

2023 ANNUAL REPORT





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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2nd Annual General Meeting of the Public Sector Workers Employees' Pension Scheme (PSWEPS) will be held and streamed live from the Accra International Conference Centre, Accra, on Thursday, 22nd August 2024 at 9:00 a.m. to transact the following business:

Agenda

1. Welcome Address by Chairperson, PSWEPS
2. Opening Remarks by Special Guest of Honour
3. Presentation on Scheme Portfolio Performance
4. Presentation on 2023 Audited Financial Statements
5. Presentation of Draft Scheme Strategic Plan (2024-2028)
6. Open Forum
7. Any Other Business

Other Information

To virtually participate, register using the following link: <https://bit.ly/PSWEPS2NDAGM> or scan the QR-Code below. After registering, you will receive a confirmation email detailing steps to join the live stream.

For further information, contact:

The PSWEPS Secretariat

Tel: 0554528198 / 0506445203

Email: info@psweeps.gov.gh / support@psweeps.gov.gh



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CORPORATE INFORMATION

Office Location:

Public Sector Workers Employees' Pension Scheme Secretariat
Mezzanine Floor of NDK Financial Service Building
No. 001, 28th February Road, Christiansborg Osu
Digital Address: GB- 040-1152
Tel: +233(0)55 452 8198 / +233(0)50 644 5203
Email: info@psweeps.gov.gh
Website: www.psweps.gov.gh

Scheme Administrator:

General Trust Company Limited
121/21 Saflo Link (Reyben Street),
Abelemkpe

**Fund Managers:**

Bora Capital Advisors Limited
No. 3 Dano Court, Boundary Road,
East Legon



SDC Capital Limited
D921/3, Adjacent AMA, Asafoatse
Nettey Street

**Custodian:**

Fidelity Bank Ghana Limited
Ridge Tower, 10 Ambassadorial
Enclave, Ridge

**Independent Auditor:**

Aryeetey & Associates
HSE. NO. 3, Almond Street, -
Tse Addo



CORPORATE INFORMATION

Board of Trustees	Mrs. Cynthia Arthur	Chairperson
	Mr. Kizito Dorzie Ballans	Vice Chairman (Appointed May 2021)
	Mr. Victor Owusu	Independent Trustee
	Mr. Kwabena Afum Dankwa	Member
	Mr. Bernard Adjei	Member
	Mr. Isaac Richmond Mensah	Member
	Mr. Carlis Brako	Member
	Dr. Audrey Smock Amoah	Member
	Mr. Mark Brookman-Amissah	Member
	Mr. David Larley Quarcoopome	Member
	Mr. Patrick Sebe Soadwa	Member
	Ms. Georgina Smedley	Member
	Dr. Charles Kessey	Member
	Mr. Prince Obeng-Himah	Member (Appointed May 2021)
	Mrs. Helen Akpene Awo Ziwu	Member (Appointed February 2022)

Board Secretary: Ms. Philipina Akua Asare

Supervisory Bodies



REPUBLIC OF GHANA
MINISTRY OF FINANCE



VISION, MISSION AND CORE VALUES



VISION

To be an excellent pensions trusteeship recognized for professional and dedicated service to members



MISSION

To provide accountable and financially secure retirement benefits by ensuring efficient service delivery through technology and effective communication



CORE VALUES

Accountability



Professionalism



Integrity



Respect



Transparency



Innovation



Dynamism



HISTORY OF PSWEPS AND KEY MILESTONES

Date	Event
January 2018	The Public Sector Workers Employees Pension Scheme is formed and registered under the National Pensions Regulatory Authority.
January 2018	Fifteen Trustees are inaugurated into office as the Board of Trustees of the Public Sector Workers Employees' Pension Scheme.
January 2018	Mrs. Cynthia Arthur is appointed as the Chairperson of the Board of Trustees
February 2018	The Board appoints four service providers in line with legal framework governing pensions. The Service Providers are General Trust Company Limited, Fidelity Bank Ghana Limited, Bora Capital Advisors and SDC Capital Limited.
March 2018	Proportion of Temporary Pension Fund Account amount successfully transferred from the Bank of Ghana to the Scheme in various medium -to- long term securities with a cash component
March 2018	The Trust Deed and Scheme Rules are drafted and finalised to govern the management of the Scheme.
April 2018	The Statement of Investment Policy for the Scheme is drafted in line with the Regulator's Guidelines on Investment of Pension Funds
May 2018	Four Committees of the Board namely Education Committee, Legal Committee, Finance and Audit Committee and Investment Committee and first draft Terms of Reference for each Committee Developed
June 2018	Trustees undergo first training on pensions to better equip them to manage the Scheme
August 2018	Maiden engagement with member institutions takes place at the Coconut Grove Regency Hotel, Ridge to introduce the Scheme to member institutions
September 2019	Seven subvented institutions are added to the Scheme
August 2020	First batch of retirees are paid their Tier 2 lump sum in line with directives by the National Pensions Regulatory Authority
December 2021	The Scheme hosts its maiden Annual General Meeting



Mrs. Cynthia A. Arthur
Chairperson, PSWEPS

BOARD CHAIRPERSON'S STATEMENT

I am honoured to present the 2023 Annual Report for the Public Sector Workers Employees' Pension (PSWEPS). This report marks another year of our unwavering commitment to safeguarding the retirement benefits of our members and ensuring the long-term sustainability of the Scheme.

