

ANNUAL FINANCIAL STATEMENTS

NAME OF RETIREMENT FUND: MUNICIPAL WORKERS' PENSION FUND

FINANCIAL SECTOR CONDUCT AUTHORITY REGISTRATION

NUMBER: 12/8/34353/2

FOR THE PERIOD: 1 JULY 2022 to 30 JUNE 2023

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* Not subject to any engagement by an auditor

MUNICIPAL WORKERS' PENSION FUND**SCHEDULE A
REGULATORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2023****REGISTERED OFFICE OF THE FUND**

Postal address: P. O. Box 291248,
Melville,
2109

Physical address: 24 Napier Road,
Richmond,
Auckland Park,
2092

FINANCIAL REPORTING PERIODS

Current year: 1 July 2022 to 30 June 2023

Prior year: 1 July 2021 to 30 June 2022

Governance note: schedule of meetings* held by the Board of Fund in terms of the Rules of the Fund

Meeting date	Place of meeting	Quorum (yes/no)
28 July 2022	Garden Court, OR Tambo, Kempton Park	Yes
17 November 2022	Garden Court, OR Tambo, Kempton Park	Yes
27 March 2023	Garden Court, OR Tambo, Southern Sun	Yes

* Only meetings held by the Board of Fund and does not include meetings held by the sub-committees

FUND OFFICERS

	Principal Officer	Principal Officer
Full name:	Themba Mfeka	Themba Mfeka
Postal address:	P.O. Box 291248, Melville, 2109	P.O. Box 291248, Melville, 2109
Physical address:	24 Napier Road, Richmond, Auckland Park, 2095	24 Napier Road, Richmond, Auckland Park, 2095
Telephone number:	(011) 727 2800	(011) 727 2800
Email address:	tmfeka@mwrfund.org.za	tmfeka@mwrfund.org.za

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2023**

	Actuary	Auditor
Full name:	Erich Potgieter	Herman Nieuwoudt
Postal address:	Private Bag X30, Rondebosch, 7701,	P.O. Box 2690, Alberton, 1450
Physical address:	Great Westerford Building, 240 Main Road, Rondebosch, 7700	89 Nelson Mandela Avenue, Randhart, Alberton, Johannesburg, 1449
Telephone number:	(021) 681 3700	(010) 595 9610
Email address:	erich.potgieter@wtwco.com	herman@vg-a.co.za

	Benefit administrator	Investment administrator
Full name:	Sanlam Corporate (a Division of Sanlam Life Insurance Limited)	Ninety One SA (Pty) Ltd
Postal address:	P.O. Box 1, 1 Sanlamhof, 7532	P.O. Box 1655, Cape Town, 8000
Physical address:	2 Strand Road, Bellville, 7530	36 Hans Strydom Avenue, Foreshore, Cape Town, 8001
Telephone number:	(021) 947-9111	(021) 410 5100
Registration no. in terms of Section 13B:	24/85	
<Additional note>		

	Investment administrator	Investment administrator
Full name:	Stanlib Collective Investment Ltd	Sanlam Life Insurance Ltd
Postal address:	P O Box 1655, Cape Town, 8000	P.O.Box 1, Sanlamhof, 7532
Physical address:	17 Melrose Boulevard, Melrose Arch, 2196	2 Strand Road, Bellville, 7530
Telephone number:	(011) 448 6285	(021) 947 9111
FAIS registration no.:	719	579

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE B

STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND FOR THE YEAR ENDED 30 JUNE 2023

Responsibilities

The Board of Fund hereby confirm to the best of their knowledge and belief that, during the year under review, in the execution of their duties they have complied with the duties imposed by the Pension Funds Act legislation and the Rules of the Fund, including the following:

- ensured that proper registers, books and records of the operations of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the Fund;
- ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the Rules of the Fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the Fund or reported where necessary, in accordance with section 13A and regulation 33 the Pension Funds Act in South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the Rules and the operation and administration of the Fund complied with the Pension Funds Act and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the Rules of the Fund; and
- ensured that investments of the Fund were implemented and maintained in accordance with the Fund's investment strategy.

Approval of the annual financial statements

The annual financial statements of Municipal Workers' Pension Fund are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the Fund and/or its benefit administrators, provide reasonable assurance that:

- the Fund's assets are safeguarded;
- transactions are properly authorised and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 13 to 22 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the Pension Funds Act. The Board of Fund is not aware of instances of non-compliance during the financial year up until the signature of these financial statements.

These annual financial statements have been reported on by the independent auditors, PKF VGA, who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on page 6 - 9.

Instances of non-compliance

The following instances of non-compliance with acts, legislation, regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the annual financial statements came to our attention Board of Fund's approval of the financial statements:

The following instances of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements came to our attention and were rectified before the Board of Fund's approval of the financial statements:

Nature and cause of non-compliance	Impact of non-compliance matter on the Fund	Corrective course of action taken to resolve non-compliance matter
Late submission of the Annual Financial Statements to the Financial Sector Conduct Authority (FSCA).	Non-compliance in regards to Section 15 of the Pension Funds Act, which requires annual returns to be submitted by pension funds 6 months after year-end.	The Fund applied for extension to the FSCA and the request was approved until 30 September 2024.

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 30 JUNE 2023**

These annual financial statements:

- were approved by the Board of Fund on _____;
- are to the best of the Board members' knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the Fund at 30 June 2023 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:

Name: _____
Chairperson

Name: _____
Trustee

Name: _____
Trustee

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE C

**STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
FOR THE YEAR ENDED 30 JUNE 2023**

I confirm that for the year under review the Municipal Workers' Pension Fund has timeously submitted all regulatory returns, statements, documents and any other information as required in terms of the Pension Funds Act and to the best of my knowledge all applicable legislation.

Specific instances of non-compliances	Remedial action taken
Late submission of the Annual Financial Statements to the FSCA.	The Fund applied for extension to the FSCA and the request was approved until 30 September 2024.

Themba Mfeka
Principal Officer

Independent Auditor's Report

To the Board of Fund of the Municipal Workers Pension Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Municipal Workers Retirement Fund (the Fund) set out on pages 10 to 31, which comprise the statement of net assets and funds as at 30 June 2023 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Fund for the year ended 30 June 2023 are prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial reporting framework and restriction on use

We draw attention to the *Purpose and basis of preparation of financial statements* note to the financial statements, which describes the basis of preparation of the financial statements. The financial statements have been prepared for the purpose of the Fund's reporting to the Financial Sector Conduct Authority (the Authority) in terms of section 15(1) of the Pension Funds Act No. 24 of 1956, as amended (the Pension Funds Act of South Africa), and have been prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Fund and the Authority and should not be used by parties other than the Board of Fund or the Authority. Our opinion is not modified in respect of these matters.

Directors: HC Nieuwoudt CA(SA) IRBA no. 507160 | V Kathan(CA)SA IRBA no.033255 | L Penning (CA) SA IRBA no.131425
S Bensch (CA)SA IRBA no.411734

PKF VGA Incorporated is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms. PKF in South Africa practices as separate incorporated entities in Gauteng, KwaZulu-Natal, Eastern Cape, Free State and Western Cape.

Independent Auditor's Report

Other information

The Board of Fund is responsible for the other information. The other information comprises the information included in the Annual Financial Statements in terms of section 15 of the Pension Funds Act of South Africa, of the Fund for the period 1 July 2022 to 30 June 2023, but does not include the financial statements (schedules F, G and HA) and our auditor's report thereon (schedule D).

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Fund for the Financial Statements

The Board of Fund is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and for such internal control as the Board of Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

In preparing the financial statements, the Board of Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.
- Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.



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Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statement.

PKF (VGA) Chartered Accountants

Herman Nieuwoudt

Chartered Accountants (SA)

Registered Auditor

27th September 2024

Directors: HC Nieuwoudt CA(SA) IRBA no. 507160 | V Kathan(CA)SA IRBA no.033255 | L Penning (CA) SA IRBA no.131425
S Bensch (CA)SA IRBA no.411734

PKF VGA Incorporated is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms. PKF in South Africa practices as separate incorporated entities in Gauteng, KwaZulu-Natal, Eastern Cape, Free State and Western Cape.

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE E REPORT OF THE BOARD OF FUND FOR THE YEAR ENDED 30 JUNE 2023

1. DESCRIPTION OF FUND

1.1. Type of fund in terms of the Income Tax Act, 1962

In terms of section 1 of the Income Tax Act, 1962 the Fund is classified as a pension fund. The Fund is a defined contribution fund.

1.2. Benefits

The Fund, a defined contribution fund, provides retirement and withdrawal benefits for employees of the employers participating in the Fund as well as benefits for dependants of such employees upon the death of such employees or former employees. The Fund provides insured death and disability benefits.

1.2.1. Beneficiary benefits

Benefits are calculated based on the member's own death, disability and funeral cover costs together with declared interest. A further lump sum equal to three times the member's annual salary is payable on the death or permanent disability of a member, with disability amount reduced if the member is within ten years of retirement.

1.2.2. Unclaimed benefits

If a benefit, other than a death benefit payable to a dependant or nominated beneficiary in terms of section 37C of the Pensions Fund Act, becomes legally due and payable under the Fund and is not claimed within two years after the date on which it becomes legally due and payable, or the scheme is terminated or partially terminated in terms of sections 27 or 28 of the Pension Fund Act, the benefit will become an unclaimed benefit, after which it may be transferred to a Pension Preservation Fund for unclaimed benefits. If at any stage after the benefit becomes legally due and payable and before it is transferred to a Pension Preservation Fund for unclaimed benefits, the benefit is claimed by a member, dependant, nominated beneficiary or other person to whom a benefit is payable in terms of the Rules, the Board of Fund must pay the benefit to such member, dependant, nominated beneficiary or other person to whom a benefit is payable in terms of the Rules. The benefit may increase with the returned earned on the fund credit while the benefit is unpaid. The benefit may be reduced by the monthly recurring costs of the administration of the benefit and by any reasonable costs incurred by the Fund in identifying and tracing a member, dependant, nominated beneficiary or other person to whom a benefit is payable in terms of the Rules, on the understanding that, in the event where no monthly recurring administration costs have been deducted in respect of the member, a cost may be charged by the administrator for payment of the benefit to such member, dependant, nominated beneficiary or other person to whom a benefit is payable in terms of the Rules.

1.3. Contributions

Members do not contribute to this Fund as this is a paid up Fund.

Employer does not contribute to this Fund as this is a paid up Fund.

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2023

1.4. Rule Amendments

All Rule amendments are available for inspection at the Fund's registered office.

2. INVESTMENTS

2.1. Investment strategy

The Board of Fund have formulated an investment strategy whereby the investments are managed according to the following principles. This investment strategy complies with the provisions of regulation 28 of the Pension Funds Act in South Africa.

2.1.1. General

The Fund is a defined contribution fund in which members' credits are adjusted from time to time on the advice of the actuary, in accordance with the Fund's investment return and any smoothing policy set by the Board of Fund. The current policy is that an annual member bonus rate is set by the Board of Fund as at 30 June each year, on the advice of the actuary, taking account of the net investment return over the preceding 12 months. The Fund also maintains smoothing reserve (targeted not to exceed 6,5% of the member credits) which will be used to subsidise the declared bonus rate in adverse market conditions, in terms of the documented smoothing policy set by the Board of Fund. This does not refer to the current level, but rather a target maximum for the Fund (above which they would consider declaring bonuses above returns achieved). An interim bonus rate is set for the period up to the next annual bonus declaration. The member bonus rate may in principle be negative as well as positive, but the Board of Fund have adopted an investment strategy which, together with the existence of the smoothing reserve, reduces the likelihood that this will be necessary. Where there is a negative return in the Fund, the Fund declares a 0% bonus rate i.e. the Fund does not declare a negative return.

2.1.2. Individual member choice

No individual member choice is available to members in terms of the Rules of the Fund.

2.1.3. Reserve accounts

The credits of the Investment Reserve Account will be, allocation (annually or more frequently) of the difference between the value of the assets of the Scheme held in respect of the Members' Shares of the Scheme; and the total amount of the Members' Shares of the Scheme, if positive, in accordance with the investment smoothing policy adopted by the Trustees in consultation with the Actuary.

2.2. Management of investments

The Fund's investment strategy seeks to provide positive real returns on members' savings over the medium to long term (defined as periods in excess of 5 years). The investment strategy further seeks to offer members some protection against short-term investment losses (defined as a negative return to members over a one-year period).

The Fund's investments consist of three market related policy mandates with Ninety One SA (Pty) Ltd, Stanlib Asset Management and Sanlam Life Insurance Ltd respectively.

Life Stage Model: Members who are closest to retirement age require the greatest protection against short-term investment losses. Therefore the Fund's investment strategy for members within 1 year of normal retirement age, and 50% of the investments for members within 2 years of normal retirement age, seeks to protect these members by investing assets corresponding to their savings in a domestic money market portfolio managed by Stanlib Asset Management.

