



Public Service Superannuation Fund

DRAFT PSSF STRATEGIC PLAN

2023–2027

April 2024



Vision

“A trusted retirement benefits provider”

Mission

“To provide quality retirement benefits to members by collecting, optimally investing and protecting members’ savings and paying members and their beneficiaries”

Core Values

Responsiveness

Independence

Fairness

Transparency and Accountability

Integrity

Teamwork

FOREWORD

Public Service Superannuation Scheme (PSSS) established through PSSS Act of 2012 is the product of the pension reforms in the Public Sector which were started in 2010 by the Government of Kenya. A critical component of these reforms was transition from a non-contributory defined benefit scheme to contributory defined contribution scheme with an aim of managing the ballooning pension burden on the Exchequer.

Since its commencement on 1st January 2021 the Scheme's membership, contributions and investments have risen exponentially. The Scheme's membership comprises of civil servants, teachers and disciplined services personnel. As at 1st July 2023, the Scheme had 403,421 members and a Fund value of over Kshs. 80 billion. The momentum is expected to be maintained due to the increasing membership and the implementation of the third and final phase of employees' contribution at 7.5% of the basic pay as at 1st January 2023 having progressed from 2% and 5% in the first year (2021) and second year (2022) respectively.

It is in line with this that the Board of Trustees of the Public Service Superannuation Fund (PSSF) has come up with the inaugural PSSF Strategic Plan 2023/2027 which will steer the Fund to the next level of growth and success. The aim of preparing this Plan is to ensure that the Fund plays its rightful role in the economic development of the country. This will be realized through mobilization of savings from the employees and employers. This will help in the mobilization of capital for investment in both private and public sectors in areas such as the housing economy and infrastructural development. In the long-term, Government expenditure on pension obligations is expected to stabilize generating budgetary savings which can be directed to other sectors of the economy. Further a contributory regime is expected to deliver optimum retirement outcomes to the members, resulting from investment and prudent management of the funds. This in turn will reduce Government spending in alleviating old-age poverty through initiatives like the current cash transfers.



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The Plan appreciates the challenges that have faced the Fund since its commencement and endeavours to bring out the lessons learnt and the solutions to avoid and overcome similar obstacles in the future. The achievements of the Fund, both past, present and in the future, have been and will be the product of the collaborative efforts and partnerships with all the Stakeholders in the industry. Therefore, the Plan seeks to bring out this relationship and outlines the strategies of enhancing the synergy to ensure that success is achieved in the outlined Key Strategic Objectives for the benefit of all.

Notably the Strategic Plan will lay focus in ensuring that the Scheme becomes the most trusted retirement benefits provider in the country by providing quality pension services to its members. This will be anchored in the core values of the Fund to which its governance is enshrined.

Deliberately there will be monitoring to ensure the Fund remains within the objectives set out in the Strategic Plan. Ultimately an evaluation on the objectives established and the laid-out strategies to achieve them will be carried at the various stages of implementation of the plan drawing key learning points. This will ensure that the Fund remains on course to achieving the set out goals and establishes the framework to review and prepare the second Strategic Plan for the Fund.

This Strategic Plan, consequently, ensures the Fund will have the necessary framework for executing its core mandate. It will also help it in tracking the performance on the set strategic objectives towards the envisioned pension reforms in the public sector and for the overall economic development of the country.

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CHAIRPERSON

PREFACE AND ACKNOWLEDGEMENT



DR. JONAH AIYABEI, PhD

I am pleased to present PSSF's Strategic Plan for the period 2023-2027. This is the inaugural strategic plan for the Fund. The Strategic Plan was developed through an intense and rigorous process of thought, consultative forums involving extensive document reviews and brainstorming sessions with the key stakeholders' engagement.

The development of this Strategic Plan has been guided by various key documents and policies, including the Constitution of Kenya 2010; the Public Service Superannuation Scheme Act, No 8 of 2012; the Retirement Benefits Act, 1997

and its subsidiary legislations; the long-term Development plan - Kenya Vision 2030; the Fourth Medium Term Plan (MTP IV); the Executive Order No. 1 of 2023; as well as relevant government policies, circulars, and guidelines. We have taken into consideration the Government Economic Recovery Agenda, which is anchored on the Bottom-up Economic Transformation Agenda (BETA) aimed at driving economic turnaround and inclusive growth.

This Plan will be a guiding tool in the operations of the Fund activities that are geared towards reaping maximum return on investment of the members' funds so that we enhance the retirement benefits payable to members. To achieve this, we will focus on fund sustainability and enhanced replacement income; efficient fund administration; member and stakeholder interests; service delivery, support system and innovation; and institutional capacity development, while contributing to social security to members of the Fund and their beneficiaries.

As an integral part of the retirement benefits sector, PSSF is committed to providing reliable and robust retirement benefits to its members, while upholding the highest standards of financial discipline, accountability, and transparency in our operations. We are confident that this strategic plan will enable us to achieve our vision of being a trusted retirement benefits provider in Kenya, and contribute to the overall economic growth and development of the country.

I look forward to the successful implementation of PSSF's strategic objectives and the positive impact it will have on the retirement benefits of public servants in Kenya.

I extend my gratitude the Government of Kenya, particularly the National Treasury and Economic Planning, for their unwavering support in enabling us to fulfill its mandate of providing retirement benefits to public servants and the Retirement Benefits Authority (RBA and the employers in the public sector whose employees form membership of PSSF). I further extend my appreciations to all those who contributed to shaping this strategic plan, specifically the PSSF Board of Trustees for the strategic guidance, support and active participation in the process. The dedicated management and staff who provided the much-needed analysis and drafting of the Plan with support of the Contract Implementation Team. The University of Nairobi Enterprises and Services Ltd team for technical oversight throughout the entire process.

DR. JONAH AIYABEI, PhD
CHIEF EXECUTIVE OFFICER/SECRETARY TO THE BOARD

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CONCEPTS AND TERMINOLOGIES

Administrator: means a body corporate or a person appointed by the Board as such under section 35 the Public Service Superannuation Scheme Act;

Beneficiary: means a member of a retirement benefits scheme or a dependant who is entitled to receive a benefit from the scheme following the death of the member.

Benefits: These are any payments made to a beneficiary, including lump sums, retirement benefits payments, death, survivors and invalidity benefits.

Contributory Retirement Benefits Scheme: means a retirement benefits scheme which requires contributions to be made by active members of the scheme.

Custodian: means a cooperate body appointed by the Board to maintain all pension funds and assets in its custody to the exclusive order of the Board;

Defined benefit scheme: This is a scheme in which the benefits are defined by a formula in the scheme rules and accrue independently of the contributions payable and investment returns.

Defined contribution scheme: This is a scheme in which the benefits are dependent on the level of contributions payable and investment returns.

Dependant: means any relative who wholly or substantially dependents on a member of the Public Service Superannuation Scheme in provision of the ordinary necessities of life suitable;

Disciplined services: means the National Police Service, the Prisons Service and the National Youth Service;

Fund Manager: means a corporate body appointed Board to develop an investment strategy, invest, manage the Scheme funds and assets and provide regular reports on fund performance

Member: means a public servant recognised in section 5 of the Public Service Superannuation Scheme Act, 2012 and enrolled to the scheme.

ACRONYMS AND ABBREVIATIONS

APTAK	Association of Pension Trustees and Administrators
ARBS	Association of Retirement Benefits Pension Schemes
BCP	Business Continuity Plan
CBK	Central Bank of Kenya
CMA	Capital Markets Authority
CPD	Continuous Professional Development
CS	Cabinet Secretary
CSR	Corporate Social Responsibility
DRP	Disaster Recovery Plan
ICIFA	Institute of Certified Investment and Financial Analysts
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communication Technology
IHRM	Institute of Human Resources Management
IRA	Insurance Regulatory Authority
KISM	Kenya Institute of Supplies Management
KNUT	Kenya National Union of Teachers
KUPPET	Kenya Union of Post Primary Education Teachers
KRA	Kenya Revenue Authority
KISM	Kenya Institute of Supply Chain Management
MDCAs	Ministries, Departments, Counties and Agencies
MoU	Memorandum of Understanding
MTP IV	Fourth Medium Term Plan
NPS	National Police Service

NSSF	National Social Security Fund
OECD	Organisation for Economic Co-operation and Development
PESTELE	Political, Economic, Social, Technological, Environmental, Legal and Ethics
PPRA	Public Procurement Regulatory Authority
PS	Permanent Secretary
PSC	Public Service Commission
PSSF	Public Service Superannuation Fund
PSSS	Public Service Superannuation Scheme
PFM	Public Finance Management
QMS	Quality Management System
REITS	Real Estate Investment Trusts
RBA	Retirements Benefits Authority
sBSC	Sustainability Balanced Scorecard
SCAC	State Corporations Advisory Committee
SDGs	Sustainable Development Goals
SRC	Salaries and Remuneration Commission
SWOT	Strengths, Weaknesses, Opportunities and Threats
TDPK	Trustee Development Training Programme Kenya
TSC	Teachers Service Commission
UKCS	Union of Kenya Civil Servants
UNES	University of Nairobi Enterprises and Services Ltd

EXECUTIVE SUMMARY

Public Service Superannuation Fund (PSSF), which is operated and managed by a Board of Trustees, is established under Section 9 of the Public Service Superannuation Scheme (PSSS) Act (Act No 8 of 2012). The functions of PSSF are set out in section 11 of the PSSS Act, 2012.

To achieve its core mandate, PSSF developed the 2023–2027 Strategic Plan guided by the Revised Guidelines for Preparation of the Fifth-Generation Strategic Plans issued by the National Treasury and Economic Planning through the State Department of Economic Planning in June, 2023 and other relevant sectoral policies and laws. This Plan provides PSSF’s strategic focus and direction for the period 2023-2027 that will enable PSSF offer quality pension and other benefits services to its members and their dependants by collecting, optimally investing and protecting members’ contributions.

The plan is anchored on the government blue print Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV) and the Bottom-up Economic Transformation Agenda (BETA). Other issues considered include the international development agenda as enshrined in the Sustainable Development Goals (SDGs) and the Africa Agenda 2063.

The Strategic Plan charts the way forward for PSSF over the next five years. It considered its successes, challenges and lessons learnt since its inception in 2021. The following are the key achievements: appointment of the Board of Trustees as per section 10 of the PSSS Act, 2012; Establishment of the secretariat for the Fund as an administrative arm of the Board of Trustees; Registration of PSSF by RBA; Onboarding of the Fund’s key service providers i.e., Fund Manager, Fund Administrator and Fund Custodians; Implementation of the phased member contribution in the first three years after the commencement at the rates of 2%, 5% and 7.5% of basic salary pursuant to section 52 of the PSSS Act, 2012; Schemes membership growth from 330,318 members in January 2021 to 403,421 as at April 2023 with the Scheme’s Fund value growing to Kshs. 80 billion at June 2023; successfully sitting of Scheme’s inaugural annual general meeting on 30th June 2023; Development of the Fund’s policies including the Investment Policy Statement; Development of the Scheme’s member information handbook and catalogues among others.

The situational analysis was conducted on both the internal and external environment of the Authority with a view of identifying macro environmental factors that affect implementation of the strategic objectives and strategies. The analysis also assesses the Fund’s governance and administrative structures,

internal business processes, resources and capabilities, as well as stakeholders to successfully deliver the strategies in the Strategic Plan 2023-2027. The outcome of this analysis has together with the review of other documents led to the identification of the following five (5) strategic issues: sustainability in provision of retirement benefits, inadequate pension administration structures and systems, member centric driven services, business process efficiency, and corporate governance and human resource development.

To address this issues the crafted Vision of the fund will be **“A trusted retirement benefits provider”**. The guiding mission will be **“To provide quality retirement benefits to members by collecting, optimally investing and protecting members’ savings”**. All these will be anchored on the core values of responsiveness, independence, fairness, transparency and accountability, integrity and teamwork.

The Fund has subsequently outlined five (5) Key Result Areas (KRAs) namely: To achieve this, we will focus on fund sustainability and enhanced replacement income; efficient fund administration; member and stakeholder interests; service delivery, support system and innovation; and institutional capacity development. The PSSF 2023-2027 has proposed an effective implementation and coordination framework to ensure achievement of its six (6) set objectives namely; to achieve financial growth and sustainability; to enhance efficiency and effectiveness in collection of contributions, records management and discharge of benefits; to improve customer experience; to enhance business processes efficiency; strengthen human capital and to strengthen the legal framework and corporate governance. a detailed implementation matrix which outlines which key activities are to be undertaken, when, by whom and at what cost for the objectives under each KRA to be achieved has been presented.

To ensure that the strategies have requisite resources in terms of, skills and competencies, a detailed analysis of available versus optimal skills, competences, leadership structures, systems and procedures has been undertaken. All the activities in the plan have also been carefully costed giving a budget requirement of approximately Kshs. ~~XXXXXXXXXXXXXX~~ to implement for the five years.

To demonstrate commitment to the planned target, a thorough analysis of the risks was conducted out which the mitigation mechanisms are based. The identified risks have been categorized into high, medium, and low levels. The plan is concluded by a brief highlight of a robust monitoring and evaluation framework has been developed. This framework will help in measuring the outputs, outcomes and impacts over the plan period.

CHAPTER ONE: INTRODUCTION

This Chapter presents the imperative for strategy on the outcomes of Public Service Superannuation Fund (PSSF). It provides the context within which the plan was prepared with respect to global, regional and national development issues and international frameworks. It further sets the steps followed in the development of the plan.

1.1. Strategy as an Imperative for PSSF's Success

Retirement benefits schemes play a pivotal role in promoting socio-economic development. Contributory schemes, being institutional investors, collect and invest contributions from employers and employees with the view of generating returns to meet the post-service pension requirements of members and their beneficiaries. The Fund's success in terms of growth and performance is anchored on the Fund playing its role in supporting the government agenda of socio-economic development. The positive externalities of mobilization of capital for investments will result in the Fund's investment success and a positive impact on socio-economic development.

This Strategic Plan has been formulated to document PSSF's intended direction to ensure prioritization of efforts, effective allocation of resources and alignment of stakeholder and the Fund's goals. Through this Plan, the Fund commits to address issues proactively, systematically, and with a long-term view, in order to enhance overall performance.

In developing the strategic plan, PSSF has considered various factors in its operating environment to ensure responsiveness. These factors include the changing environment, dynamic customer needs and expectations, usage and access to pension services for public servants, and adoption of sustainability practices. Implementation of the PSSF Strategic Plan 2023-2027 will enhance the institutions competitive advantage in the pensions industry.

1.2. The Context of Strategic Planning

This strategic plan was developed in consideration of National Development Priorities as espoused in the Constitution of Kenya 2010; the Kenya Vision 2030, the Fourth Medium-Term Plan 2023/2024 – 2027/2028; Bottom-Up Economic Transformation Agenda (BETA) 2022 – 2027 and other regional and global plans namely: The East African Community Vision 2050; African Union Agenda 2063; the United Nations (UN) 2030 Agenda for Sustainable Development; and other international and regional treaties and conventions.

1.2.1. United Nations 2030 Agenda for Sustainable Development

Sustainable Development Goals (SDGs) consist of 17 global goals that were adopted by the United Nations General Assembly (UN-GA) in 2015. The goals were meant to guide interventions aimed at combating poverty, hunger, disease, illiteracy among others with an end goal of "shared peace and prosperity for people and the planet, now and into the future. Based on its mandate, PSSF will focus on the following two goals in **table 1.1**.

