



Finnnet

Building a Better Tomorrow, Today



AUDIT, RISK MANAGEMENT AND STRENGTHENING INTERNAL CONTROLS IN PENSION FUNDS

LEVERAGING TECHNOLOGY IN GOVERNANCE

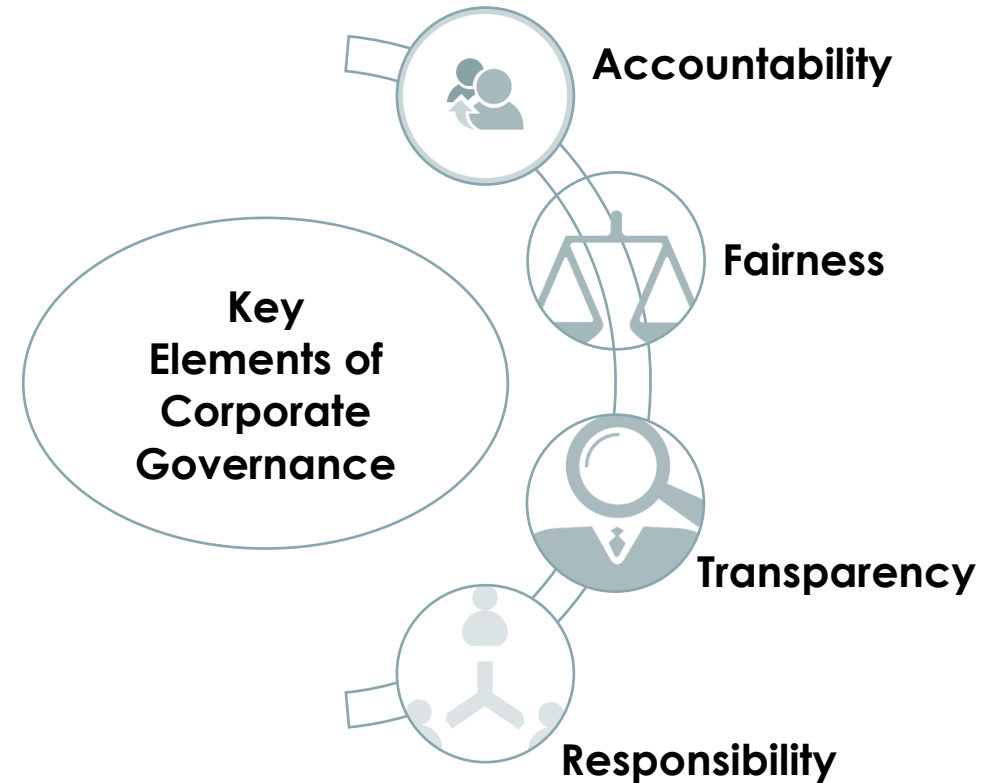
DATE: WEDNESDAY 18TH MARCH 2026

9:00 – 10:30 A.M.

PRIDE INN PARADISE, MOMBASA

GOVERNANCE . TRAINING . EMPLOYEE BENEFITS . TECHNOLOGY

Corporate Governance?



CASE FOR CORPORATE GOVERNANCE



- Better access to resources
- Raw materials extracted and used in an environmentally friendly manner
- Effective, strategic decision-making
- Anti-corruption tools (ethics)
- If a listed company, commands a premium from investors (service providers demand)

CASE FOR CORPORATE GOVERNANCE

Long term sustainability



Access to Capital



Operational/financial performance



Improved oversight, monitoring & evaluation



Human resource – skilled, healthy employees



Succession planning



GOVERNANCE FAILURE



Looking after your interest!



GOVERNANCE FAILURE





The opportunity of a lifetime
needs to be seized during the
lifetime of the opportunity

- *Leonard Ravenhill* - ””

CAN A ROBOT BE A CEO?