The fair value of the Fund's investments, administered by the investment administrators at the end of the year was:

	FSCA Registration number	30 June 2023 R	30 June 2022 R
Ninety One SA (Pty) Ltd	587	35,257,066	43,689,162
Stanlib Collective Investment Ltd	719	31,273,217	29,172,108
Sanlam Life Insurance Ltd	579	50,790,214	47,152,836
Total value of investments managed		117,320,497	120,014,106

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2023

3. MEMBERSHIP

	Active members	Unclaimed benefits
Number at the beginning of year	250	123
Adjustments	1	-
Disability	(1)	-
Retirements	(19)	-
Deaths	(1)	-
Unclaimed benefits paid	-	(1)
Number at the end of the year	230	122
Number at end of year (South African citizen)	230	122

4. ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the Fund. The financial statements do not take account of liabilities to pay pensions and other benefits in the future. In accordance with the Rules of the Fund, the actuarial position of the Fund, which does take account of such liabilities, is examined and reported on by the actuary at intervals not exceeding three years. The latest statutory actuarial valuation for the Fund was effective 30 June 2020 and reported that the Fund was in a sound financial position. The valuation report was submitted to the FSCA on 30 September 2021 and was approved on 15 February 2023 by the FSCA.

The next actuarial valuation will be performed with an effective date of 30 June 2023.

5. SURPLUS APPORTIONMENT OR NIL SCHEME

Nil scheme

A nil scheme was recorded by the Financial Services Board on 2 March 2009.

6. INVESTMENTS IN PARTICIPATING EMPLOYERS

The Fund does not hold investments in participating employers.

7. SIGNIFICANT MATTERS

Section 14 transfer to Municipal Workers Retirement Fund:
The fund is in the process of applying for a Section 14 transfer to the Municipal Workers Retirement Fund.

8. SUBSEQUENT EVENTS

No subsequent events have occurred since the financial year end that may materially affect the financial statements.

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT 30 JUNE 2023**

	Note	30 June 2023 R	30 June 2022 R
ASSETS			
Non-current assets			
Investments	2	117,320,497	120,014,106
Current assets		2,141,279	3,831,720
Accounts receivable	3	-	30,910
Cash at bank		2,141,279	3,800,810
Total assets		119,461,776	123,845,826
FUNDS AND LIABILITIES			
Members' funds and surplus account			
Members' individual accounts		94,286,175	97,800,656
Reserves			
Reserve accounts	11	9,725,755	6,217,353
Total funds and reserves		104,011,930	104,018,009
Non-current liabilities			
Unclaimed benefits	5	13,217,675	15,541,886
Current liabilities		2,232,171	4,285,931
Benefits payable	4	436,985	2,999,222
Accounts payable	6	1,795,186	1,286,709
Total funds and liabilities		119,461,776	123,845,826

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
FOR THE YEAR ENDED 30 JUNE 2023**

		Members' individual accounts	Reserve accounts Refer note 11	Current year 2023	Previous year 2022
	Note	R	R	R	R
Net investment income	7	11,142,695	-	11,142,695	3,526,188
Allocated to unclaimed benefits	5	1,493,090	-	1,493,090	(4,405,875)
Less:					
Administration expenses	8	-	(974,921)	(974,921)	(1,092,699)
Net income before benefits		12,635,785	(974,921)	11,660,864	(1,972,386)
Transfers and benefits					
Benefits	4	(12,139,119)	-	(12,139,119)	(12,809,220)
Net loss after transfers and benefits		496,666	(974,921)	(478,255)	(14,781,606)
Funds and reserves					
Balance at the beginning of the year		97,800,656	6,217,353	104,018,009	118,759,377
Prior period adjustments	9	472,176	-	472,176	40,238
Transfer between reserve accounts					
Reserve accounts		(4,483,323)	4,483,323	-	-
Balance at the end of the year		94,286,175	9,725,755	104,011,930	104,018,009

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting principles, which are consistent with those of the previous period, are used by the Fund:

1.1. PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the provisions of the Pension Funds Act in South Africa.

The annual financial statements are prepared on historical cost and going-concern basis except where specifically indicated in the accounting policies below:

1.2. FINANCIAL INSTRUMENTS

Measurement

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or a financial liability is recognised when its contractual arrangements become binding and is derecognised when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

Financial instruments carried on the statement of net assets and funds, include cash and bank balances, investments, receivables, benefits payable, unclaimed benefits and accounts payable.

Financial instruments are recognised on acquisition using trade date accounting, which includes transaction costs. Upon initial recognition financial instruments are designated at fair value through the statement of changes in net assets and funds as the assets or liabilities are managed, evaluated and reported internally on a fair value basis and/or the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Subsequent to initial recognition, these instruments are measured as set out below.

1.2.1. Investments

Investments are classified at fair value through the statement of changes in net assets and funds are measured at fair value.

Debentures

Debentures comprise investments in listed and unlisted debentures.

Listed debentures

The fair value of listed debentures traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Bills and bonds

Bills and bonds comprise investments in government or provincial administration, local authorities, subsidiaries or holding companies and corporate bonds.

Listed bills and bonds

The fair value of listed bills and bonds traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the reporting date.

Insurance policies

Linked or market-related policies

If the policy is unitised, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

Collective investment scheme

Investments in collective investment schemes are valued at fair value which is the quoted unit values, as derived by the collective investment scheme manager with reference to the Rules of each particular collective investment scheme, multiplied by the number of units.

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2023

1.2.2. Accounts receivable

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

1.2.3. Cash and cash equivalents

Cash and equivalents comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

1.2.4. Accounts payable

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost using the effective interest rate method.

1.3. INVESTMENT INCOME

Interest

Interest income in respect of financial assets held at amortised cost is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Income from policies with insurance companies

Income from investment policies from insurance companies is included in the adjustment to the movement of the financial asset.

Net realised and unrealised gains and losses

Gains or losses arising from changes in the fair value of financial assets at fair value through the statement of changes in net assets and funds are presented in the statement of changes in net assets and funds in the year in which they arise.

Expenses incurred in managing investments

Expenses in respect of the management of investments are recognised as the service is rendered.

1.4. BENEFITS

Benefits payable and pensions are measured in terms of the Rules of the Fund.

Benefit payments and monthly pension payments are recognised as an expense when they are due and payable in terms of the Rules of the Fund. Any benefits not paid at the reporting date are recognised as a current liability – benefits payable / due.

1.5. UNCLAIMED BENEFITS

Unclaimed benefits represents members where the Fund has received the notification of exit in line with the rule of the Fund, however, the benefits has not been paid within twenty four months of the accrual date. These benefits consist of accumulated fund credit including any additional return earned from the investment strategy of the Fund specifically pertaining to unclaimed members.

1.6. TRANSFERS TO AND FROM THE FUND

Section 14 and 15B transfers to or from the Fund are recognised on the date of approval of the scheme/arrangement of transfer of business by the Financial Sector Conduct Authority, as contained in the approval certificate from the Registrar.

Individual transfers (Section 13A(5) transfers) are recognised on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value.

All the above transfers are measured at the values as per the section 14 application or the value of the transfer at effective date of transfer adjusted for investment return or late payment interest as guided by the application.

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2023

1.7. ADMINISTRATION EXPENSES

Expenses incurred in the administration of retirement funds are recognised in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year the liability will be reflected in accounts payable. If the expense was paid in advance or overpayment occurred, the applicable amount will be disclosed in accounts receivable.

1.8. RELATED PARTIES

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the Fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:

- the amount of the transactions;
- the amount of outstanding balances;
- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
- details of guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the year in respect of bad or doubtful debts due from related parties.

1.9. ACCOUNTING POLICIES, CHANGING IN ACCOUNTING ESTIMATES AND ERRORS

The Fund applies adjustments arising from changes in accounting policies and errors prospectively. The adjustment relating to a change in the accounting policy or error is therefore recognised in the current and future years affected by the change.

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023**

2. INVESTMENTS

2.1. Investment summary

	Note	Local R	Total current year R	Total previous year R	Fair value current year R	Categorised per IFRS 9
Insurance policies		86,047,280	86,047,280	76,324,944	86,047,280	At fair value through statement of changes in net assets and funds
Collective investment schemes		31,273,217	31,273,217	43,689,162	31,273,217	At fair value through statement of changes in net assets and funds
Total		<u>117,320,497</u>	<u>117,320,497</u>	<u>120,014,106</u>	<u>117,320,497</u>	

3. ACCOUNTS RECEIVABLE

	30 June 2023 R	30 June 2022 R
Prepaid expense - Fidelity cover*	-	30,910
Total	<u>-</u>	<u>30,910</u>

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023**

4. BENEFITS

4.1. Benefits - current members

	A At beginning of year R	B Benefits for current period R	C Return allocated R	D Payments R	E Transferred to unclaimed benefits R	A+B+C-D-E At end of year R
Lump sums on retirements						
- Full benefit	1,967,357	11,195,780	-	(13,163,137)	-	-
Lump sums before retirement						
- Disability benefits	-	215,184	-	(215,184)	-	-
- Death benefits	1,031,865	613,240	-	(1,208,120)	-	436,985
Other						
- Divorce benefits	-	114,915	-	(114,915)	-	-
Total	2,999,222	12,139,119	-	(14,701,356)	-	436,985
Benefits for current year (B)						12,139,119
Return allocated (C)						-
Statement of changes in net assets and funds						12,139,119

5. UNCLAIMED BENEFITS

	30 June 2023 R	30 June 2022 R
Balance at the beginning of the year	15,541,886	9,698,168
Transferred from benefits payable	-	1,763,857
Adjustments*	(472,178)	(172,469)
Investment income allocated and adjustments	(1,493,090)	4,405,875
Less:		
• Benefits paid	(358,943)	(153,545)
Balance at the end of the year	13,217,675	15,541,886

*Note

The adjustments refer to Unclaimed members incorrectly accrued for.

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023**

6. ACCOUNTS PAYABLE

	30 June 2023	30 June 2022
	R	R
Accounting fees	261,791	261,791
Actuarial fees	80,500	53,667
Administrator fees	200,460	103,973
Audit fees	1,065,300	715,300
Divorce order administrator fees	1,902	927
Municipalities - deposited into incorrect account	135,673	135,673
Fidelity cover fees	37,092	-
SARB reporting fees	12,468	15,378
Total	1,795,186	1,286,709

7. NET INVESTMENT INCOME

	30 June 2023	30 June 2022
	R	R
Income from investments		
• Interest	136,304	1,916,004
Net realised and unrealised gains and losses	11,210,614	1,873,441
	11,346,918	3,789,445
Less: Expenses incurred in managing investments	(204,223)	(263,257)
Total	11,142,695	3,526,188

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2023

8. ADMINISTRATION EXPENSES

	30 June 2023 R	30 June 2022 R
Actuarial fees	348,833	295,167
Administration fees	96,487	103,973
Audit fees - Current year	350,000	548,550
Fidelity insurance	68,002	33,720
Other expenses	111,599	111,289
Investment advisor's fees	16,610	15,192
Bank charges	14,786	16,299
FSCA Levy	8,512	8,107
Accounting fees	71,691	71,691
Total	974,921	1,092,699

9. PRIOR PERIOD ADJUSTMENTS

	30 June 2023 R	30 June 2022 R
Unclaimed benefits adjustment	472,176	172,468
Overpayments: Members	-	(132,230)
Total	472,176	40,238

During the period, adjustments were made to Unclaimed members incorrectly accrued for. The overpayment is a reversal of an accrual raised in previous period and approved by the Board of trustees.

10. RISK MANAGEMENT POLICIES

• Solvency risk

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the Funds contractual obligations to members.

Continuous monitoring by the Board and the Fund's actuary takes place to ensure that appropriate assets are held where the Fund's obligation to members are dependent upon the performance of specific portfolio assets and that a suitable match of assets exists for all other liabilities.

• Credit risk

Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation, and cause the Fund to incur a financial loss.

• Legal risk

Legal risk is the risk that the Fund will be exposed to contractual obligations which have not been provided for and to damages as a result of delictual acts or omissions or breach of contract, or other consequences (such as fines) as a result of non-compliance with statutes or the common law.

The Board of Fund and legal representatives of the Fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out and also monitor other acts of the Fund and circumstances surrounding its actions that might give rise to legal risks from time to time.

• Cash flow risk

Cash flow risk is the risk that future cash flows associated with monetary financial instrument will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The Board of Fund monitors cash flows by using monthly cash flow projections.

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2023

10. RISK MANAGEMENT POLICIES (continued)

- **Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. The Fund's exposure to currency risk is mainly in respect of foreign investments made on behalf of members of the Fund for the purpose of seeking desirable international diversification of investments.

The Board of Fund monitors this aspect of the Fund's investments and limits it to 30% of total assets.

- **Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Fund's liabilities are backed by appropriate assets and it has significant liquid resources.

- **Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices of market interest rates.

This is a defined contribution Fund so the market risk is with the individual members of the Fund and there is no risk to the Fund.

- **Investments**

Investments in equities are valued at fair value and therefore susceptible to market fluctuations. Investments are managed with the aim of maximising the Fund's returns while limiting risk to acceptable levels within the framework of statutory requirements.

Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities.

- **Interest rate risk**

Interest rate risk is the risk that the value and /or future cash flows of financial instruments will fluctuate as a result of changes in interest rates.

The Board of Fund monitors exposures to interest rate risk by using monthly cash flow projections.

11. SURPLUS AND RESERVE ACCOUNTS

	Reserve Accounts Total	General reserve	Investment reserve
	R	R	R
At beginning of year	6,217,353	-	6,217,353
Unclaimed benefits adjustment	-	-	-
Less:	(974,921)	(974,921)	-
- Administration costs	(974,921)	(974,921)	-
Transfer between reserve accounts	4,483,323	974,921	3,508,402
At end of year	9,725,755	-	9,725,755

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE HB
REPORT OF THE VALUATOR
FOR THE YEAR ENDED 30 JUNE 2023

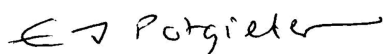
SAMWU National Pension Fund

SCHEDULE HB financial statements for the year ending 30 June 2022
REPORT OF THE VALUATOR

Particulars of financial condition of the fund

1. Net assets available for benefits^(a).
R 100 869 000 as at 30 June 2020.
2. The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement benefits.
R 100 869 000 as at 30 June 2020.
3. The actuarial present value of promised retirement benefits^(b), split into vested^(c) and non-vested benefits.
R 97 160 000 (all vested) as at 30 June 2020.
4. Contingency reserve account balances.
R 3 709 000 - investment smoothing reserve as at 30 June 2020.
5. Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report.
Assets were taken at market or fair value, as reflected in the audited financial statements, and adjusted for late payment interest on pending benefits, and additional payments due to certain exited members. Liabilities in respect of in-service members were the face value of the members' Fund Credits, with the necessary adjustments for data corrections. The balance of the assets (representing undistributed accrued investment profits) represents the investment smoothing reserve maintained in accordance with the Trustees' investment strategy. Other than the accrual for late payment interest, no changes have been made to this basis since the previous statutory valuation.
6. Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report.
As this is a Defined Contribution fund, no actuarial assumptions were required for the valuation.
7. Any other particulars deemed necessary by the valuator for the purposes of this summary.
A pro-rata share of the estimated investment smoothing reserve is paid to exiting members as part of their benefit, in accordance with the requirements of Section 15G of the Pension Funds Act.
8. A statement as to whether the fund was in a sound financial condition for the purposes of the Pension Funds Act, 1956.
I certify that the Fund was financially sound for the purposes of the Pension Funds Act as at 30 June 2020.

Prepared by me:



Erich Johann Potgieter
VALUATOR

Fellow of the Actuarial Society of South Africa

In my capacity as the valuator of the fund and as an employee of Towers Watson (Pty) Ltd

REMARKS

For the purposes of this summary of report:

- (a) Net assets available for benefits are the fair value of the assets of the fund less liabilities other than the actuarial present value of promised retirement benefits.
- (b) The actuarial present value of promised retirement benefits means:
 - i. The actuarial liabilities in respect of past service benefits (including accrued bonus service) of active members, with due allowance for future salary increases where these affect the benefits in respect of past service, and with due allowance for increases in pension and deferred pensions at rates consistent with the pension increase policy of the fund;
 - ii. The actuarial liabilities in respect of pensions in course of payment and deferred pensions, including any contingent annuity payable on the death of a pensioner, with due allowance for increases at rates consistent with the pension increase policy of the fund; and
 - iii. Any other accrued liability.

Vested benefits are benefits, the right to which, under the conditions of the fund, are not conditional upon continued employment.

SECTION 15 AUDITOR'S REPORT – ORDINARY FUNDS

SCHEDULE I

INDEPENDENT AUDITOR'S AGREED-UPON PROCEDURES REPORT TO THE BOARD OF FUND AND THE FINANCIAL SECTOR CONDUCT AUTHORITY IN RESPECT OF THE [AUDITED/UNAUDITED*] ANNUAL FINANCIAL STATEMENTS AND OTHER SPECIFIED INFORMATION IN THE GENERAL LEDGER AND MANAGEMENT INFORMATION COMPRISING THE ACCOUNTING RECORDS (THE "SUBJECT MATTER") OF MUNICIPAL WORKERS PENSION FUND ("THE FUND") FOR THE YEAR ENDED 30 JUNE 2023.

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report on the Subject Matter is provided in accordance with Section 15(1) of the Pension Funds Act, No. 24 of 1956 of South Africa (the "Act"), solely for the purpose of assisting the Financial Sector Conduct Authority (the "Authority") and Board of Fund in evaluating whether there are any instances of non-compliance with the requirements of the specified sections of the Act, Regulations of the Act, 1962 and the registered Rules of the Fund during the year ended 30 June 2023, and may not be suitable for another purpose. This report is intended solely for the Board of Fund and the Authority and should not be used by, or distributed to, any other parties.

Responsibilities of the Board of Fund and the Authority

The Board of Fund and the Authority have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Board of Fund is responsible for the subject matter on which the agreed-upon procedures are performed.

Auditor's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Board of Fund and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Procedures and Findings

We have performed the procedures described in the table below, which were agreed upon with the Board of Fund in respect of the [audited/unaudited*] annual financial statements and other specified information in the general ledger and management information comprising the accounting records of the Fund for the [period/year] ended [insert the period/year-end].

Unless otherwise indicated, all balances, lists, schedules and other relevant documents referred to in the table below relate to the accounts/balances reflected in the [audited/unaudited*] annual financial statements of the Fund for the [period/year] ended [insert the period/year-end].

Sample size and selection criteria

Unless otherwise stated in the procedure, the sample should be selected as follows:

Sort the list by member number or other numerical identifier, if no member number is applicable, and divide the total number of items on the list by the number of items to be selected, to obtain the variable rounded off to the nearest whole number (the “nth item”). Select a sample starting from the first to the nearest nth item on the list, then select every nth item until the required sample size is reached.

	Procedures	Findings								
	Statement of Net Assets and Funds									
1.	Investments									
1.1	Obtain a list of all investments as at [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the [[audited/unaudited*] annual financial statements as at [insert the period/year-end] and note any differences.	<p>We obtained a list of investments as at 30 June 2023 from the asset administrator [Gerald Esau from Sanlam] and agreed the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the annual financial statements as at 30 June 2023.</p> <table><tr><td></td><td>R117 320 497 ,16</td></tr></table> <table><tr><td>Total as per the list of investment balances</td><td>R117 320 497 ,16</td></tr><tr><td>Investments balance as per the Statement of Net Assets and Funds</td><td>R117 320 497 ,16</td></tr><tr><td>Difference</td><td>-</td></tr></table>		R117 320 497 ,16	Total as per the list of investment balances	R117 320 497 ,16	Investments balance as per the Statement of Net Assets and Funds	R117 320 497 ,16	Difference	-
	R117 320 497 ,16									
Total as per the list of investment balances	R117 320 497 ,16									
Investments balance as per the Statement of Net Assets and Funds	R117 320 497 ,16									
Difference	-									
1.1.1	<p>a) Obtain external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the [investment managers / insurers / collective investments managers] as at [insert the period/year-end]. Where the auditor is unable to obtain these external confirmations, note this fact.</p> <p>b) For external confirmations that are in a foreign currency, obtain the exchange rate(s) applied by the [Fund/Fund administrator] to translate the investment value to South African rand (ZAR) from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and recalculate the ZAR value using</p>	<p>a) We obtained external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the [investment managers / insurers / collective investments managers] as at 30 June 2023. Details were agreed to the investment balances reflected in the fund accounting records. No exceptions were noted.</p> <p>b) Not applicable - There were no external confirmations that are in a foreign currency.</p> <p>c) For external confirmations that are in ZAR, we agreed the values of the investments per the external confirmations obtained to the</p>								

	<p>the exchange rate. Agree the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p> <p>c) For external confirmations, that are in ZAR agree the values of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p>	<p>investment balances as per the list of investments obtained in procedure 1.1.</p> <table><tr><td>[Total as per the list of investment balances</td><td>R117 320 497,16</td></tr><tr><td>Unsettled trades</td><td>-</td></tr><tr><td>Accrued income and expenses</td><td>-</td></tr><tr><td>Subtotal</td><td>R117 320 497,16</td></tr><tr><td>Total as per the external confirmations obtained from the [investment managers / insurers / collective investment scheme managers].</td><td>R117 320 497,16</td></tr><tr><td>Difference</td><td>-</td></tr></table>	[Total as per the list of investment balances	R117 320 497,16	Unsettled trades	-	Accrued income and expenses	-	Subtotal	R117 320 497,16	Total as per the external confirmations obtained from the [investment managers / insurers / collective investment scheme managers].	R117 320 497,16	Difference	-
[Total as per the list of investment balances	R117 320 497,16													
Unsettled trades	-													
Accrued income and expenses	-													
Subtotal	R117 320 497,16													
Total as per the external confirmations obtained from the [investment managers / insurers / collective investment scheme managers].	R117 320 497,16													
Difference	-													
1.1.2	<p>From the list of investments obtained in procedure 1.1, by inspection of the list or inquiry with the [Fund administrator/[insert the name and designation of the representative of the Fund]], note new investments made during the [period/year] ended [insert the period/year-end]. Select a sample of 10 of the largest value new investments (if there are less than 10 new investments, select all) from the list of investments obtained in procedure 1.1, and perform the following procedures:</p>	<p>We inspected the list obtained in procedure 1.1, or inquired with Gerald Esau (fund representative), and did not note any new investments made during the [period/year] ended 30 June 2023.</p> <p>We tested all three investments held by the Municipal Workers Pension Fund in procedure 1.1, and performed the following procedures:</p>												
1.1.2.1	<p>Inquire from the [Principal Officer/[insert the name and designation of the representative of the Fund]] the date on which the investment policy statement of the Fund was last reviewed/approved by the Board of Fund. Note the date.</p>	<p>We inquired from the Gerald Esau (the representative of the Fund) and noted that the investment policy statement of the Fund was last reviewed/approved by the Board of Fund on 8 June 2021.</p>												
1.1.2.2	<p>Obtain the latest approved policy statement from the [Principal Officer/[insert the name and designation of the representative of the Fund]]. Inspect the investment policy statement and document the different categories of investments that are within the scope of the investment policy statement.</p>	<p>We obtained the latest approved policy statement from the [Principal Officer/[insert the name and designation of the representative of the Fund]]. We inspected the investment policy statement from the [Principal Officer/[insert the name and designation of the representative of the Fund]] and the different categories of investments within the scope of the investment policy statement are as follows:</p> <ul style="list-style-type: none">• Unit trust fund												

1.1.2.3	Inspect the investment note [insert the note number] of the [audited/unaudited*] annual financial statements for the year ended [insert the date] and document the categories of investments that the Fund has invested in.	We inspected the investment note 2 of the /unaudited annual financial statements for the year ended 30 June 2023 and the categories of investments that the Fund has invested in are as follows: <ul style="list-style-type: none"> • Debt instruments • Insurance policies • Collective investment schemes
1.1.2.4	Compare the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and note the instances where the investment categories per the [audited/unaudited*] annual financial statements do not agree to the investment policy statement.	We compared the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and [noted no instances where the investment categories per the 2023 unaudited annual financial statements do not agree with the investment policy statement.
1.2.1	Calculate the total value of direct investments held by the Fund in the participating employer as reflected in the investment note [insert the note number] of the [audited/unaudited*] annual financial statements, as a percentage of the total assets reflected in the Statement of Net Assets and Funds per the [audited/unaudited*] annual financial statements, and note the calculated percentage.	Not applicable. We noted no direct investments held in participating employers disclosed in the investment note 2 of the unaudited annual financial statements ending 30 June 2023.
1.2.2	Where the calculated percentage in procedure 1.2.1 exceeds 5%, obtain from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]] the exemption letter received by the Fund from the Authority for these investments. Note the date of the exemption letter; alternatively, note if no exemption letter could be obtained.	Not applicable. The calculated percentage in procedure 1.2.1 did not exceed 5%.
1.3	Section 19(5B) Investments Inquire from the [Principal Officer/[insert the name and designation of the representative of the Fund]] about the matters specified below, as they relate to the [period/year] ended [insert the period/year-end date] and note the following:	We inquired from the Fund administrators at Sanlam about the matters specified below, as they relate to the year ended 30 June 2023. Based on our inquiries performed, we did not identify any loans granted to a member of the Fund, or any loans granted to for the purpose of investments in shares of any such related parties.

