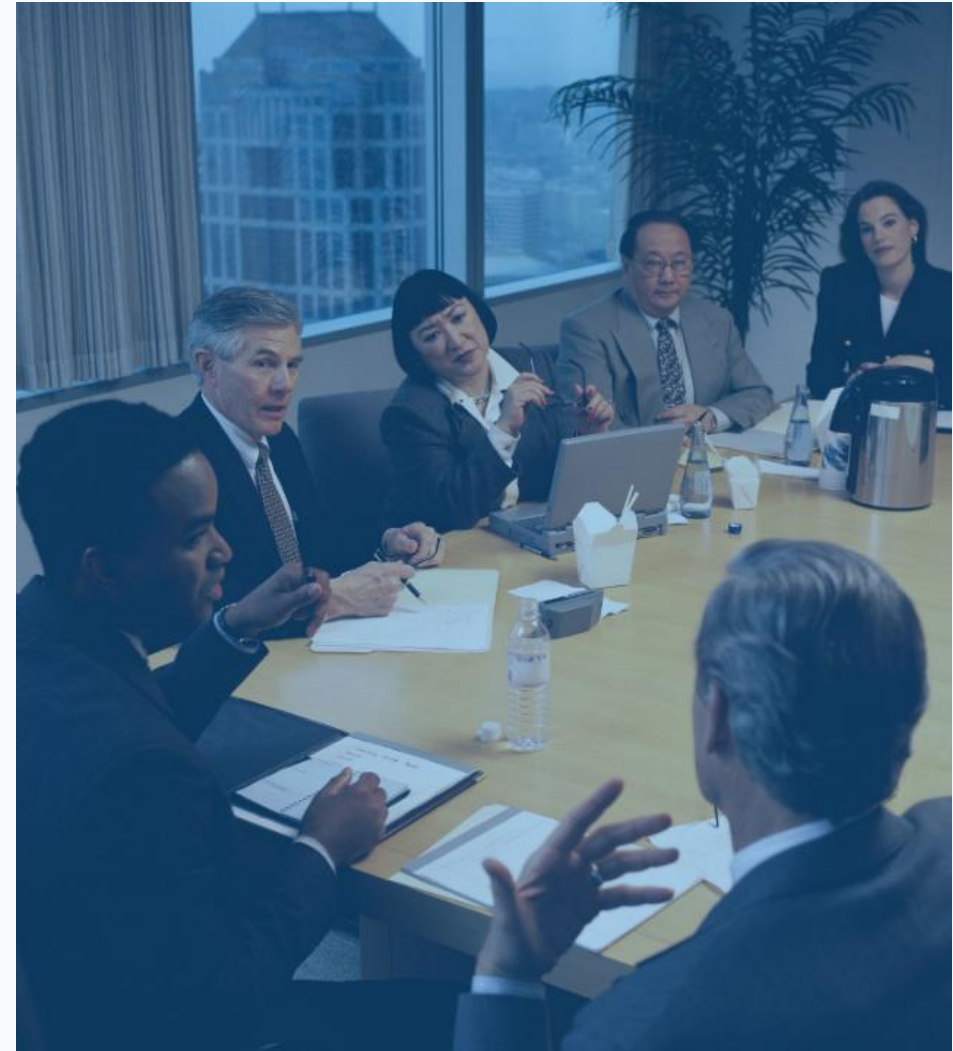
RESPONSIBILITY



INDEPENDENCE

GOOD GOVERNANCE GUIDELINES

- ✓ Came into Law: 11th October 2018; confirmed 6 December 2018.
- ✓ Principle: "Disclose, Apply or Explain" for proportionality.
- ✓ Applicability: Individual trustees and directors of Corporate Trustees.
- ✓ Purpose: Promote proper standards of conduct and sound governance.
- ✓ Fiduciary: Ensure players exercise duties effectively and diligently.



WHAT'S NEW IN GGS - I

- ✓ **Compulsory AGM:** 14-day notice, summary of audited accounts, minutes available within 3 months.
- ✓ **Remuneration:** Approved policy in place; no discrimination; consultation with Sponsor.
- ✓ **Skills Mix:** Broad mix required; at least 1 trustee with Finance Qualification.
- ✓ **Trustee Roles:** Staggered terms of appointment.
- ✓ **Trust Secretary:** Role for lawyer, CPS, or adequate experience.
- ✓ **Committees:** Maximum of 4 Committees.