Table 1.1: PSSF’s mandate and its role in United Nations SDGs

Goal No.	SDG Description	PSSF’s Action in the Plan period
1.	SDG 1: No Poverty - End poverty in all its forms	<i>PSSF will enhance national social protection systems through provision of income post-retirement, which is key in poverty reduction among scheme members.</i>
2.	SDG 3: Good health and well-being	<i>PSSF provides retirement benefits to members that leads to financial independence enabling them to meet medical needs and afford them decency in retirement</i>

1.2.2. African Union Agenda 2063

The African Union (AU) Agenda 2063 is the blueprint and master plan for transforming Africa into a global powerhouse by 2063. The agenda aspires to have a prosperous Africa based on inclusive growth and sustainable development. PSSF contribution to Agenda 2063 aspirations in this plan period is as outlined in **table 1.2**.

Table 1.2: PSSF’s Role in African Union Agenda 2063 Aspirations

S/No.	Aspiration Description	Strategic Response by PSSF
1.	Aspiration No.1: Prosperous Africa based on inclusive growth and sustainable development	<i>Receiving members contribution, investing, earning income on investment and timely payment of the accrued benefits as they fall due.</i>
2.	Aspiration No.3: An Africa of good governance, democracy, respect for human rights, justice and the rule of law	<i>PSSF will establish and strengthen governance structures and systems that will promote transparency and accountability in management and payment of members benefits.</i>
3.	Aspiration No.6: An Africa, whose development is people-driven, relying on the potential of African	<i>Establish and promote equity and equality by enhancing diversity; Inclusivity; institutions competency</i>

S/No.	Aspiration Description	Strategic Response by PSSF
	<i>people, especially its women and youth, and caring for children</i>	<i>and skill sets thereby facilitating growth and sustainable development</i>

1.2.3. East Africa Community Vision 2050

The Vision 2050 lays out East Africa’s perspective towards optimizing the utility of existing resources and narrowing the gap in terms of social wellbeing and productivity. The vision is anchored on Six (6) pillars namely: Infrastructure Development; Agriculture, Food Security and Rural Development; Industrialization; Natural Resources and Environment Management; Tourism, Trade and Services Development; and Human Capital Development.

PSSF contributes to these pillars in various ways including:

- a) Infrastructural development pillar: PSSF being a pension fund shall generate capital which can be directed towards investment in infrastructure related assets. This is can be through investments in strategic infrastructure securities or infrastructure projects that are within the strategic aspirations of the Fund.
- b) Enablers for Implementation of the Vision 2050: PSSF will continue to support the Vision 2050 pillar on Human Capital development by building staff capacity and skills on matters relating to management of retirement benefits. The focus will be on both present and anticipated market training needs and demands within the pensions industry.
- c) PSSF will contribute to the Social Security and Social Protection aspirations of the vision 2050 through provision of old age benefits to members of the Scheme and their beneficiaries. The Fund will also participate in the review and harmonization of the national social security policies, laws and systems.

1.2.4. Constitution of Kenya

The Fund operates within the confines of the Constitution of Kenya (CoK) in execution of its mandate. The Constitution of Kenya 2010 identifies pension as a national function under the Fourth Schedule. **Table 1.3** highlights constitutional provisions relevant to PSSF’s mandate.

Table 1.3: Provisions of Kenyan Constitution relevant to PSSF’s mandate

S/No.	Article of the Constitution	Role of PSSF
1.	Article 10 on national values and principle of governance	To observe values including patriotism, the rule of law, human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and principles of good governance, integrity, transparency, accountability, and sustainable development.
2.	Chapter six on principles of Leadership and Integrity	Responsible leadership based on integrity, competence, objectivity and impartiality, non-corrupt practices, public interest, honesty, accountability, discipline and commitment.
3.	Article 43 (1) (e), on economic and social rights (the right to social security.)	Provision of retirement benefits to members as outlined in the PSSS Act, 2012.
4.	Fourth Schedule: Function 14 that assigns the national government the role of Consumer protection, including standards for social security and professional pension plans	Consistent with PSSF Objects, the fund will establish a uniform set of rules, regulations and standards for the administration and payment of retirement benefits for members of the Scheme

1.2.5. Kenya Vision 2030, Bottom-up Economic Transformation Agenda (BETA) and Fourth Medium Term Plan

1.2.5.1 Kenya’s Vision 2030

Kenya’s Vision 2030 is the country’s long-term development blueprint which seeks to transform Kenya into a newly industrializing upper middle-income country providing a high quality of life to all its citizens by 2030. The Vision 2030 is anchored on three pillars namely the Economic, Social and Political pillars. The Fund contributes to all the three pillars in the following ways:

- a) **Economic pillar:** The Fund will support the creation of a vibrant and globally competitive financial sector in Kenya by promoting savings and investments in the capital markets and property.
- b) **Social pillar:** The Fund will promote social security of members and their beneficiaries to attain better quality of life upon occurrence of eventualities occasioned by loss of life, retirement and loss of employment. This contributes to the attainment of objectives on inclusive growth and sustainable development.

- c) **Political pillar:** The Fund will contribute to the pension legal and policy reforms geared towards establishing uniform set of rules, regulations and standards for the administration retirement benefits.

1.2.5.2 Bottom-Up Economic Transformation Agenda (BETA)

The Bottom-Up Economic Transformation Agenda (BETA) is a plan by the Government geared towards economic turn-around and inclusive growth through a value chain approach. Among the strategic interventions in BETA that PSSF will contribute to include:

- a) **Infrastructure:** PSSF being a pension fund shall generate capital which can be directed towards investment in infrastructure related assets including housing.
- b) **Social protection:** PSSF will contribute to the establishment a social security system which promotes better quality of life through provision of income upon occurrence events attributable to sickness, loss of employment, loss of life and old age.
- c) **Environment and climate change:** PSSF shall establish a framework to foster the principles of sustainability through environmental conservation, clean energy and good governance.

1.2.5.3 The Fourth Medium Term Plan (MTP IV)

The Fourth Medium Term Plan (MTP IV) aims to implement strategic interventions for economic recovery while reducing poverty and income inequality through five sectors namely: Finance and Production; Infrastructure; Social; Environment and Natural Resources; and Governance and Public Administration. PSSF's areas of intervention will be as follows:

- a) **Infrastructure Pillar:** PSSF being a pension fund shall generate capital which can be directed towards investment in infrastructure related assets including housing.
- b) **Social pillar:** PSSF will promote better quality of life through provision of income upon occurrence events attributable to sickness, loss of employment, loss of life and old age.
- d) **Environment and Natural Resources pillar:** PSSF shall promote an investment strategy which factors in sustainability considerations.
- c) **Governance and Public Administration pillar:** PSSF will promote accountability and good governance by establishing and strengthening support systems and structures.

1.2.6. Sector Policies and Laws

The pension industry in Kenya is managed by a robust and progressive legal framework which is composed of a number of statutes and regulations. They include the Retirement Benefits Act No.3 of 1997 and attendant regulations/guidelines/practice notes, Public Service Superannuation Scheme (PSSS) Act (Act No 8 of 2012), the Pensions Act Cap.189, Pensions Increase Act Cap.190, Widows' and Children's Pensions Act Cap.195, Parliamentary Pensions Act Cap.196, Presidential Retirement Benefits Act No. 11 of 2003, Retirement Benefits (Deputy President and designated State Officers) Act No.8 of 2015, Kenya Defence Forces (Pensions and Gratuities) Regulations 2017, National Social Security Fund Act, No, 45 of 2013 and government circulars issues from time to time.

These statutes and regulations govern the establishment, administration, and management of pension schemes in Kenya. They also set out the rights and benefits of members of pension schemes, as well as the responsibilities of employers and trustees. The legal framework for pensions in Kenya is designed to ensure that members of pension schemes receive fair and equitable treatment, and that their retirement benefits are managed prudently.

1.3. History of PSSF

Pension provision for Government officers in Kenya commenced in 1921 with the enactment of the European Officers Pensions Act. Several other legislations were put in place predominantly applying to European and Asian officers who were in the service during the period. In 1946 the first pension scheme for African officers was set up under the Pensions Act Cap. 189. These schemes were non-contributory with the benefits being paid out of the Consolidated Fund through a *Pay-As-You-Go* arrangement. In 1966 a contributory scheme for widows and children of male officers was established. The benefits for all these pension arrangements were paid from the consolidated funds.

The model of payment of retirement benefits directly from the Exchequer resulted in increase in the wage bill. According to the statistics from the parliamentary budget office, the government pension expenditure increased from Sh2.45 Billion in the 2013/2014 financial year to Sh189.09 Billion in the 2023/2024 financial. This adverse experience necessitated the introduction of reforms in the pensions industry.

Consequently, the government through the National Treasury issued a Treasury Circular No. 18/2010 on 24th November 2010. The circular provided guidelines for setting up retirement benefits schemes and served as directive to convert all

defined benefit schemes to defined contribution schemes thereby providing a framework for sharing of costs in funding scheme benefits between the employer and the employee. The circular paved way for the establishment of Public Service Superannuation Scheme through the enactment of the Public Service Superannuation Scheme (PSSS) Act 2012. However, the implementation of the PSSF act did not commence immediately.

In order to fast-track the implementation of the Act, the Salaries and Remuneration Commission (SRC) and the National Treasury in collaboration with other key stakeholders held a National Wage bill Conference in November 2019. Arising from the deliberations and resolutions from the meeting, the Cabinet Secretary (CS), National Treasury issued a Legal Notice No. 156 that was published in the Kenya Gazette Supplement No. 146 of 12th August 2020 appointing members of the Board of Trustees with the mandate of managing and operating the Fund.

In light of that, the implementation of the Act commenced on 1st January 2021 with the Fund providing retirement benefits to Civil Servants, Teachers employed by the Teachers Service Commission and Disciplined Services Personnel comprising the Kenya Police Service, Kenya Prisons Service and National Youth Service. Upon the implementation of the Act, the Non-Contributory pension Scheme under the Pensions Act Cap 189 was closed to new entrants with effect from 1st January 2021.

1.4. Methodology of Developing the Strategic Plan

The development this Strategic Plan was a consultative process that involved the Board of Trustees who gave the overall guidance in the process; PSFF management and staff who provided the required information and data; UNES as the lead consultant who provided the technical support required and the general stakeholder fraternity who validated the draft for input, concurrence and ownership.

The process entailed holding various forums to undertake the desk review of the secondary data; brainstorming and designing the strategic direction that involved coming up with the vision, Mission and Strategic goals, objectives and key interventions for the plan period; reviewing and documenting achievements since inception of PSSF; setting targets and allocating budgets; developing of the implementation plan; designing the monitoring, evaluation and reporting framework; validation by stakeholders; editing, printing, launching and dissemination of the Strategic Plan to the various stakeholders.

CHAPTER TWO: STRATEGIC DIRECTION

This chapter outlines the strategic direction for PSSF which constitutes the vision, the mission, the goals, the core values, and the quality policy statement.

2.1. Mandate

The Public Service Superannuation Fund (PSSF) was established under the Public Service Superannuation Scheme Act, No. 8 of 2012 with a mandate of providing retirement benefits to Civil Servants, Teachers employed by the Teachers Service Commission and Disciplined Services Personnel comprising Kenya Police Service, Kenya Prisons Service and National Youth Service.

2.1.1. Object and purpose of the Scheme

Section 3 of the PSSS Act 2012 establishes the Public Service Superannuation Scheme whose objects and repurpose include:

- a) Pay retirement benefits to members of the Scheme;
- b) Ensure timely payment of benefits to members as and when they become due.
- c) Improve the social security of members; and
- d) Establish a uniform set of rules, regulations and standards for the administration and payment of retirement benefits for members of the Scheme

2.1.2. Board of Trustees, Objects and Functions

The Fund is managed and operated by the Board of Trustees consisting of nine (9) members. In accordance to section 11 of the PSSS Act,2012, the objects and functions include: -

- 1) collect contributions of members;
- 2) optimally invest the contributions collected;
- 3) protect members' contributions;
- 4) provide pension and other benefits to the members of the Scheme and their dependants;
- 5) advise the Cabinet Secretary on any necessary adjustments in the Scheme in order to realize its objects under paragraph (a), (b) and (c);
- 6) perform such other function as may be conferred on it by the Act or under any other written law.

2.2. Vision Statement

“A trusted retirement benefits provider”

2.3. Mission Statement

“To provide quality retirement benefits to members by collecting, optimally investing and protecting members’ savings and paying members and their beneficiaries”

2.4. Strategic Goals

During the plan period, PSSF shall focus on implementing and delivering its institutional mandate under five Strategic Goals (SGs) namely.

- 1) Enhance sustainability in provision of retirement benefits
- 2) Create robust structures and systems for pension administration
- 3) Transforming member and stakeholder experience
- 4) Institutionalize business transformation
- 5) Strengthen institutional policy and legal framework, and human resource capacity

2.5. Core Values

To effectively execute its mandate, PSSF is committed to adhere to the following core values that provide standards of behaviour:

- 1) ***Responsiveness:*** The Fund commits itself to align its programmes and operations to the expectations of all stakeholders through timely and effective response, and innovativeness to attain the highest standards in service delivery.
- 2) ***Independence:*** The Fund will uphold self-directional decisions in the conduct of its business in full conformity to the relevant Acts, Regulations and guidelines.
- 3) ***Fairness:*** The Fund will be impartial in its operations and services to the members and other stakeholders without any form of discrimination whatsoever.
- 4) ***Transparency and Accountability:*** The Fund will be honest, open and ensure clarity in the execution of its programmes and operations as an integral pillar of good corporate governance.
- 5) ***Integrity:*** The Fund will uphold strong moral and ethical principles including confidentiality, prudence, reasonable care, competence and

diligence in the execution of its mandate to develop robust organizational culture.

- 6) **Teamwork:** The Fund will engage and collaborate with all stakeholders to attain the highest level of service delivery.

2.6. Quality Policy Statement

PSSF is committed to providing retirement benefits to its members and beneficiaries as provided for in the PSSS Act, 2012. In pursuit of this commitment, the Fund will:

- 1) Develop and promote a wide range of flexible and responsive retirement benefits products that address members needs and expectations towards accessing retirement benefits and related services;
- 2) Improve internal systems, processes and procedures through automation and digitization to enhance efficiency and effectiveness in service delivery and transform member experience;
- 3) Institutionalize good corporate governance practices focused on business continuity planning and risk management, internal quality controls system strengthening, enforcing ethical standards at all levels and enhancing compliance to pensions industry policy, legal and regulatory frameworks;
- 4) Enhance transparency, accountability, accuracy and reliability in data and information sharing while protecting member privacy in accordance to the data protection Act; and
- 5) Guarantee continuity and sustainability through investment portfolio diversification, engaging experienced providers and embrace research for innovation and informed decision making.

CHAPTER THREE: SITUATIONAL ANALYSIS AND STAKEHOLDER ANALYSES

This chapter outlines the environmental situational analysis and stakeholder outlook that are likely to shape the business of PSSF. These analyses provide a basis for development of the Fund’s strategic direction.

3.1. Situational Analysis

The section presents a view of both external and internal environment using PESTELE and SWOT analysis.

3.1.1. External Environment

The Fund is impacted either directly or indirectly by certain factors which exist in the external environment. The following section summarises these factors and how they affect the decisions and performance of the Fund.