	<p>i. Any loans or guarantees have been granted to a member of the Fund other than for the purposes of Section 19(5); and</p> <p>ii. Any loans have been granted to and investments were made in the shares of the following:</p> <p>a. A company controlled by an officer or a member of the fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established; or</p> <p>b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company.</p> <p>Where loans of this nature have been granted, note the following details of the loans granted: date, amounts and name of the borrower.</p>	
1.4	<p>Section 19(5D) Investments</p> <p>Inquire from the [Principal Officer/[insert the name and designation of the representative of the Fund]] about the matters specified below as they relate to the [period/year] ended [insert the period/year-end date] and document the responses obtained:</p> <p>a. The Fund, directly or indirectly, acquired or held shares or any other financial interest in another entity at [period/year-end], which resulted in the Fund exercising control over that entity, without obtaining the prior approval from the Authority; and</p> <p>b. The approval referred to in paragraph (a) was given, subject to any conditions, and note these conditions.</p>	<p>We inquired from the Fund administrator (Gerald Esau from Sanlam) about the matters specified below as they relate to the year ended 30 June 2023. Based on our inquiries performed, the following responses were obtained:</p> <p>a. The Fund has not acquired or held any shares or financial interest in another entity which results in the exercising of control.</p>
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)	
2.1	Obtain a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at [insert the date of the end of the period/year]	We obtained a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred

	and as at [insert the date of the beginning of the period/year] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and perform procedure 2.3:	members) as at 30 June 2023 and as at 30 June 2022 and performed procedure 2.3:	
2.2	Obtain a reconciliation of the total value of the list of member individual accounts as at [insert the date of the end of the period/year] obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at [insert the date of the end of the period/year] from the [Fund administrator/[insert the name and designation of the representative of the Fund].	We obtained a reconciliation of the total value of the list of member individual accounts as at 30 June 2023 obtained in procedure 2.1 to the Members' individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator.	
2.3	<p>Select a sample of the lesser of 25 or 10% of the number of members from the list of members at the end of the [period/year] obtained in procedure 2.1 (selected based on the selection criteria provided above) and perform the following procedures for each member selected and for each of the following three months selected, based on the sample selection criteria described below:</p> <ul style="list-style-type: none"> • [Insert month x; • Insert month y; and • Insert the last month of the period/year]. <p>[Specify the basis of the sample selection for the 2 months, other than the last month of the period/year, as agreed with the Fund.]</p>	<p>We selected a sample of 67 members from the list of members at the end of the 2023 financial year obtained in procedure 2.1 for the following period. The fund is fully paid up and no movements occurred in the 2023 financial year except the bonus declarations made in the last month of the year (June 2023). Therefore we selected the month of June.</p> <p>We performed the following procedures for each member and month selected:</p>	
2.3.1	Obtain a list of the member and employer contributions received and allocated for the respective months from the Fund administration system, by accessing the administration system and extracting this list, or by obtaining this list from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and perform procedure 2.3.3.	We obtained from the Fund administrator a list of the member and employer contributions received and allocated for the respective months from the Fund administration system and performed procedure 2.3.3 below.	
2.3.2	Obtain the [remittance advice / insert other proof of payment document inspected that indicates the allocation of the contribution per member] supplied by the participating employers to the [Fund administrator/[insert the name and designation of the representative of the Fund]] for the respective months, and perform procedure 2.3.3.	Not applicable – There were no contributions made in the year ended 30 June 2023 by the participating employer for the month selected as noted above.	

2.3.3	Agree the member and employer contributions per the list obtained in procedure 2.3.1 with the member and employer contributions per the documents obtained in procedure 2.3.2 and note any differences.	Not applicable – There were no contributions made in the year ended 30 June 2023 by the participating employer for the month selected as noted above.
2.4	Obtain the registered rules of the Fund from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]] and perform the procedure below.	We obtained the registered rules of the Fund from the Fund administrator and performed the procedure below.
2.4.1	Calculate the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the [remittance advice / insert other proof of the payment document inspected that indicates the allocation of the contribution per member] obtained in procedure 2.3.2. Agree the calculated member and employer contribution rates to the rate per the rules of the Fund obtained in procedure 2.4. Note any differences.	Not applicable – There were no contributions made in the year as the fund is fully paid in the beginning of the 2023 financial year therefore there were no further contributions made during the year.
2.5	Inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] whether the Fund is a unitised or non-unitised fund, and note the type of fund.	We inquired from the Fund administrator whether the Fund is a unitised fund.
2.5.1	If the fund is a unitised fund, as noted in procedure 2.5: For the sample of members selected in procedure 2.3, perform the following procedures:	
2.5.1.1	Recalculate the units allocated to the member for the specific month, as per the fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were unitised. Agree the recalculated units to the units allocated to the member for the specific month, as per the fund administration system. Note any differences.	Not applicable - There were no contributions during the 2023 financial year.
2.5.1.2	Obtain an external confirmation of the unit prices from [insert the name and specify the authority of the investment manager / actuary / other party who provides the external confirmation] throughout the period/year ended [insert the period/year-end]. Note any exceptions of confirmations not obtained.	Not applicable - There were no contributions during the 2022 financial year.

2.5.1.3	Agree the unit price per the administration system in 2.5.1.1 to the unit price per the external confirmation in 2.5.1.2, and note any differences.	Not applicable - There were no contributions during the 2022 financial year.
2.5.1.4	Recalculate the member's fund credit as at [insert the period/year-end date] by multiplying the number of units with the unit price, using both inputs as per the administration system. Agree the recalculated amount to the member's fund credit per the listing obtained in procedure 2.1, and note any differences.	Not applicable - There were no contributions during the 2022 financial year.
2.5.1.5	Agree the [insert the period/year-end date] unit price as per the administration system used in procedure 2.5.1.1 to the unit price obtained from the [insert the name of the investment manager / actuary / specify other authorised party] in procedure 2.5.1.2, and note any differences.	Not applicable - There were no contributions during the 2022 financial year.
2.5.2	If the fund is a non-united fund, as noted in procedure 2.5, for the sample of members selected in procedure 2.3, perform the following procedures:	Not applicable. The Fund does not offer non-united investment products.
2.5.2.1	Obtain the [resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant/asset manager/fund valuator] that indicates the rate of investment returns to be allocated to members from the [Fund administrator/Principal Officer/[insert the name and designation of the Fund representative]].	Not applicable. The Fund does not offer non-united investment products.
2.5.2.2	Inquire from the [Fund administrator/[insert the name and designation of the Fund representative]] about how the investment returns as per [the resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant/asset manager/fund valuator] obtained in procedure 2.5.2.1 are allocated to the members of the Fund.	We inquired from the [Fund administrator about how the investment returns as per [the resolution of the Board of Fund or the rules of the Fund or the approved recommendation by the investment consultant/asset manager/fund valuator] obtained in procedure 2.5.2.1 are allocated to the members of the Fund.
2.5.2.3	Recalculate the member's closing fund credit as at [insert the date of the end of the period/year] by: <ul style="list-style-type: none"> • Taking the member's opening fund credit from the opening listing obtained in procedure 2.1. • Adding the contributions allocated as per the administration system; and 	We recalculated the member's closing fund credit as at 30 June 2023 by: <ul style="list-style-type: none"> • Taking the member's opening fund credit from the opening listing obtained in procedure 2.1; • Adding the returns allocated to the member as calculated using the basis provided by the [Fund administrator in procedure 2.5.2.2.

	<ul style="list-style-type: none"> • Adding/subtracting the returns allocated to the member as calculated using the basis provided by [Fund administrator/[insert the name and designation of the Fund representative]] obtained in procedure 2.5.2.2. <p>Agree the recalculated amount to the member's fund credit per the closing listing obtained in procedure 2.1 and note any differences.</p>	The recalculated amount agreed to the member's fund credit per the closing listing obtained in procedure 2.1.
2.6	<p>Switches</p> <p>Obtain a list from the [Fund administrator/[insert the name and designation of the representative of the Fund]] of the members who switched investment portfolios during the [period/year-end] (including Lifestage switches). Select a sample of the lesser of 25 or 10% of the members who switched between investment portfolios during the [period/year] (selected based on the selection criteria provided above), and perform the following procedures:</p>	Not applicable as there were no members who switched investment portfolios during the 30 June 2023 period (including Lifestage switches).
2.6.1	<p>Obtain the [service level agreement / client mandate between the administrator and the Fund] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and note the following terms:</p> <ul style="list-style-type: none"> • Days indicated to process a member-elected switch. • Timing to effect a Lifestage switch. • Fees deductible from the member individual accounts to process a switch. 	Not applicable as there were no members who switched investment portfolios during the 30 June 2023 period (including Lifestage switches).
2.6.2	<p>Member-elected switches</p> <p>For member-elected switches included in the sample selected in procedure 2.6, obtain the member's instruction to switch investment portfolios from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and perform the following procedures:</p>	<p>Member-elected switches</p> <p>Not applicable, as no member-elected switches were noted in the sample selected in procedure 2.6.</p>
2.6.2.1	<p>Inspect the member's instruction for details of the required switch and note the following details per the instruction:</p> <ul style="list-style-type: none"> • Date of receipt of the member's instruction by the [Fund administrator/[insert the name and designation of the representative of the Fund]]; • Effective date of the switch; and 	Not applicable, as no member-elected switches were noted in the sample selected in procedure 2.6.

	<ul style="list-style-type: none"> Investment portfolio to be switched into. 	
2.6.2.2	<p>Inspect the member's fund credit transactions from the administration system obtained from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and note the following details about the switch:</p> <ul style="list-style-type: none"> Date when the switch was processed by the [Fund administrator/[insert the name and designation of the representative of the Fund]]; Effective date of the switch; and Investment portfolios switched into. 	<p>We inspected the member's fund credit transactions on the administration system obtained from [Fund administrator/[insert the name and designation of the representative of the Fund]] and did not note any member-elected switches in the sample selected in procedure 2.6.</p>
2.6.2.3	<p>Agree the effective date of the switch and the investment portfolios switched into, as noted in procedure 2.6.2.1, to the effective date of the switch and the investment portfolios switched into and noted in procedure 2.6.2.2, and note any exceptions with regard to the date of switch and/or the portfolios switched.</p>	<p>Not applicable as there were no members who switched investment portfolios during the 30 June 2023 period (including Lifestage switches).</p>
2.6.2.4	<p>Calculate the number of days taken to process the switch, using the following:</p> <ul style="list-style-type: none"> Date of receipt of the member's instruction by the [Fund administrator/[insert the name and designation of the representative of the Fund]] noted in procedure 2.6.2.1. Date when the switch was processed by the [Fund administrator/[insert the name and designation of the representative of the Fund]] noted in procedure 2.6.2.2. 	<p>Not applicable as there were no members who switched investment portfolios during the 30 June 2023 period (including Lifestage switches).</p>
2.6.2.5	<p>Agree the number of days taken to process the switch, per 2.6.2.4, with the number of days per the terms per the [service level agreement / client mandate between the administrator and the Fund] in 2.6.1.</p> <p>Note any difference in timing where the number of days taken to process the switch is greater than the terms per the [service level agreement / client mandate between the administrator and the Fund].</p>	<p>Not applicable as there were no members who switched investment portfolios during the 30 June 2023 period (including Lifestage switches).</p>
2.6.3	<p>Lifestage switches</p> <p>Obtain the Fund's Lifestage investment strategy from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]].</p>	<p>Lifestage switches</p> <p>Not applicable, as no Lifestage switches were noted in the sample selected in procedure 2.6.</p>

2.6.3.1	For Lifestage switches included in the sample selected in procedure 2.6, perform the following procedures:	Not applicable, as no Lifestage switches were noted in the sample selected in procedure 2.6.
2.6.3.2	<p>Inspect the member's fund credit transactions on the administration system obtained from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and note the following details about the Lifestage switch:</p> <ul style="list-style-type: none"> • Date when the Lifestage switch was processed by the [Fund administrator/[insert the name and designation of the representative of the Fund]]; and • Investment portfolios switched into. 	Not applicable as there were no members who switched investment portfolios during the 30 June 2022 period (including Lifestage switches).
2.6.3.3	Agree the investment portfolios switched into and noted in procedure 2.6.3.2 to the Fund's Lifestage investment strategy obtained in procedure 2.6.3.	Not applicable as there were no members who switched investment portfolios during the 30 June 2022 period (including Lifestage switches).
2.6.3.4	<p>Agree the timing of the Lifestage switch per 2.6.3.2 with the terms per the [service level agreement / client mandate between the administrator and the Fund] in 2.6.1.</p> <p>Note any difference in timing.</p>	Not applicable as there were no members who switched investment portfolios during the 30 June 2022 period (including Lifestage switches).
2.6.4	For all switches selected in procedure 2.6, inspect the member's record on the administration system for fees deducted for switches, and agree the fees deducted to the fee due in terms of the [service level agreement / client mandate] (obtained in procedure 2.6.1). Note any differences.	Not applicable as there were no members who switched investment portfolios during the 30 June 2022 period (including Lifestage switches).
2.7	Obtain the Asset Liability Match ("ALM") reconciliation per investment portfolio / product / category as at [insert the period/year-end], from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and perform the following procedures:	
2.7.1	Obtain a reconciliation of the total investment balance per investment portfolio / product / category, as reflected on the ALM reconciliation, to the total balance per the list of investments obtained in procedure 1.1 from the [Fund administrator/[insert the name and designation of the representative of the Fund]]. Note any reconciling items.	There were no reconciling items noted.
2.7.2	Obtain a reconciliation of the total member individual accounts value per investment	There were no reconciling items noted.

