



# Finnnet

Building a Better Tomorrow, Today



## ENHANCING GOVERNANCE EFFECTIVENESS AND BUILD TRUSTEES CAPACITY

● ————— ●  
**BOARD MATURITY ASSESSMENT & GOVERNANCE EVOLUTION**

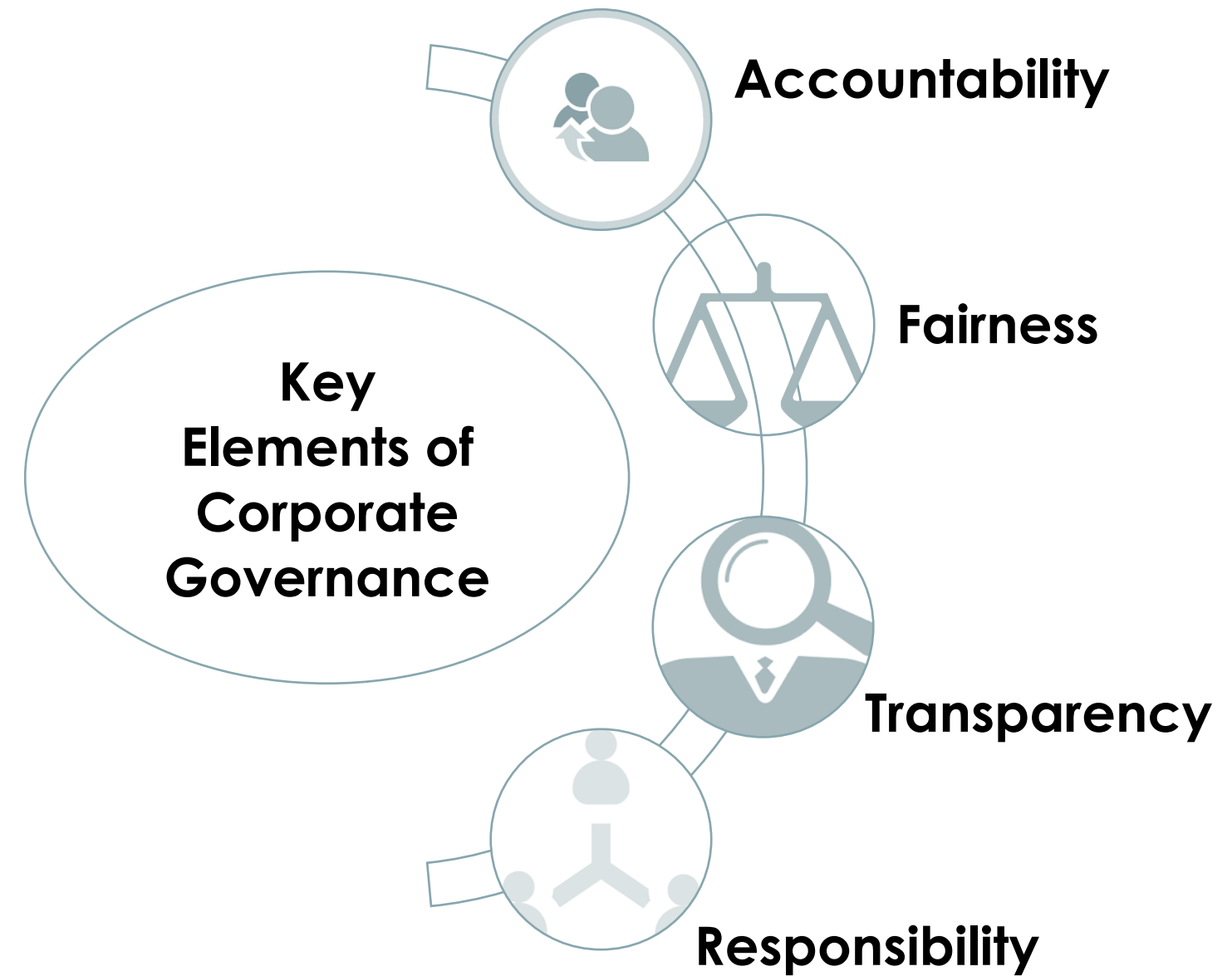
**DATE: FRIDAY MAY 29, 2026**

**11:00 AM – 1:00 PM**

**SEO HOTEL, MACHAKOS**

**GOVERNANCE . TRAINING . EMPLOYEE BENEFITS . TECHNOLOGY**

Corporate Governance?