Company Makes AI Robot its CEO, Makes Record-Breaking Profits in Stock Market

Can artificial intelligence take the position of people? Yes, it can substitute them in some circumstances. An AI

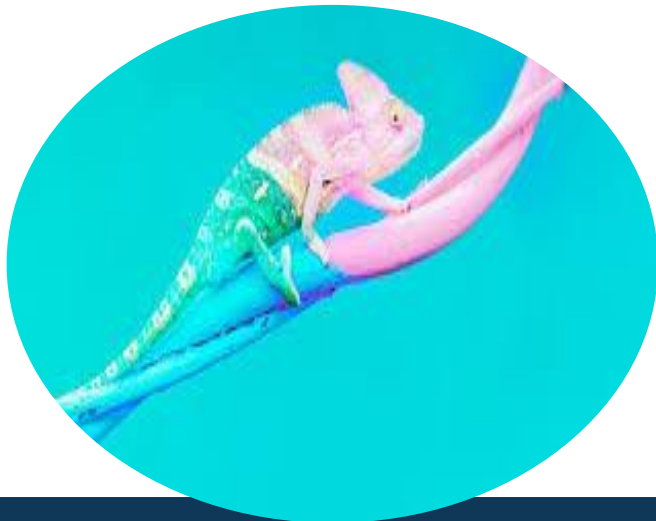
"Tang Yu will streamline process flow, enhance the quality of work tasks, and improve speed of execution. Tang Yu will also serve as a real-time data hub and analytical tool to support rational decision-making in daily operations, as well as to enable a more effective risk management system,"

Net Dragon Press Statement

MINDSET FOR CHANGE

1. Adaptability

- a) **Embrace Change** – Be open to new ideas and technologies
- b) **Flexibility** – Adjust strategies and plans as needed
- c) **Resilience** – Bounce back from setbacks and failures