	<p>portfolio / product / category, as reflected on the ALM reconciliation, to the total member individual accounts value as per the listing obtained in procedure 2.1. from the [Fund administrator/[insert the name and designation of the representative of the Fund]].</p> <p>Note any reconciling items.</p>	
2.7.3	Inspect the total difference between assets and liabilities reflected on the ALM and note whether the variance is larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.	We inspected the total difference between assets and liabilities reflected on the ALM and noted that the variance [is/is not] larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)	
3.1	Obtain a list of defined benefit members as at [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and perform the following procedures:	The procedure is not applicable as the Fund is a paid up and does not receive contributions.
3.2	<p>Select a sample of the lesser of 25 or 10% of the number of defined benefit members at [insert the period/year-end] from the list of members provided by the [Fund administrator/[insert the name and designation of the representative of the Fund]] (selected based on the selection criteria provided above).</p> <p>Perform the following procedures for each member, for each of the following three months:</p> <ul style="list-style-type: none"> • [Insert Month x; • Insert Month y; and • Insert the last month of the period/year.] <p>[Specify the basis of the sample selection for the 2 months, other than the last month of the period/year, as agreed with the Fund].</p>	The procedure is not applicable as the Fund is a paid up and does not receive contributions.
3.2.1	Obtain a list of the member contributions received and allocated for the respective months on the administration system from the [Fund administrator/[insert the name and designation of the representative of the Fund]].	The procedure is not applicable as the Fund is a paid up and does not receive contributions.
3.2.2	Obtain the [remittance advice / insert other proof of the payment document inspected that indicates the allocation of the contribution per member] supplied by the participating employers to the [Fund administrator/[insert the	The procedure is not applicable as the Fund is a paid up and does not receive contributions.

	name and designation of the representative of the Fund]] for the respective months.	
3.2.3	Agree the member contributions received and allocated as obtained in 3.2.1 with 3.2.2, and note any differences.	The procedure is not applicable as the Fund is a paid up and does not receive contributions.
3.2.4	<p>Calculate the member contribution rates for each member selected by dividing the contribution by the salary per the [remittance advice / insert other proof of the payment document inspected that indicates the allocation of the contribution per member / other relevant documents inspected] obtained in procedure 3.2.2.</p> <p>Agree the calculated member contribution rate(s) to the rate(s) noted in rule [insert the rule number of the registered rules of the Fund] obtained in procedure 2.4, and note any differences.</p>	The procedure is not applicable as the Fund is a paid up and does not receive contributions.
3.3	Inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]] when the actuarial valuation of the Fund was last performed and approved by the Board of Fund. Note the date of the last valuation and when it was approved by the Board of Fund.	The procedure is not applicable as the Fund is a paid up and does not receive contributions.
3.4	Obtain the actuarial valuation report of the Fund from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]] and inspect the actuarial valuation report for the employer contribution rate recommended by the valuator. Note the employer contribution rate recommended by the actuary in the report.	The procedure is not applicable as the Fund is a paid up and does not receive contributions.
3.5	<p>Calculate the employer contribution rates for each member selected by dividing the contribution obtained in 3.2.2 by the salary per the [remittance advice / insert other proof of the payment document inspected that indicates the allocation of the contribution per member / other relevant document inspected] obtained in procedure 3.2.2.</p> <p>Agree the calculated employer contribution rates to the rate per actuarial valuation report obtained in procedure 3.4. Note any differences.</p>	The procedure is not applicable as the Fund is a paid up and does not receive contributions.

4	Surplus apportionment in terms of Sections 15B and 15C (this will include reserve account distributions)	
4.1	Inspect the latest actuarial valuation report obtained in procedure 3.4 for (a) Section(s) 15B [and 15C] surplus apportionment. If applicable, note the surplus apportionment amount/value.	Not applicable. We noted no Section(s) 15B [and 15C] surplus apportionment in the actuarial valuation report obtained in procedure 3.4.
4.1.1	If a surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the minutes of meetings of the Board of Fund from [Fund administrator/[insert the name and designation of the representative of the Fund]] and inspect for the approval of the Section 15B [and 15C] surplus.	
4.1.2	If a Section 15B surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the approval of the Authority for the Section 15B surplus from the [Fund administrator/[insert the name and designation of the representative of the Fund]].	Not applicable. No Section 15B surplus apportionment was recommended by the actuary per the actuarial valuation report in procedure 4.1.
4.2	Surplus apportionment allocation Obtain a list of the approved surplus allocations to active and/or former members and/or pensioners in the current [period/year] noted in procedure 4.1, from the [Fund administrator/Fund's actuary/Principal Officer/[insert the name and designation of the representative of the Fund]], and perform the following procedures:	Not applicable. No surplus allocations to active and/or former members and/or pensioners in the current [period/year] were noted in procedure 4.1.
4.2.1	Active members: Select a sample of the lesser of 25 or 10% of the number of active members to whom surplus has been allocated in the current [period/year] per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.1.1	Inspect the listing for the date of allocations to active members in the current [period/year] and note whether any investment return was	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.

	allocated from the surplus apportionment approval date to the date of allocation.	
4.2.1.2	Agree the surplus amount allocated as per the listing (including investment return) in the current [period/year] per member to the allocation on the member records per the administration system, and note any differences.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.2	<p>Former members and pensioners allocations:</p> <p>Select a sample of the lesser of 25 or 10% of the number of former members and/or pensioners to whom surplus has been allocated in the current [period/year] per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:</p>	Not applicable. No surplus allocations to former members and/or pensioners in the current year were noted in procedure 4.2.
4.2.2.1	Inspect the listing for the date of allocations to former members and pensioners in the current [period/year] and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.2.2	Agree the surplus amount allocated (including the investment return) in the current [period/year] per former member and/or pensioner to the allocation on the member records per the administration system and note any differences.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.3	In respect of Section 15B surplus apportionments noted in procedure 4.1, inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and/or inspect [include details of the document inspected] whether the Fund has maintained the Section 15B surplus apportionment for former members who could not be traced in a contingency reserve account and note the response.	Not applicable. We noted no Section 15B surplus apportionments in procedure 4.1.
4.3	<p>Surplus apportionment payments:</p> <p>Obtain a list of all surplus apportionment payments made to members during the [period/year] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and select a sample of the lesser of 25 or 10% of the number of payments (selected based on the selection</p>	Not applicable. No surplus apportionment payments were made to members during the year.

	criteria provided above) and perform the following procedures:	
4.3.1	Agree the amount paid to the member as per the list of surplus apportionment payments obtained in procedure 4.3 to the member's record on the administration system and note any differences.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.3.2	Obtain the [insert the name of the document(s) that indicates authorisation of the payment] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the amount authorised to the amount paid as per the list of surplus apportionment payments obtained in procedure 4.3. Note any differences.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
5	Member and employer surplus accounts	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account (including debit and credit transactions) for the period as disclosed in the member and employer surplus note [insert the note number] to the [audited/unaudited*] annual financial statements from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and perform the following procedures:	Not applicable. No member and/or employer surplus accounts were noted.
5.1.1	Inspect the registered rules of the Fund as obtained in procedure 2.4 and note the debit and credit transactions allowed in the member and employer surplus accounts listed in rule [insert the rule number of the registered rules].	Not applicable. No member and/or employer surplus accounts were noted.
5.1.2	Compare the description of all of the debit and credit transactions allocated to the member and/or employer surplus accounts per the analysis obtained in procedure 5.1 to the categories of transactions that are permitted to be allocated to surplus accounts as noted in procedure 5.1.1. Note any exceptions.	Not applicable. No member and/or employer surplus accounts were noted.
6	Reserves	
6.1	Obtain a list of reserves and other related accounts (e.g. pensioner accounts) and the movements (including debit and credit transactions) per the reserves note [insert the note number] to the [audited/unaudited*] annual financial statements from the [Fund administrator/[insert the name and designation	We obtained a list of reserves and other related accounts (e.g. pensioner accounts) and the movements (including debit and credit transactions) per the reserves note 12 to the unaudited annual financial statements from the [Fund administrator and performed the following procedures:

	of the representative of the Fund]], and perform the following procedures:	
6.1.1	Inspect the registered rules of the Fund obtained in procedure 2.4 and note the reserve and other related accounts (e.g. pensioner accounts) and the debit and credit transactions allowed in the reserves and other related accounts (e.g. pensioner accounts) listed in rule [insert the rule number of the registered rules].	The movements in reserves as disclosed in the annual financial statements were permitted in terms of the registered rules of the Fund.
6.1.2	Compare the description of the reserve and other related accounts (e.g. pensioner accounts) held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserves and other related accounts that are permitted as noted in procedure 6.1.1. Note any exceptions.	We compared the description of the reserve and other related accounts (e.g. pensioner accounts) held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserve and other related accounts permitted as noted in procedure 6.1.1 and found no exceptions.
6.1.3	Compare the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in procedure 6.1 above, to the categories of transactions that are permitted to be allocated to the reserves and other related accounts as noted in procedure 6.1.1. Note any exceptions.	We compared the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in 6.1 above, to the categories of transactions that are permitted to be allocated to reserves and other related accounts as noted in procedure 6.1.1 and found no exceptions.
7	Other assets, liabilities and guarantees	
7.1	Housing loans Obtain a list of housing loans (comprising both new and previously issued loans) granted to members by the Fund in terms of Section 19(5) of the Act as at [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and perform the following procedure:	Not applicable. The Fund does not grant housing loans to its members in terms of
7.1.1	Agree the total value of housing loans on the above list to the corresponding amount disclosed in the housing loans note [insert the note number] to the [audited/unaudited*] annual financial statements. Note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2	From the list in 7.1, select a sample of the lesser of 25 or 10% of the number of members' housing loans (sample to include a combination of new and previously issued loans and selected based on the selection criteria	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.

	provided above), and perform the following procedures:	
7.2.1	For new housing loans issued, perform the following procedures:	Not applicable. No new housing loans were granted.
7.2.1.1	Obtain the home loan agreement from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and inspect the agreement for the loan amount and date of granting of the loan.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.2	Agree the home loan amount from the list in 7.1 to the actual loan amount from 7.2.1.1. Note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.3	Inspect the home loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule [insert the rule number of the registered rules] and/or the home loan agreement and note the percentage.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.4	Obtain the member individual account balance at the date of granting the loan from the [Fund administrator/[insert the name and designation of the representative of the Fund]]. Divide the loan amount granted as noted in 7.2.1.1 with the member individual account balance at the date of granting the loan as noted in 7.2.1.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.2.1.3. Note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.2	For all loans selected in 7.2, inspect the member's home loan movement report from the administration system obtained from the [Fund administrator/[insert the name and designation of the representative of the Fund]] for the interest rate(s) used and agree the rate(s) used to the prescribed rate(s) issued by the Authority on the Authority's website, and note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.

7.2.3	Obtain the National Credit Act (NCA) registration certificate from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and/or inspect the NCA website for the Fund's name and registration number as evidence that the Fund is registered as a credit provider under the National Credit Act, 2005 ("the NCA").	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.3	Housing loan guarantees Obtain the loan agreement between the Fund and the financial institution from the [Fund administrator/[insert the name and designation of the representative of the Fund]]. Inspect the loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule [insert the rule number of the registered rules and/or the loan agreement] and note the percentage.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.3.1	Defined contribution funds Obtain a list of all housing loan guarantee balances granted to members from the loan provider as at [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and select a sample of the lesser of 25 or 10% of the number of housing loan guarantees (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable. The Fund does not grant housing loan guarantees to its members.
7.3.2	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	We inspected the member's record on the administration system and noted that the member's record was not flagged as having a housing loan guarantee.
7.3.3	Divide the loan amount granted, as noted on the listing in 7.3.1 above, with the member's individual account balance as per the listing in 2.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.3. Note any differences.	

7.4	Defined benefit funds Obtain a list of housing loan guarantees granted to defined benefit fund members from the loan provider as at [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and select a sample of the lesser of 25 or 10% of the number of new housing loan guarantees issued in the current [period/year] (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable. The Fund does not grant housing loan guarantees to its defined benefit fund members.
7.4.1	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	Not applicable, as the Fund has not granted any housing loans.
7.4.2	Obtain the withdrawal benefit calculated by the [Fund administrator/[insert the name and designation of the representative of the Fund]] as at the date of issuing of the guarantee, and perform the following procedure:	Not applicable, as the Fund has not granted any housing loans.
7.4.3	Recalculate the percentage by dividing the loan amount granted, as noted on the listing in procedure 7.4, with the amount noted on the withdrawal benefit noted in procedure 7.4.2 and note where the percentage calculated exceeds the maximum allowable percentage noted in procedure 7.3. Note any exceptions.	Not applicable, as the Fund has not granted any housing loans.
	Statement of Changes in Net Assets and Funds	
8	Contributions	
8.1	Obtain a list of the number of pay points, from the [Fund administrator/[insert the name and designation of the representative of the Fund]], that reconciles to the contributions note [insert the note number] of the [audited/unaudited*] annual financial statements and select a sample of the lesser of 25 or 10% of the number of pay points (selected based on the selection criteria provided above), and for each pay point perform the following procedures for each of the three months selected under procedure 2.3 and/or 3.2:	Not applicable - We inspected the member individual accounts listing and noted that there were no contributions made in the current year ending 30 June 2023.