As we reflect on the past year, it is important to acknowledge the significant milestones we have achieved, as well as the challenges we have navigated. Our collective efforts have not only strengthened the foundation of PSWEPS but also enhanced the value we deliver to our members.

In this report, we will delve into the financial performance of the Scheme, the strategic initiatives undertaken, and the governance practices that have guided our operations. Furthermore, we will outline our vision for the future as we continue to adapt to the evolving economic landscape and remain focused on delivering superior value to our members.

Global Economic Outlook

The 2023 global economic landscape remained resilient, albeit faced with significant uncertainties, exhibited by mixed performances across different regions. In the advanced economies, the United States experienced economic growth due to robust domestic demand, while the UK and Euro Area faced slowdowns from financial challenges. Meanwhile, Emerging Markets and Developing Economies (EMDEs) continued to make steady progress. Overall, the global economy was in a better position in 2023 compared to 2022.

In the first half of 2023, global economic activity improved as supply-chain pressures receded to historic lows. In May 2023, the World Health

Organization (WHO) announced that COVID-19 was no longer considered a "global health emergency," despite a recent uptick in cases in some countries. Meanwhile, the Russia-Ukraine war continued throughout the year at a slower pace, while other geopolitical tensions emerged, including escalating conflicts in the Sahel and the Middle East, which pose new risks to the global economy.

According to the International Monetary Fund (IMF) World Economic Outlook (WEO) report for October 2023, global Gross Domestic Product (GDP) grew by 3.4% in the second quarter of 2023 compared to the same period, surpassing previous predictions. Global headline inflation, which reached 9.2% in 2022, was anticipated to decrease to 5.9% in 2023. However, the January 2024 World Economic Outlook (WEO) report subsequently revised this estimate, indicating that the rate was approximately 0.3% points lower when seasonally adjusted on a quarter-over-quarter basis. The earlier improvement in inflation was primarily attributed to falling commodity and energy prices, as well as the implementation of stricter monetary policies.

Looking ahead, global economic growth is anticipated to reach 3.1% in 2024 and 3.2% in 2025. These projections, however, fall short of the historical average of 3.8% from 2000 to 2019, suggesting limited progress for many countries in advancing living standards. The World Bank reports that global trade growth in 2024 is projected to be only half of the average growth rate experienced during the decade prior to the COVID-19 pandemic. This sluggish growth is likely to impact both developed and developing economies, with economic challenges in China expected to create additional difficulties for many emerging markets.



Operating Environment

The global economic challenges had a substantial effect on Ghana's economy in 2023, a situation that cannot be overstated. While there was a gradual uptick in economic activity, growth remained below its potential. At the end of 2022, Ghana was confronting a confluence of crises, including macroeconomic instability, escalating inflation, and waning investor confidence, exacerbated by both internal imbalances and external pressures. The country faced difficulties such as currency devaluation, mounting debt obligations, higher energy sector costs, and reduced public revenues.

In response to the economic challenges, the Government of Ghana (GoG) launched a three-year fiscal adjustment and reform program, primarily supported by a USD3.0 billion Extended Credit Facility from the International Monetary Fund (IMF). As part of the requirements for IMF assistance, the GoG introduced a Domestic Debt Exchange Program (DDEP).

The initial phase of the Domestic Debt Exchange Program (DDEP) allowed the voluntary exchange of domestic government notes and bonds (excluding Treasury bills) for a new set of twelve eligible domestic bonds. This phase mainly targeted domestic creditors, leading to reduced interest income and extended recovery periods for investments in treasury bonds. **Notably, pension funds were exempt from the "haircut" during this phase.** The second phase of the DDEP, as detailed in a memorandum from the Ministry of Finance, included domestic dollar instruments and Ghana Cocoa Board cocoa bills, and it allowed pension schemes to participate. This phase featured shorter tenors for eligible instruments and offered potentially better returns compared to the first phase.

In the face of ongoing high headline inflation, significant progress was made in disinflation efforts by the end of 2023. By December 2023, inflation had decreased to 23.2%, down from a peak of 54.1% in December 2022, reflecting a cumulative reduction of 30.9% over the year, as detailed by the Bank of Ghana's Monetary Policy Report. This improvement in inflation was driven by substantial reductions in both food and non-

food inflation. Specifically, food inflation declined from 59.7% to 32.2%, while non-food inflation fell from 49.9% to 21.7%.

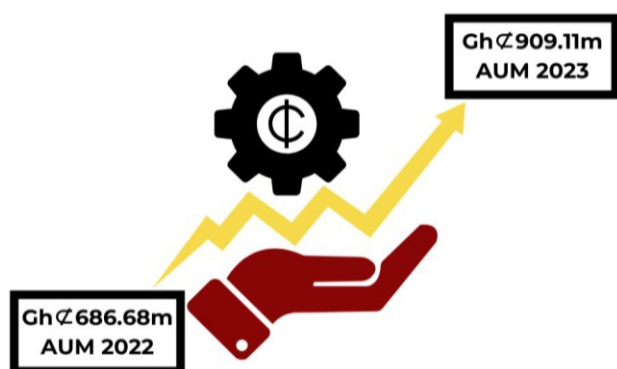
According to a comprehensive report by the Ghana Statistical Service, Ghana's GDP grew by 2.0% in the third quarter of 2023. This growth was primarily driven by robust performance in the services and agriculture sectors. However, this rate marks a decline from the 2.7% growth recorded in the same quarter of 2022. In December 2023, Bank of Ghana (BOG) maintained its monetary policy rate at 30%, following a previous cut from 29.5% in June. At the same time, the rates for 91-day and 181-day treasury bills were set at 29.4% and 31.7%, respectively. By the end of December 2023, Ghana's external debt reached US\$30.14 billion, which represents 41.7% of GDP, an increase from US\$29.02 billion, or 39.3% of GDP, at the end of December 2022.

