



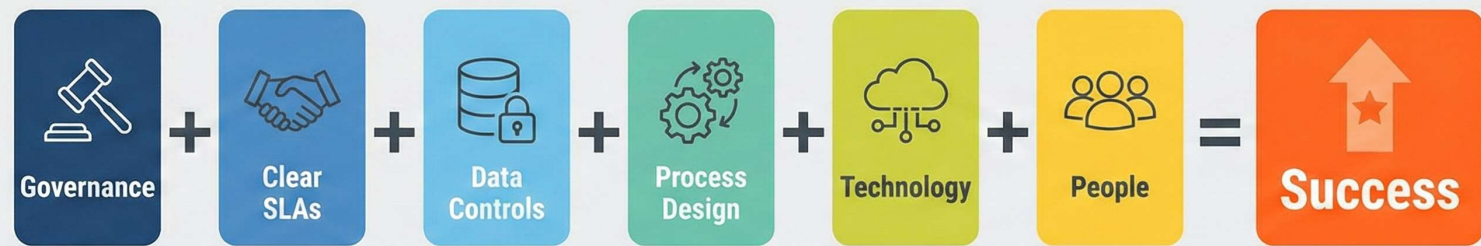
**OPTIMIZING INTERNAL FRAMEWORKS
FOR EFFECTIVE PENSION SCHEME
ADMINISTRATION, OPERATIONS, AND
BENEFITS DELIVERY**



SUMMARY

- Effective internal frameworks are the primary defense against rising costs, legal liability, and member dissatisfaction.
- The Excellence Formula: Governance + Clear SLAs + Data Controls + Process Design + Technology + People = Success
- The Regulatory Anchor: Compliance with RBA Good Governance Practices Guidelines (2018) is the minimum benchmark, not an option

THE OPERATIONAL EXCELLENCE FORMULA



The Excellence Formula: Governance + Clear SLAs + Data Controls + Process Design + Technology + People = Success



SESSION OBJECTIVES

- Understanding the Link: Internal Frameworks → RBA Compliance → Member Satisfaction
- Identifying Bottlenecks: Addressing "dirty data," unallocated contributions, and manual errors.
- Designing Solutions:
 1. Robust Service Level Agreements (SLAs).
 2. Digitizing member services.
 3. Actionable roadmaps for data cleaning



WHY OPTIMISE INTERNAL FRAMEWORKS?

- Protect Rights & Assets: Safeguard Article 43 constitutional rights and scheme funds.
- Mitigate Risk: Reduce litigation costs and avoid RBA sanctions.
- Build Trust: Efficiency drives Additional Voluntary Contributions (AVCs).
- Ensure Predictability: Move from "fire-fighting" crises to a predictable manufacturing process.



CORE COMPONENTS OF AN INTERNAL FRAMEWORK

- Governance: Trustees & Trust Secretary roles.
- Policies: SOPs, IDRP, and SLAs.
- Data: Payroll integrations and reconciliation.
- Technology: Portals, CRM, and USSD.
- Vendor Management: Enforceable SLAs.
- Risk & Audit: Segregation of duties.
- People: Continuous training & ethics.

GOVERNANCE AND OVERSIGHT

THE BOARD'S ROLE:

- Approve Policies (Data Retention, IDRP).
- Ratify complex decisions (e.g., Death Benefits under Sec 36A).
- Monitor Quarterly KPIs.

THE TRUST SECRETARY'S ROLE:

- Compliance Gatekeeper.
- Maintains Trust Deed Archive (Vital for legal defense).
- Manages Conflict of Interest Register.

ACTION ITEM: MAKE "COMPLAINTS & DISPUTES" A STANDING AGENDA ITEM.



POLICIES AND PROCESS DESIGN

Internal Dispute Resolution Procedure (IDRP):

- Mandatory formal process.
- 30-day timeline for final decisions.

Service Level Agreements (SLAs):

- Acknowledge: 24hrs | Compute: 7 days | Pay: 21 days.

SOP Library:

- Documented checklists for Intake, Triage, and Verification.

DATA MANAGEMENT AND INTEGRATIONS

- Single Source of Truth: One primary database for identity and history.
- System Integration: Link Sponsor Payroll (ERP) with Pension Administration System Eliminates manual entry errors
- Reconciliation Cadence:
 1. Monthly: Employer remittances.
 2. Quarterly: Member statements.
- Action Item: Standardize CSV formats for employer remittances.



TECHNOLOGY AND AUTOMATION

- CRM Systems: "If it isn't logged, it can't be measured." Track every ticket.
- Self-Service (Portals/USSD): Reduce routine traffic by 60%. Example: Mbao Pension Plan uses USSD for inclusivity.
- Workflow Automation: System alerts for SLA breaches.
- Data Privacy: Secure authentication to comply with the Data Protection Act.

VENDOR AND SLA MANAGEMENT

- Fiduciary Rule: Trustees can outsource the work, but not the responsibility.
- SLA Essentials:
 1. Accuracy: Defined reconciliation limits.
 2. Timeliness: Payments within X days.
 3. Reporting: Quarterly governance reports.
- Scorecards: Quarterly performance reviews.
 - **Action Item: Require Custodians to confirm remittance receipt within 3-5 days.**

RISK, CONTROLS, AND AUDIT

Segregation of Duties:

- Calculator: Performs benefit calculations
- Authorizer: Approves payments
- Purpose: Prevents fraud and errors
- **Reconciliation:** Daily cash checks, monthly matching.
- **Exception Reporting:** Automated flags for:
 - i. Negative balances.
 - ii. Duplicate IDs.
 - iii. Large withdrawals.
- **Internal Audit:** Periodic "spot checks" on IDRPs files.