8.2	Agree the total amount of the list above to the general ledger account number [insert the account number] and note any differences.	Not applicable - We inspected the member individual accounts listing and noted that there were no contributions made in the current year ending 30 June 2023.
8.3	For the pay points selected in procedure 8.1 above, obtain the bank statements from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and inspect the bank statements for a description/identification of the bank where the contributions were deposited, and perform the following procedures:	Not applicable - We inspected the member individual accounts listing and noted that there were no contributions made in the current year ending 30 June 2023.
8.3.1	Agree the total contribution amount per the documentation received in procedure 2.3.2 and/or 3.2.2 to the total amount reflected on the bank statement obtained in procedure 8.3, and note any differences.	Not applicable - We inspected the member individual accounts listing and noted that there were no contributions made in the current year ending 30 June 2023.
8.3.2	Inspect the date of receipt of the contributions as per the bank statements obtained in procedure 8.3 and note the dates and number of contributions received after seven days of the following month. Note any exceptions.	Not applicable - We inspected the member individual accounts listing and noted that there were no contributions made in the current year ending 30 June 2023.
8.3.3	For the exceptions noted in 8.3.2 above (receipts after seven days), inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] whether Late Payment interest has been raised in terms of Regulation 33 of the Act.	Not applicable - We inspected the member individual accounts listing and noted that there were no contributions made in the current year ending 30 June 2023.
9.	Benefits	
9.1	Obtain a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2022] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and perform the following procedure:	We obtained a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2023 from Gerald Esau of the representative of the Fund]], and performed the following procedure:
9.1.1	Agree the list of lump sum benefits per exit type to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator. Note any differences.	The list of lump sum benefits per exit type agreed to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator. There were no differences.
9.2	Select a sample of the lesser of 25 or 10% of the total number of lump sum benefits (as per the selection criteria noted above) pro-rated on the number of exits per exit type from the list. Obtain the member statements from the	The following number of samples was selected per exit type, pro-rated on the number of exits: We obtained the member statements from the administration system and performed the following procedures on the sample selected:

	administration system and perform the following procedures on the sample selected:	
9.2.1	<p>For each selected benefit, compare the following fields:</p> <ul style="list-style-type: none"> • gross benefit amount; • tax amount; • net benefit amount; • exit date; and • type of benefit <p>to the administration system and the [insert the authorised supporting documentation, such as the signed member exit form and SARS Tax Directives] determined by the procedures of the Fund. Note any differences.</p> <p>Exit date:</p> <p>i. Agree the exit date per the member's withdrawal form obtained from the [Fund administrator/[insert the name and designation of the representative of the Fund]]to the exit date reflected on the administration system. Note any differences.</p> <p>Tax amount:</p> <p>i. Agree the tax amount related to the benefit per the Tax directive obtained from the [Fund administrator/[insert the name and designation of the representative of the Fund]]</p> <p>ii. to the tax amount deducted as reflected on the administration system. Note any differences.</p>	<p>We compared each benefit selected to the administration system and the [insert the authorised supporting documentation, such as the signed member exit form, and SARS Tax Directives inspected] in accordance with the procedures of the Fund for the following fields:</p> <ul style="list-style-type: none"> • the gross benefit amount; • tax amount; • net benefit amount; • exit date; and • type of benefit.
9.2.2	<ul style="list-style-type: none"> • For death benefits, and where applicable, disability benefits, where a portion of the benefit had been reinsured by the Fund (reinsurance proceeds): <ul style="list-style-type: none"> ○ Note the portion of the benefit that had been reinsured as reflected on the administration system. ○ Obtain a copy of the confirmation letter from the insurer which reflects the amount of the benefit from the [Fund administrator/[insert the name and designation of the representative of the Fund]]. 	<p>Not applicable. The Fund does not reinsure a portion of the death/disability benefits. The Fund is paid up and therefore members are not entitled to Group Life Assurance. This is in accordance with Rule Amendment 7 of the fund rules.</p>

	<ul style="list-style-type: none"> ○ Recalculate the reinsurance proceed amount by multiplying the member's latest salary with the factor both that can be obtained from the member's record on the administration system and compare the recalculated amount with the amount on the confirmation letter, and note any differences. ○ Obtain a listing of reinsurance proceeds, reflecting all proceeds received per death benefit for the period/year, from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the amount per the confirmation letter obtained above to the listing, and note any exceptions. 	
9.2.3	<p>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <p>Obtain the gross benefit as calculated by the Fund Actuary [insert the name of the actuary] from the [Fund administrator/[insert the name and designation of the representative of the Fund]].</p> <p>Agree the gross benefit amount from 9.2.1 to the gross benefit from the calculation obtained.</p> <p>Note any differences.</p> <p>For a defined contribution fund:</p> <p>For members who were active during the period/year ended, perform the following procedures:</p> <ul style="list-style-type: none"> i. Obtain the opening fund credit amount as at the beginning of the period/year from the member record on the administration system. ii. Inspect the member record on the administration system to confirm that monthly contributions were added, for the period up to the date of exit as per 9.2.1. Note any exceptions. iii. Obtain the bank statements reflecting the benefit payment(s) from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the net benefit amount(s) 	<p>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <p>Not applicable as this a defined contribution fund.</p> <p>For a defined contribution fund:</p> <p>For members who were active, we performed the following procedures:</p> <ul style="list-style-type: none"> i. We obtained the opening fund credit amount as at the beginning of the period/year from the member record on the administration system. We inspected the member records on the administration system no contributions were added every month as this is a paid-up fund. <p>For members who were paid up and/or deferred:</p> <ul style="list-style-type: none"> i. We obtained the opening fund credit amount as at the beginning of the period/year from the member record on the administration system. ii. We noted that interest for the period up to the date of exit as per 9.2.1 were added to the member record as per the administration. iii. The balance paid out to the member agreed to the fund credit report or administration system

	<p>as per procedure 9.2.1 to the bank statements, and note any differences.</p> <p>iv Inquire with the [Fund administrator/[insert the name and designation of the representative of the Fund]] about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable).</p> <p>For members who were paid up and/or deferred:</p> <p>i. Obtain the opening fund credit amount as at the beginning of the period/year from the member record on the administration system.</p> <p>ii. Inspect the member record on the administration system to confirm that interest was added, for the period up to the date of exit as per 9.2.1. Note any exceptions.</p> <p>iii. Obtain the bank statements reflecting the benefit payment(s) from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the net benefit amount(s) as per procedure 9.2.1 to the bank statements, and note any differences.</p> <p>iv. Inquire with the [Fund administrator/[insert the name and designation of the representative of the Fund]] about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable).</p>	
9.2.4	<p>In cases where a fund has a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution) and the member was due a surplus amount as per the surplus account listing noted in 4.2, inspect the member's fund credit transactions on the administration system obtained from the [Fund administrator/[insert the name and designation of the representative of the Fund]] to note that the member record was updated with the surplus amount.</p>	<p>Not applicable. The Fund does not have a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution).</p>

9.3	Obtain a list of current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2023 from the Gerald Esau (fund accountant), and select a sample of the lesser of 25 or 10% of the total number of benefits from the list (selected based on the selection criteria provided above), and perform the following procedure:	We obtained a list of the current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2023 from the Gerald Esau (fund accountant), selected a sample 13 of the total number of benefits from the list, and performed the following procedure:
9.3.1	<p>For the sample selected above, (excluding death benefits), calculate the number of months that benefit has been unpaid, using the date of exit as the starting month.</p> <p>If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit.</p> <p>If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable.</p> <p>Note any exceptions, if incorrectly classified.</p>	<p>For the sample selected, we calculated the number of months that the benefit has been unpaid, using the date of exit as the starting month and noted the following:</p> <p>No exceptions were noted where the benefits were not classified in the correct category.</p>
9.3.2	<p>For the sample selected above relating to death benefits, calculate the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Gerald Esau (fund accountant)</p> <p>If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit.</p> <p>If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable.</p> <p>Note any exceptions if incorrectly classified.</p>	<p>For the sample selected relating to death benefits, we calculated the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from Gerald Esau (Fund administrator) and noted the following:</p> <p>No exceptions were noted where the benefits were not classified in the correct category.</p>
10	Transfers	
10.1	Obtain separate lists of Section 14 transfers to and from the Fund throughout the [period/year] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the totals of the lists to the amounts reflected in the "Transfers into the Fund" and "Transfers from the Fund" notes [insert the note numbers] to the [audited/unaudited*] annual financial statements. Note any differences.	Not applicable. There were no Section 14 transfers to and from the Fund.
10.2	From the list of Section 14 transfers to and from the Fund throughout the [period/year], select a	Not applicable. There were no Section 14 transfers to and from the Fund.

	sample of the lesser of 25 or 10% of the number of transfers in and the lesser of 25 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:	
10.2.1	<p>Obtain the following Section 14 documentation from the [Fund administrator/[insert the name and designation of the representative of the Fund]]:</p> <p>a. Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G in respect of each transfer; and/or</p> <p>b. Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed.</p> <p>Agree the following information per the listings to the documentation received:</p> <ul style="list-style-type: none"> • Name of transferor/transferee fund; • Effective date; • Approval date; • Number of members; • Transfer amount; and • Growth and investment return. <p>Note any exceptions.</p>	Not applicable, as no section 14 transfers to and from the Fund occurred during the current financial year.
10.2.2	<p>Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the [Fund administrator/[insert the name and designation of the representative of the Fund]].</p> <p>Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement.</p> <p>Note any exceptions, where the Section 14 transfers to and from the Fund were:</p> <ul style="list-style-type: none"> • Not received/paid within 60 days of Authority approval for Section 14(1) transfers; • Not received/paid within 180 days from the effective date for Section 14(8) transfers; and • Not received/paid within the period as noted in the blanket transfer documentation, but 	Not applicable, as no section 14 transfers to and from the Fund occurred during the current financial year.

	not after 60 days from the blanket transfer end date.	
10.2.3	Inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.	We inquired from the [Fund administrator/[insert the name and designation of the representative of the Fund]] if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. [We noted that the growth and investment return [was/was not] allocated. [Provide details of the exceptions.]
10.3	From the list of Section 14 transfers from other funds, as per procedure 10.2, select a sample of the lesser of 25 or 10% of the number of members (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable. There were no Section 14 transfers to and from the Fund.
10.3.1	<p>In respect of unitised funds</p> <p>Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any differences.</p> <p>In respect of non-unitised funds</p> <p>Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.</p>	<p>In respect of unitised funds</p> <p>Not applicable. There were no Section 14 transfers to and from the Fund.</p> <p>In respect of non-unitised funds</p> <p>Not applicable. There were no Section 14 transfers to and from the Fund.</p>
10.4	<p>Individual transfers in</p> <p>Obtain the list of individual transfers in throughout the [period/year] ended [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], select a sample of the lesser of 25 or 10% of the number of individual transfers (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Individual transfers in</p> <p>Not applicable. There were no individual transfers in throughout the [period/year] ended [insert the period/year-end date].</p>
10.4.1	Obtain the recognition of transfer documentation submitted by the transferor fund to the Fund from the [Fund administrator/[insert the name and designation of the representative of the Fund]]. Agree the effective date and	Not applicable. There were no Section 14 transfers to and from the Fund.

	amount transferred to the recognition of transfer documentation. Note any exceptions.	
10.4.2	<p>In respect of unitised funds</p> <p>Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by using the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any exceptions.</p> <p>In respect of non-unitised funds</p> <p>Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.</p>	<p>In respect of unitised funds</p> <p>Not applicable. There were no Section 14 transfers to and from the Fund.</p> <p>In respect of non-unitised funds</p> <p>Not applicable. There were no Section 14 transfers to and from the Fund.</p>
10.5	<p>Unclaimed benefit payments</p> <p>Obtain a list of unclaimed benefits paid during the [period/year] from the [Fund administrator/[insert the name and designation of the representative of the Fund]], and perform the following procedures:</p>	<p>Unclaimed benefit payments</p> <p>We obtained a list of unclaimed benefits paid during the financial year 2023 from the Gerald Esau (fund accountant) and performed the following procedures:</p>
10.5.1	Agree the total of the list of payments to the respective general ledger unclaimed benefit accounts reconciliation prepared by the [Fund administrator/[insert the name and designation of the representative of the Fund]].	The total of the list of payments agreed to the respective general ledger unclaimed benefits accounts reconciliation prepared by the Gerald Esau (fund accountant).
10.5.2	Select a sample of the lesser of 25 payments or 10% of the total number of unclaimed benefits paid from the list (selected based on the selection criteria provided above), and perform the following procedures:	We selected a sample of 1 of the total number of unclaimed benefits paid from the list, and performed the following procedures:
10.5.2.1	<p>For each selected unclaimed benefit paid, compare the following fields as reflected on the administrator's listing:</p> <ul style="list-style-type: none"> • Gross benefit amount; • Tax amount; and • Late payment interest (if applicable) <p>to the administration system and the [insert the authorised supporting documentation, such as the signed member exit form and SARS Tax Directives].</p>	<p>We compared each unclaimed benefit paid, selected from the administration system to the Tax certificate (IRPINF02), Notice of payment, exit bonus calculation, members letter, etc for the following fields:</p> <ul style="list-style-type: none"> • The gross benefit amount; • tax amount; and • Late payment interest (if applicable).

