



NATIONAL PENSIONS REGULATORY AUTHORITY (NPRA)

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# **Annual Report and Financial Statements for 2012**

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# Corporate Information



## Address

National Pensions Regulatory Authority

**Location:** Onwona House, Kanda Highway,  
Opposite Accra High School

**Postal Address:** GP 22331, Accra

**Tel.:** +233(0)302 968692/3

**Email:** [info@npra.gov.gh](mailto:info@npra.gov.gh)

**Website:** [www.npra.gov.gh](http://www.npra.gov.gh)

## Bankers

Bank of Ghana (BoG)

One Thorpe Road

P. O. Box GP 2674

Accra, Ghana

**Email:** [bogsecretary@bog.gov.gh](mailto:bogsecretary@bog.gov.gh)

**Tel.:** +233 30 2666174-6

## Auditors

Auditor General

Ghana Audit Service (Headquarters)

Post Office Box MB 96, Accra

**Tel.:** 0302 664928/29/20

**E-mail:** [info@ghaudit.org](mailto:info@ghaudit.org)

# Vision, Mission and Values

## Vision

To be recognized as a world class pension regulator that consistently delivers the highest value to its stakeholders and as a major contributor to national development

## Mission

The National Pensions Regulatory Authority exists to regulate and monitor the operations of pension schemes and ensure effective administration of pensions in Ghana that will provide adequate and reliable pensions for retired and older people.

## Values

- Demonstrating the highest level of professional integrity and competence
- Conducting all our business in the highest level of confidence with transparency and accountability
- Approaching all assignments with innovation and dynamism
- Applying the regulatory framework in a consistent firm and fair manner
- Collaborating effectively as team members for quality service delivery
- Enhancing stakeholder synergy through collaboration
- Treating all with respect and empathy

# Objective and Mandate

## Objective

The main objective of the Authority is to regulate and monitor the operation of the Pension Scheme and ensure the effective administration of the pensions industry in the country.

## Mandate

To achieve its object, the Authority:

- (a) is responsible for ensuring compliance with this Act;
- (b) registers occupational pension schemes, provident funds and personal pension schemes;
- (c) issues guidelines for the investment of pension funds;
- (d) approves, regulates and monitors trustees, pension fund managers, custodians and other institutions that deal with pensions as the Authority may determine;
- (e) establish standards, rules and guidelines for the management of pension funds under this Act;
- (f) regulates the affairs and activities of approved trustees and ensure that the trustees administer the registered schemes;
- (g) regulates and monitors the implementation of the Basic National Social Security Scheme;
- (h) carries-out research and ensure the maintenance of a national data bank on pension matters;
- (i) sensitizes the public on matters related to the various pension schemes;
- (j) receives and investigates complaints of impropriety in respect of the management of pension schemes;
- (k) promotes and encourages the development of the pension scheme industry in the country;
- (l) receives, and investigates grievances from pensioners and provide for redress;
- (m) advises government on the general welfare of pensioners;
- (n) advises government on the overall policy on pensions in the country;
- (o) requests information from any employer, trustee, pension fund manager or custodian, any other person or institution on matters related to retirement benefit;
- (p) charges and collects fees as the Authority may determine;
- (q) imposes administrative sanctions or fines; and
- (r) performs any other functions that are ancillary to the object of the Authority.

# The Board

Section 8 of Act 766 provides for a Governing Body of the Authority (Board) consisting of:

- a Chairperson,
- the Chief Executive of the Authority,
- one person nominated by the President,
- a representative of the Ministry responsible for pensions not below the rank of a Director,
- a representative of the Bank of Ghana,
- a representative of the Securities and Exchange Commission,
- two representatives of Organized Labour,
- one representative of the Ghana Employers' Association,
- one representative of the National Pensioners Association, and
- a representative of the Attorney-General and Minister for Justice not below the rank of a Principal State Attorney.

The term of office for Board members is three years. The President of the Republic inaugurated the first Board of the Authority on 31<sup>st</sup> August, 2009.

