



BOARD GOVERNANCE: STRUCTURE, FUNCTIONS , COMPOSITION AND OPERATIONS



- ▶ Strong governance ensures sustainability and trust
- ▶ Trustees must act in best interest of members
- ▶ Compliance + strategy + risk oversight are core
- ▶ Good governance reduces legal and financial exposure

Purpose of the Retirement Benefits Act



- ▶ Protect members and beneficiaries
- ▶ Ensure proper management of retirement funds
- ▶ Promote transparency and accountability
- ▶ Establish regulatory oversight (RBA)

- ▶ Trustee – Person responsible for managing scheme
- ▶ Scheme – Retirement benefits arrangement
- ▶ Sponsor – Employer funding the scheme
- ▶ Beneficiary – Member entitled to benefits

- ▶ Accountability – Answerability for decisions
- ▶ Transparency – Open and timely disclosure
- ▶ Fairness – Equal treatment of stakeholders
- ▶ Responsibility – Ethical and lawful conduct

- ▶ The Constitution of Kenya 2010
- ▶ Retirement Benefits Act (Cap 197)
- ▶ Good Governance Guidelines (2018)
- ▶ Retirement Benefits Regulations
- ▶ Treating Customers Fairly Guidelines
- ▶ Data Protection Act, 2019

- ▶ Provide strategic direction
- ▶ Safeguard member interests
- ▶ Ensure compliance
- ▶ Oversee service providers

- ▶ Proper size and composition
- ▶ Skills diversity (finance, legal, actuarial)
- ▶ Gender balance
- ▶ Defined tenure and succession planning

- ▶ Strategy setting
- ▶ Financial oversight
- ▶ Risk management
- ▶ Policy approval

- ▶ Investment Committee
- ▶ Audit & Risk Committee
- ▶ Strategy / Finance Committee
- ▶ Delegated authority with accountability

- ▶ Failure to safeguard member data
- ▶ Conflict of interest
- ▶ Lack of proper documentation
- ▶ Weak oversight of service providers
- ▶ Non-compliance with regulations

- ▶ ODPC Case – Data breach liability
- ▶ RBA enforcement actions on trustees
- ▶ Courts affirm fiduciary duty of trustees
- ▶ Key lesson: accountability and compliance are non-negotiable

- ▶ Continuous trustee training
- ▶ Performance evaluation
- ▶ Strong risk management systems
- ▶ Clear stakeholder communication
- ▶ Forward-looking strategy

Conclusion



- ▶ Governance is a strategic asset
- ▶ Trustees must balance compliance and performance
- ▶ Strong boards build sustainable schemes

"If you don't know where you are going, you'll end up someplace else"

By Yogi Berra



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