# BOARD MATURITY – MANDATE



**1 Detect & Remediate Promptly**

Schemes must demonstrate to the RBA that governance failures will be detected and remediated promptly — a function directly supported by effective internal audit.

**2 Interim Administrator Risk**

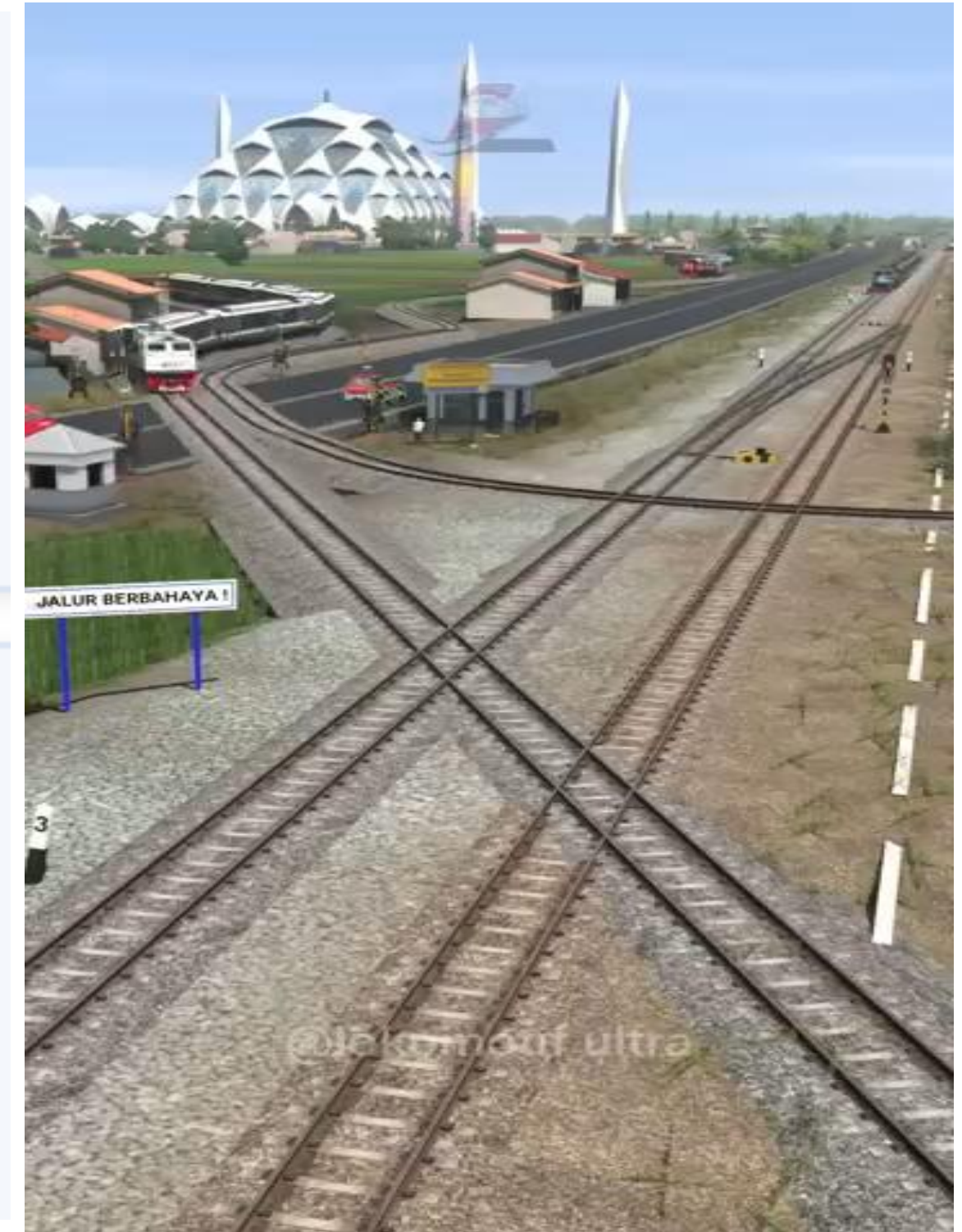
RBA may appoint an Interim Administrator where internal governance and control failures are severe, underscoring the importance of a functioning internal oversight capacity.

**3 Service Provider Reviews**

Trustees must continuously review fund manager, custodian, and administrator performance — an internal oversight activity aligned with internal audit's advisory role.

**4 Ongoing Compliance Monitoring**

Schemes must continuously monitor compliance with the Act and RBA Regulations. Internal audit provides systematic assurance over this compliance monitoring process.