3.1.1.1. Macro-environment

The macro-environment factors that impact PSSF together with the corresponding descriptions are outlined in **table 3.1**.

Table 3.1: Macro-Environment Factors

Category	Factor	Description
Political	Change of Government policies and priorities	Changes in governments comes with shifts in policy directions that are likely impact the scheme directly or indirectly. The current government focus on automation of services by public entities would affect the priorities of the fund and the budget that is directed towards advancement of ICT infrastructure.
	Regional integration	Adoption of policies which encourage movement of labour across borders within the region would affect the demographics of the Fund and benefit payments
	Trade Unions	Scheme members belong to trade unions that sit in the Board of trustees. This implies that the scheme is expected to involve the unions in decision making and foster agenda’s which comply with the aspirations of the unions Demands by Unions for increased salaries have a resultant effect of increasing contributions by the members and employers into the Fund
Economic	Interest rates	The Fund invests the contributions collected from employees and employers in the financial markets through permitted asset classes. The value these investments and the income realized by the Scheme fluctuates based on the level of interest rates in the market Such fluctuations affect the growth in the level of benefits for members and the size of the Fund. They also affect the revenue available to finance the Fund’s activities
	Inflation	Inflation reflects the change in the prices of goods and services in the market. High inflation rate implies that Fund acquirees goods and services at high costs which increases budgetary requirements for the Fund.

Category	Factor	Description
		<i>It also implies that members have skill expectations for higher rate of investment return to compensate for the loss of value of money and sustain a reasonable net replacement ratio</i>
	<i>Fiscal Policy</i>	<i>Expansionary or contractionary fiscal policies which affect tax rates leading to changes in benefit pay-outs and returns on investment</i>
	<i>GDP growth</i>	<i>The level of economic growth within the country affects the ability by employers to award salary increments to employees which results in high contribution rates for the Scheme. It also affects the ability by members to make additional voluntary contributions</i> <i>GDP growth also affects the prospects for employment and promotions within public service, thereby affecting the size of the Scheme in terms of membership</i>
	<i>Foreign exchange fluctuations</i>	<i>Foreign exchange fluctuations affect the level of attractiveness of the country to potential investors. This in turn affects the growth performance of the financial market and consequently the returns realized by the Scheme on its investments.</i> <i>Foreign exchange movements also affect the value of investments if the Scheme has exposure in offshore asset classes.</i>
	<i>Remittance of Contributions</i>	<i>Delay in remittance of contributions affect the sustainability of the scheme and the income replacement ratio due to lost investment income</i> <i>It may also result into costs associated to regulatory actions for breach of law and administrative actions in recovery of contributions and dispute resolution</i>
<i>Social</i>	<i>Demographic changes</i>	<i>The composition of the Scheme in terms of the age of the members affects the risk profile of the scheme and consequently the liquidity/cashflow requirements.</i> <i>This balance affects the investment strategy of the Fund</i> <i>Also, difference in age, gender, leads to divergent tastes and preferences of members which call for diversity in the range of products provided by the Scheme</i>
	<i>Cultural issues</i>	<i>Cultural factors affect the operations of the fund in terms of language and approach to be applied in the communication strategy of the Scheme</i> <i>It also affects the operations of the Fund in terms of nomination of beneficiaries for the purposes of discharging death benefits. This results in disputes in succession leading to delayed pension claim settlement.</i> <i>In addition, difference in religious belief such payment of interest implies that the scheme has to invest in products which meet the needs of all members e.g. Sharia compliant products</i>
	<i>Financial literacy level</i>	<i>This affects the level of access to information and member services</i>
<i>Technology</i>	<i>Emerging technologies</i>	<i>Adoption of technology by the Fund promotes efficiency in service delivery, reliability and accuracy of data for decision making</i>
	<i>Cyber security and data protection</i>	<i>Cyber threats expose the fund to the risks of fraud, loss/manipulation of data, financial loss and reputational damage</i> <i>This implies that the Scheme is expected to investment Cyber Security, Data Storage, BCP and ICT security policies and procedures</i>

Category	Factor	Description
		The Fund should also comply with the requirements of the Data Protection Act
	Automation of processes	Adoption of technology by the Fund promotes efficiency in service delivery, reliability and accuracy of data for decision making
Ecological	Environmental factors and climate change	<p>The risk of adverse climate change poses the risk of reduction in disposal income as a result of prolonged drought, flooding, forest fires hence affecting member contribution.</p> <p>It may also result in diversion of Government resources to mitigate the impact of the above leading to delayed remittance of contributions</p> <p>Therefore, the Fund should promote adoption and implementation of ESG initiatives and develop business continuity plan and disaster recovery plans</p>
Legal	Policy and legal framework	The legal and policy framework anchoring the Fund may have gaps, be outdated or conflict with other regulations/policies. This presents challenges in implementing the mandate of the Fund
	Litigation	<p>The Fund may experience litigation resulting from inadequate legal framework and/or administrative lapses</p> <p>Delay in conclusion of court cases will result in discharge of obligations of the Fund and financial losses due to legal Settlements and legal fees</p>
	Regulatory framework	Changes in the regulatory framework are likely to have implications of the Fund in terms of ease of operations and cost of compliance
	Changes in other legislations	Changes in taxation legislation and the Social Security legal framework could negatively affect the operations of the Fund
Ethical	Governance practices	Weak governance structures may expose the scheme to the risks of corruption/fraud, money laundering and conflict of interest. This would result in loss of members funds and reputational damage to the institution
	Leadership styles	Different leadership would affect the operations of the Fund.
	Professionalism	Lack of professionalism and integrity by the officers engaged by the Fund would affect the service standards of the Fund and the reputation of the Scheme

3.1.1.2. Micro-environment

Enumerated in **table 3.2** are some of the micro-environmental factors that are currently affecting the strategic direction of PSSF. They are likely to affect access to resources that are necessary for the achievement of the Fund's strategic objectives.

Table 3.2: Micro-Environment Factors

Factor	Description
Legal and regulatory framework	<p>The legal and policy framework anchoring the Fund has gaps, some provisions conflict with other regulations/policies and the PSSS Act is not supported by regulations. This presents challenges in implementing the mandate of the Fund</p> <p>In addition, the Fund may experience litigation resulting from inadequate legal framework and/or administrative lapses which would delay discharge of the Fund's obligations as a result of delays in conclusion of</p>

Factor	Description
	<p>court cases. The Court cases would also result in losses due to legal settlements and legal fees</p> <p>The inadequacies in the legal framework would be addressed through a review of the legal instruments and development of regulations to support the implementation of the Act</p>
Labour markets	<p>The membership of the scheme consists of employees who have representation through certain labour unions. These unions are also represented in the Board of Trustees. This implies that the scheme is expected to involve the unions in decision making and foster agenda's which comply with the aspirations of the unions</p> <p>Demands by Unions for increased salaries have a resultant effect of increasing contributions by the members and employers into the Fund.</p>
Service providers	<p>PSSF has engaged service providers to perform certain functions as delegated by the Board of Trustees. The performance of the Service Providers affects the attainment of the mandate of the Scheme. The conduct of the service providers could also subject the Fund to reputational risk.</p> <p>In addition, the Fund is subject to expected to fulfil the contractual agreements with the service providers. Consequently, the Fund is exposed to litigation risk if the contractual obligations are not properly managed.</p> <p>The Fund could manage this risk by establishing mechanisms for efficient contract management and regular monitoring of performance of the service providers</p>
Members and beneficiaries	<p>Members and beneficiaries of the Scheme have expectation to receive their benefits and other services deliver services from the Scheme within certain standards.</p> <p>If the Fund fails to achieve the standards, the members could result in undertaking actions which include:</p> <ol style="list-style-type: none"> i. Lodge complaints with the Fund ii. Report the Fund to the Retirement Benefits Authority iii. Appeal the failure by the Scheme to Administer Justice through other Authorities e.g. Ombudsman iv. Take legal action against the Scheme <p>The above actions would result in reputational damage and additional costs to the Scheme.</p> <p>The Fund can manage this risk by setting up structures, developing/implementing policies and automation of services to ensure that the Fund delivers requisite services to its members in a fast and convenient manner.</p>

3.1.2. Summary of Opportunities and Threats

Based on the analysis of the external environment, the summary of the emergent opportunities and threats are outlined in **Table 3.3**.

Table 3.3: Summary of Opportunities and Threats

Environmental factor	Opportunities	Threats	Strategic Response
Political	Collaboration and partnership with	Political interference	<ul style="list-style-type: none"> ▪ Leveraging on trade unions to foster inclusivity and collaboration with members ▪ Strengthen the legal framework

Environmental factor	Opportunities	Threats	Strategic Response
	trade unions and other stakeholders		<i>governing the schemes operations to reduce political interference.</i>
Economic	<i>Regulatory framework which permits a variety of asset classes for diversification</i>	<i>Market volatility</i>	<ul style="list-style-type: none"> ▪ <i>Diversification of investments portfolio e.g., offshore markets, NSE, property market to reduce volatility risk on scheme funds and stabilize returns on investments</i>
Social	<i>Publicity and branding through mass media</i>	<i>Negative public perception</i>	<ul style="list-style-type: none"> ▪ <i>Strengthen communication mechanisms.</i> ▪ <i>Enhance the schemes service delivery</i> ▪ <i>The Fund can adopt a variety of communication channels to reach a wider audience</i>
Technology	<i>Availability of new technologies</i>	<i>Cyber crime</i>	<ul style="list-style-type: none"> ▪ <i>Leveraging on new technology to enhance service delivery and ensure wide coverage and reach to members and reduce operational cost</i> ▪ <i>Develop a data protection policy</i> ▪ <i>Enhance cyber security</i>
Ecological	<i>Liquidity which presents space for investment in ESG products</i>	<i>Limited ESG products and lack of a reporting framework</i>	<ul style="list-style-type: none"> ▪ <i>Explore available ESG products and promote CSI</i> ▪ <i>Develop and implement ESG policy</i> ▪ <i>Benchmark with other Funds and jurisdictions</i>
Legal	<i>A well-regulated retirement benefits industry</i>	<i>Changes regulatory environment</i>	<ul style="list-style-type: none"> ▪ <i>Adhere, comply & conform to the regulatory requirements</i> ▪ <i>Participate in regulatory forums which inform regulatory/policy changes</i>
Ethical	<i>Well defined policies, governance and reporting structure</i>	<i>Lack of automation of processes</i>	<ul style="list-style-type: none"> ▪ <i>Develop a code of ethics for staff of the Fund</i> ▪ <i>Automate all internal processes to control leakages</i>

3.1.3. Internal Environment

In carrying out internal environment analysis, PSSF considered governance and administrative structures, internal business processes, resources and capabilities to determine their relative contribution to its overall performance.

3.1.3.1. Governance and Administrative Structures

PSSF establishment is anchored under Public Service Superannuation Scheme Act, No. 8 of 2012. The Fund is managed by a Board of Trustees appointed under Section 10 of the Act which also spells out its objects and functions. The board exercises its mandate through established committees whose role includes considering and recommending actions and proposing policies in their functional areas. Currently, four Committees are in place: Finance, Administration, HR &

Governance Committee; Strategy & Investments Committee; Benefits Committee and Audit Committee.

There exists a sound internal policy framework by developing and adopting good governance policies including Board Charter, Code of Conduct, Conflict of interest Policy, Risk Management Policy, Communication and Education Policy, Social Corporate responsibility policy. Other policies include; ICT Policy, Investment Income Distribution & Reserve Policy, Financial Policy & Procedure Manual, Death Benefits Policy and a Claims Procedure Manual.

The Board of Trustees appointed service providers in accordance with regulatory requirements. These are the Fund Manager, Fund Administrator and Custodians.

Supporting the Board of Trustees in the day to day management of the affairs of the Fund is a Secretariat that is led by the Chief Executive Officer (CEO). The CEO is supported by general managers and managers heading directorates and departments, namely: Corporation Secretary and Legal Services Directorate; Registration and Benefits Directorate; Investment and Property Management Directorate; Corporate Services Directorate; Internal Audit and Risk Assurance Directorate; Research, Strategy and Planning Department; Finance and Accounts Department; and Supply Chain Management Department.

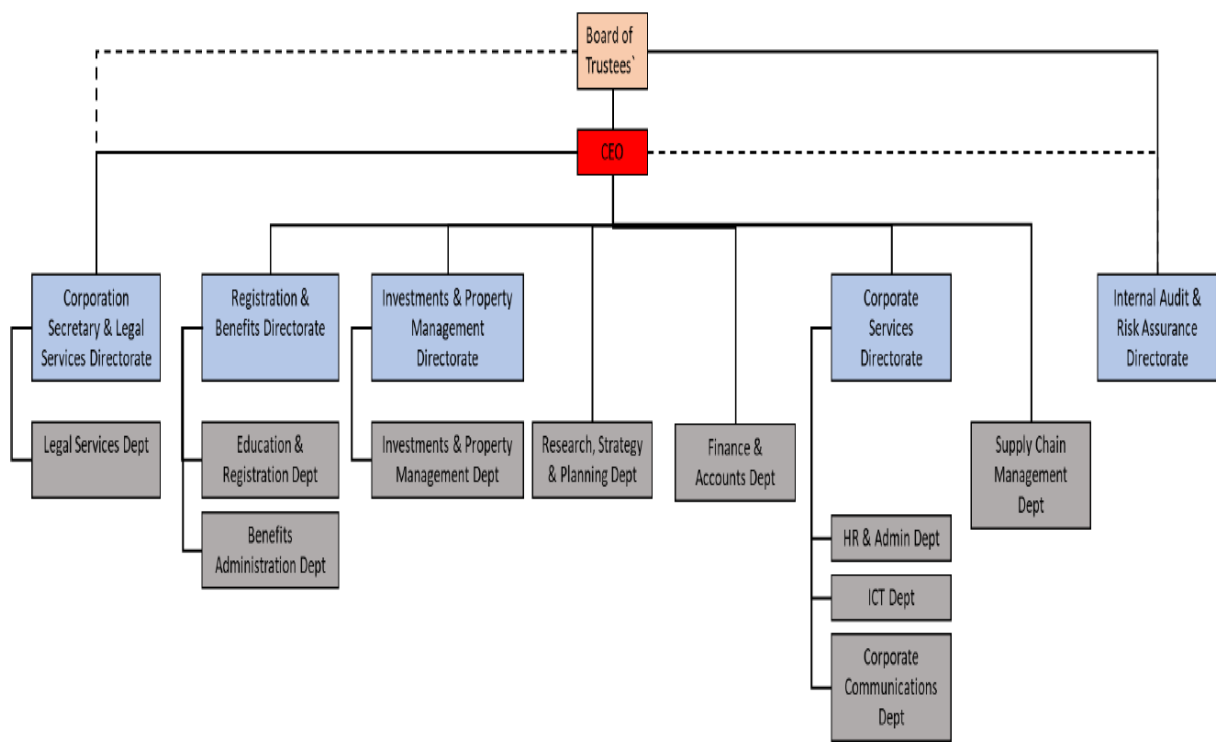


Figure 1: The Current Operational Organizational Structure is Illustrated

3.1.3.2. Internal Business Processes

Upon establishment, PSSF prioritized establishment of strong internal systems, procedures and controls to ensure it delivers on its main mandate. The key functions that form part of PSSF mandate comprise of legal services, registration and benefits, investment and property management, corporate services, internal audit and risk assurance, research, strategy and planning, finance and accounts, and supply chain management.