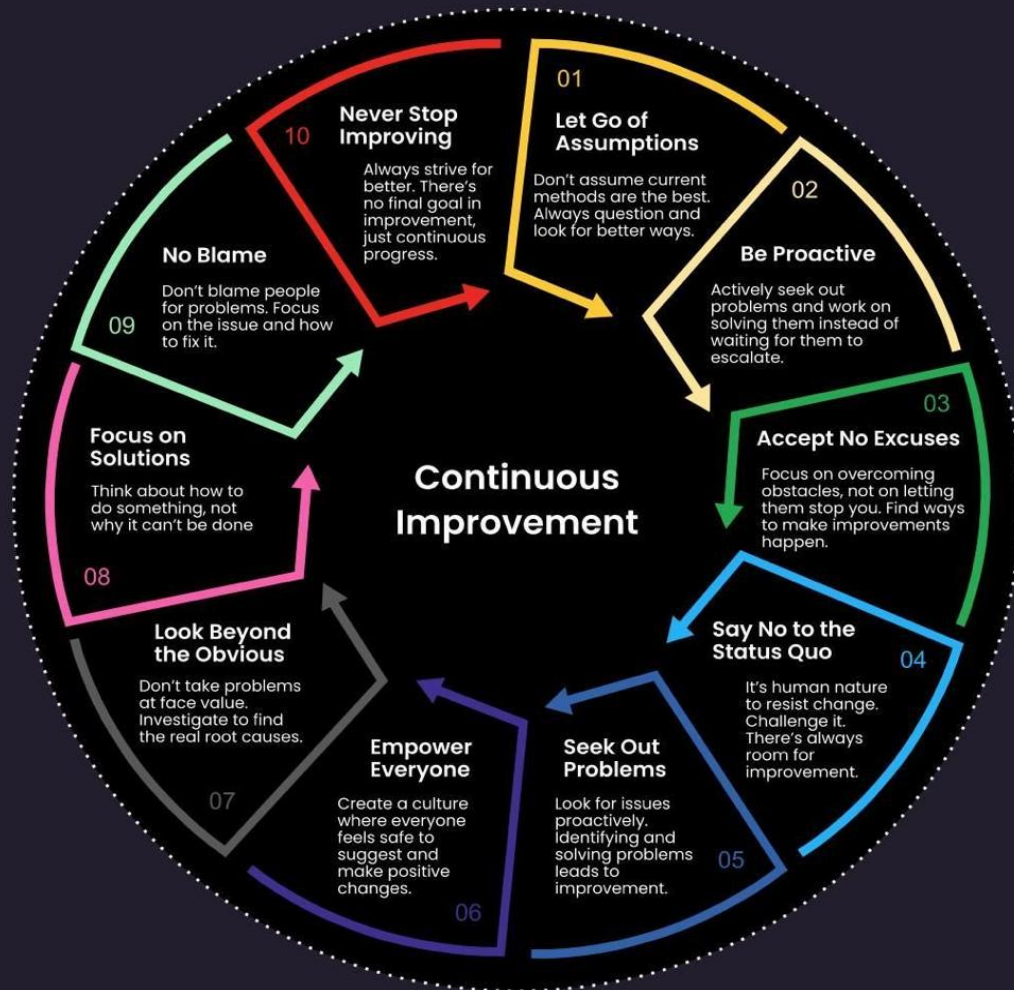



2. Continuous Learning

- a) **Stay Updated** – Keep abreast of industry trends and technological advancements
- b) **Curiosity** – Seek out new knowledge and experiences
- c) **Lifelong Learning** – Invest in personal and professional development

10 Principles of Kaizen

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3. Decision Making

- Risk Tolerance** – Be willing to take calculated risks
- Data Driven Approach** – Make informed decisions based on evidence
- Decisiveness** – Act promptly and confidently

4. Innovation

- Creative Thinking** – Generate new ideas and solutions for people, process & systems e.g., “Think Fridays”
- Experimentation** – Try out new approaches and learn from the results
- Failure Tolerance** – View failures as opportunities for growth



5. Communication

- a) **Clear & Concise** – Communicate effectively with all stakeholders
- b) **Active Listening** – Pay attention to feedback concerns e.g. “In my shoes”
- c) **Transparency** – Be honest and open about challenges and success

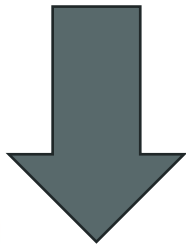
6. Strategic Thinking

- a) **Visionary Leadership** – Develop clear and inspiring vision for the future
- b) **Alignment** – Ensure that digital initiatives align with overall organizational goals
- c) **Long-term Perspective** – Consider the long-term implications of decisions

The Four Key Characteristics of Strategic Thinking

1. Seeks to Influence What is not in Your Control
2. Consumes Information Omnivorously
3. Leverages Abductive Reasoning
4. Considers Multiple Variables Simultaneously

WHY EMBRACE DIGITAL CHANGE?



Non-Linear: Small actions lead to disproportionate results. The unpredictability can create both risks and opportunities making it essential to understand the ripple effects of decisions.

Strategy:

Stay agile by [actively monitoring](#) external and internal trends using [scenario planning](#) to prepare for multi[le] outcomes and building systems that allow for quick pivots to minimize risk and maximize opportunities

Incomprehensible: Challenges too complex to fully understand and may be [interconnected](#) that resolving them may not be straightforward.

Strategy:

Encourage [collaboration](#) by bringing together diverse perspectives and expertise.

WHY EMBRACE TECHNOLOGY?

Technology Trends: e-board, Tele/video conferencing, virtual meetings, paperless desk

Increased awareness among key **stakeholders** on rights and responsibilities of the Board

Increasing **complexity** of the nature of operations in organizations, **flexi hours**