PEOPLE, TRAINING, AND CULTURE

- ▶ Trustee Certification (TDPK): Mandatory training on RBA regulations and case law.
- ▶ Staff Training: Technical: Calculation accuracy.
- ▶ Soft Skills: Empathy for bereaved beneficiaries.
- ▶ Incentives: Link performance to Quality and SLA Adherence, not just speed.
- ▶ **Action Item: Monthly "Case Huddles" to review complex disputes.**

OPERATIONAL MEASURES (TARGET SLAS)

| Activity | Target Timeline | Statutory Limit |
|------------------------|-------------------|-----------------|
| Acknowledge Query | 24–48 Hours | |
| Routine Investigation | 5–10 Working Days | |
| Death Benefit Decision | 30–90 Days | |
| Benefit Payment | 14–21 Days | 30 Days |
| Reconciliation | 30 Days | |

RECORDS AND ARCHIVING

Mandatory Archives:

- Trust Deeds & Amendments.
- Member Nomination Forms.
- **Note: Missing deeds are fatal in litigation (e.g., Standard Chartered case).**

Retention Policy:

- Member files: 7–10 years post-exit.
- Trust Deeds: Indefinitely.

Action Item: Digitize all historical Deeds to secure cloud storage.



COMPLIANCE AND REGULATOR INTERACTION

- Standardization: Templates for RBA "Section 46" reviews.
- Compliance Calendar: Track statutory returns (RBA, KRA) and audits.
- Key Resource: www.rba.go.ke for guidelines.



PERFORMANCE METRICS AND DASHBOARDS

- Volume: Complaints by category.
- Speed: % of queries resolved within SLA.
- Quality: Error Rate (payouts requiring correction).
- Data Hygiene: % of complete member records (ID, KRA PIN, Phone).
- Vendor Health: Number of SLA breaches per quarter.



COMMON OPERATIONAL CHALLENGES & FIXES

- ▶ Missing Remittances: Issue demand letters; rebuild data via contribution schedules.
- ▶ Data Mismatches: Enforce payroll integration scripts.
- ▶ Manual Workload: Automate statement generation.
- ▶ Discretionary Decisions: Document rationale in Board minutes (crucial for appeals).
- ▶ Action Item: Develop a "Recovery Playbook" for employer default.



CASE SCENARIOS

- Scenario A: Payroll Failure. Fix: Map fields, run 12-month reconciliation, automate validation.
- Scenario B: Calculation Error. Fix: Sample audit, correct affected members, trigger vendor penalty.
- Scenario C: Death Benefit Dispute. Fix: Freeze payment, verify dependents, convene Board (Sec 36A), offer mediation.



TECHNOLOGY SELECTION CHECKLIST

- ▶ Integration: Connects to Payroll & Custodian?
- ▶ CRM: Tracks case history?
- ▶ Access: Portal / USSD / App availability?
- ▶ Security: Supports Multi-Factor Authentication (MFA)?
- ▶ Support: Local support team defined in SLA?

Tip: Run a 3-month pilot before full migration.



IMPLEMENTATION ROADMAP (90 DAYS)

Days 0–30: Assessment

- ▶ Form Steering Team, Map Processes, Launch Complaints Tracker.

Days 31–60: Execution

- ▶ Implement CRM, Rewrite Vendor SLAs, Run Data Quality Audit.

Days 61–90: Optimization

- ▶ Pilot USSD/Portal, Board Review of Complaints, Amend Trust Deeds.



QUICK TEMPLATES FOR YOUR TOOLKIT

- Intake Form: ID, Contact, Issue Category, Remedy.
- Acknowledgement Email: "Received (Ref #). Update by [Date]."
- Investigation Checklist: Docs received? Rules checked? Calc verified?
- Outcome Letter: Decision, Rationale, Appeal options.
- Vendor Scorecard: Accuracy vs. Timeliness metrics.



EXAMPLES OF KENYAN PRACTICE

- RBA: Good Governance Guidelines (The "Bible").
- KenGen SRBS: Service Charter with clear redress mechanisms.
- KPPF: Customer Service Charter emphasizing transparency.

Lesson: Leading schemes publish their promises.



REGULATORY REMINDERS

- ▶ IDRPs: RBA supervision visits check for documented IDRPs.
- ▶ Timelines: Strict adherence to the 30-day payment window.
- ▶ Sanctions: Penalties apply for delayed payments and unresolved disputes.



GOVERNANCE CHECKLIST FOR TRUSTEES

- Approve IDRPs and SLA Policy.
- Review Complaints Register quarterly.
- Mandate annual independent operational audit.
- Sign off on discretionary death benefit decisions.
- Attend CPD training on case law (Standard Chartered, TelPosta).



FINAL RECOMMENDATIONS

- ▶ Start Small: A simple CRM improves experience immediately.
- ▶ Fix Upstream: Clean data at the payroll source.
- ▶ Enforce SLAs: Hold vendors accountable.
- ▶ Empathy: Train staff to care.
- ▶ Metrics: Use data to drive improvement.