## Members of the NPRA Board



**Mr. Richard Kwame Asante**  
**Chairman**  
Appointee of the President of the Republic



**Mr. Sam Pee Yalley**  
**Member/Ag. CEO**  
Appointee of the President of the Republic



**Dr. Josiah Aryeh**  
**Member**  
Appointee of The President of the Republic



**Mr. Kofi Otutu Adu Labi**  
**Member**  
Representative of Bank of Ghana



**Mr. Richard Adu Anane Antwi**  
**Member**  
Representative of the Securities and Exchange Commission



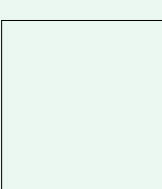
**Mr. S. A. Ababio**  
**Member**  
Representative of National Pensioners Association



**Hon. Ebo Barton Odro**  
**Member**  
Representative of Attorney-General and Ministry of Justice



**Mr. Sarfo Prempeh**  
**Member**  
Representative of Ghana Employers Association



**Ms. Nancy L. Dzah**  
**Member**  
Representative of Ministry of Employment & Social Welfare



**Dr. Yaw Baah**  
**Member**  
Representative of Trades Union Congress



**Dr. T. A. Bediako**  
**Member**  
Representative of Trades Union Congress



**Mr. Gordon Wiru**  
**Secretary to the Board**  
**Solicitor Secretary**  
Appointee of the President of the Republic

# Standing Committees of the Board

## 1. Finance & Administration Committee

- |                        |           |
|------------------------|-----------|
| a) Dr.T.A. Bediako     | Chairman  |
| b) Mr. Sarfo Prempeh   | Member    |
| c) Ms. Nancy L. Dzah   | Member    |
| d) Mr. K. O.Adu Labi   | Member    |
| e) Mr. Adu Anane Antwi | Member    |
| f) Mr. Sam Pee Yalley  | Member    |
| g) Director of Finance | Secretary |

## 2. Legal & Technical Committee

- |                            |           |
|----------------------------|-----------|
| a) Mr. K. O.Adu Labi       | Chairman  |
| b) Mr.Adu Anane Antwi      | Member    |
| c) Dr. Josiah Aryeh        | Member    |
| d) Mr. Sam Pee Yalley      | Member    |
| e) Director of Regulations | Secretary |

## 3. Temporary Pension Fund Account (TPFA) Committee

- |                                  |               |
|----------------------------------|---------------|
| a) Mr. K. O.Adu Labi             | Chairman      |
| b) Dr.Yaw Baah                   | Member        |
| c) Mr. Sam Pee Yalley            | Member        |
| d) Director of Corporate Affairs | In Attendance |
| e) Director of Regulations       | In Attendance |
| f) Director of Finance           | In Attendance |
| g) Regulations manager           | Secretary     |

## 4. Cap 30 & Unification of Pensions Committee

- |                        |           |
|------------------------|-----------|
| a) Mr. S. A. Ababio    | Chairman  |
| b) Dr. T. A. Bediako   | Member    |
| c) Dr. Josiah Aryeh    | Member    |
| d) Solicitor Secretary | Secretary |

## 5.Publicity & Education Committee

- |                                  |           |
|----------------------------------|-----------|
| a) Dr.Yaw Baah                   | Chairman  |
| b) Dr. Josiah Aryeh              | Member    |
| c) Mr. Sarfo Prempeh             | Member    |
| d) Director of Corporate Affairs | Secretary |

## 6. Informal Sector Committee

- |                      |           |
|----------------------|-----------|
| a) Ms. Nancy L. Dzah | Chairman  |
| b) Dr. T. A. Bediako | Member    |
| c) Mr. S. A. Ababio  | Secretary |
| d) Solicitor         | Secretary |

**NB:** The Chairman and CEO are ex-officio members of the Committees

# Executive and Management Team

## Executive Team

The Executive Team of the Authority is made up of six positions namely the Chief Executive Officer; Deputy Chief Executive Officer, Solicitor Secretary, Director of Regulations, Director of Corporate Affairs and the Internal Auditor. By December 2012 four of those positions had been filled.

### Executive Team



**Mr. Sam Pee Yalley**  
*Acting Chief Executive*  
*Appointee of President of the Republic*  
Appointed in May 2012



**Mr. Gordon Wiru**  
*Solicitor Secretary*  
*Appointee of the President of the Republic*  
Appointed in July 2012



**Mrs. Rita Afua Adzovie**  
*Director of Corporate Affairs*  
Appointed in 2011



**Mr. Ernest Amartey Vondee**  
*Director of Regulations*  
Appointed in 2011

## Management Team

The Executive together with Managers and Assistant Managers constitute the management team. By December 2012, the management team was made up of eleven personnel as follows:



**Mr. Sam Pee Yalley**  
*Acting Chief Executive Officer*



**Mr. Gordon Wiru**  
*Solicitor Secretary*



**Mrs. Rita Afua Adzovie**  
*Director of Corporate Affairs*



**Mr. Ernest Amartey Vondee**  
*Director of Regulations*



**Mr. Kwame O. Kissiedu**  
*Manager Corporate Affairs*



**Mr. Martin K. Aflo**  
*Manager Monitoring & Supervision*



**Mr. Daniel Ashitei-Mensah**  
*Manager MIS*



**Mr Emmanuel A Dagbanu**  
*Manager Education and Training*



**Mr. Francis T. Korli**  
*Finance Manager*



**Ms. Rashidatu Ibrahim**  
*Assistant Manager (MIS)*



**Mrs. Remiel Addo Akorli**  
*Assistant Manager (Regulations)*

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# Chairman's Statement

## Introduction

Growing old is a universal and inescapable phenomenon. In a developing economy where social welfare/protection systems are mostly inadequate or nonexistent, active planning for one's retirement becomes absolutely important.

In Ghana, the pensions industry has gone through reforms that culminated in the adoption of a hybrid 3-Tier system combining both defined contribution and defined benefit plans and also liberalizing service provision in the industry with the introduction of private pension service providers to complement the state-owned Social Security and National Insurance Trust (SSNIT). Another important aspect of the reform was the introduction of a regulator, the National Pensions Regulatory Authority (NPPRA) to regulate and promote the growth of the pensions industry.

## Reform Framework

The Framework for implementing the reform was the National Pensions Act, 2008 (Act 766) and the accompanying Regulations.

Having secured the necessary legal framework for the implementation of the reform (3-Tier System) the Authority was set to rollout implementation of the 3-Tier System. The 1<sup>st</sup> Tier was straightforward because the structure for the Basic National Social Security Scheme, SSNIT was already in place and just needed restructuring to conform to the new

Pensions Act (Act 766). Therefore take off for the first tier was smooth and a matter of course.

## Transition

With the mandatory second tier, the Board started tripartite consultations immediately after coming into office in 2009 with, workers, employers and government, with the Authority playing a facilitators role. Eventually, a transitional arrangement was reached to enable the collection of the mandatory Tier 2 contributions pending registration of private service providers, pension schemes and issuance of guidelines to govern the operations of the mandatory Tier 2 schemes. This culminated in the issuance of the Guidelines for Transitional Arrangements (Mandatory Schemes) in December 2009.

Based on the transitional arrangements, the 3-Tier system finally took off in January 2010 using SSNIT branches across the country for the collection of mandatory tier 2 contributions and also the setting up of a Temporary Pension Fund Account (TPFA) at the Bank of Ghana to hold the funds. Based on the transitional arrangements, the Tier 2 funds were invested in Government of Ghana Treasury Bills.

Further in line with the transitional arrangements, requests for proposals for Fund Administration Services were issued which led to the selection of First BanC and IC Securities as Fund Administrators for the funds in the TPFA at the Bank of Ghana.

Since then, the Authority has been receiving periodic reports from the Fund Administrators on the 2<sup>nd</sup> Tier Contributions.

One of the benefits of the 3-Tier Scheme is the tax relief for the voluntary 3<sup>rd</sup> tier schemes. In October 2010, the Board engaged the Ghana Revenue Authority (GRA) on the issue of tax reliefs for the benefit of existing Provident Fund Schemes that had applied to transfer onto the 3<sup>rd</sup> Tier. This was necessary to allow those schemes that qualified to benefit from the tax incentives provided under Act 766 pending full implementation of the 3-Tier Scheme.

## Regulations

The Board also spent sufficient time in 2010 pursuing regulations for the Basic scheme (Tier 1) and the privately managed occupational pension scheme (Tier 2). On the 16<sup>th</sup> of February 2011, the two regulations namely The Basic National Social Security Scheme Regulations, 2011 (L.I. 1989) and The Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990) were secured based on the recommendations of the Board. With the passage of the regulations, especially the L.I. 1990, the Authority was now in a position to license and register private service providers namely Trustees, Pension Fund Managers and Pension Fund Custodians for the industry since the basic framework for regulating such service providers (L.I. 1990) was now in place.

Later in March 2012, the Board issued five Guidelines and Forms for the registration of schemes namely (a) Guidelines and Application Forms for Occupational Pension Scheme as Employer Sponsored Scheme (b) Guidelines and Application Forms for Occupational Pension Scheme as Master Trust Scheme (c) Guidelines and Application Forms for Provident Fund Scheme as Master Trust Scheme (d) Guideline and Application Forms for Provident Fund Scheme as Master Trust Scheme and (e) Guidelines and Application

Forms for Group Personal and Personal Pension Schemes. These guidelines and forms paved the way for receiving and processing applications from employers and Trustees to register schemes under both the Mandatory Second Tier and Voluntary Third Tier Schemes.