Litigation, regulatory oversight and emergence of best practices

Dynamic Markets and Globalization

Emergence of the “**ever busy**” director

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 BENEF



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

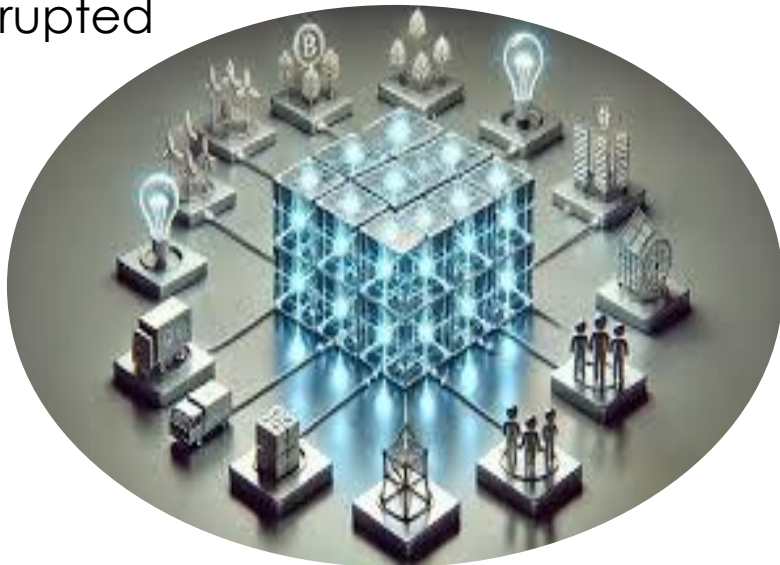
#holistic solutions



TECHNOLOGY TRENDS SHAPING THE FUTURE

1. Blockchain: Ready for Business

The attractiveness of blockchain lies in the possibility of a new type of ledger – one that can be **continuously updated** and verified without the threat of being altered or corrupted

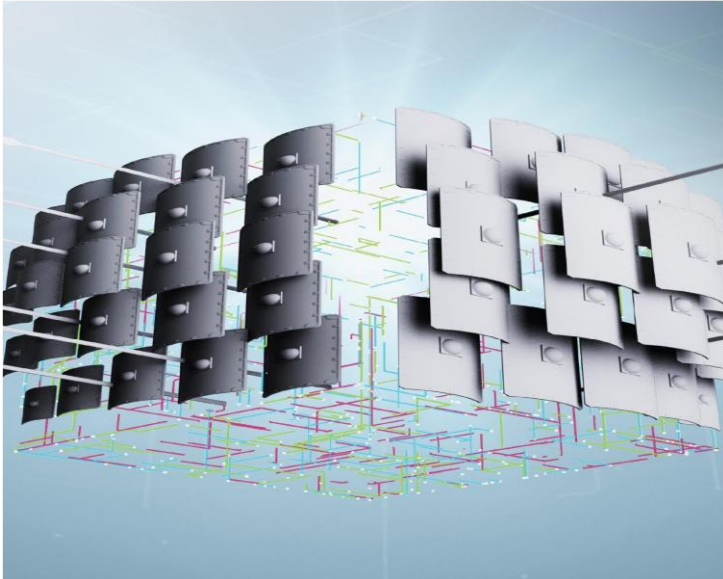


- a) **Secure Record Keeping:** Blockchain offers an immutable and **transparent ledger** for string legal documents, contracts and financial information
- b) **Smart Contract:** Automated execution of legal agreements based on **pre-defined conditions** can streamline processes and reduce disputes
- c) **Decentralized Processes:** Blockchain can enable **decentralized procedures** mechanisms, potentially bypassing traditional centralized approval systems

TECHNOLOGY SHAPING THE FUTURE

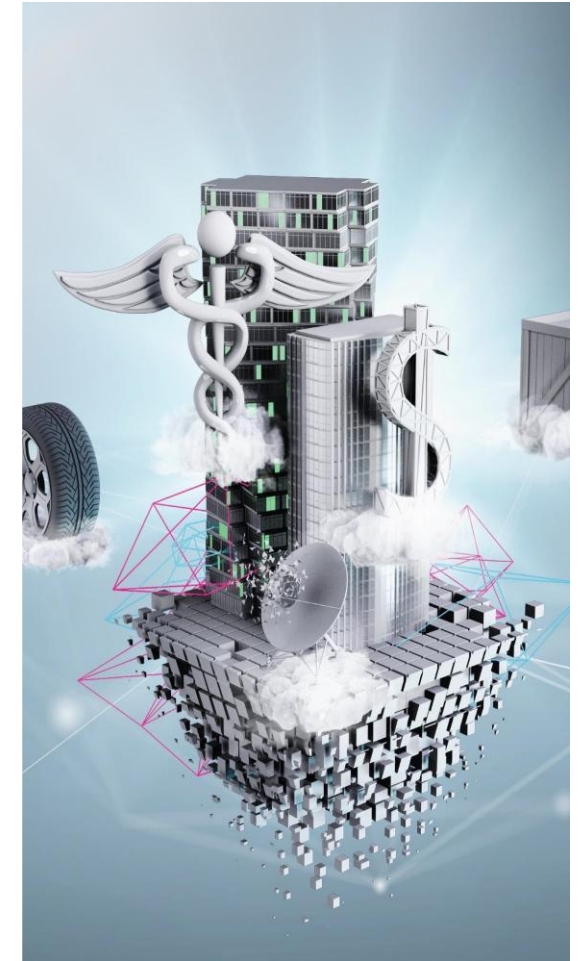
2. Cyber Security: Real Defense

Data management and protection are hot topics in the financial sector. Schemes handle sensitive financial information which makes it a significant target for hackers and data breaches