Ghana's economic performance forecast for 2024 indicates a period of moderate recovery and stabilization. The economy is anticipated to expand by 3.7%, driven primarily by a surge in consumer spending. This growth suggests a rebound in domestic demand and a strengthening of consumer confidence following previous economic challenges. The fiscal deficit is expected to slightly increase to 4.9% of GDP in 2024, reflecting ongoing government expenditure and potentially lower revenue. However, fiscal consolidation measures are projected to reduce the deficit to 4.2% in 2025, signalling an improvement in fiscal health. Inflation is forecasted to moderate between 13% and 17% by the end of 2024.

The Ghana cedi, which has faced significant depreciation contributing to elevated inflation in recent years, is projected to remain stable during the first quarter of 2024. This stability is bolstered by anticipated support from IMF disbursements, inflows from the World Bank, the second tranche of the cocoa loan, remittances, mining revenues, and proceeds from the gold purchase program. Additionally, potential rate cuts in advanced economies may further contribute to the cedi's stability.

Scheme Asset Under Management and Performance

Amidst the backdrop of both global and national economic uncertainties, I am pleased to report that the Scheme has adeptly leveraged strategic insights and industry best practices to secure significant growth over the past year. Specifically, we have realized a significant 32.39% increase in total assets under management, expanding from GH¢686.68 million in 2022 to GH¢909.11million in 2023, with an annualised return of 36.57%



Scheme Asset Exposure

The Board of Trustees of PSWEPS, overseeing the investment of the Scheme's assets, continues to adhere meticulously to the asset allocation framework set forth by the National Pensions Regulatory Authority (NPRA) and the Scheme's Statement of Investment Policy (SIP). It is also noteworthy that the Scheme participated in the Government of Ghana's (GOG) Domestic Debt Exchange Programme (DDEP) for pension funds. This engagement yielded a 15% increase in the patrimonial value of the exchanged securities and an additional average coupon rate of 8.4%, with maturities scheduled for 2027 and 2028. The Scheme also received a strip coupon of 10% on the value of the old bonds, resulting in a total coupon rate of 19.7% on the old bonds. The eligible bonds were GoG, E.S.L.A PLC and Daakyi PLC. Consequently, the Scheme's investment in GoG securities grew from 77.91% in 2022 to 91.06% in 2023.

Contributions

During 2023, the Scheme received member contributions totalling GH¢52.59 million, primarily from the Controller and Accountant-General's Department (CAGD) for a period of thirteen months, spanning March 2022 to March 2023. However, as of year-end 2023, there are still outstanding contributions for eight months, being April to November 2024 contributions. The Board is proactively collaborating with the National Pensions Regulatory Authority (NPRA) and other key stakeholders to facilitate the prompt release of these overdue contributions.

Constraints

Delayed Remittance of Tier 2 Monthly Contributions

The effect of delayed payment of Tier 2 contributions cannot be overemphasized. Such delays have a profound impact on pension investments, potentially disrupting investment strategies and returns. They also lead to discrepancies in member account balances, affecting financial planning and expectations. To address these challenges, the Board actively engages the relevant authorities. These efforts are aimed at ensuring that the outstanding contributions and any punitive charges are paid as promptly as possible, thereby mitigating the adverse effects of the delays.

Gaps in TPFA Database

Despite the tremendous work done to correct TPFA data mishaps, the Scheme faces some gaps in the TPFA database. These gaps are primarily observed for institutions who were on government subvention from 2010 until their migration to the CAGD payroll system. To resolve this long-standing issue, the Scheme has been working closely with key stakeholders, including the CAGD and the affected contributing institutions. The focus is on addressing these discrepancies to ensure that the database accurately reflects historical data, which is crucial for maintaining the integrity of member records and calculating benefits correctly.



Benefit Payments

In 2023, a total of GH¢17.45 million was paid to 683 members who retired and to beneficiaries in cases of deceased members. Benefits were dispensed within an average of twenty-five (25) working days, reflecting our ongoing efforts to meet and exceed our service standards. That notwithstanding, the Scheme will continue to uphold its dedication to ensuring the precise and timely payment of benefits to its members and their beneficiaries.

Board Changes

In February 2023, Mrs. Helen Akpene Awo Ziwu was officially inducted as a member of the Board as the Attorney-General's Office's representative on the Scheme. Towards the end of year, Dr. Charles Kessey concluded his six-year tenure on the Board. On behalf of my fellow Board members, I extend my heartfelt gratitude to Dr. Kessey for his significant contributions to the progress of the Scheme during his tenure. We wish him every success in his future endeavours.

Stakeholder Engagements

The Board remains unwavering in our drive to engage members of the Scheme periodically. The Scheme partnered with contributing institutions in a comprehensive nationwide initiative to raise awareness among members regarding Tier 2 pensions and related matters. A key priority was also the enrollment of members on the Scheme's Customer Relationship Management (CRM) System which allows effective communication between the Scheme and members, as well as, the Scheme Administrator's portal, to enable members view their statements. Most of these engagements were conducted in person, with virtual meetings held when needed. I would like to extend our sincere appreciation to all collaborating institutions for their invaluable support and cooperation.