## BOARD MATURITY – ROLE



**BOARD OVERSIGHT  
OF SUSTAINABILITY FOR  
VALUE CREATION**

**COURAGEOUS LEADERSHIP  
IN A DISRUPTED WORLD**

Ensuring the **fiduciary, financial, and operational integrity** of retirement schemes, with a focus on **risk management and compliance**.

- 📌 Establishing robust internal controls
- 📌 Appointment of independent auditors
- 📌 Monitors implementation of audit recommendations.

# BOARD MATURITY – ROLE EXECUTION

## Enhance Corporate Image & Innovation

- Stakeholder communication
- Approve CSR activities
- Oversight innovation



## Risk Management

- Ensure integrity of internal controls
- Ensure appropriate balance of power
- Monitor non-financial aspects relevant to growth of the company

## Financial Management

- Prepare annual financial statements
- Maintain adequate accounting records

## Strategic Oversight

- Review & adoption of strategic plans
- Approve annual budgets, workplans, performance measures
- Approve key policies
- Avail adequate resources
- Appoint senior management
- Set Vision and Mission

## Corporate Governance

- Develop instruments to delegate powers to senior management
- Ensure compliance of laws
- Develop corporate code of ethics
- Approve appropriate organizational structure
- Develop a succession plan for board and senior management



When the scheme is undergoing a **transformation** or about to embark on one



When the scheme is in **financial distress**



When there is an early indication of **fundamental shifts** in **technology** or **scheme dynamics** suggest the need to re-assess future success factors.



When the operational **environment is unpredictable**, increasing the need for adaptability and board involvement in shaping the strategic direction



When there are opportunities for structural changes in the scheme e.g., **scheme mergers** or **sponsor merger**/shut down (e.g., NHIF, Kenya National Library Services - devolved)

# BOARD MATURITY – CONDUCT OF MEETINGS



## Trust Secretary/ CEO

Chief implementor of Board resolutions. Management representative and **liaison** between the Board and the Scheme



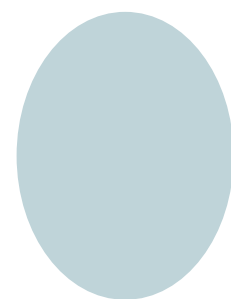
## Chairman

Lead the meeting discussions and **guide** the agenda



## Trustees

Provide creative contribution, **independent oversight** & constructive challenge Secretariat