3. Cloud Goes Vertical

An important advantage of a cloud-based system is the **continual updating of information**, which allows to analyze data and make decisions based on cutting-edge information



TECHNOLOGY SHAPING THE FUTURE

4. Artificial Intelligence (AI): Automating at Scale

As the application of AI to create self-learning systems continues to be integrated into accounting tasks, minute taking technological systems will take on repetitive and time-consuming jobs, leaving the analytical and managerial tasks to humans



- a) **Predictive Analytics:** AI can **analyze vast datasets** to predict investment outcomes, identify potential biases, and optimize trading options
- b) **Natural Language Processing:** This technology enables automated financial summarization, **taking minutes**, research and even profile clients and draft contracts
- c) **Virtual Support:** While not a complete replacement for human support, AI can assist in preliminary clients' profile, routine decisions and even investment advice

TECHNOLOGY SHAPING THE FUTURE



6. Big Data Analytics

Investing is significantly becoming more analytical, and technology will help push trading from reactionary and transactional to proactive and analytical

6. Virtual and Augmented Reality (VR/AR)

- a) **Immersive Information Presentation:** VR can create realistic simulations of transaction outcomes, or other outcomes.
- b) **Remote Meetings:** AR can overlay digital information onto the physical world, enhancing the experience for remote participants.
- c) **Information Dissemination:** VR/AR can provide immersive training experiences to potential clients.



TECHNOLOGY SHAPING THE FUTURE

7. Facial Recognition & Biometrics

- a) **Identity Verification:** Biometric data can be used to **verify** the identity of clients
- b) **Surveillance:** Facial recognition technology can aid in **confirmation** of legitimate clients



8. Online Dispute Resolution (ODR)

- a) **Accessible Justice:** ODR platforms provide a convenient and **cost-effective** way to resolve disputes without the need for in-person court appearances.
- b) **Mediation and Arbitration:** AI-powered tools can assist in mediation and arbitration processes, offering **neutral advice** and facilitating settlements.

CATALYST FOR CHANGE - TECHNOLOGY

Digital transformation is re-shaping the way the scheme operates from onboarding of members, trustees, staff and service providers to offboarding. It is a shift towards leveraging technology to improve corporate governance.

Examples of Key Areas of Digital Transformation in the scheme:

1. Member Management

- a) **Centralized Databases** – Digitizing documents streamlines member management procedures
- b) Workflow **Automation** – Automating routine tasks such as scheduling consultations, sending information saves time and reduces errors
- c) **Electronic Filing** – Allowing members to lodge documents online reduces paperwork and improves transparency and accessibility

2. Online Dispute Resolution

- a) **Mediation & Arbitration** – Providing online platforms for mediation and arbitration allows for more efficient and **cost-effective** dispute resolution
- b) **Negotiation Tools** – Offering tools for online negotiation can help parties reach settlements without resorting to court.

3. Client Support

- a) **Virtual Meetings** – Using video conferencing technology for some of the member engagement and board meetings **reduces travel time and costs** for the scheme
- b) **Digital Support Documents** – Presenting digital documents **enhances scrutiny** and efficiency
- c) **Transcription & Recording** – Automated transcription and recording systems **improves accuracy** and reduce the need for manual note-taking



TECHNOLOGY: CATALYST FOR CHANGE



4. Research & Analysis

- a) **AI-Powered Research** – Using AI to analyze databases can help the scheme to find relevant information to support strategic outcomes more efficiently
- b) **Predictive Analytics** – Analyzing historical data to predict trading outcomes can assist in strategy and decision-making
- c) **Online Courses** – Cost effective means for the scheme to capacity build their staff and Trustees