10.6	<p>Unclaimed benefit transfers</p> <p>Obtain a list of unclaimed benefits Section 14 transfers during the [period/year] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and from the list of unclaimed benefits Section 14 transfers paid/accrued from the Fund throughout the [period/year], select a sample of the lesser of 25 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Unclaimed benefit transfers</p> <p>N/A as there was no changes in financial year 2023.</p>
10.6.1	<p>Obtain the following Section 14 documentation from the [Fund administrator/[insert the name and designation of the representative of the Fund]]:</p> <ol style="list-style-type: none"> Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G, in respect of each transfer; and/or Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed. <p>Agree the following information per the listings to the documentation received:</p> <ul style="list-style-type: none"> • Name of transferor/transferee fund; • Effective date; • Approval date; • Number of members; • Transfer amount; and • Growth and investment return. <p>Note any exceptions.</p>	<p>N/A as there were no transfers.</p>
10.6.2	<p>Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the [Fund administrator/[insert the name and designation of the representative of the Fund]].</p> <p>Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement.</p> <p>Note any exceptions where the unclaimed benefits Section 14 transfers from the Fund were:</p>	<p>N/A as there were no transfers.</p>

	<ul style="list-style-type: none"> • Not paid within 60 days of Authority approval for Section 14(1) transfers; and • Not paid within 180 days from the effective date for Section 14(8) transfers. 	
10.6.3	Inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.	N/A as there were no transfers.
11	Pensioners paid	
11.1	Obtain the pensioner payment reconciliation (inclusive of in-fund annuities purchased in the name of the fund and living annuities) for pensions reflected as expenses in the Benefits note [insert the note number] as reflected in the [audited/unaudited*] annual financial statements from the [Fund administrator/[insert the name and designation of the representative of the Fund]] for the period/year ended [insert the period/year-end], and perform the following procedures:	Not applicable. The Fund did not make pensioner payments.
11.1.1	Agree the total pension expense per the reconciliation to the total pension expense per the pension expenses general ledger account [insert the general ledger account number]. Note any differences and/or unexplained reconciliation items.	Not applicable, as the Fund does not have any pensioners.
11.2	<p>In-fund pensioners</p> <p>Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number and monthly pension amount for the [period/year] ended [insert the period/year-end] from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the total pensions amount paid to the total pension amount paid on the reconciliation obtained in procedure 11.1.</p> <p>From the above list, select a sample of the lesser of 25 or 10% of the number of pensioners (selected based on the selection criteria provided above) and perform the following procedures:</p>	<p>In-fund pensioners</p> <p>Not applicable, as the Fund does not have any pensioners.</p>
11.2.1	Obtain the Board of Fund minutes or resolution from the [Fund administrator/[insert the name and designation of the representative of the	Not applicable, as the Fund does not have any pensioners.

	Fund]], and note the pension increase percentage and the effective date of the pension increase.	
11.2.2	Inspect the administration system or observe the [Fund administrator/[insert the name and designation of the representative of the Fund]] indicating on the administration system the pension increase granted to the pensioners. Note the percentage increase granted to the pensioners and the effective date of the pension increase.	Not applicable, as the Fund does not have any pensioners.
11.2.3	Agree the percentage increase and effective date noted in procedure 11.2.1 to the percentage increase and effective date noted in procedure 11.2.2.	Not applicable, as the Fund does not have any pensioners.
11.2.4	Inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] when the most recent (closest to [period/year-end] of the Fund) Certificate of Existence or the Department of Home Affairs [insert the name of the documentation] that indicates the alive status of the pensioners was obtained for the Fund and note the date.	Not applicable, as the Fund does not have any pensioners.
11.2.5	Obtain the Certificate of Existence or the Department of Home Affairs documentation noted in procedure 11.2.4 from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and inspect for the pensioners' names and/or identification numbers of the sample of pensioners.	Not applicable, as the Fund does not have any pensioners.
11.3	Annuities purchased in the name of the Fund Obtain an external confirmation from the annuity providers summarising the movements from the opening market value to the closing market value for the [period/year], and perform the following procedures:	Not applicable, as no annuities were purchased in the name of the Fund.
11.3.1	Agree the closing market value of the annuity per the external confirmation from the annuity providers to the annuities purchased general ledger account [insert the general ledger account number]. Note any differences.	Not applicable, as no annuities were purchased in the name of the Fund.
11.3.2	Agree the pension expense per the external confirmation from the annuity providers to the pension expense on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	Not applicable, as the Fund does not have any pensioners.

11.4	Living annuities in the Fund Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number, monthly pension and pension payment start date of pensioners in receipt of a living annuity from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and agree the total pension amount on the detailed pensioner payroll listing of pensioners in receipt of a living annuity to the pension amount paid on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	Living annuities in the Fund Not applicable, as the Fund does not have any pensioners.
11.4.1	New Living annuities in the Fund From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 25 or 10% of the number of new pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the [period/year] reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the [Fund administrator/[insert the name and designation of the representative of the Fund]]; and perform the following procedures:	New living annuities in the Fund Not applicable, as the Fund does not have any pensioners.
11.4.1.1	Obtain the [insert the name of the document reflecting the pensioners' chosen drawdown rate at retirement] of the new pensioners in receipt of a living annuity.	Not applicable, as the Fund does not have any pensioners.
11.4.1.2	Agree the drawdown rate reflected on the pensioner record/statement obtained in procedure 11.4.1 to the drawdown rate obtained in procedure 11.4.1.1, Note any differences.	Not applicable, as the Fund does not have any pensioners.
11.4.2	All living annuities in the Fund From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 25 or 10% of the number of pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the [period/year] reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the [Fund administrator/[insert the name and designation of the representative of the Fund]]; and perform the following procedures:	All living annuities in the Fund Not applicable, as the Fund does not have any pensioners.

11.4.2.1	<p>Compare the drawdown rate as reflected in the detailed pensioner record/statement obtained in procedure 11.4.2 to the living annuities drawdown rates as defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities.</p> <p>Note any exceptions where the drawdown rate, as per the administration system, is higher or lower than the one defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities.</p>	Not applicable, as the Fund does not have any pensioners.
11.4.2.2	<p>Recalculate the drawdown rate by dividing the monthly pension paid by the balance of pensions, as reflected in the pensioner record/statement obtained in procedure 11.4.2. Agree the recalculated drawdown rate to the drawdown rate reflected on the record/statement obtained in procedure 11.4.2. Note any exceptions.</p>	Not applicable, as the Fund does not have any pensioners.
11.4.2.3	<p>Obtain the Certificate of Existence or the Department of Home Affairs [insert the name of the documentation] noted in procedure 11.2.4 from the [Fund administrator/[insert the name and designation of the representative of the Fund]] and inspect for the pensioner's name and/or identification number. Note any exceptions.</p>	Not applicable, as the Fund does not have any pensioners.
12	General	
12.1	<p>Obtain a copy/copies of the fund's fidelity insurance cover/policy from the [Fund administrator/[insert the name and designation of the representative of the Fund]] for the [period/year] ended [insert the period/year-end date] and inspect the period of the cover (start date and end date).</p> <p>Note instances where the cover period does not extend to the period/year-end. Note the date on which the cover is in place.</p>	The Fund's fidelity insurance cover was in place throughout the year ended 30 June 2023, the Fund's fidelity insurance cover extended after year-end. The fidelity insurance cover extends to 31 May 2024.
12.2	<p>Inquire from the [Fund administrator/[insert the name and designation of the representative of the Fund]] the date(s) of the latest approved Group Life Assurance (GLA) and/or disability benefit policies of the Fund and note the period of cover(s) and whether the cover(s) extended</p>	Not applicable. The Fund did not have GLA and/or disability benefit policies.

	subsequently to the [period/year-end]. Note the end date of the cover(s).	
12.3	<p>Inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]] the date of the latest statutory actuarial valuation and when it was submitted to the Authority. Note the date of the valuation and the date of submission to the Authority.</p> <p>Where the Fund is valuation exempt, inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund]] when the valuation exemption was approved by the Authority and note the date.</p>	We inquired from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority, and noted that the date of the valuation was September 2021.
12.3.1	Obtain a copy of the latest statutory valuation from the [Fund administrator/[insert the name and designation of the representative of the Fund]], as noted in procedure 12.3, and inspect the valuation note for the funding status of the Fund (whether the Fund was under-funded or fully funded).	The most recent statutory valuation signed and submitted by the valuator is dated as at 30 June 2020 and it was noted that the Fund was fully funded.
12.3.2	Where the Fund is under-funded per the valuation report, inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund / Fund actuary]], as to whether a scheme, as required in terms of Section 18 of the Act, has been approved by the Authority. Note any exceptions.	Not applicable. Per procedure 12.3.1, the Fund was fully funded.
12.3.3	Where a scheme as required by Section 18 of the Act has been approved by the Authority, inquire from the [Fund administrator/Principal Officer/[insert the name and designation of the representative of the Fund / Fund actuary]] as to whether the recommendations/corrective action of the scheme, as required in terms of Section 18 of the Act, have/has been implemented. Note any exceptions.	Not applicable. Per procedure 12.3.1, the Fund was not under-funded.

PKF (VGA) Chartered Accountants
Herman Nieuwoudt
Chartered Accountants (SA)
Registered Auditor
27th September 2024

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2023**

INVESTMENTS

	Notes	A Direct Investments	B Non-compliant Collective investment schemes Note M1	C Non- compliant Insurance policies Note M2	A+C+E =V+W+X Total	V Local	W Foreign	W Total Foreign	Total percentage of Foreign exposure	V+W TOTAL as per Regulation 28 (Schedule IB)
		R	R	R	R	R	R	R	%	R
Cash (including cash at bank)	A	2,141,281	26,375,503	601,994	29,118,778	28,615,071	503,707	503,707	1.73	29,118,778
Commodities		-	518,998	-	518,998	518,998	-	-	-	518,998
Debt instruments including Islamic debt Instruments		-	16,201,945	50,188,221	66,390,166	62,575,555	3,814,611	3,814,611	5.75	66,390,166
Investment and owner occupied properties		-	881,524	-	881,524	577,804	303,720	303,720	34.45	881,524
Equities		-	22,310,546	-	22,310,546	13,512,731	8,797,815	8,797,815	39.43	22,310,546
Hedge Funds		-	241,766	-	241,766	241,766	-	-	-	241,766
Total investments		2,141,281	66,530,282	50,790,215	119,461,778	106,041,925	13,419,853	13,419,853	11.23	119,461,778

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2023

A CASH

Instrument	Fair value R
Local	
Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	2,141,281
Notes and coins, any balance or deposit in an account held with a South African bank - exceeding 5% of total assets	2,141,281
Absa Bank Ltd	2,141,281
Total	2,141,281

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Instrument	Holding %	Fair value R
Local		
Ninety One SA (Pty) Ltd	29.51	35,257,067
Stanlib Collective Investment Ltd	26.18	31,273,215
Total Non-compliant collective investment schemes		66,530,282

M2 NON-COMPLIANT INSURANCE POLICIES

Instrument	Holding %	Fair value R
Linked policies		
Local		
Sanlam Life Insurance Ltd	42.52	50,790,215
Total linked policies		50,790,215
Total certified Regulation 28 non-compliant investments		117,320,497

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2023

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE HA AND SCHEDULE IA

	Fair value current period (as per Schedule HA 2.1)	Cash at bank	Non-compliant CIS	Non-compliant Insurance Policies	Total
	R	R	R	R	R
Cash	-	2,141,281	26,375,503	601,994	29,118,778
Commodities	-	-	518,998	-	518,998
Debt instruments including Islamic debt instruments	-	-	16,201,945	50,188,221	66,390,166
Investment properties and Owner occupied properties	-	-	881,524	-	881,524
Equities	-	-	22,310,546	-	22,310,546
Hedge funds	-	-	241,766	-	241,766
Collective investment schemes	31,273,217	-	(31,273,217)	-	-
Insurance policies	86,047,280	-	(35,257,065)	(50,790,215)	-
Total investments	117,320,497	2,141,281	-	-	119,461,778

MUNICIPAL WORKERS' PENSION FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2023**