5-Year Strategic Plan

The Board of Trustees resolved to develop a five-year strategic plan for the Scheme at the 22nd Board Meeting on Saturday, 3rd February 2023 in

response to a thorough examination of key challenges which confront the management of the Scheme. The development of a 5-year Strategic Plan is pivotal in realizing the Scheme's Vision and Mission. As the Scheme navigates the evolving strengths, challenges, opportunities and uncertainties within the operational and external environments, this plan will facilitate a forward-thinking approach, extending beyond annual objectives to address long-term needs and strategic goals. A draft of the Strategic Plan will be presented to all stakeholders for their review, feedback, and recommendations ahead of its publication.

Acknowledgement

As we review the successes of 2023, it is evident that these achievements reflect the hard work and expertise of everyone involved. Looking ahead to 2024, the Board of Trustees is well-positioned to continue capitalizing on optimal investment opportunities while effectively managing risks. We remain committed to our mission and vision and will continue to operate within the legal framework governing pensions in Ghana. Our overarching moral obligation remains to ensure secure and decent retirement packages for all members.

In closing, I would like to convey my sincere appreciation to the Ministry of Labour and Employment Relations (MELR) for their unwavering commitment to the welfare for the workforce. I also want to specially thank Hon. Bright Wireko-Brobby, the then Deputy Minister for MELR, for his guidance and efforts at championing the affairs of contributors of the Scheme.

I also wish to appreciate the esteemed members of the Board, our service providers, and the diligent secretariat for their essential roles in the smooth operation of the Scheme. I am also profoundly grateful to our contributing institutions for the unwavering trust and loyalty, especially amidst prevailing economic challenges.

Cynthia Ayebo Arthur

GOVERNANCE

Objective of the Scheme

The objective of the Public Sector Workers Employees' Pension Scheme (PSWEPS), as outlined in the Trust Deed and Scheme Rules, is to provide lump sum benefits upon statutory retirement, early retirement, or, in the event of a member's demise, benefits for dependents or nominated beneficiaries.

These benefits are calculated based on a defined contribution formula and are subject to compliance with the National Pensions Act, as amended, and the provisions of the Trust Deed.

Meetings of the Board of Trustees

The Board of Trustees is entrusted by the Trust Deed to meet as frequently as necessary to further the objectives of the Scheme and to ensure its proper administration. As a minimum requirement, the Board convenes at least once every three months.

These meetings are essential for reviewing the Scheme's performance, making strategic decisions, and addressing any issues that may arise in the management of members' funds.

Board Secretary and Secretariat

The Board Secretary supports the governance structure of PSWEPS. The Secretary ensures that the Board's decisions are effectively documented and communicated, and that the governance processes are adhered to. The Secretariat provides administrative support, facilitating the smooth operation of Board activities and the implementation of Board decisions.

Service Providers

The Scheme relies on a network of professional service providers to deliver its mandate effectively. These providers include fund managers, custodians, auditors, and an administrator, all of whom are carefully selected to ensure that they meet the highest standards of service. Their expertise and diligence are critical to the Scheme's success, helping to

safeguard the interests of the members and ensuring that the Scheme's operations align with best practices in pension management.

Committees of the Board of Trustees

In order to efficiently manage its diverse responsibilities, the Board of Trustees has four (4) specialized committees, each composed of members of the Board. These committees are:

Education Committee: Focused on enhancing the financial literacy of members and ensuring they are well-informed about their pension rights and the benefits of the Scheme.

Finance and Audit Committee: Charged with the oversight of financial management, including the auditing of accounts, budget approval, and ensuring that the Scheme's financial operations are conducted with the highest standards of transparency and accountability.

Investment and Risk Committee: Tasked with overseeing the investment strategies of the Scheme, ensuring that funds are managed prudently to maximize returns while minimizing risks. The Committee also assesses potential risks to the Scheme and implements strategies to mitigate them.

Legal Committee: Responsible for overseeing compliance with legal requirements, reviewing contractual obligations, and ensuring that the Scheme operates within the legal framework set out by the Trust Deed and the National Pensions Act.

Below is the composition of each of the four committees:

Name of Committee	Membership	
Education Committee	Mr. Kwabena Afum Dankwa	Chairman
	Mr. Mark Brookman - Amissah	Member
	Mr. Bernard Adjei	Member
	Dr. Audrey Smock Amoah	Member
	Mr. David Larley - Quarcoopome	Member
	Mr. Patrick Sebe-Soadwa	Member
	Mr. Carlis Brako	Member
	Mr. Prince Obeng - Himah	Member
Finance and Audit Committee	Mr. Victor Owusu	Chairman
	Mr. Isaac Richmond Mensah	Member
	Mrs. Helen Akpene Awo Ziwu	Member
	Mr. Kizito Dorzie Ballans	Member
	Mr. Mark Brookman - Amissah	Member
	Dr. Charles Kessey	Member
	Mr. Bernard Adjei	Member
Investment and Risk Committee	Mrs. Cynthia Arthur	Chairperson
	Mr. Victor Owusu	Member
	Mr. David Larley - Quarcoopome	Member
	Mr. Prince Obeng-Himah	Member
	Dr. Audrey Smock Amoah	Member
	Ms. Georgina Smedley	Member
	Mr. Patrick Sebe-Soadwa	Member
	Mr. Kwabena Afum Dankwa	Member
Legal Committee	Mr. Isaac Richmond Mensah	Chairman
	Mrs. Helen Akpene Awo Ziwu	Member
	Mr. Carlis Brako	Member
	Mrs. Cynthia Arthur	Member
	Ms. Georgina Smedley	Member
	Mr. Kizito Dorzie Ballans	Member
	Dr. Charles Kessey	Member