5. Access to Information

- a) **Online Records** - Providing public access to records enhances transparency and accountability
- b) **Information Portals** – Offering online portals with relevant information and resources can empower stakeholders to understand and make informed decisions avoiding potential disputes from decisions made from ignorance

BENEFITS OF DIGITAL TRANSFORMATION

- 1. Improved Efficiency:** Automation of tasks and processes reduces workload and improves turnaround times
- 2. Enhanced Transparency:** Digital records and public access to information increase transparency and accountability
- 3. Increased Accessibility:** Member portal promotes accessibility to member in remote areas
- 4. Reduced Costs:** Digitization can reduce operational costs, such as paper consumption and travel expenses
- 5. Improved Decision Making:** Data-driven insights can inform better decision-making by the Trustees

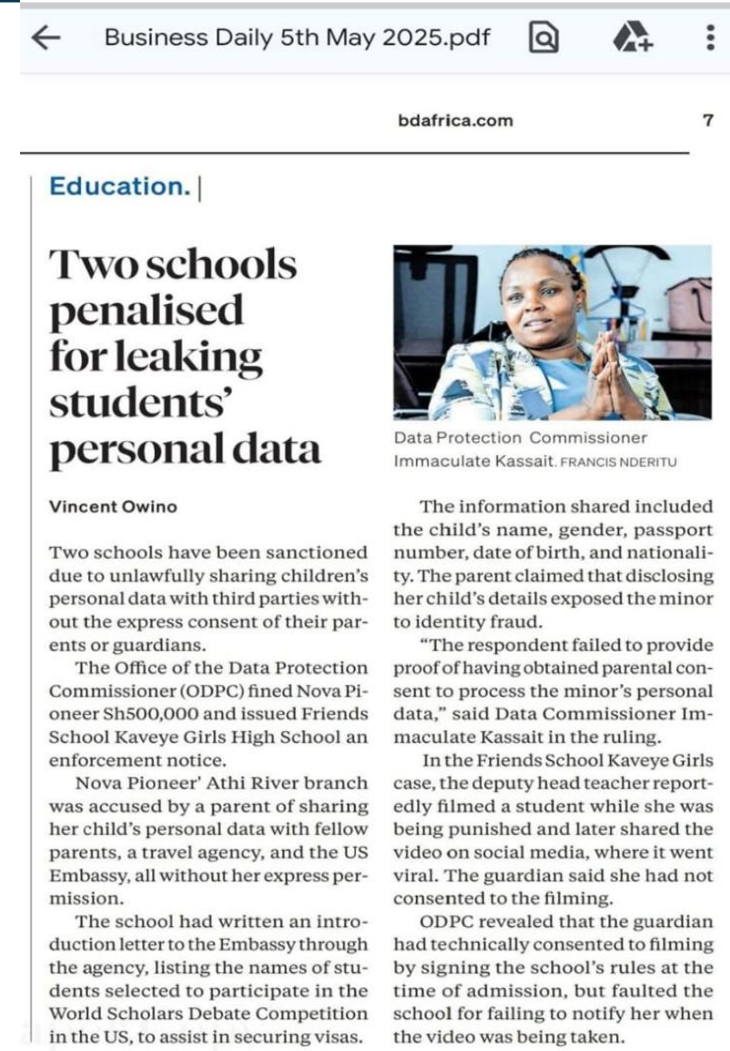


“The digital race is not between the big and small but between the most agile and the ones resistant to change”

CHALLENGES OF DIGITAL TRANSFORMATION



1. **Digital Divide:** Ensuring equitable access to technology is crucial to prevent further marginalization of disadvantaged groups
2. **Data Privacy & Security:** Protecting sensitive data and preventing cyber attacks is a top priority. Robert Kioko & Ferdinand Metropolis Star Lab fined Ksh.500,000/= for WhatsApp spam, privacy violations. (Sept 2024)
3. **Resistance to Change:** Overcoming resistance to change from within can be challenging
4. **Ethical Implications:** The use of AI and other emerging technologies raises ethical concerns related to bias and accountability



Thank you



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