Implementation these functions is based on support processes including development of strategic plan, annual work planning and Monitoring and evaluation reports; budgeting and resource allocation, procurement of goods and services; human capacity development in terms of hiring and training; administration and support functions; audit among others.

In order to enhance standards in service delivery; PSSF purposes to seek certification and subsequently implemented a Quality Management System (QMS) which will provide for Standard Operating Procedures (SOPs) to guide the operation of established processes. This will be then continuously improved on ensuring it aligns to global standards and practice.

3.1.3.3. Resources and Capabilities

PSSF resources and capabilities that propel its competitive advantage lie in the Schemes constant source funding as provided for by the PSSS Act, 2012; the opportunities in the investment market; experienced service providers including the Fund Manager, Administrator and the Custodians facilitating the operations of the fund on behalf of the board of trustees; skilled and experienced personnel managing and operating the fund as well as diverse membership of the Board of trustees capable of influencing policy and legal changes in favour of the fund.

3.1.4. Summary of Strengths and Weaknesses

The summary of strengths and weaknesses is outlined in **table 3.4**.

Table 3.4: Summary of Strengths and Weaknesses

Factor	Strengths	Weaknesses
<i>Governance and Administrative Structures</i>	<ul style="list-style-type: none">▪ Existence of legal & institutional framework▪ A fast and growing Fund with a strong and growing membership base▪ Existence of governance structures▪ Good will from the Sponsor▪ Secure investment strategy▪ Committed Board of Trustees▪ Board and committee diversity	<ul style="list-style-type: none">▪ Inconsistencies between RBA and PSSS laws▪ Lack of regulations to give effect to the PSSS Act▪ Inadequate policy framework▪ Bureaucratic decision-making and approval processes▪ Inadequacies in the organizational structure

Factor	Strengths	Weaknesses
<i>Internal Business Processes</i>	<ul style="list-style-type: none"> ▪ <i>Unique brand</i> ▪ <i>Key policies and procedures in place</i> ▪ <i>Strategic partnerships and collaborations with key stakeholders</i> ▪ <i>Diverse and specialized departments/directorates/divisions with competent leadership.</i> • <i>Commitment to strategy and annual work planning</i> 	<ul style="list-style-type: none"> ▪ <i>The large size of the schemes makes its administrations costs to be relatively high.</i> ▪ <i>Delays in receipt of accrued benefits from the defined benefits scheme under CAP 189</i> ▪ <i>Lack of a disaster recovery plan</i> ▪ <i>Low level of process automation</i> ▪ <i>Weak communication mechanisms to members</i> ▪ <i>Lack of a quality management system and standard operating procedures</i> ▪ <i>Undefined organization culture.</i>
<i>Resources and Capabilities</i>	<ul style="list-style-type: none"> ▪ <i>Diverse, committed & competent secretariat staff</i> ▪ <i>Consistency in funding</i> ▪ <i>Diverse investment opportunities</i> ▪ <i>Experienced and competent service providers</i> 	<ul style="list-style-type: none"> ▪ <i>Inadequate funding</i> ▪ <i>Delay in the receipt of contributions from the Employer</i> ▪ <i>Inadequate training and capacity building for the Board and Secretariat</i> ▪ <i>Inadequate human resource capacity</i> ▪ <i>Inadequate office space</i> ▪ <i>Inadequate office tools and equipment</i> ▪ <i>Limited asset classes in the Investment Policy Statement</i>

3.1.5. Analysis of Past Performance

This section provides a description of the key achievements, challenges and lessons learnt during the formative period of PSSF given that they did not have a strategic plan. The period under review is from PSSF's operational commencement date of 1st January, 2021.

3.1.5.1. Key Achievements

The following are the key achievements in for PSSF since its inception:

- a) A Board of Trustees was appointed as per section 10 of the PSSS Act, 2012. The Trustees include a Chairman of the Board, representatives from the Sponsor (National Treasury), employers and employees.
- b) Establishment of the secretariat for the Fund as an administrative arm of the Board of Trustees.
- c) Registration of PSSF by RBA
- d) Onboarding of the Fund's key service providers i.e., Fund Manager, Fund Administrator and Fund Custodians.

- e) Implementation of the phased member contribution in the first three years after the commencement at the rates of 2%, 5% and 7.5% of basic salary pursuant to section 52 of the PSSS Act, 2012. Since commencement, the employer's contribution has remained at 15% of employee's basic salary.
- f) PSSF has continuously undertaken countrywide member education.
- g) Undertook capacity building of the Board of Trustees and the Secretariat in various courses such as TDPK training and Corporate Governance.
- h) Human resource instruments were developed and approved by State Corporation Advisory Committee (SCAC) and Salaries Remuneration Commission (SRC). The human resource instruments have now been implemented.
- i) Progressive investment of contributions that have earned returns on the investment.
- j) Development of a functional website (www.psss.go.ke) for the PSSF.
- k) The PSSF has continuously conducted stakeholder engagement.
- l) The Schemes membership has increased from 330,318 members in January 2021 to 403,421 as at April 2023.
- m) The Scheme's Fund value has grown to Kshs. 80 billion at June 2023.
- n) The Scheme successfully held its inaugural annual general meeting Scheme on 30th June 2023.
- o) The Scheme was registered with KRA and issued with a tax exemption certificate.
- p) Development of the Fund's policies including the Investment Policy Statement.
- q) Development of the Scheme's member information handbook and catalogues.

3.1.5.2. Challenges

Since inception, PSSF faced various challenges that hampered implementation and delivery of the institutional mandate. They include:

- a) Delay in remittance of pension contributions
- b) Inadequate funds to implement PSSF activities
- c) High interest rates resulting in low valuation of investments which are concentrated in few asset classes
- d) Delay of transfer of the accrued benefits from the old Defined Benefits Scheme
- e) Restricted access of the biodata from the employers.
- f) Inadequate office space and equipment

- g) Delays in payment of retirement benefits attributable to litigation in procurement of service providers
- h) Lack of automation of processes
- i) Low level of awareness on Scheme operation among stakeholders

3.1.5.3. Lessons Learnt

The following are the lessons learnt:

- a) Adoption of ICT and automation of processes will enhance service delivery
- b) The sponsor should have developed policy framework and a funding mechanism for discharging the benefits accrued under cap 189;
- c) Establishment of mechanisms for stakeholder engagements and members sensitization is critical enhancing the levels of awareness for the Scheme
- d) There is need for a mechanism to fund the monthly contributions by the sponsor in a timely manner;
- e) There is need to develop and implement a business continuity plan in order address unexpected business disruptions.

3.2. Stakeholder Analysis

Implementation of this plan requires goodwill, support, and cooperation from various stakeholders. The results of the stakeholder analysis are as outlined in **table 3.5**.

Table 3.5: Stakeholder Analysis

#	Stakeholder Name	Role	Stakeholder Expectations of PSSF	PSSF Expectations from Stakeholder
1.	National Treasury (Sponsor)	<ul style="list-style-type: none"> ▪ Remit employer contribution ▪ Policy guidance ▪ Support the Fund's initiatives e.g. review of the Act and formulation of Guidelines. 	<ul style="list-style-type: none"> ▪ Timely status updates ▪ Effective and efficient utilization of availed resources ▪ Prudent management of the Fund 	<ul style="list-style-type: none"> ▪ Timely remittance of employers' contribution ▪ Technical and financial support in the Implementation of the PSSF workplan and budget
2.	Employers (Public Service Commission, Teachers Service Commission, National Police Service, National Youth Service, Kenya Prisons)	<ul style="list-style-type: none"> ▪ Remit member contribution ▪ Provision of accurate and timely information 	<ul style="list-style-type: none"> ▪ Effective and efficient communication ▪ Proper and safe custody of members' data ▪ Prudent management of the Fund 	<ul style="list-style-type: none"> ▪ Timely remittance of employers' contribution ▪ Timely remittance of contributions and update of data ▪ Effective and efficient communication ▪ Partnership and collaboration on areas of common interest

#	Stakeholder Name	Role	Stakeholder Expectations of PSSF	PSSF Expectations from Stakeholder
	Service, County Governments)			
3.	Ministry of Public Service	<ul style="list-style-type: none"> Remit member contribution 	<ul style="list-style-type: none"> Safe custody of members' data and Adherence to the data protection act Effective and efficient communication 	<ul style="list-style-type: none"> Timely policy formulation and guidance Provision of IPPD data Effective and efficient communication
4.	Employee Representatives (KNUT, KUPPET, UKCS etc.)	<ul style="list-style-type: none"> Support the Fund initiatives Sensitize its membership on Fund initiatives Lobby for better terms of service for the employees 	<ul style="list-style-type: none"> Accurate member information and data Member education and awareness Fair and equitable treatment of members Protection of members benefits High return on investments Accountability and transparency/ good governance 	<ul style="list-style-type: none"> Adequate representation of the members Active participation in capacity building and member education Collaboration and engagement with the Scheme
5.	Regulators (RBA, KRA, PPRA, CBK, IRA, CMA etc.)	<ul style="list-style-type: none"> Issue regulations for the scheme and service providers Promote growth in their respective sectors. Ensure adherence to the regulations. Maintain best practice in regulating the pensions industry 	<ul style="list-style-type: none"> Full compliance to all the industry laws and regulations Timely remittance of all necessary levies 	<ul style="list-style-type: none"> Enforcements of all relevant laws and regulations Technical support and advisory services
6.	Secretariat Staff	<ul style="list-style-type: none"> Day to day management of the fund Contribute to the long-term success and performance of the Fund. Commitment to best workplace practices and ethics Act as a link between the board and service providers 	<ul style="list-style-type: none"> Good governance practices Timely status updates Effective and efficient utilization of availed resources Prudent management of the Fund 	<ul style="list-style-type: none"> Full support of PSSF activities Integrity and confidentiality

#	Stakeholder Name	Role	Stakeholder Expectations of PSSF	PSSF Expectations from Stakeholder
7.	Service Providers (Fund Manager, Administrator, Custodian, Office of the Auditor General) and suppliers	<ul style="list-style-type: none"> ▪ Provide quality and cost-effective services (administration, fund management and custodial service) ▪ Provision of data and information ▪ Submit periodic reports to the Board 	<ul style="list-style-type: none"> ▪ Compliance to the legal and statutory requirements ▪ Long term Collaboration and cooperation ▪ Efficient and transparent processes ▪ Clear and accurate communication 	<ul style="list-style-type: none"> ▪ Compliance to the legal and statutory requirements ▪ Integrity and confidentiality ▪ Long term collaboration and cooperation ▪ Timely, quality and accurate supplies
8.	Scheme members and beneficiaries	<ul style="list-style-type: none"> ▪ Provide required documents to support claims for payment ▪ Filling of Nomination forms ▪ Completing the membership enrolment form ▪ Verify contribution and membership data ▪ Participate in scheme forums 	<ul style="list-style-type: none"> ▪ Safe custody of the contributions ▪ Prudent management of the Fund ▪ Effective and efficient communication ▪ Timely payment of pension and other benefits ▪ Awareness and capacity building 	<ul style="list-style-type: none"> ▪ Accurate and updated member details ▪ Cooperation and collaboration in Fund activities ▪ Effective and efficient communication
9.	Associations and Professional Bodies (KISM, ICPAK, IHRM, ICIFA, APTAK, ARBS etc.)	<ul style="list-style-type: none"> ▪ Lobby for better legislative and regulatory environment. ▪ Ensures adherence to professional standards and ethics ▪ Continuous Profession development 	<ul style="list-style-type: none"> ▪ Registration and accreditation of members ▪ Compliance and adherence to regulations and best practices ▪ Collaborations and partnerships ▪ Prudent management of the Fund 	<ul style="list-style-type: none"> ▪ Expertise and guidance on professional matters ▪ Exchange of information on topical issues ▪ Collaborations and partnerships
10.	Development Partners	<ul style="list-style-type: none"> ▪ Capacity building, lobbying and advocacy. ▪ Contribution to ESG initiatives ▪ Support implementation of ESG and CSR intervention 	<ul style="list-style-type: none"> ▪ Collaborations and partnerships ▪ Prudent management of the Fund ▪ Adoption of best global practices 	<ul style="list-style-type: none"> ▪ Collaborations and partnerships ▪ Capacity building ▪ Provide financial and technical support
11.	Parliament	<ul style="list-style-type: none"> ▪ Provide legislation for the scheme 	<ul style="list-style-type: none"> ▪ Prudent management of the Fund ▪ Compliance and adherence to laws and 	<ul style="list-style-type: none"> ▪ Provide legislative support to the Fund. ▪ Oversight

#	Stakeholder Name	Role	Stakeholder Expectations of PSSF	PSSF Expectations from Stakeholder
			<i>regulations</i> <ul style="list-style-type: none"> ▪ <i>Provide accurate updates on demand</i> 	
12.	<i>Media</i>	<ul style="list-style-type: none"> ▪ <i>Publicity</i> ▪ <i>Positively influence member perceptions</i> 	<ul style="list-style-type: none"> ▪ <i>Transparency & accountability</i> ▪ <i>Adherence to social & ethical responsibility</i> 	<ul style="list-style-type: none"> ▪ <i>Fairness, openness and equity in reporting</i> ▪ <i>Advocacy for Member right</i> ▪ <i>Promote the Fund activities</i>
13.	<i>General public</i>	<ul style="list-style-type: none"> ▪ <i>Publicity</i> ▪ <i>Feedback</i> 	<ul style="list-style-type: none"> ▪ <i>Good governance</i> ▪ <i>Corporate social responsibilities</i> ▪ <i>Effective and efficient execution of mandate</i> 	<ul style="list-style-type: none"> ▪ <i>Advocacy and public awareness of the Fund</i>
14.	<i>Financial Institutions (Insurance, Banks)</i>	<ul style="list-style-type: none"> ▪ <i>Provide quality, cost-effective and specialized services</i> 	<ul style="list-style-type: none"> ▪ <i>Long term investment opportunities</i> ▪ <i>Collaboration and partnerships</i> 	<ul style="list-style-type: none"> ▪ <i>Transparency and accountability</i> ▪ <i>Conduct member education on financial matters and investment opportunity.</i> ▪ <i>Safe custody of Fund assets</i> ▪ <i>Compliance to legal and regulatory requirements</i>

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CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

This chapter outlines the strategic issues, strategic goals as well as the key result areas that will guide implementation and delivery of PSSF mandate.

4.1. Strategic Issues

The strategic issues are the fundamental policy choices, critical challenges, gaps and opportunities to be addressed in a plan period. To derive the strategic issues, PSSF in its review of the situational analysis identified the following foundational elements which then inform the identified strategic issues presented in **Table 4.1**.

4.2. Strategic Goals

The strategic goals are the actual desired outcomes that will be realised in addressing the strategic issues identified. These are presented in **table 4.1**.