MEET THE BOARD OF TRUSTEES



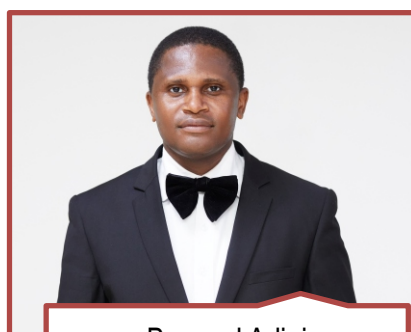
Cynthia Arthur
Chairperson



Kizito Dorzie Ballans
Vice Chairman



Victor Owusu
Independent Trustee



Bernard Adjei
Member



Isaac Richmond Mensah
Member



Kwabena Afum Dankwa
Member



David Lartey-Quarcoopome
Member



Georgina Smedley
Member



Patrick Sebe-Soadwa
Member



Carlis Brako
Member



Mark Brookman-Amissah
Member



Audrey Smock Amoah (Dr)
Member



Helen Akpene Awo Ziwu
Member

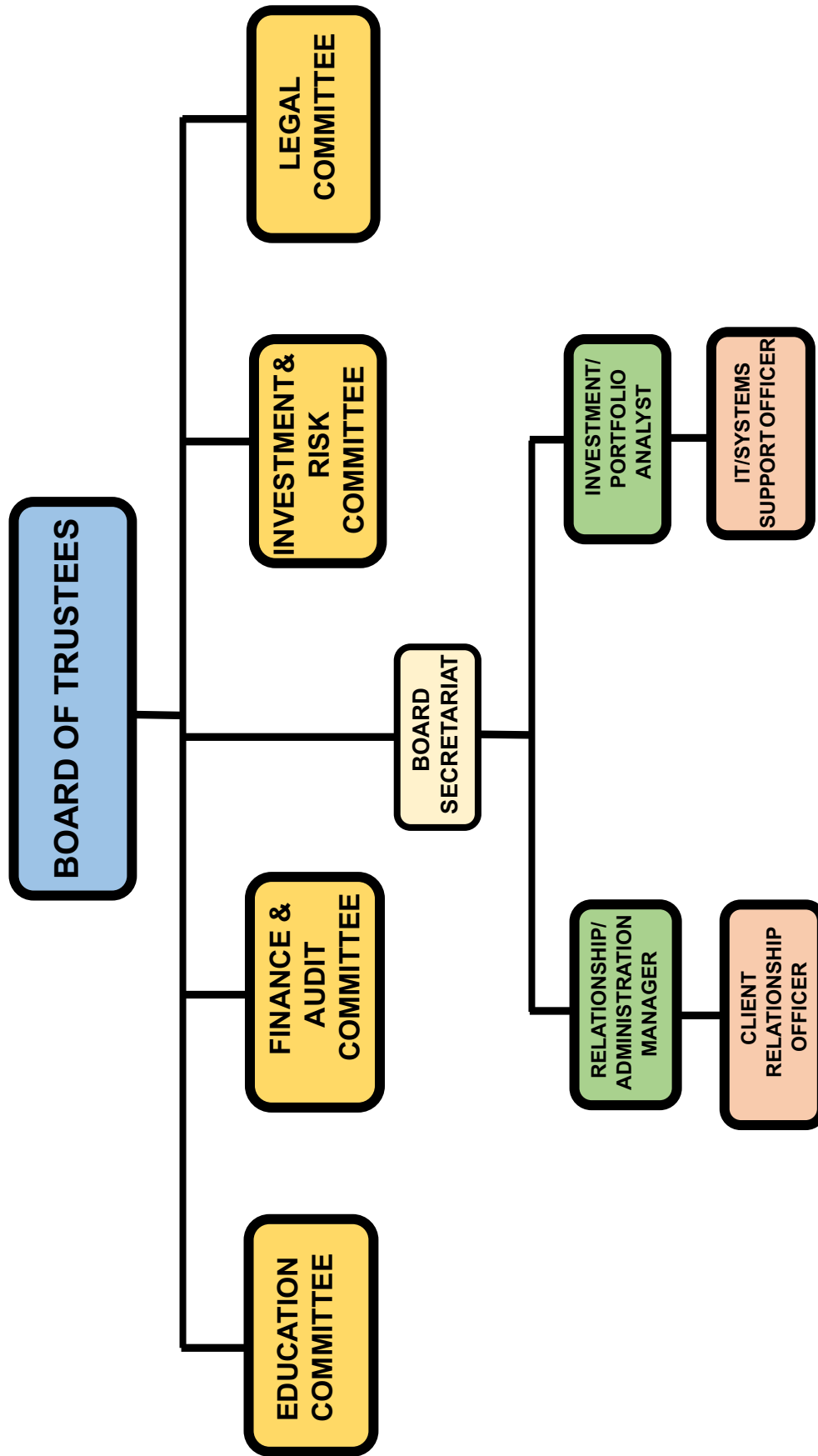


Prince Obeng-Himah
Member





Charles Kessey (Dr)
Member

PUBLIC SECTOR WORKERS EMPLOYEES' PENSION SCHEME ORGANISATIONAL CHART



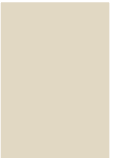
SUMMARY STATISTICS 2023



GH¢ 909.11 Million
Assets under Management



36.57%
Annualised Return




31,712
Contributor Strength



GH¢ 17.45 Million
Benefits Paid



72
Contributing Institutions



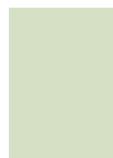
2,534
Retirees & Beneficiaries Paid since
2020