WHAT'S NEW IN GGS - II

- ✓ **Code of Conduct:** Establishment of Code and Election/Nomination Rules.
- ✓ **Audit & Risk:** Maintain Audit, Assurance, and Risk Management Policies.
- ✓ **Auditor Rotation:** Review after 5 years; 2-year cooling-off period before reappointment.
- ✓ **Risk Management:** Board to establish and maintain a risk register.
- ✓ **BCP:** Service Providers must have Business Continuity Plans.
- ✓ **Transparency:** Scheme booklet with details; Conflict of Interest policy.

QUORUM AND COMMITTEES

MEETING DYNAMICS

Quorum: Half the number of trustees, including at least 1 member-elected and 1 sponsor-nominated trustee.

Notice: 14 days for BOT meetings; documents 7 days prior.

Voting: Admin or Trust Secretary have no voting rights (unless they are a trustee).

COMMITTEE STRUCTURE

Max 4 Committees: Investment, Audit & Risk Mgt, Admin & Communication recommended.

Governance: Prepare board charter, annual work plan, and calendar of meetings.

AUDITING THE AUDITOR

- ✓ **Independence Assurance:** No conflict of interest.
- ✓ **Quality:** Meets International Standards on Auditing (ISA).
- ✓ **Compliance:** Meets RBA & ICPAK requirements.
- ✓ **Committee Role:** Assess performance annually; review management letters.
- ✓ **Value:** Evaluate audit fees vs. value delivered.



ROLE OF THE BOARD

FIDUCIARY OBLIGATIONS OF TRUSTEES

STATUTORY OBLIGATIONS: ADMIN

- ✓ Administering the scheme in accordance with the Act, regulations, and scheme rules.
- ✓ Keeping all proper books and records of account (income, expenditure, liabilities, assets).
- ✓ Computing and preparing statements of payments of benefits to members.
- ✓ Liaising with the Authority, sponsors, members, manager, and custodian.
- ✓ Ensuring all minutes, statements, and resolutions are properly kept.
- ✓ Collecting, keeping, and updating data including individual membership records.

STATUTORY OBLIGATIONS: COMMS

- ✓ Updating the sponsor at least quarterly on all matters regarding the scheme.
- ✓ Ensuring contributions based on correct pensionable emoluments are remitted.
- ✓ Ensuring scheme funds are being invested by a duly appointed manager.
- ✓ Communicating regularly with members and providing annual benefit statements.
- ✓ Convening an annual meeting with a report on benefits, accounts, and investments.
- ✓ Ensuring all documents intended to bind the scheme are professionally prepared.

STATUTORY COMPLIANCE: RETURNS

Statutory Return	Submission Timeline
Quarterly Record of Contributions	15th day of the following month after the Quarter
Investment Returns	Quarterly
Custodial Returns	Quarterly
Annual Accounts	Submitted 3 months after end of Financial Year
Payment of Levy	Payable 4 months after the Financial Year
Investment Policy (IPS)	Review every 3 years

STATUTORY COMPLIANCE: TIMELINES

Requirement	Deadline / Frequency
Collection of Contributions	Within 10 days after end of payroll month
Payment of Benefits	Within 30 days
Transfers of Benefits	Within 60 days
Investments	Within IPS & Table G
Annual General Meeting	Once every year
Trustees Meeting	At least two times in a calendar year

PENALTY ON LATE RETURNS

Statutory Return	Penalty	Responsibility
34 (4C) Audited Accounts	Kes. 100,000 and additional Kes. 1,000 daily	Trustees
34 (4D) Investment Return	Kes. 10,000 per scheme and additional Kes. 1,000 daily	Investment Manager
34 (4E) Contribution Return	Kes. 10,000 per scheme and additional Kes. 1,000 daily	Administrator

TRUSTEE CODE OF CONDUCT

- ✓ **Integrity:** Set values, ethical standards, and integrity standards.
- ✓ **Fiduciary Duty:** Signing the code and affirming commitment to members.
- ✓ **Compliance:** No improper activity (Money Laundering/Corruption).
- ✓ **Conflict:** Avoidance and yearly declaration of conflict.
- ✓ **Policy:** Whistle-blower and Ethics policy establishment.
- ✓ **Stakeholders:** Engagement, Risk Awareness, and Strategic Thinking.



CONCLUSION

“ *Good governance never depends upon laws, but upon the personal qualities of those who govern. The machinery of government is always subordinate to the will of those who administer that machinery. The most important element of government, therefore, is the method of choosing leaders.*

— Frank Herbert



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