		Fair value R
A	Total assets (Schedule IA -Total investments)	119,461,778
B1	Less: Reg 28 compliant investments (certificate received from issuing entity):-	-
B.1.1	Collective Investment Schemes (Reg 28(8)(b)(i))	-
B.1.2	Linked Policies (Reg 28(8)(b)(ii))	-
B.1.3	Non-Linked policies (Reg 28(8)(b)(iii))	-
B.1.4	Entity regulated by FSCA (Reg 28(8)(b)(iv))	-
B2	Less: Reg 28 excluded investments	-
B2.1	Insurance Policies (Reg 28(3)(c))	-
C	Less: Investments not disclosed /data not available for disclosure [Refer to schedule IAN]	-
D	TOTAL ASSETS FOR REGULATION 28 DISCLOSURE	119,461,778

Categories of kinds of assets			Fair value R	Fair value %
1	CASH		29,118,778	24.37%
1.1	Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	100%	28,615,071	23.95%
(a)	Notes and coins; any balance or deposit in an account held with a South African bank;		7,003,451	5.86%
	ABSA BANK LTD	25%	4,433,533	3.71%
	Other	25%	2,569,918	2.15%
(b)	A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		21,950,419	18.37%
	Nedbank LTD	25%	7,642,880	6.40%
		25%	14,307,539	11.98%
(c)	Any positive net balance in a margin account with an exchange		32,908	0.03%
	YIELDX	25%	32,908	0.03%
(d)	Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		(371,707)	(0.31)%
	STANDARD BANK OF SA LIMITED	25%	122,286	0.10%
	Other	25%	(493,993)	(0.41)%
1.2	Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	45%	503,707	0.42%
(a)	Any balance or deposit held with a foreign bank		503,713	0.42%
	Goldman Sachs International	5%	295,827	0.25%
	Other	5%	207,886	0.17%
(b)	Any balance or deposit held with an African bank		-	0.00%
(c)	A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument		(6)	0.00%
	SOCIETE GENERALE	5%	(7)	0.00%
	Other	5%	1	0.00%
2	DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		66,390,166	55.57%
2.1	Inside the Republic	100%	62,575,555	52.38%
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic		49,342,080	41.30%
	RSA GOVERNMENT	100%	47,247,364	39.55%
	Other	100%	2,094,716	1.75%

Carried forward
78,460,858
65.68%

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2023**

Categories of kinds of assets		Fair value R	Fair value %
Brought forward		78,460,858	65.68%
(b)	Debt instruments issued or guaranteed by the government of a foreign country 75%	-	0.00%
(c)	Debt instruments issued or by a South African bank against its balance sheet 75%	3,737,704	3.13%
c(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed 75%	3,737,642	3.13%
	NEDBANK LIMITED 25%	899,955	0.75%
	Other 25%	2,837,687	2.38%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed 75%	-	0.00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed 75%	-	0.00%
c(iv)	Not listed on an exchange 25%	62	0.00%
	Standard Bank Group Ltd 5%	62	0.00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed 50%	2,848,836	2.38%
d(i)	Listed on an exchange 50%	2,410,943	2.02%
	MOMENTUM METROPOLITAN LIFE LTD 10%	739,666	0.62%
	Other 10%	1,671,277	1.40%
d(ii)	Not listed on an exchange 25%	437,893	0.37%
	Vista finco ltd 5%	437,888	0.37%
	Other 5%	5	0.00%
(e)	Other debt instruments:- 25%	6,646,935	5.56%
e(i)	Listed on an exchange 25%	2,043,179	1.71%
	Blue Diamond Investment 5%	960,703	0.80%
	Other 5%	1,082,476	0.91%
e(ii)	Not listed on an exchange 15%	4,603,756	3.85%
	Impumelelo Commercial Paper Note Programme (RF) Limited 5%	1,029,378	0.86%
	Other 5%	3,574,378	2.99%
	45%		
2.2	Foreign	3,814,611	3.19%
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic 45%	-	0.00%
(b)	Debt instruments issued or guaranteed by the government of a foreign country 45%	3,570,445	2.99%
	United States Treasury Note/Bond 10%	762,412	0.64%
	Other 10%	2,808,033	2.35%
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:- 45%	-	0.00%
c(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed 45%	-	0.00%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed 45%	-	0.00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed 45%	-	0.00%
c(iv)	Not listed on an exchange 45%	-	0.00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange 45%	26,194	0.02%
d(i)	Listed on an exchange 45%	-	0.00%
d(ii)	Not listed on an exchange 25%	26,194	0.02%
	Sumitomo Mitsui Banking Corp 5%	8,778	0.01%
	Other 5%	17,416	0.01%
Carried forward		95,290,972	79.77%

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2023**

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			95,290,972	79.77%
(e)	Other debt instruments	25%	217,972	0.18%
e(i)	Listed on an exchange	25%	2,194	0.00%
	Verizon Communications Inc	5%	-	0.00%
		5%	2,194	0.00%
e(ii)	Not listed on an exchange	25%	215,778	0.18%
	Mizuho Bank Ltd	5%	17,229	0.01%
	Other	5%	198,549	0.17%
3	EQUITIES		22,310,546	18.68%
3.1	Inside the Republic	75%	13,512,731	11.31%
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	13,512,731	11.31%
a(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	13,268,746	11.11%
	Naspers Ltd	15%	1,579,188	1.32%
	Other	15%	11,689,558	9.79%
a(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	217,781	0.18%
	Hudaco Industries Ltd	10%	31,860	0.03%
	Other	10%	185,921	0.16%
a(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	15%	26,204	0.02%
	Metrofile Holdings Ltd	5%	11,121	0.01%
	Other	5%	15,083	0.01%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	-	0.00%
3.2	Foreign		8,797,815	7.36%
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	45%	8,797,815	7.36%
a(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	45%	9,312,959	7.80%
	Microsoft Corp	15%	546,808	0.46%
	Other	15%	8,766,151	7.34%
a(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	45%	35,696	0.03%
	China East Education Holdings Ltd	10%	16,766	0.01%
	Other	10%	18,930	0.02%
a(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	45%	(550,840)	(0.46)%
	CHICAGO MERCANTILE EXCHANGE	5%	(550,840)	(0.46)%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	-	0.00%
4	IMMOVABLE PROPERTY		881,524	0.74%
4.1	Inside the Republic	25%	577,804	0.48%
(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	577,804	0.48%
a(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	466,842	0.39%
	Redefine Properties Ltd	15%	171,076	0.14%
	Other	15%	295,766	0.25%
a(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	109,543	0.09%
	Attacq Ltd	10%	21,854	0.02%
	Other	10%	87,689	0.07%
a(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	1,419	0.00%
	Octodec Investments Ltd	5%	1,151	0.00%
	Other	5%	268	0.00%
Carried forward			118,397,294	99.12%

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2023**

Categories of kinds of assets		Fair value R	Fair value %
Brought forward		118,397,294	99.12%
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange 15%	-	0.00%
4.2	Foreign 25%	303,720	0.25%
(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange 25%	303,720	0.25%
a(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed 25%	303,720	0.25%
	Tritax Big Box REIT PLC 15%	111,486	0.09%
	Other 15%	192,234	0.16%
a(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed 25%	-	0.00%
a(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed 25%	-	0.00%
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange 15%	-	0.00%
5	COMMODITIES	518,998	0.43%
5.1	Inside the Republic 10%	518,998	0.43%
(a)	Kruger Rands and other commodities on an exchange, including exchange traded commodities 10%	518,998	0.43%
a(i)	Gold (including Kruger Rands) 10%	518,998	0.43%
	1invest Platinum ETF 10%	518,998	0.43%
a(ii)	Other commodities 5%	-	0.00%
5.2	Foreign 10%	-	0.00%
(a)	Gold and other commodities on an exchange, including exchange traded commodities 10%	-	0.00%
a(i)	Gold 10%	-	0.00%
a(ii)	Other commodities 5%	-	0.00%
6	INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:-	-	0.00%
(a)	Section 19(4) of the Pension Funds Act	-	0.00%
(b)	To the extent it has been allowed by an exemption in terms of section 19(4A) of the Pension Funds Act	-	0.00%
7	HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5) 65%	-	0.00%
8	HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE	241,766	0.20%
8.1	Inside the Republic	241,766	0.20%
(a)	Hedge fund 10%	241,766	0.20%
a(i)	Funds of hedge funds 10%	-	0.00%
a(ii)	Hedge funds 10%	241,766	0.20%
	Investec Equity Long/ Short Retail Hedge Fund 2.5%	163,998	0.14%
	Other 2.5%	77,768	0.07%
(b)	Private equity funds 15%	-	0.00%
b(i)	Funds of private equity funds 10%	-	0.00%
b(ii)	Private equity funds 5%	-	0.00%
Carried forward		119,461,778	100.01%

MUNICIPAL WORKERS' PENSION FUND

**SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)
AS AT 30 JUNE 2023**

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			119,461,778	100.01%
(c)	Other assets not referred to in this schedule and excluding			
	a hedge fund or private equity fund	2.5%	-	0.00%
	Investec Africa Private Equity Fund	2.5%	-	0.00%
	Other	2.5%	-	0.00%
8.2	Foreign		-	0.00%
(a)	Hedge fund	10%	-	0.00%
a(i)	Funds of hedge funds	10%	-	0.00%
a(ii)	Hedge funds	10%	-	0.00%
(b)	Private equity funds	15%	-	0.00%
b(i)	Funds of private equity funds	10%	-	0.00%
b(ii)	Private equity funds	5%	-	0.00%
(c)	Other assets not referred to in this schedule and excluding			
	a hedge fund or private equity fund	2.5%	-	0.00%
TOTAL ASSETS – REGULATION 28			119,461,778	100.00%

MUNICIPAL WORKERS' PENSION FUND

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 (Continued)

AS AT 30 JUNE 2023

INVESTMENT SUMMARY (Regulation 28)

	Local R	Fair value %	Foreign R	Fair value %	Total R
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	28,615,071	23.95	503,707	0.42	29,118,778
2 Debt instruments including Islamic debt instruments	62,575,555	52.38	3,814,611	3.19	66,390,166
3 Equities	13,512,731	11.31	8,797,815	7.36	22,310,546
4 Immovable property	577,804	0.48	303,720	0.25	881,524
5 Commodities	518,998	0.43	-	-	518,998
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	241,766	0.20	-	-	241,766
TOTAL	106,041,925	88.77	13,419,853	11.23	119,461,778

Assurance Report on Compliance with Regulation 28 of the Pension Funds Act

Independent Auditor's Reasonable Assurance Report on Assets Held in Compliance with Regulation 28 of the Pension Funds Act No. 24 of 1956, as amended

To the Board of Fund of Municipal Workers Pension Fund

Report on Compliance of Schedule IB with Regulation 28 of the Act

We have undertaken our engagement in accordance with Section 15 of the Pension Funds Act No. 24 of 1956, as amended (the Act) in order to provide the Board of Fund of Municipal Workers Retirement Fund (the Fund) with a reasonable assurance opinion that Schedule IB "Assets held in compliance with Regulation 28" (the Schedule) on pages 71 to 77 at 30 June 2023 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 30 June 2023.

The Board of Fund's responsibility for the Schedule

The Board of Fund is responsible for ensuring that the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and for compliance of the Fund with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

PKF (VGA) Chartered Accountants applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) based on performing a reasonable assurance engagement.

We performed our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9).

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain sufficient appropriate evidence that the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and that the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9). The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9), whether due to fraud and error. In making those risk assessments we consider internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

Summary of work performed

We completed our audit of the annual financial statements of the Municipal Workers Retirement Fund for the year ended 30 June 2023, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 27th September 2024 that the audit was performed in accordance with International Standards on Auditing. Where appropriate, we have drawn on evidence obtained regarding information contained in the Schedule that has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement.

We have performed such additional procedures as we considered necessary which includedⁱ:

- Evaluating whether confirmations from financial institutions are in support of the records made available to us;
- Inspecting the required documentation in terms of Regulation 28(8)(b) for investments excluded from total assets in terms of Regulation 28(8)(b));
- Evaluating whether the investments are classified correctly per the categories of Schedule IB based on information obtained about the nature of investments from the financial institutions;
- Recalculating the percentages of assets held in relation to total assets; and
- Comparing the percentages calculated to the prescribed limits.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Opinion

In our opinion, the Schedule IB "Assets held in compliance with Regulation 28" at 30 June 2022 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 30 June 2022.

Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. We noted all other instances of non-compliance of the Fund in the Section 15 report in Schedule I. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.



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Assurance Report on Compliance with Regulation 28 of the Pension Funds Act

Restriction on use

Without modifying our opinion we emphasise that Schedule IB is designed to meet the information needs of the Board of Fund for the purpose of reporting to the Financial Sector Conduct Authority (FSCA). As a result our report is not suitable for another purpose. Our report is presented solely for the information of the Board of Fund for the purpose of reporting to the FSCA.

PKF (VGA) Chartered Accountants
Herman Nieuwoudt
Chartered Accountants (SA)
Registered Auditor
27th September 2024

Directors: HC Nieuwoudt CA(SA) IRBA no. 507160 | V Kathan(CA)SA IRBA no.033255 | L Penning (CA) SA IRBA no.131425
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