GH¢ 4.05 Million
Average Monthly Contributions



683
Retirees and Beneficiaries Paid in
2023



GH¢ 52.59 Million
Total Contributions in 2023



2,436
New Contributors

INDEPENDENT AUDITOR'S REPORT



ARYEETEEY & ASSOCIATES
Chartered Accountants & Business Consultants

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PUBLIC SECTOR WORKERS EMPLOYEES' PENSION SCHEME

Report on the Financial Statements

We have audited the Financial Statements of the Public Sector Workers Employees' Pension Scheme (the Scheme), which comprise

- the Statement of Net Assets Available for Benefits as at December 31, 2023;
- the Statement of Changes in Net Assets Available for Benefits for the year then ended;
- the Statement of Movement in Net Assets Available for Benefits;
- the Statement of Cash Flows for the year then ended; and
- the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes.

These are set out on pages 17 to 38

Opinion

In our opinion, the accompanying Financial Statements give a true and fair view of the Financial Position of the Public Sector Workers Employees' Pension Scheme as at December 31, 2023, of its Financial Performance and its Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990).

Basis for Opinion

We conducted our audit in accordance with the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Scheme in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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P.O BOX CT 5442, Cantonments - Accra
Website: www.aryeeteyandassociates.com
Email: info@aryeeteyandassociates.com
Telephone / Fax: +233-302220425, Mobile: +233-273012565
FISE NO. 3 Almond Street, Ewe: Adlo, Accra, Ghana
Senior Partner: Alexander Benjamin Aryeetey C.A (GHE), FEMBA (Fin)



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon.

We have determined that there are no key audit matters to report on in this regard.

Other Information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the document titled the Public Sector Workers Employees' Pension Scheme Annual Report and Financial Statement for the year ended December 31, 2023, which includes as required by the National Pensions Act, 2008 (Act 766), National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990). The other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above 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 on the other information, 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 Trustees for the Financial Statement

The Trustees are responsible for the preparation and fair presentation of the Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards and the manner required by the Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pensions (General) Regulations, 2011 (L.I. 1990) and for such internal control as the Trustees determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statement, Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for overseeing the Scheme's financial reporting process.



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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 controls.
- Obtain an understanding of internal controls 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 Scheme's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Trustees' 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 Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to 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 Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during our audit.



We also provided the trustees with a statement that we have complied with relevant ethical requirements regarding independence and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the trustees, we determined those matters that were most significant in the audit of the financial statements of the current year and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

The Pensions Act, 2008 (Act 766) and any amendments thereafter and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990) require that in carrying out audit work, we consider and report on the following matters. We confirm that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion:
 - proper books of accounts have been kept by the Scheme, so far as appears from our examination of those books;
 - the information and explanations given or provided to us, is in the manner required by the Pensions Act, 2008 (Act 766) and any amendments thereafter and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990), the Companies Act, 2019 (Act 992) and give a true and fair view of the:
 - a. Statement of Net Assets available for benefits of the Scheme at the end of the financial year; and
 - b. Statement of Changes in Net Assets available for benefits for the financial year.
3. The Scheme's Statement of Net Assets available for benefits and Statement of Changes in Net Assets available for benefits are in agreement with the accounting records and returns.
4. With respect to the provisions of Section 35 of the Occupational and Personal Pension Scheme (General) Regulations, 2011 (L.I. 1990), we did not identify any instances of non-compliance based on procedures we performed.



ARYEETEY & ASSOCIATES
Chartered Accountants & Business Consultants

5. We are independent of the Scheme.

The Engagement Partner on the audit resulting in this Independent Auditor's Report is **Diana Shormch Otoo (ICAG/P/1574)**

Aryeetey & Associates

Aryeetey & Associates (ICAG/F/2024/105)

Chartered Accountants

House No. 3, Almond Street

Tse Addo – La

Accra,

May 16

, 2024

Public Sector Workers Employees' Pension Scheme

Statement of Net Assets Available for Benefits

As at December 31, 2023

	Notes	2023 GH¢	2022 GH¢
Current Assets			
Cash & Cash Equivalent	5	45,508,179	13,671,194
Financial Assets at Amortised Cost	6	788,283,152	632,907,857
Equity Securities & Mutual Funds (CIS)	7	37,580,111	9,378,005
Other Receivable	8	37,741,642	30,719,685
Total Current Assets		<u>909,113,084</u>	<u>686,676,741</u>
Total Assets		<u>909,113,084</u>	<u>686,676,741</u>
Funds & Liabilities			
Liabilities			
Accounts Payable	9	9,958,122	403,726
Administrative Expenses Payable	10	2,065,221	2,874,212
Total Liabilities		<u>12,023,343</u>	<u>3,277,938</u>
Funds			
Net Assets Available for Benefits		<u>897,089,740</u>	<u>683,398,803</u>
Total Funds & Liabilities		<u>909,113,084</u>	<u>686,676,741</u>

Approved by the Board of Trustees on 5TH MAY....., 2024 and signed on its behalf by:


.....
Signature of Trustee


.....
Signature of Independent Trustee

CYNTHIA ARTHUR
.....
Name of Trustee

VICTOR OWOYI
.....
Name of Independent Trustee

The notes on pages 21 - 38 form an integral part of the Financial Statements

Public Sector Workers Employees' Pension Scheme
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2023

	Note	2023 GH¢	2022 GH¢
Dealings with Members			
Contributions	11	59,552,105	46,011,341
less: Benefits Expenses	12	<u>(30,450,123)</u>	<u>(23,682,895)</u>
		29,101,982	22,328,446
Transfer In	13	129,465	52,799
Net Dealings with Members		<u>29,231,448</u>	<u>22,381,245</u>
Returns on Investments			
Investment Income	14	150,744,141	125,580,411
less: Investment Management Expenses	15	<u>(235,637)</u>	<u>(99,618)</u>
Net Investment Income		150,508,504	125,480,793
Net Gains/(Loss) on Financial Assets held at fair value through Profit or Loss	16	<u>45,017,474</u>	<u>(3,327,321)</u>
Net Returns on Investment		195,525,978	122,153,472
Administrative Expenses	17	<u>(20,432,298)</u>	<u>(15,818,306)</u>
		175,093,680	106,335,166
Impairment Expense	18	<u>9,365,810</u>	<u>(39,282,425)</u>
		184,459,490	67,052,741
Increase/(Decrease) in Net Assets for the year		<u>213,690,937</u>	<u>89,433,986</u>

The notes on pages 21 - 38 form an integral part of the Financial Statements

Public Sector Workers Employees' Pension Scheme
Statement of Movement in Net Assets Available for Benefits
For the Year Ended December 31, 2023

	2023	2022
	GHC	GHC
Balance as at January 01,	683,398,803	593,964,817
Increase in Net Assets for the year	<u>213,690,937</u>	<u>89,433,986</u>
Balance as at December 31,	<u>897,089,740</u>	<u>683,398,803</u>

The notes on pages 21 - 38 form an integral part of the Financial Statements

Public Sector Workers Employees' Pension Scheme
Statement of Cash Flows
For the Year Ended December 31, 2023

	2023	2022
	GH¢	GH¢
Net Profit	213,690,937	89,433,986
Adjusted for:		
Non Cash items	(45,017,474)	3,327,321
Impairment	(9,365,810)	39,282,425
Adjusted profit	159,307,653	132,043,732
Changes in:		
(Increase)/Decrease in Contributions Receivables	(7,021,957)	(15,296,584)
(Increase)/Decrease in Interest Receivables	(55,457,963)	(6,045,468)
Increase/(Decrease) in Benefits Payable	9,554,397	(4,851,646)
Increase/(Decrease) in Accruals	(808,991)	1,544,387
Net Cash generated from Operating Activities	105,573,139	107,394,421
Investing Activities		
Purchase of GOG Bond	-	(94,103,556)
Purchase of Corporate Note	-	(1,587,000)
Purchase of Local Gov't Securities	(2,257,816)	(11,929,533)
Purchase of Treasury Bills	(98,348,105)	-
Purchase of Units/Shares of Open/Closed End Funds	(21,573,992)	(7,000,000)
Proceeds from matured of GOG Bonds	8,673,438	4,485,874
Proceeds from Corporate Note	200,000	-
Proceed from matured Local Gov't Securities	2,453,920	13,534,892.00
Dividend received	2,233,367	1,109,587
Proceeds from Treasury Bills	34,883,035	-
Net Cash used For Investing Activities	(73,736,153)	(95,489,736)
Cash & Cash Equivalent		
Increase / Decrease in Cash & Cash Equivalent	31,836,985	11,904,685
Cash & Cash Equivalent at January 01	13,671,194	1,766,509
Cash & Cash Equivalent at December 31	45,508,179	13,671,194
Analysis of Cash and Cash Equivalent		
as Shown in the Net Assets Available for Benefits		
Cash and Cash Equivalent	45,508,179	13,671,194

The notes on pages 21 - 38 form an integral part of the Financial Statements

¹ Please note that the complete audited financial statement with notes to the accounts is available on request at the PSWEPS Secretariat