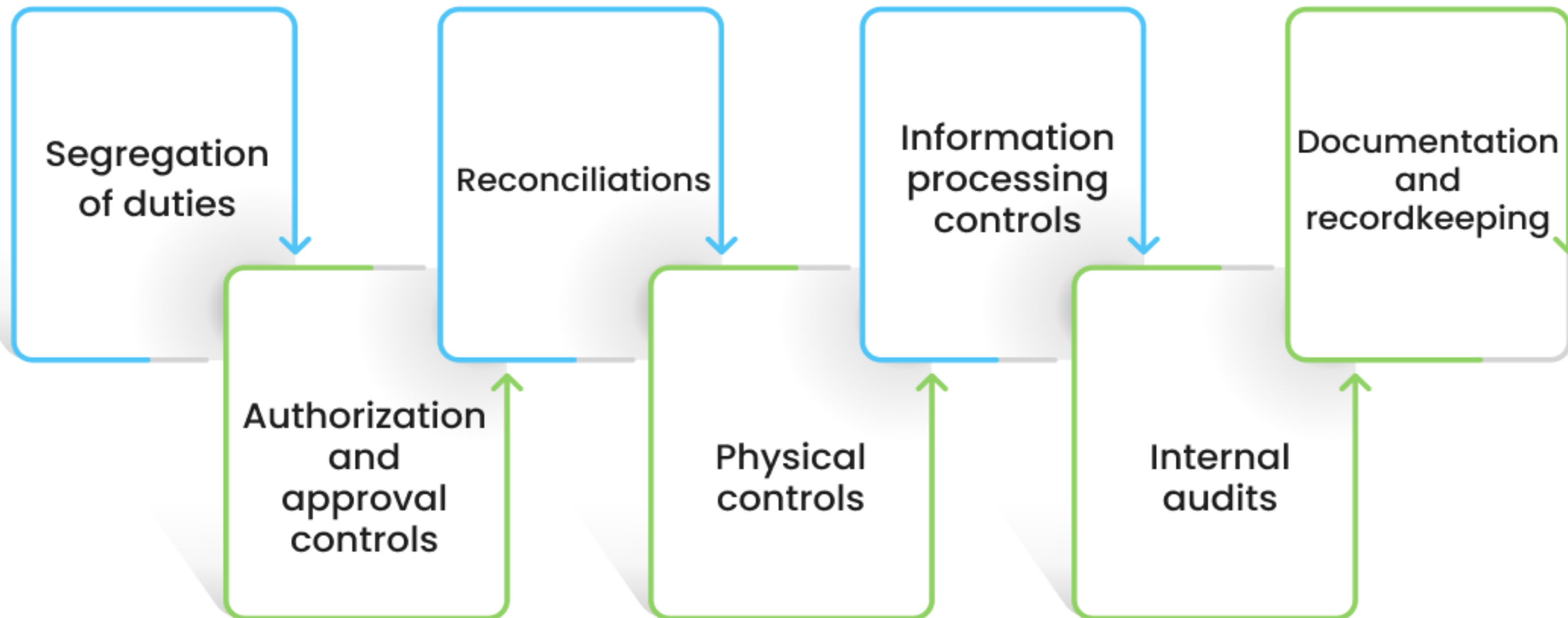


## Corporation Secretary

Plan for meetings (collate board pack, update matters arising), give impartial **advice on governance** and **take minutes** of the meeting



## Examples of Internal Controls





A structured process of assessing the **performance** and **effectiveness** of a board, its structure and dynamics and how it fulfills its responsibilities while upholding governance standards for continuous improvement and strategic alignment.

## Key Areas

- 1. Structure & Composition:** Board size, skills, diversity, and succession planning.
- 2. Board Practices:** Quality of meetings, information flow, and committee performance.
- 3. Board Dynamics:** Culture, relationships, and decision-making processes.
- 4. Strategy & Risk:** Oversight of strategic direction and risk management



## Strategy

1. Oversight on development
2. Oversight on implementation
3. Organogram and business model
4. Sustainability

## Financials

1. Target clients/programs
2. Impact of programs
3. Impact of the Scheme
4. Returns to members

## Governance

1. Board effectiveness
2. Sponsor engagement
3. Risk governance
4. Board succession
5. Reputation management
6. Stakeholder relations

## Leadership

1. Talent development and retention
2. Succession management
3. Performance management
4. Alignment of the Board, Mgt & Stakeholders
5. Communication strategy
6. Conflict resolution



1. Helps to measure how **effective, transparent, accountable** and fair a board is and recommend improvements on gaps identified
2. It is the most effective way to ensure board members **understand** their duties and adopt good governance practices
3. It helps to assess the board's work and **performance**
4. It helps to evaluate the **weaknesses** and **strengths** of the board
5. It is an early **warning system** for the Scheme
6. It helps to **overcome differences** among Board members
7. It helps to retire/**exit individuals** from the Board
8. For **compliance** purposes
9. For industry awards such as Champions of Governance by ICS, FiRE, etc

1. Review of the **Board Charter, Strategic Plan & Constitutive document** (TORs, Responsibilities, Skills mix, Independence, Appointment process, Induction, Upskilling, etc)
2. Evaluation of the overall Board performance
3. Evaluation of the Committees' performance
4. Evaluation of the Chairman's Performance
5. Evaluation of the Trust Secretary/CEO performance
6. Evaluation of Self/Individual Trustee's Performance
7. Evaluation - Peer to Peer Performance



# TRUSTEES OVERSIGHT ROLE



Ensuring all **minutes, statements** and **resolutions** are professional prepared and kept



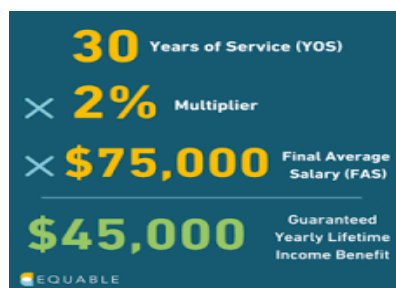
**Liaising** with the Regulator, sponsors, members, manager, custodian and other professionals engaged by the scheme



**Administering** the scheme in accordance with the Act (**Scheme Rules & Regulations**)



Keeping all **proper books** and records of scheme accounts (**Income, expenditure, liabilities & assets**) Report to AGM



Computing and preparing statements of **payments of benefits** to members



Ensuring scheme **investment** is handled by a duly appointed fund manager

# REQUISITE POLICIES



## Code of conduct

Sets the values & ethical standards of the scheme



## Election Rules

Rules for election or nomination of trustees



## Trustee Remuneration Policy

Sets out approved sitting allowances and rates of reimbursement for expenses



## Board Evaluation Procedures

States how board performance evaluation are undertaken (Self or 3<sup>rd</sup> party)



## Risk Management Policy

States how to identify and manage risk.