4.3. Key Result Areas

The Key Result Areas form the pillars of this Plan and have been determined following a comprehensive analysis. Each Key Result Area is linked to corresponding strategic issue and goal as outlined in **Table 4.1**

Table 4.1: Strategic Issues, Goals and Key Result Areas

Strategic Issue	Strategic Goal	Key Result Areas
<i>Sustainability in provision of retirement benefits</i>	<i>Enhance sustainability in provision of retirement benefit</i>	KRA 1: Fund sustainability and enhanced replacement income
<i>Inadequate pension administration structures and systems</i>	<i>Create robust structures and systems for pension administration</i>	KRA 2: Efficient fund administration
<i>Member centric driven services</i>	<i>Transforming member experience</i>	KRA 3: Member and Stakeholder Focus
<i>Business process efficiency</i>	<i>Institutionalize business transformation</i>	KRA 4: Service Delivery, Support System & Innovation
<i>Corporate governance and Human resource development</i>	<i>Strengthen institutional policy and legal framework, and human resource capacity.</i>	KRA 5: Institutional Capacity (Operational) Development

4.3.1. Investment and Financial Sustainability

In an endeavour to promote sustainability in provision of retirement benefits, the Government enacted and implemented the PSSS Act, 2012 that established a pension contributory scheme managed as a Fund. This not only generated savings on the national budget availing funds for utilization in growing other sectors of the economy but also increased supply of capital for investments in the financial markets.

Despite the gains, the pension industry in Kenya still faces challenges. They include uncertain investment environment and limited scope of asset classes available in the capital markets for pension fund investments; underfunding resulting from weak mechanisms by employers in the public sector to remit ongoing contributions and finance deficits in retirement benefit schemes; inadequate pension income as a result of low levels of savings and leakages through early withdrawal of retirement savings resulting into low-income replacement ratio. This exposes members and employers to investment related risks such as concentration risks and erosion of value of savings by inflation.

In order to promote investment and ensure financial sustainability, PSSF will pursue strategies supporting mobilization of savings, diversification of investment portfolio, instituting mechanisms for cost optimization as well as undertaking environmental social and governance initiatives. Key deliverable under these strategies will include member sensitization for increased additional voluntary contributions; development of the investment masterplan and Investment Policy Statement (IPS) outlining investment portfolios and options for diversification; undertaking research in the financial markets to inform investment decisions devoid of risks and guaranteeing maximum returns; instituting mechanisms for reducing the operation costs of the Fund through contract management as well as developing and implementing the Environmental social and governance policy.

4.3.2. Efficient fund administration

Public Service Superannuation Fund broader mandate is to collect, invest and protect members' contributions; and provide pension and other benefits to the members of the Scheme and their dependants. As at 31st December, 2023, the fund membership stood at 422,330. This implies that there exists data sets, information and documentation member biodata, employer data, data on member contribution, claims, payroll as well as dependants and beneficiaries to be managed. Implementation and delivery on this mandate calls for establishment of robust systems and structures promoting efficient administration of the fund.

As currently constituted, PSSF is yet to develop the internal structures to undertake the fund administrative function. Therefore, in order to enhance efficiency and effectiveness in collection of contributions, records management and discharge of benefits, PSSF envisages to Strengthen internal pension administration capacity and expand members choice on access to retirement products. This is to be achieved through acquisition of a pension administration system, building of human resource capacity on pension administration and developing and implementing diversified retirement products.

4.3.3. Member and Stakeholder Focus

The Fund is bestowed with a responsibility of improving the social security and wellbeing of its members through payment of accrued benefits. Besides, the concept of pension is built on trust between the members contributing to the Fund and the trustees managing the Fund. Delivering on these calls for the pursuit of strategies geared towards not only winning the required trust for increased saving but also undertaking interventions geared towards promoting access to better standards of living for members.

The strategies to be pursued in this plan period to improve customer experience include enhancing communication and corporate image; establishing and strengthening customer relationship management system; establishing a framework on research and innovation and foster partnership and collaboration with stakeholders. Specific deliverables earmarked in this planning period cut across establishing of a call centre and customer care service desk, establishment of communication and information sharing platforms; automating processes in accessing services including accessing member statements and account balances as well as putting in place structures supporting stakeholder involvement.

In addition, to enhance the social well-being of members, PSSF will invest in development of retirement products including income drawdown funds; trust fund; stratified investment fund; and Post-Retirement Medical Fund (PRMF).

4.3.4. Service Delivery, Support System & Innovation

PSSF is committed to providing value and support to its internal and external customers. The Fund will therefore administer and manage its resources in a way that responds to the priorities set out in the Strategic Plan, and that enables delivery of services that best meet members' needs. The Fund will foster strong

customer relationships based on quality service, enhanced customer experience, building trust and customer loyalty, and enhanced brand awareness.

Besides its human, physical and financial resources, the Fund will lay out a framework for automation to support operations across the Fund and to enhance data management and communications. Information and Communications Technology (ICT) will be an enabler of innovation and will be crucial in supporting new ideas that will promote business processes growth and efficiency. A culture of innovation, teamwork and change management will be adopted across the Fund and appropriate frameworks put in place to support the generation and implementation of new approaches to business.

The Fund will also seek to adopt proactive and pre-emptive measures and strategies to help prepare for sudden, catastrophic events, natural disasters, pandemics and even cyberattacks and to minimize the effects of such events should they occur. A Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) will, accordingly, be developed to prevent interruption to the Fund's operations. The BCP and DRP will be tested and reviewed regularly in line with the Fund's evolving goals.

4.3.5. Institutional Capacity Development

Adequate and skilled Human Capital, supportive policy and regulatory framework and good Corporate Governance structures and systems are critical components that drive efficiency and effectiveness in the implementation and delivery of the PSSF mandate. Strategies earmarked to facilitate development of the internal institutional capacity in this plan period include building Human Resource Capital; improving the work environment and staff welfare; enhancing governance structures; reviewing and harmonizing the legal framework; strengthening the audit function; institutionalizing risk management practices and internal controls enhancing standards.

Key deliverable under this Key result area include: approved Human resource development instruments entailing career progression guidelines; Organizational Structure; Human Resource Policy and Procedure Manual; Salary Structure; Skills Gap Analysis report; Training Needs Assessment (TNA) reports; Knowledge Management policy. Other deliverables include new staff hired and trained; reviewed policies, laws and regulations; audit management system; legal and governance compliance audits; annual general meetings reports; ISO certification; customer satisfaction reports; internal controls as well as compliance reports to various government agencies.

CHAPTER FIVE: STRATEGIC OBJECTIVES AND STRATEGIES

The chapter highlights the strategic objectives upon which the projected performance for the next five (5) years is based along with the outcomes and corresponding indicators. To drive this performance, the strategic choices including the strategies are as captured below.

5.1. Strategic Objectives

The performance projections on a year to year basis for the planning period 2023-2027 of PSSF has been presented in **Table 5.1**.

Table 5.1. Outcome Annual Projections

Strategic Objective	Outcome	Outcome Indicator	Projections				
			2023/24	2024/25	2025/26	2026/27	2027/28
KRA1: Fund sustainability and enhanced replacement income							
S.O1.1: To achieve financial growth and sustainability	Growth in assets under management	Values of Assets under Management (Kshs. Billion)	112.6	195,8	262.4	337.6	422.1
	Growth in Scheme Membership	Number of Scheme members	430,610	451,028	471,447	491,865	512,283
		% reduction in administration costs	-	-	2.5	5	7.5
	Improved investment income	Net investment return declared to members (percentage)	10	10.5	11	11.5	12
	Enhanced adoption of sustainability practices	No. of ESG interventions	-	1	1	1	1
KRA2: Efficient Fund administration							
S.O2.1: To enhance efficiency and effectiveness in collection of contributions, records management and discharge of benefits	Reduced turn-around time in payment of claims	No. of days	60	30	28	25	21
	Increased number of retirement products	No. of pension products	-	-	1	2	3
KRA3: Member and Stakeholder Focus							

Strategic Objective	Outcome	Outcome Indicator	Projections				
			2023/24	2024/25	2025/26	2026/27	2027/28
S.03.1: To improve customer experience	Improved levels of customer satisfaction	Member satisfaction index	-	75	80	85	90
KRA 4: Service Delivery, Support System & Innovation							
S.04.1: To enhance business processes efficiency	Business processes automated	% level of automation of processes	5	10	60	75	90
KRA5: Institutional Capacity Development							
S.05.1: Strengthen Human Capital	Enhanced capacity to deliver the institutions mandate	Number of staff engaged	43	68	93	118	143
		% of staff trained against in-post	100	100	100	100	100
	Improved working condition	Employee satisfaction index	-	70	85	90	95
S.05.2: To strengthen the legal framework and Corporate Governance	Improved corporate governance	% score on board performance	-	85	90	95	95
	Enhanced compliance to policy, statutory and regulatory requirements	% level of compliance	100	100	100	100	100
	Policies, laws and regulations reviewed/developed	No. of reviewed policies, laws and regulations	12	2	2	2	2

To achieve the performance projected for 2023 - 2027, the Fund has identified 6 strategic objectives as listed below.

- 1) To achieve financial growth and sustainability
- 2) To enhance efficiency and effectiveness in collection of contributions, records management and discharge of benefits
- 3) To improve customer experience
- 4) To enhance business processes efficiency
- 5) Strengthen Human Capital
- 6) To strengthen the legal framework and Corporate Governance

5.2. Strategic Choices

The Fund undertook a comprehensive assessment and evaluation of feasible alternatives courses of actions and formulated strategies to be implemented towards delivering on the strategic objectives as presented in table 5.2.

Table 5.2 Strategic Objectives and Strategies

Key Result Area	Strategic Objective	Strategies
KRA 1: Fund sustainability and enhanced replacement income	Objective 1: To achieve financial growth and sustainability	S.1.1: Pension fund mobilization
		S.1.2: Investment diversification and portfolio management
		S.1.3: Cost optimization and management
		S.1.4: Environmental social and governance initiatives
KRA 2: Efficient Fund administration	Objective 2: To enhance efficiency and effectiveness in collection of contributions, records management and discharge of benefits	S.2.1: Strengthen internal pension administration processes
		S.2.2: Build capacity for internal fund administration
		S.2.3: Develop and promote retirement products to expand members choice
KRA 3: Member and Stakeholder Focus	Objective 3: To improve customer experience	S.3.1: Enhance communication and information sharing systems and structures
		S.3.2: Enhance corporate brand image
		S.3.3: Improve customer relationship management system
		S.3.4: Proactively engage stakeholders
		S.3.5: Foster partnership and collaboration with stakeholders
KRA 4: Service Delivery, Support System & Innovation	Objective 4: To enhance business processes efficiency	S.4.1: Automate business processes
		S.4.2: Enhance ICT Infrastructure
		S.4.3: Establish a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP)
		S.4.4: Establish a framework on planning, research and innovation
KRA 5: Institutional Capacity Development	Objective 5: Strengthen Human Capital	S.5.1: Build and Enhance Human Resource Capital
		S.5.2: Enhance work environment
		S.5.3: Staff welfare enhancement
	Objective 6: To strengthen the legal framework and Corporate Governance	S.6.1: Enhance Corporate governance and compliance Strategy
		S.6.2: Enhance Internal Audit functions
		S.6.3: Institutionalize the risk management practices
		S.6.4: Harmonized policy and legal framework
		S.6.5: Enhance internal standard and controls
		S.6.6: Promote positive organizational culture

CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK

This Chapter presents the implementation plan, the coordination and risk management frameworks to guide the implementation of this plan. The frameworks highlight the management and organizational set up, staff establishment, skills set and competence development requirements, leadership, systems and procedures as well as the risk management plan for PSSF.

6.1. Implementation Plan

The implementation of this plan will be guided by the action plan containing strategies, outputs, annual targets and respective budgets as well as responsible units that will inform development of annual workplans and performance contracts.

6.1.1. Action Plan

The action plan outlining the strategic issues and goals; the key result areas, strategic objectives and outcomes; respective strategies, activities and expected outputs; the annual targets and budgets for five years as well as the respective implementing directorates and departments is as presented in table 6.1.

Table 6.1 Implementation Matrix

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mrn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Strategic Issue 1: Sustainability in provision of retirement benefits																
Strategic Goal 1: Enhance sustainability in provision of retirement benefit																
KRA 1: Fund sustainability																
Strategic Objective 1: To achieve financial growth and sustainability																
Outcome: % increase in asset base																
S.1.1: Pension Fund Mobilization	Undertake reconciliation of contributions against remittances	Member remittance reconciliation reports	Number	60	12	12	12	12	12	-	-	-	-	-	SM R&B	M E&R
	Follow up on unremitted member Contributions by employers	Member contributions remitted	% level of compliance	100	100	100	100	100	100	-	0.5	0.5	0.5	0.5	SM R&B	M E&R
	Follow up on unremitted employer Contributions	Employer contributions remitted	% level of compliance	100	100	100	100	100	100	-	0.5	0.5	0.5	0.5	SM R&B	M E&R
	Undertake member sensitization to encourage voluntary top up contributions for existing members	Sensitization report	Number	5	1	1	1	1	5	-	-	-	-	-	SM R&B	M R&E
S.1.2: Investment growth	Review the Investment Policy Statement	Reviewed Investment Policy	Number	1	-	-	1	-	-	-	-	2	-	-	SM I&PM	M INVEST.
	Undertake investment market research and feasibility studies	Research and feasibility study reports	Number	2	-	1	-	-	1	-	-	5	5	5	SM I&PM	M INVEST.
	Establish and manage investment records and database	Updated investment records and database report	Number	15	-	-	5	5	5	-	-	0.5	0.5	0.5	SM I&PM	M INVEST.
	Regular engagements with Fund Managers	Engagement Reports	Number	5	1	1	1	1	1	-	-	1	1	1	SM I&PM	M INVEST.
	Regular performance	Performance evaluation reports	Number	5	1	1	1	1	1	-	-	-	-	-	SM I&PM	M INVEST.

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
	evaluation of Fund Managers															
	Develop an Investment masterplan for the fund	An Investment masterplan	No.	1	-	-	1	-	-	-	-	-	15	-	SM I&PM	M INVEST.
	Invest in different asset classes (promote Diversification)	New asset classes	Number	10	6	7	8	9	10	-	-	-	-	-	SM I&PM	M INVEST.
	Procure additional Fund Managers	Fund Managers engaged	Number	3	1	-	3	-	-	-	-	5	-	-	SM I&PM	M INVEST.
	Monitor the performance of the fund managers	Investment Performance reports	Number	60	12	12	12	12	12	0.5	0.5	0.5	0.5	0.5	SM I&PM	M INVEST.
	Acquire, install and operationalize a system for investment management	investment management System operationalized	% level	90	-	-	30	70	90	-	-	50	-	-	SM I&PM	M ICT
S.1.3: Ensure Cost optimization and prudent management	Negotiate and review service contracts	Reviewed service contracts	Number	7	-	-	7	-	-	-	-	-	-	-		
	Implement an internal Financial Policy and Procedures Manual	Level of implementation	Percentage	100	100	100	100	100	100	-	-	4	-	-	M F&A	PA
	Maintain books of accounts relating to income and expenditure, assets, and liabilities of the Fund	Financial report	Number	25	5	5	5	5	5	-	-	-	-	-	M F&A	PA
	Prepare for Board's approval an Annual Budget for the Fund	Approved budget	Number	5	1	1	1	1	1	1	1.5	2	2.5	3	M F&A	PA
	Monitor and report on Budget implementation	Budget implementation report	Number	25	5	5	5	5	5	-	-	-	-	-	M F&A	PA

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
	Prepare for Board's approval an Annual Procurement Plan for the Fund	Approved Procurement Plan	Number	5	1	1	1	1	1	1	1.5	2	2.5	3	M SCM	P SCM
	Monitor and report on implementation Procurement Plan	Procurement implementation report	Number	5	1	1	1	1	1	-	-	-	-	-	M SCM	P SCM
	Prepare for the Board's approval an annual Workplan for the Fund	Approved Annual Work Plan	Number	5	1	1	1	1	1	1	1.5	2	2.5	3	M R,S&P	P PO
	Monitor and report on implementation of approved Workplan	Workplan implementation report	Number	5	1	1	1	1	1	1	1	1	1	1	M R,S&P	P PO
	Conducting internal audits on financial status, performance, systems, and processes	Internal Audit Report	Number	5	1	1	1	1	1	-	-	-	-	-	SM IO&RA	M IO
S.1.4: Embrace Environmental social and governance initiatives	Formation of Sustainability Committee.	Sustainability committee in place	Number	1	-	1	-	-	-	-	-	-	-	-	CEO	
	Develop and review an ESG Policy	CSR Policy in place	Number	1	-	1	-	-	1	-	-	-	5	-	CEO	
	Implement the CSR Policy	CSR Policy implemented	Percentage	100	100	100	100	100	100	-	-	-	-	-	CEO	
	Participate in activities that promote ESG	Activities participated in	Number	8	-	2	2	2	2	-	2	2	2	2	CEO	
	Invest in assets that promote ESG considerations	Assets promoting ESG	Number	3	-	-	1	1	1	-	-	5	5	5	SM I&PM	M INVEST.