BRIEF HISTORY OF PENSIONS IN GHANA

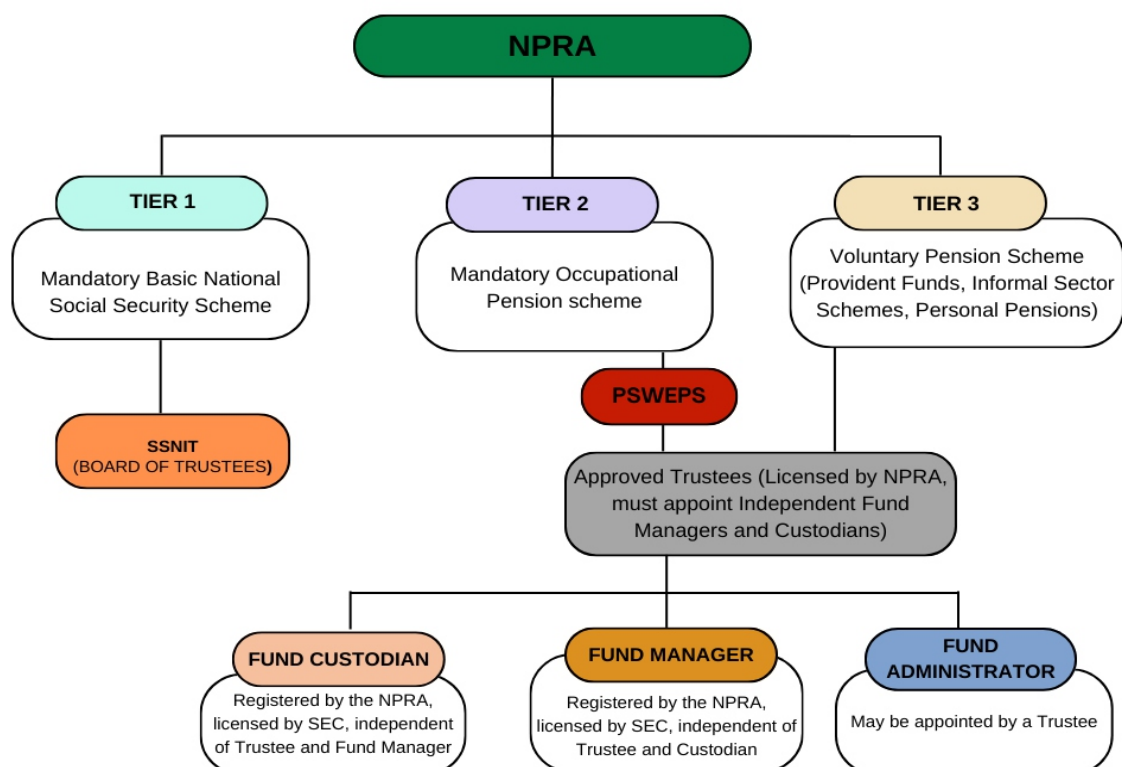
Ghana's pension landscape has undergone significant evolution since its independence in 1957. Prior to this, pensions were primarily limited to colonial government employees and managed through ad hoc arrangements. Post-independence, the Social Security Scheme was established under the Social Security Act of 1965 to provide financial support to workers after retirement. However, political and economic instability during the 1970s and 1980s hindered the system's effectiveness.

In the early 1990s, the Government of Ghana initiated reforms to modernise the pension system, culminating in the establishment of the Social Security and National Insurance Trust (SSNIT). These reforms aimed to address the shortcomings of the previous system and enhance its effectiveness in providing retirement benefits. The most substantial reforms occurred with the introduction of the Pension Reform Act, 2008 (Act 766), which established a comprehensive three-tier pension framework as illustrated in the figure below.

The first tier is a mandatory basic national social security scheme managed by SSNIT, offering a basic pension for formal sector workers. The second tier is a mandatory, fully funded occupational pension scheme managed by private pension fund managers, providing additional retirement benefits. The third tier is a voluntary, tax-advantaged personal pension scheme that allows individuals to invest further in their retirement savings.

To regulate and oversee the pension industry, the National Pension Regulatory Authority (NPRA) was established. Today, Ghana's pension system offers improved coverage and financial security for retirees through a multi-tiered approach that balances mandatory and voluntary retirement savings.

Per the Regulator's 2022 Annual Report, total pension fund assets under the three-tier pension system is GH¢46.6 billion as of end 2022.



GALLERY



CSIR-Crop Research Institute - Ejisu, A/R



Ghana Museum and Monuments- Cape Coast Castle, C/R



National Service Secretariat- Accra, GA/R



National Service Secretariat- Tamale, N/R



Ghana Road Safety Authority- Accra, GA/R



Forestry Commission- Hohoe, O/R



Forestry Commission- Winneba, C/R



Forestry Commission- Sunyani, B/R



Forestry Commission- Kakum, C/R



National Commission for Civic Education- Accra, GA/R



CSIR- Food Research Institute - Accra, GA/R



Forestry Commission- Mole National Park, N/R

The Public Sector Workers Employee Pension Scheme (PSWEPS) stands as one of the five public sector Tier 2 pension schemes in Ghana. This distinction underscores the critical role the Scheme plays in the broader pension landscape of our nation. Unlike many other pension schemes that cater to specific sectors, PSWEPS draws its membership from a diverse range of public institutions and subvented agencies—64 in total—which do not traditionally fall under the four main labour categories: Civil Service and Local Government Service, Teacher Unions, Judicial Service, and Health Workers Unions.

At the core of PSWEPS is a commitment to excellence in service delivery. With industry experts at the helm, the Scheme seeks to consistently provide its members and stakeholders with world-class customer service. This commitment is not just a slogan but a driving force behind all the Scheme's initiatives. Whether it's through efficient communication channels, prompt processing of claims, or innovative member engagement strategies, PSWEPS ensures that each member's needs are met with the highest standards of professionalism and care.

Moreover, the Scheme's focus extends beyond mere service delivery to ensuring that its members receive secure and decent benefits upon retirement. In an era where financial security in retirement is increasingly uncertain, PSWEPS stands out as a beacon of reliability and trust. Through prudent investment strategies and robust fund management, the Scheme is dedicated to safeguarding the hard-earned contributions of its members, ensuring that when the time comes to retire, they can do so with dignity and peace of mind. This is the promise of PSWEPS—a promise of security, integrity, and unwavering support for all its members.



+ 233 (0) 554 528 198
+ 233 (0) 506 445 203



secretary@psweeps.gov.gh
info@psweeps.gov.gh
support@psweeps.gov.gh



Public Sector Workers Employees' Pension Scheme



@PSWEPS



@psweeps