## ICT Policy

Ensure that the administrator of the scheme has established a comprehensive IT policy and has adequate IT systems for the administration of the scheme



## Members' communication policy

Spells out the member communication system that allows members to engage with the scheme and make decisions for their benefit



## Members Scheme Booklet

Discloses the details of the scheme **to new members** and includes the options to members at the point of exit from the scheme



## Conflict of interest Policy

How to deal with conflict of interest (with trustees, service providers & members) with an updated conflict of interest register



## Procurement Procedures

Outlines the scheme's procurement and asset disposal procedures.



## ROLE OF THE COMMITTEE

Anticipate challenges and prepare to address them effectively by identifying potential risks and ensuring the scheme remains resilient in a volatile environment

Establish systems that foresee risks, mitigate vulnerabilities and position governance as an enabler of strategic growth e.g., anticipate cybersecurity risks and foster a culture of security and innovation



GOVERNANCE . TRAINING . EMPLOYEE BENEFIT



Soustain Chigalu · Following

Renewable Energy Expert

5h · Edited ·

A rural community in Kenya that sends children 20 kilometers away to draw water everyday received a donation of solar powered borehole and water pump within a 200 meter walk. The water reticulation system was vandalized in less than one week of commissioning. Why?

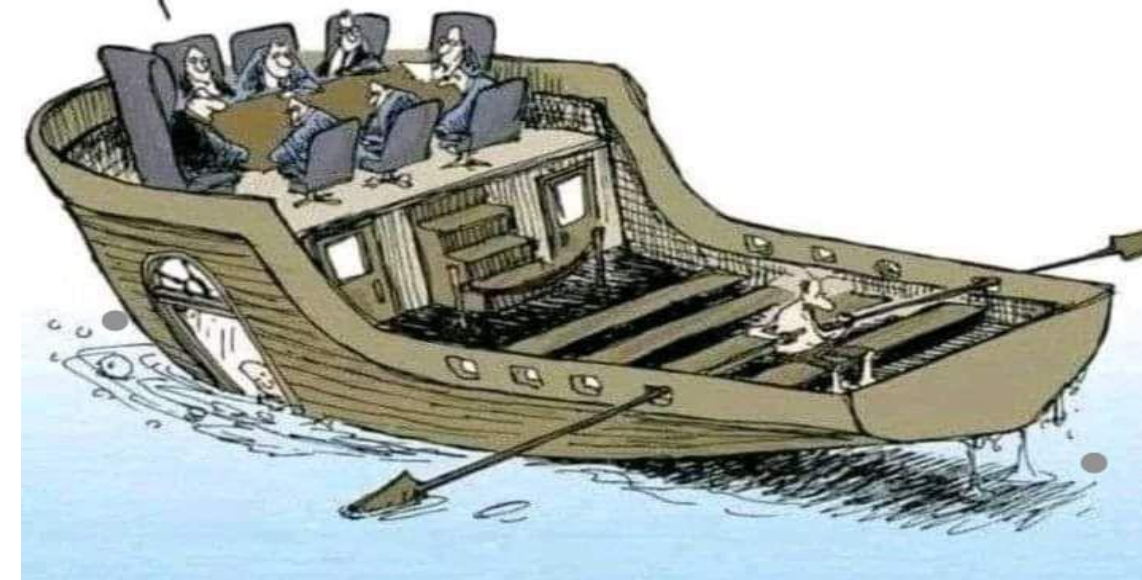
Sending children away to draw water accords fathers and mothers some hours of a private life out of the small and overcrowded houses. An act of charity does not always solve an underlying social problem. Social problems demand holistic social solutions.

#social challenges

#holistic solutions



I don't understand, after so many budget cuts, why don't we move faster?



# ESG



## ENVIRONMENTAL

- Climate change strategy,
- Biodiversity,
- Water efficiency,
- Energy efficiency,
- Carbon intensity,
- Environmental management system



## SOCIAL

- Equal opportunities,
- Freedom of association,
- Health and safety,
- Human rights,
- Customer & products responsibility,
- Child labour



## GOVERNANCE

- Business ethics,
- Compliance,
- Board independence,
- Executive compensation,
- Shareholder democracy

## BENEFITS OF STAKEHOLDER ENGAGEMENT





# Contact us

For watching this presentation

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