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility		
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support	
Strategic Issue 2: Inadequate pension administration structures and systems																	
Strategic Goal 2: Create robust structures and systems for pension administration																	
KRA 2: Efficient fund administration																	
Strategic Objective 2: To enhance efficiency and effectiveness in collection of contributions, records management and discharge of benefits																	
Outcome: Reduced turn-around time in payment of claims																	
S.2.1: Develop internal pension administration processes	Assess and document internal pension administration processes	Assessment report	Number	1	-	-	1	-	-	-	-	-	5	-	-	SM R&B	M E&R
	Develop/ review death benefit policy	Reviewed policy	Number	2	1	-	-	-	1	1	-	-	-	-	3	SM R&B	M E&R
	Develop/ review benefit procedure manual	Procedures manual	Number	2	1	-	-	-	1	1	-	-	-	-	3	SM R&B	M E&R
S.2.2: Build capacity for internal fund administration	Train staff on pension administration	Staff trained	Number	30	-	15	5	5	5	-	15	5	5	5	M ICT	SM R&B	
S.2.3: Develop retirement products to expand members choice	Develop and implement the Income Drawdown Product (IDD)	IDD product developed	%	100	-	-	-	50	100	-	-	-	5	3	SM I&PM	M INVEST.	
	Establish a trust fund	Trust fund operationalised	%	100	-	-	-	50	100	-	-	-	5	3	SM I&PM	M INVEST.	
	Develop stratified investment funds for scheme members	Investment Funds operationalised	%	100	-	-	-	50	100	-	-	-	10	5	SM I&PM	M INVEST.	
	Sensitize members on new retirement products	Members sensitized	%	50	-	-	-	30	50	-	-	-	15	10	SM I&PM	M INVEST.	

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility		
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support	
Strategic Issue 3: Member and Stakeholder centric driven services																	
Strategic Goal 3: Transforming member and stakeholder experience																	
KRA3: Member and Stakeholder Focus																	
Strategic Objective 3: To improve customer experience																	
Outcome: Improved levels of customer satisfaction																	
S.3.1: Enhance communication and	Develop a communication strategy and policy/strategy	Communication strategy and policy in place	Number	1	1	-	-	-	-	1	-	-	-	-	-	PCCO	CCO

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
information sharing systems and structures	Review the communication policy	Reviewed Communication policy	Number	1	-	-	-	-	1	-	-	-	-	3	PCCO	CCO
	Undertake a communication survey assessment	Assessment survey done	Number	2	-	1	-	-	1	-	2	-	-	2	PCCO	CCO
	Revamp and operationalize platforms for information sharing	Interactive Communication platforms	Number	3	1	2	3	3	3	1	2	3	3	3	PCCO	CCO
	Develop and share articles and opinion pieces on mainstream media	Articles and opinion pieces	Number	60	12	12	12	12	12	2	3	4	5	6	PCCO	CCO
S.3.2: Enhance corporate brand image	Develop a brand strategy	Brand strategy in place	Number	1	-	1	-	-	-	-	5	-	-	-	PCCO	CCO
	Undertake corporate campaigns	number of campaigns done	Number	20	-	5	5	5	5	-	10	10	10	10	PCCO	CCO
	Undertake a brand audit	Brand audit reports	Number	2	-	-	1	-	1	-	-	-	-	-	PCCO	CCO
	Enlist the brand champions	Number of trained brand champions	Number	15	-	-	5	5	5	-	-	5	5	5	PCCO	CCO
	Enlist Trainer of Trainers (ToTs)	Number of ToTs	Number	600	-	-	200	200	200	-	-	10	10	10	PCCO	CCO
	Enhance the website to make it more interactive	Enhanced website	Number	2	-	1	-	-	1	-	2	-	-	2	PCCO	M HRM&D
	Monitor website activity	Number of hits report	Number	60	12	12	12	12	12	-	-	-	-	-	PCCO	M ICT
	Develop PSSF brand assets	PSSF Logo	Number	1	1	-	-	-	-	2	-	-	-	-	PCCO	CCO
	Develop and disseminate assorted branded material and merchandise	Branded assets	Number	90,000	10,000	20,000	20,000	20,000	20,000	5	10	10	10	10	PCCO	CCO
S.3.3: Improve customer relationship management system	undertake a customer satisfaction survey	customers satisfaction survey done	Number	4	1	1	1	1	1	2	2	2	2	2	PCCO	CCO
	Develop and review the Fund's service charter	Service charter in place	Number	1	1	-	-	1	-	0.5	-	-	0.5	-	PCCO	CCO

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
	Develop a customer complaint policy	Compliants Policy	Number	1	-	-	1	-	-	-	-	-	5	-	PCCO	CCO
	Establish and maintain a customer call centre	Call centre in place	Number	1	-	1	-	-	-	-	10	5	5	5	PCCO	CCO
	Establish a customer care desk for prompt response to member queries	Customer care unit	Number	1	-	1	-	-	-	-	5	-	-	-	PCCO	CCO
S.3.4: Proactively engage stakeholders	Develop stakeholder engagement policy	Stakeholder engagement Policy	Number	1	-	-	1	-	-	-	-	3	-	-	PCCO	CCO
	Carry out sensitization and education of members	Sensitization and education reports	Number	5	1	1	1	1	1	38	35	40	50	55	PCCO	SM E&R
	Carry out sensitization and education of employers	Sensitization and education reports	Number	10	2	2	2	2	3	5	5	5	5	5	PCCO	SM E&R
	Carry out consultative meetings with partners (Sponsor, regulator, service providers e.t.c)	Consultative meeting reports	Number	20	4	4	4	4	4	2	2	2	2	2	PCCO	SM E&R
S.3.5: Foster partnership and collaboration with stakeholders	Hold annual general meetings	AGMs held	Number	5	1	1	1	1	1	20	15	20	25	30	SM E&R	PCCO
	Benchmarking with best industry Players	Benchmarking report	Number	5	1	1	1	1	1	5	10	15	20	25	CEO	SM E&R

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Strategic Issue 4: Business process efficiency																
Strategic Goal 4: Institutionalize business transformation																
KRA 4: Service Delivery, Support System & Innovation																
Strategic Objective 4: To enhance business processes efficiency																
Outcome: Enhanced efficiency in service provisions																
S.4.1: Automate business processes	Acquire an Enterprises Resource Planning (ERP) system (HRMIS, Finance, SCM, CRM, Fleet Management)	ERP System in Place	Number	1	1	-	-	-	-	50	-	-	-	-	M ICT	M F&A, M SCM M HRM&D
	Implement the ERP	Level of implementation	Percentage	100	-	50	75	100	100	-	5	5	5	5	M ICT	M F&A, M SCM HRM&D
	Digitize manual documents through Electronic Document Management System (EDMS)	EDMS in place	Number	1	-	-	1	-	-	-	-	-	100	-	M ICT	SM B&E
	Develop and implement an ICT strategy	ICT Strategy	No. of strategies	1	-	-	1	-	-	-	-	-	5	-	M ICT	M R,S&P
	Acquire ICT base service delivery channels: Bulk SMS, Chat box, social media account, USSD	ICT base Delivery Channel in Place	Number	4	-	1	1	1	1	-	10	10	10	10	M ICT	PCCO M SMS
	Train and capacity build staff on new ICT systems	Number of trainings conducted	Number	4	-	1	1	1	1	-	2	2	2	2	M ICT	M HRM&D
	S.4.2: Enhance ICT Infrastructure	Procure Internet Service Provider	ISP in Place	Number	5	1	1	1	1	1	1	2	2	2	2	M ICT
Acquire and implement a data centre		Data Centre in Place	Number	1	1	-	-	-	-	10	10	10	10	10	M ICT	M SCM
Enhance the network (LAN, WLAN)		Network In Place	Percentage	100	-	100	100	100	100	-	5	5	5	5	M ICT	PAO
Acquire end user computing devices (Computers, Laptops, Tablets and Phones)		Percentage of Staff with End User Computing Devices	Percentage	100	100	100	100	100	100	20	20	15	10	10	M ICT	M SCM

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
S.4.4: Establish a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP)	Appoint a BCP Implementation team	BCP Team In place	Number	1	-	1	-	-	-	-	-	-	-	-	CEO	ALL HODs
	Develop a Business Continuity Plan	BCP Plan in Place	Number	1	-	1	-	-	-	-	3	-	-	-	CEO	ALL HODs
	Review the BCP Plan	Reviewed BCP in place	Number	1	-	-	-	-	1	-	-	-	-	3	CEO	ALL HODs
S.4.4: Establish a framework on planning, research and innovation	Develop a research strategy	Research strategy in place	Number	1	-	1	-	-	-	-	5	-	-	-	M R,S&P	PPO
	Undertake research activities	Level of implementation	Percentages	3	-	-	1	1	1	-	-	5	5	5	M R,S&P	PPO
	Develop research policies and guidelines	Policies and guidelines	Number	1	-	-	1	-	-	-	-	3	-	-	M R,S&P	PPO
	Undertake Mid-term review of the strategic plan	Midterm plan	Number	1	-	-	1	-	-	-	-	5	-	-	M R,S&P	PPO
	Undertake end term evaluation of strategic plan	End term report	Number	1	-	-	-	-	1	-	-	-	-	5	M R,S&P	PPO

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Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Strategic Issue 5: Corporate governance and Human resource development																
Strategic Goal 5: Strengthen institutional policy and legal framework, and human resource capacity.																
KRA 5: Institutional Capacity Development																
S.05: Institutional Capacity Development																
Outcome: Enhanced capacity to deliver the institutional mandate																
S.5.1: Enhance Human Resource Capital	Undertake recruitment of staff	Recruitment Report	Number	113	13	15	35	25	25	5	5	5	5	5	M HRM&D	PAO
	Conduct a Training Needs Assessment (TNA)	Report	Number	2	-	1	-	-	1	-	1.5	-	-	1.5	M HRM&D	PHRO
	Conduct skills Gaps analysis	Report	Number	1	-	1	-	-	-	-	1.5	-	-	1.5	M HRM&D	PHRO
	Undertake training as per the annual training projections	Training reports	Number	143	43	68	93	118	143	30	30	35	40	50	M HRM&D	PHRO
	Undertake employee career development programmes	Training reports	% coverage of staff	100	100	100	100	100	100	-	-	-	-	-	M HRM&D	PHRO
	Implement career progression guidelines	Implementation Level Reports	Percentages	100	-	100	100	100	100	-	-	-	-	-	M HRM&D	PHRO
	Conduct Employee Satisfaction Survey	Survey Report	Number	4	-	1	1	1	1	-	2	2	2	2	M HRM&D	PHRO
	Implement Employee Satisfaction survey findings	Implementation Level	Percentage	100	-	100	100	100	100	-	1	1	1	1	M HRM&D	PHRO
	Develop a knowledge management policy	Policy	Number	1	-	-	1	-	-	-	-	5	-	-	M HRM&D	PHRO
	Develop and implement institution welfare policy	Welfare policy	Number	1	-	1	-	-	-	-	2	-	-	-	M HRM&D	PHRO
Conduct Employee Welfare Needs Assessment	Employee Welfare Needs Assessment Reports	Number	4	-	1	1	1	1	-	2	2	2	2	M HRM&D	PHRO	
S.5.2: Implement performance appraisal and reward scheme	Develop and enrol staff on performance appraisal	Appraisal system in place	Number of staffs enrolled	143	-	68	93	118	143	-	3	1	1	1	M HRM&D	PHRO
	Reward excellence performance	Best performers rewarded	Number	20	5	5	5	5	-	2	2	2	2	2	M HRM&D	PHRO

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
S.5.3: Enhance work environment	Acquire office space	Office space acquired	Number	1	-	1	-	-	-	40	-	20	30	50	M SCM	PAO
	Acquire office equipment and tools	Equipment and tools acquired	Percentage	100	100	100	100	100	100	22	20	25	30	35	SCM	ALL HODS
	Conduct work environment survey	Reports	Number	1	-	-	1	-	-	-	-	2	-	-	PAO	M HRM&D
	Implementing the work environment survey recommendations	Implementation Level	Percentage	100	-	100	100	100	100	-	1	1	1	1	PAO	M HRM&D
	Implement the Occupational Safety and Health requirements	Compliance reports	% level of compliance	100	-	100	100	100	100	-	1	1	1	1	PAO	M HRM&D
Objective 6: To strengthen the legal framework and Corporate Governance																
Outcome: Improved corporate governance																
S.6.1: Enhance Corporate governance and compliance Strategy	Develop and Review Board charter	Approved Charter	Number	2	1	-	-	-	1	2	-	-	-	2	CS	M LS
	Acquire and implement an e-Board system	Acquired system	Number	1	-	1	-	-	-	-	6	-	-	-	CS	M LS
	Implementation of the Board Calendar	Board calendar Implementation report	Number	5	1	1	1	1	1	-	-	-	-	-	CS	M LS
	Develop and implement Board workplan	Board workplan in place	Number	5	1	1	1	1	1	2	2	2	2	2	CS	M LS
		Board workplan implemented	% level	100	100	100	100	100	100	5	10	10	10	10	CS	M LS
	Board capacity building	Training reports for Trustees	Number	5	1	1	1	1	1	10	20	25	30	35	CS	M LS
	Develop and Review Board evaluation procedure	Approved Policy	Number	2	-	1	-	-	1	-	3	-	-	-	CS	M LS
	Conduct Board Performance Evaluation	Report	Number	5	1	1	1	1	1	-	1	1	1	1	CS	M LS
	Establish Board ethical conduct guidelines	Guidelines	Number	1	-	1	-	-	-	-	2	-	-	-	CS	M LS
	Undertake audits of ethical conducts	Report	Number	4	-	1	1	1	1	-	1	1	1	1	CS	M LS
Undertake Governance Audits	Report	Number	4	-	1	1	1	1	-	1	1	1	1	SM IA&RA	M IA	
Develop internal audit plan	Internal audit plan	Number	4	-	1	1	1	1	-	1	1	1	1	SM IA&RA	M IA	

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Enhance Internal Audit function	Implement internal audit plan	Implementation Level Report	Percentage	100	100	100	100	100	100	-	-	-	-	-	SM IA&RA	M IA
	Acquire an audit management system and data analytic software	System acquired	Number	1	-	-	1	-	-	-	-	10	-	-	SM IA&RA	M IA
	Undertake ICT Security Audit	ICT Security Audit Report	Number	1	-	-	1	-	-	-	-	-	-	-	SM IA&RA	M IA
	Develop and review internal Audit policy	Internal Audit policy	Number	2	-	1	-	-	1	-	-	5	-	-	SM IA&RA	M IA
	Implement internal Audit policy	Level of implementation	Percentage	100	-	-	100	100	100	-	-	-	-	-	CS	M LS
S.6.2: Institutionalize the risk management practices	Document key business processes	Corporation Services & Legal Policy & Procedure Manual	Number	1	-	1	-	-	-	-	-	3	-	-	CS	M LS
		Registration & Benefits Policy & Procedure Manual	Number	2	2	-	-	-	2	2	-	-	-	4	SM R&B	M E&R
		Investment & Proper Policy & Procedure Manual	Number	1	-	-	1	-	-	-	-	3	-	-	SM I&PM	M INVEST.
		Supply Chain Management Policy & Procedure Manual	Number	1	-	-	1	-	-	-	-	3	-	-	M SCM	PSCM
		Financial Policy and Procedures Manual	Number	2	1	-	-	-	1	1	-	-	-	3	M F&A	PA
		Records Policy & Procedure Manual	Number	1	-	-	1	-	-	-	-	3	-	-	PRMO	M HRM&D
		ICT and Data protection Policy & Procedure Manual	Number	2	1	-	-	1	-	1	-	-	3	-	M ICT	PICTO CS
		Corporate Communication Policy & Procedure Manual	Number	1	-	1	-	-	-	-	-	2	-	3	SM CS	PCCO

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility		
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support	
		Human Resource Planning Policy	Number	2	-	2	-	-	-	-	3	-	-	3	M R,S&P	ppo	
		Knowledge Management and Learning Policy	Number	2	-	2	-	-	-	-	3	-	-	3	M HRM&D	PHRO	
		Research, Strategy & Planning Policy & Procedure Manual	Number	2	-	2	-	-	-	-	3	-	-	3	SM CS	PCCO	
		Develop a risk register	Register In Place	Number	1	1	-	-	-	-	1	-	-	-	M SCM	M ICT	
		Automate risk and compliance management	Risk & Compliance System in place	Number	1	-	-	1	-	-	-	-	-	-	SM IA&RA	M IA	
		Sensitize staff on the identified risks	Number of Staff Sensitized	Number	143	-	50	100	143	143	-	3	5	10	15	SM IA&RA	M IA
		Acquire an audit management system and data analytic software	Systems in Place	Number	1	-	-	-	-	-	-	-	10	-	-	SM IA&RA	M IA
S.6.3: Harmonized policy and legal framework	Develop/ review pension Policies, Laws and regulatory framework	Policies, laws and regulations	Number of policies	3	-	-	-	3	-	-	-	-	10	-	CS	SM B&E	
			Number of Statutes	1	-	1	-	-	-	5	5	-	-	-	CS	SM B&E	
			Number of regulations	1	-	1	-	-	-	5	5	-	-	-	CS	SM B&E	
S.6.4: Enforce compliance to legal and statutory provision	Undertake legal audit	Legal Audit report	Number	3	1	-	1	-	1	2	-	-	2	-	CS	SM B&E	
	Prepare and submit statutory reports to relevant bodies	Statutory reports submitted to relevant agencies	Number	60	12	12	12	12	12	-	-	-	-	-	CS	SM B&E	
S.6.5: Enhance internal standard and controls	Undertake the process of ISO certification	ISO Certification	Number	1	-	-	1	-	1	-	-	5	-	-	M R,S&P	PPO	
	Establish structure and systems for complaint handling	Complaint handling committee in place	Number	1	1	-	-	-	-	-	2	2	2	2	SM CS	PCCO	
	Formulate and review complaints handling procedure manual	Complaints handling procedure manual	Number	1	-	1	-	-	1	-	2	-	-	-	SM CS	PCCO	

Strategy	Key Activities	Expected Output	Output Indicators	5 Year Target	Target					Budget(KS.Mn)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
	Implement the complaints handling procedures	Complaint handling report	Number	4	-	1	1	1	1	-	0.5	0.5	0.5	0.5	SM CS	PCCO
S.6.6: Promote positive organizational culture	Carry out a Culture Assessment Survey	Baseline survey report	Number	2	-	1	-	-	1	-	2	-	-	2	M HRM&D	PHRO
	Define desired culture/ create strategies to achieve culture change in line with the survey report	Culture change strategy	Number	4	-	1	1	1	1	-	1	1	1	1	M HRM&D	PHRO
	Create awareness of the new culture	Culture change report	Number	4	-	1	1	1	1	-	2	2	2	2	M HRM&D	PHRO

KEY

CEO Chief Executive Officer
SM R&B Senior Manager Registration and Benefits
SM IA&RA Senior Manager Internal Audit & Risk Assurance
M E&R Manager Education and Registration
M ICT Manager ICT
M SCM Manager Supply Chain Management
M IA Manager Internal Audit
PPO Principal Planning Officer
PA Principal Accountant
PICTO Principal Information Communication Technology Officer
PCCO Principal Corporate Communication Officer

CS Corporation Secretary
SM I&PM Senior Manager Investment and Property Management
M HRM&D Manager Human Resource Management & Development
M INVEST. Manager Investment
M F&A Manager Finance & Accounts
M R,S&P Manager Research, Strategy and Planning
M LS Manager Legal Service
P SCM Principal Supply Chain Management
PHRMO Principal Human Resource Management Officer
PAO Principal Administration Officer
CCO Corporate Communication Officer

6.1.2. Annual Workplan and Budget

Implementation and delivery of the proposed initiatives will be done through preparation of Annual Work Plans at the commencement of every year based on annual targets captured in this Strategic Plan. The annual work plans will be further cascaded to directorate, departmental and individual levels. The Work Plans will be costed in accordance with the available budget.

6.1.3. Performance Contracting

As a tool for driving accountability and ensure efficient service delivery, PSSF shall be developing a Performance Contract whose targets will be drawn from the annual work plan implementing this Strategic Plan. The Performance Contract shall further be cascaded for signing between the Board of Trustees and Cabinet Secretary for The National Treasury and planning and further between the Board and the CEO and finally the CEO and Heads of Directorates within the Fund. By so doing, this will bring all staff on board in the implementation and delivery of this plan.

6.2. Coordination Framework

The coordination framework entailing PSSF institutional framework, the staff establishment, skills set and competence development requirements, the ideal institutional leadership as well as the systems and Procedures are as presented in the subsequent sections.

6.2.1. Institutional Framework

The current organization structure, existing policies, rules and regulations have supported execution of PSSF's mandate. However, there is need for a review to align to the emerging trends, best practices, organization needs and changing legal environment to support implementation of the identified strategic initiatives.

6.2.1.1 The organization structure

At the helm of the current structure is the Board of Trustees that was established to manage and operate the Fund. The Board of Trustees consists of nine (9) members with a chairman appointed by the CS responsible for Finance. Under the Board there is a secretariat headed by the Chief Executive Officer appointed under section 20 of the PSSS Act, 2012. The Secretariat is the administrative arm responsible for the day to day running of the Fund.

The Fund’s organizational structure for the Fund is presented in Figure 2. The structure adopted governance systems meant to enhance good governance in the management and operation of the fund.

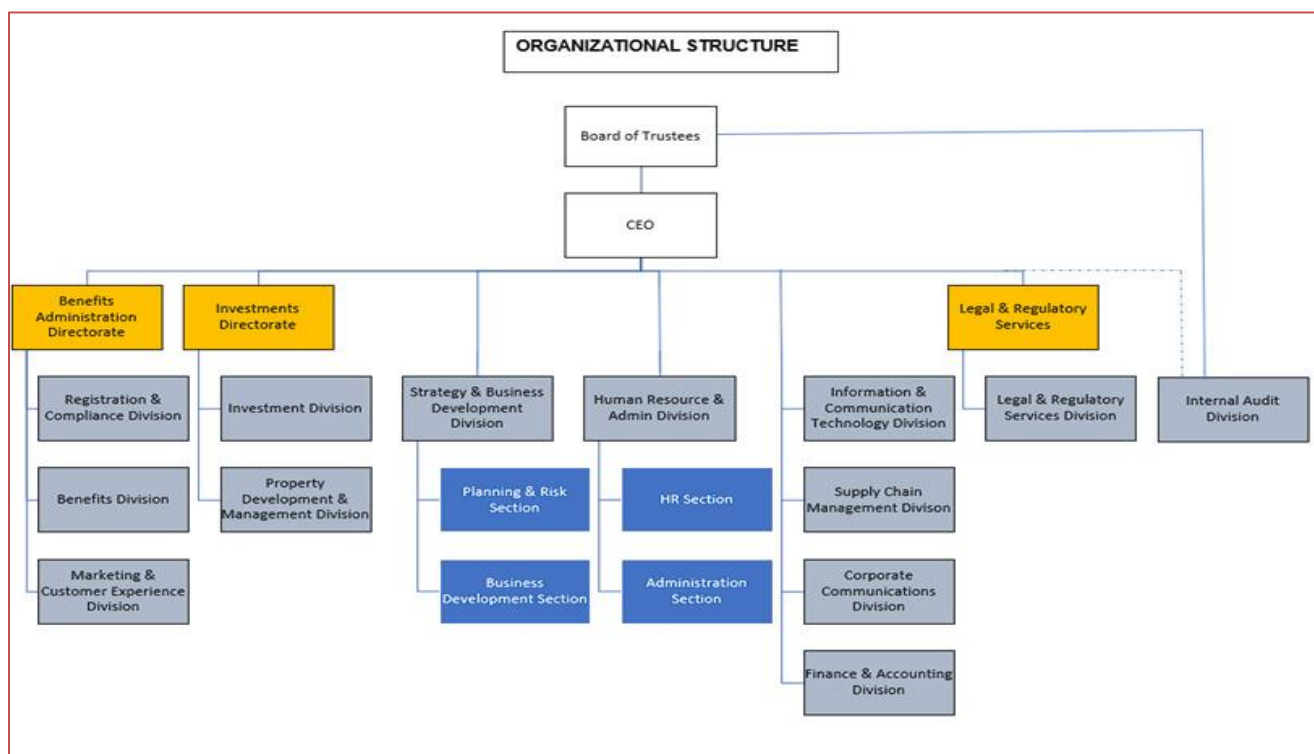


Figure 2: Organization Structure

6.2.1.2 Policies, Rules and Regulations

The Fund operates within a well-regulated pensions industry and therefore the need for compliance with regulatory requirements including the Retirement Benefits Act, regulations and the governance guidelines thereunder. Further, the Fund operates within the provisions of the Code of Governance for Government Owned Entities (*Mwongozo*) which provides a framework for enhancing transparency, accountability and disclosure; risk management; internal controls; ethical leadership and good corporate governance; addressing shareholder rights and obligations; sustainability as well as excellence in performance across State Owned Entities.

At the board level, there exists various policies, rules and regulations guiding the day to day operations. Among them include Board Charter; Code of Conduct; Conflict of interest; Risk Management Policy; Communication and Education; Social Corporate responsibility policy; ICT Policy; Investment Income Distribution & Reserve Policy; PSSS Financial Policy & Procedure Manual, Death Benefits Policy and Claims Procedure Manual

6.2.2. Staff Establishment, Skills Set and Competence Development

PSSF current authorized staff establishment is sixty-one (61) against an in-post of twenty-eight (28) spread across the various functional areas. The shortfall of staff for the fund is thirty-three (33). The proposed optimal staffing levels to facilitate effective and efficient service delivery of PSSF mandate is one Hundred and sixty-one (161). The current staffing levels are as outlined in table 6.2. However, PSSF envisages reviewing the current

Table 6.2: Current Staff Establishment

Cadre	Approved Establishment	Optimal Staffing Level	In-post	Variance
	A	B	C	B-C
Top Management	6	6	3	3
Middle management	8	8	2	6
Operational: Officers	12	12	5	7
Operational: Technical	31	31	14	17
Support Staff	5	5	5	0
Total	61	61	28	33

Table 6.3: Proposed Staff Establishment

Cadre	Approved Establishment	Optimal Staffing Level	In-post	Variance	Proposed Optimal Staffing Level
	A	B	C	B-C	
Top Management					
Middle management					
Operational: Officers					
Operational: Technical					
Support Staff					
Total					

Table 6.4: Skills Set and Competence Development

Cadre	Skills Set	Skills Gap	Competence Development
Top Management	<ul style="list-style-type: none"> ▪ Policy development ▪ Mentorship ▪ Performance Management ▪ Strategic Leadership, ▪ Making informed decisions ▪ Conflict Management ▪ Risk Management ▪ Relationship Building ▪ Negotiation, ▪ Planning 	<ul style="list-style-type: none"> ▪ Strategic leadership ▪ Communication and Negotiations Skills. 	<ul style="list-style-type: none"> ▪ Training and development ▪ Recruitment

Cadre	Skills Set	Skills Gap	Competence Development
	<ul style="list-style-type: none"> ▪ Inspiring and Motivation employees ▪ Reward Management ▪ Navigating & driving change 		
Middle Management	<ul style="list-style-type: none"> ▪ Planning, Organizing and Delivery of Work ▪ Technical skills ▪ Project Planning and Management ▪ ICT Skills ▪ Creativity and Innovation ▪ Risk Management ▪ Teamwork and Interpersonal Relations ▪ Professional Development ▪ Performance Management ▪ Communication and Report Writing 	<ul style="list-style-type: none"> ▪ ICT Skills ▪ Technical skills ▪ Monitoring and Evaluation skills ▪ Financial Management skills ▪ Report writing skills. 	<ul style="list-style-type: none"> ▪ Training and development ▪ Recruitment
Operational: Officers	<ul style="list-style-type: none"> ▪ Supervisory skills ▪ Planning, Organizing and Delivery of Work ▪ Technical skills ▪ ICT Skills ▪ Creativity and Innovation ▪ Risk Management ▪ Teamwork and Interpersonal Relations ▪ Professional Development ▪ Performance Management ▪ Communication and Report Writing 	<ul style="list-style-type: none"> ▪ Managerial Skills ▪ Technical skills 	<ul style="list-style-type: none"> ▪ Training and Development
Operational: Technical	<ul style="list-style-type: none"> ▪ Communication and Report Writing ▪ Proficiency Tests ▪ Suitability Tests for re-designation ▪ Core Competency Tests ▪ Aptitude Tests 	<ul style="list-style-type: none"> ▪ Technical skills 	<ul style="list-style-type: none"> ▪ Training and Development
Support Staff	<ul style="list-style-type: none"> ▪ Core Competencies ▪ Core competencies 	<ul style="list-style-type: none"> ▪ Technical Skills ▪ Technical skills 	<ul style="list-style-type: none"> ▪ Training and Development

6.2.3. Leadership

Execution of the strategic plan will be managed through strategic theme teams identified based on skills required to execute planned activities as outlined in table 6.4.

Table 6.5: Key Result Areas and Strategic Theme Leaders

S/No.	Strategic Issue	Key result Area	Strategic Theme Team(s)	
			Lead	Support
1.	Sustainability in provision of retirement benefits	Fund sustainability and enhanced replacement income	Head, Investment Directorate	<ul style="list-style-type: none"> ▪ Head, Business Administration Directorate ▪ Head, Strategy and Business Development ▪ Head, ICT division ▪ Head, Human Resource Development and Administrative Division ▪ Head, Supply Chain Management Division ▪ Head, Finance and Accounting Division ▪ Legal & Regulatory Services
2.	Inadequate pension administration structures and systems	Efficient Fund administration	Head, Benefit Administration Directorate	<ul style="list-style-type: none"> ▪ Head, Investment Directorate ▪ Head, ICT division ▪ Head, Human Resource Development and Administrative Division ▪ Head, Supply Chain Management Division ▪ Head, Finance and Accounting Division ▪ Legal & Regulatory Services
3.	Member centric driven services	Member and Stakeholder Focus	Head, Business Administration Directorate Head, Corporate Communication Division Legal & Regulatory Services Head, Strategy and Business Development	<ul style="list-style-type: none"> ▪ Head, ICT division ▪ Head, Human Resource Development and Administrative Division ▪ Head, Supply Chain Management Division ▪ Head, Finance and Accounting Division
4.	Business process efficiency	Service Delivery, Support System & Innovation	Head, ICT Division Head, Strategy & Business Development Division	<ul style="list-style-type: none"> ▪ Head, ICT division ▪ Head, Human Resource Development and Administrative Division ▪ Head, Supply Chain Management Division

S/No.	Strategic Issue	Key result Area	Strategic Theme Team(s)	
			Lead	Support
				<ul style="list-style-type: none"> ▪ Head, Finance and Accounting Division
5.	Corporate governance and Human resource development	Institutional Capacity Development	Head, Human Resource & Administration Division Legal & Regulatory Services	<ul style="list-style-type: none"> ▪ Head, Business Administration Directorate ▪ Head, Investment Directorate ▪ Head, Strategy and Business Development ▪ Head, ICT division ▪ Head, Supply Chain Management Division ▪ Head, Finance and Accounting Division

6.2.4. Systems and Procedures

Implementation and delivery on planned targets in this planning period calls for robust structures and systems guided by clear policies, laws, regulations and procedures. It is in this regard that PSSF has prioritized investments geared towards enhancing efficiency and effectiveness. Among the prioritized interventions include acquisition and implementation of ERP, EDMS and Pension administration system; operating an interactive website and social media communication platforms as well as opening up ICT based service delivery channels such as bulk SMS and USSD codes.

The internal structures will be strengthened by acquiring an IPS; secure ICT network infrastructure; establish a data center and acquire the end user computing devices. Further, the fund will not only champion the process review of the Policy, legal and regulatory framework to harmonize operations but also enforce standards through development and implementation of the institution and Boards' service charters as well as pursuing ISO certification developing a BCP and DRP.

6.3. Risk Management Framework

The Fund identified risks that may potentially hinder the successful implementation of this Strategic Plan and put in place the appropriate mitigating measures to eliminate or minimise the impact of such risks.

Table 6.6. Risk Management Framework

#	Risk Category	Risk and Description	Likelihood (H/M/L)	Impact (H/M/L)	Overall Risk Level	Mitigation Measure(s)	Risk Owner
1.	Strategic	Political risks – success is dependent on	Low	High	High	<ul style="list-style-type: none"> • Remain alert to and respond to 	CEO

#	Risk Category	Risk and Description	Likelihood (H/M/L)	Impact (H/M/L)	Overall Risk Level	Mitigation Measure(s)	Risk Owner
		agility in responding to changes and continuous alignment with changing government policy				<ul style="list-style-type: none"> changes in government policy. Continuous stakeholder engagement 	
		Difficulty in establishing the required government partnerships: This can result from failed past partnerships or other agencies desire to protect their mandate from diversion. This will frustrate efforts for PSFF to execute its mandate	Low	High	High	<ul style="list-style-type: none"> A close working relationship with the relevant government agencies is required to ensure their buy in. Identify strategic areas for partnerships 	CEO
		Sub-optimal strategies - risk of choosing and continuing to follow sub-optimal strategies to meet the set objectives	Low	High	Medium	<ul style="list-style-type: none"> In-depth environment scanning Mid-term review Quarterly monitoring 	CEO
		Changes in operating environment – assumptions made during planning may not hold throughout the plan period	Low	High	High	<ul style="list-style-type: none"> Continuous environment scanning Quarterly monitoring 	CEO
2.	Financial Risk	Funding deficit – budget cuts induced by austerity measures	Medium	High	High	<ul style="list-style-type: none"> Ensure adequate budgeting and justification. Continuous engagement with government 	Finance & Accounts Department
		Market risk – the risk of insufficient budget from a	Low	High	Medium	<ul style="list-style-type: none"> Include margins informed by movement in 	Investment and Property Management Directorate

#	Risk Category	Risk and Description	Likelihood (H/M/L)	Impact (H/M/L)	Overall Risk Level	Mitigation Measure(s)	Risk Owner
		future movement in market rates – i.e., foreign exchange risk, interest rate and other price risks				exchange, inflation rates, interest rates and prices. <ul style="list-style-type: none"> Continuous monitoring 	
3.	Operational Risk	ICT Security- Exposure to loss of confidentiality, integrity and availability of data	Low	Medium	High	<ul style="list-style-type: none"> Regular penetration testing to identify security gaps and implement actions. Installation of requisite infrastructure 	Corporate Services Directorate
		Redundancy of technology – as technology evolves, PSSF should ensure that its technology is aligned	Low	High	Medium	<ul style="list-style-type: none"> Adequate funding for automation 	Corporate Services Directorate
		Human resource risks – This relates to establishment, capacity and competencies of staff which may adversely affect the ability to undertake the planned activities	Low	High	Medium	<ul style="list-style-type: none"> Speedy filling of vacant positions Timely replacement of requisite staff with the right experience and competencies 	Corporate Services Directorate
		Poor service delivery and corruption related practices could lead to reputational risks damaging PSSFs image	Low	High	Medium	<ul style="list-style-type: none"> Implement Customer Service Delivery Charter Implement Corruption Prevention Strategies Build strong public/media relations 	Corporate Services Directorate
		Inadequate processes to support execution of strategies	Low	High	Medium	<ul style="list-style-type: none"> Business process re-engineering 	CEO

#	Risk Category	Risk and Description	Likelihood (H/M/L)	Impact (H/M/L)	Overall Risk Level	Mitigation Measure(s)	Risk Owner
4.	Compliance	Adverse legal and regulatory changes affecting strategy implementations	Low	High	High	<ul style="list-style-type: none"> Continuous stakeholder engagement to articulate policy 	Corporation Secretary & Legal Services Directorate
		Litigations from stakeholders affecting strategy implementation	Medium	Medium	Medium	<ul style="list-style-type: none"> Compliance monitoring Timely enforcement of laws Engage competent advocates to handle cases 	Corporation Secretary & Legal Services Directorate

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CHAPTER SEVEN: RESOURCE REQUIREMENT AND MOBILIZATION STRATEGIES

This Chapter summarises the financial requirements of implementing the Strategic Plan against, projected resources and resource gaps.

7.1. Financial Requirements

For the Plan to be implemented, annual budgets proposals have to be prepared and submitted to The National Treasury and Economic Planning for approval in line with the PFM Act, 2012 requirements. The total financial cost for implementing this Strategic Plan is estimated at KShs. **4,249** million over the next five years as tabulated in **Table 7.1**.

Table 7.1: Financial Requirements for Implementing the Strategic Plan

Key Result Area	Financial Resource Requirements Estimate (KSh. '000')					Total
	2023/24	2024/25	2025/26	2026/27	2027/28	
KRA 1	4	9	83	43	25	163
KRA 2	2	115	25	50	42	234
KRA 3	84	118	134	158	175	668
KRA 4	81	62	67	149	57	416
KRA 5	134	154	196	195	245	922
Total for KRA 1-5	305	457	504	594	543	2,403
Recurrent budget	250	253	398	451	494	1,847
Total	555	710	902	1,045	1,037	4,249

The projected financial resource requirement for the implementation of this Strategic Plan is approximately KShs. **4,249** million against an estimated resource allocation of KShs. **4,557** million as tabulated below.

Table 7.2: Resource Gaps

Financial Year	Requirement KSh. '000,000'	Estimated Resource Allocation KSh. '000,000'	Variance KSh. '000,000'
2023/24	555	552	2
2024/25	710	612	98
2025/26	902	850	52
2026/27	1,045	1,119	-74
2027/28	1,037	1,423	-385
Total	4,249	4,557	-308

7.2. Resource Mobilisation Strategies

PSSF is expected to enhance cost control measures to ensure utilization of allocated resources efficiently and eliminating wastage. PSSF's main sources revenue sources during the implementation period will be return on investment and government capitation. In addition to meeting the financing resource gap, the Fund shall:

- a) Seek review of the 4% approved proportion of investment returns to 5% to cover for the budget deficit in the second and third year;
- b) Invest in diversification of investment portfolio for increased investment returns which will in turn grow PSSF annual budgetary allocation; and
- c) Implement cost reduction strategies proposed in the plan with an objective of cutting on operational costs.

7.3. Resource Management

The overall expenditure incurred must be within the approved budget, guidelines issued by The National Treasury and Economic Planning and in line with the provisions of the PFM Act, 2012.

CHAPTER SEVEN: MONITORING, EVALUATION AND REPORTING FRAMEWORK

The chapter provides the monitoring and evaluation framework that will guide tracking and reporting on the implementation of this plan.

8.1. Monitoring Framework

The Planning Directorate shall be responsible for monitoring, evaluation and reporting on the implementation of this strategic plan. The M&E process shall be based on the indicators and targets captured in the action plan in table 6.1. Progress reports will be developed within predetermined intervals and review meetings held to authenticate the reports before presenting them to the Board of Trustees for approval and subsequent dissemination.

8.2. Performance Standards

Strategic theme teams captured in table 6.4 support the Planning Directorate with will apply both quantitative and qualitative methods in data collection and analysis in conformity with monitoring and evaluation standards that will be set by PSSF. Data collection and reporting templates as provided in tables 8.2 and 8.3 shall be applied during quarterly and annual reporting. Elaborate systems and structures for data management shall be established. The strategic teams shall undergo a specialized training to effectively undertake the function. Authenticity and accuracy of data and reports developed shall be ensured through peer review forums with relevant stakeholders. Further, stakeholders shall also be engagement in monitoring and evaluation process to ensure participation and enhance ownership in the implementation of this plan.

8.3. Evaluation Framework

Evaluation will involve a systematic and objective assessment on the relevance, effectiveness, efficiency and impact of activities undertaken. The process will seek to examine outcomes in respect to the strategic objectives under respective key result areas. Evaluation of this Strategic Plan will be carried out for selected programmes and projects, at mid-term and end-term. Evaluation process shall be guided by the defined outcome indicators, baselines and targets as summarized in Table 8.1.

Table 8.1: Outcome Performance Matrix

Outcome	Key Performance Indicators	Baseline		Target	
		Value	Year	Mid-Term Period Target (Dec 2025)	End of Plan Period Target June 2028
Growth in assets under management	Values of Assets under Management (Kshs. Billion)	80	2023	262.4	422.1
Growth in Scheme Membership	Number of Scheme members	416,449	2023	471,447	512,283
Improved investment performance	% Net investment return declared to members	12	2023	12.5	13
Reduction in administration costs	% reduction	-	2023	2.5	7.5
Enhanced adoption of sustainability practices	No. of ESG interventions	-	2023	2	4
Reduced turn-around time in payment of claims	No. of days	60	2023	28	21
Increased number of retirement products	No. of pension products	-	2023	1	3
Improved member experience	Member satisfaction index	-	2023	80	90
Enhanced stakeholder satisfaction	Stakeholder satisfaction index	-	2023	80	90
Automated business processes	% of business processes automated	5	2023	60	90
	% of business processes documented	10	2023	100	100
Enhanced human resource capital	Number of staff engaged	21	2023	93	143
	% of staff trained against in-post	100	2023	100	100
Improved working condition	Employee satisfaction index	0	2023	85	95
Improved corporate governance	Level of board performance	-	2023	90	95
	% compliance to policy, statutory and regulatory requirements	100	2023	100	100
	% implementation of corporate governance audit findings	-	2023	100	100

Outcome	Key Performance Indicators	Baseline		Target	
		Value	Year	Mid-Term Period Target (Dec 2025)	End of Plan Period Target June 2028
	% implementation of internal audit and risk findings	-	2023	100	100
	No. of reviewed policies, laws and regulations	12	2023	6	12

8.3.1. Mid-Term Evaluation

Mid-Term of the Strategic Plan shall be undertaken in the financial year 2025/26 using appropriate M&E tools to ascertain whether implementation and achievement of the set objectives is on course. The Mid-term evaluation will provide a scorecard on the extent to which the commitments have been achieved and identify bottlenecks and emerging issues that may hinder attainment of the goals and objectives. The mid-term evaluation report will be critical in informing the decision and corrective actions to be undertaken towards ensuring full implementation of the strategic plan.

8.3.2. End-Term Evaluation

The end-term review and the development of the next cycle strategic plan will be carried out in the FY 2027/2028. The key issues to be addressed in both the mid-term and end-term reviews are:

- a) **Relevance:** The extent to which the goal, purpose and objectives of the strategic plan were consistent with the needs and priorities of the relevant stakeholders;
- b) **Efficiency:** How resources/inputs (funds, expertise, time, and infrastructure.) have been converted to results;
- c) **Effectiveness:** The extent to which the implementation of activities met the set objectives;
- d) **Sustainability:** Assess the likelihood of strategic plan achievements continuity;
- e) **Impact** of the Strategic plan over the period under evaluation;
- f) **Achievements and Challenges:** Document the achievement and challenges faced in the implementation of the plan; and
- g) **Mitigation Measures:** Document the measures to overcome the challenges.

8.4 Reporting Framework and Feedback Mechanism

PSSF shall develop reporting framework and feedback mechanisms to guide the Monitoring, reporting, evaluation and learning processes. This will entail:

- a) Development and implementation of annual corporate work plans;
- b) Monitoring and reporting quarterly on the implementation of the annual work plans to the Board of Trustees;
- c) Taking corrective actions on deviations in the Plan's implementation;
- d) Undertaking annual reviews and reporting on the implementation of the Plan to the Board of Trustees;
- e) Disseminating the findings and recommendations;
- f) Implementing the recommendations of the report; and,
- g) Administering rewards and recognition

The information obtained from Monitoring and Evaluation will inform learning and growth through creating, retaining, and applying the knowledge in order to adapt, improve, and innovate. Application of learning and growth will involve implementing new practices, sharing best practices, and leveraging knowledge to make informed decisions and drive organizational change.

Table 8.2: Quarterly Progress Reporting Template

QUARTERLY PROGRESS REPORT QUARTER ENDING

Expected Output	Output Indicator	Annual Target (A)	Quarter for Year			Cumulative to Date			Remarks
			Target (B)	Actual (C)	Variance (C-B)	Target (E)	Actual (F)	Variance (F-E)	

8.3: Annual Progress Reporting Template

ANNUAL PROGRESS REPORT YEAR ENDING

Expected Output	Output Indicator	Achievement for Year.....			Cumulative to Date (Years)			Remarks
		Target (A)	Actual (B)	Variance (B - C)	Target (D)	Actual (E)	Variance (E - D)	

Table 8.4: Evaluation Reporting Template

Key Result Area	Outcome	Key Performance Indicator	Baseline		Mid-Term Evaluation		End of Plan Period Evaluation		Remarks
			Value	Year	Target	Achievement	Target	Achievement	
KRA 1									
KRA 2									