## Future Outlook

Since the inception of the 3 Tier System work done by the Authority has attracted interests from within and outside the country including active participation and support from donor agencies. Countries such as Malawi, Liberia and Tanzania have visited Ghana to share their experiences and also to learn how the Authority managed the implementation of the Three Tier System in the face of challenges associated with such reforms.

In all, the reform although tortuous, has been a worthwhile exercise given the achievements chalked by the Authority and stakeholders in the last two years. However, its sustainability in the long term will require adequate support and participation by key stakeholders. Government's support especially in establishing a strong Authority in terms of personnel and presence across the country in the short-term will be crucial.

In addition compliance by employers especially regarding registration and payment of mandatory contributions on time will always remain an important prerequisite and finally, greater interest, participation and alertness on the part of workers including those in the informal sector will always be the driving force behind the work of the Authority and all other players in the industry. ■

**Richard Kwame Asante**  
**Board Chairman**



# Ag. Chief Executive Officer's Report

## Introduction

The year 2012 was eventful in building the structures and giving full meaning to the 3-tier arrangement as well as the operations of the National Pensions Regulatory Authority (NPRO). As a new organization, the Authority started recruiting permanent staff in 2011. By 2012, most of the key positions have been filled and the head office accommodation also secured in Accra paving the way for the implementation of the Authority's mandate stipulated in Section 7 of the National Pensions Act (Act 766).

## Operations

In the first quarter of 2012, applications were received from potential service providers for licensing and from employers for the registration of schemes under the mandatory 2<sup>nd</sup> Tier and the Voluntary 3<sup>rd</sup> Tier schemes. A considerable amount of time was spent in processing, evaluating, registering and licensing of the service providers.

By May 2012, the Authority had approved and registered 66 service providers for the privately managed 2<sup>nd</sup> and 3<sup>rd</sup> tier schemes. They include 15 licensed Corporate Trustees to manage pension schemes, 36 Pension Fund Managers to invest pension funds and assets and maintain books of accounts on all transactions and 15 Pension Fund Custodians to hold pension fund assets.

Later in 2012, the Authority received 179 valid applications for registration of schemes under the mandatory 2<sup>nd</sup> Tier and Voluntary 3<sup>rd</sup> Tier. Out of that number, a total of 165 schemes were registered and granted either full approval or provisional approval to operate under the 2<sup>nd</sup> tier and 3<sup>rd</sup> tier. Thus the service providers and the 3-Tier structure were fully activated in December 2012 when Pension Fund Custodians received the first direct contributions from members of their respective schemes.

Before the licensing and registration of the Pension Service Providers (Trustees, Custodians and Fund Managers), however, mandatory 2<sup>nd</sup> Tier contributions were being collected by the Social Security and National Insurance Trust (SSNIT) through their branch offices across the country and paid into a Temporary Pension Fund Account (TPFA) at the Bank of Ghana.

Since then, the funds in the TPFA have been religiously invested in Government of Ghana Treasury Bills. However, the time lags from when employers pay the tier 2 contributions to when SSNIT finally remits such contributions to the TPFA have serious implications on the investment returns to be earned by contributors. The last reconciliation of the TPFA fund documents in 2012 revealed that the total value of contributions in the TPFA invested amounted to **GH¢851,732,125.84**. This was made up of net holdings in TPFA 1&2 of **GH¢668,342,940.00** and government stocks

amounting to GH¢ 183,389, 185.84. The total returns on investments amounted to **GH¢145, 507, 659.43.**

The NPRA is planning towards the transfer of the funds in the TPFA to relevant 2<sup>nd</sup> Tier schemes that have applied for the funds and provided evidence of membership of the schemes affected. The roadmap for computation and transfer of funds in the TPFA to registered 2<sup>nd</sup> Tier schemes includes (a) reconciliation of fund records, (b) auditing by the Auditor General, (c) computation, (d) payments/ transfer of funds and (e) post auditing.

## Managing the Authority

The main source of funds currently for running the Authority and its activities is monies provided by Parliament. Other sources of funds that are being activated include fines, fees, commissions and income accruing to the Board in the performance of its functions as well as donations, grants and monies approved by the Minister of Finance and Economic Planning.

Two major challenges came up in managing the Authority namely the need for regional presence and the need to attract quality staff. For the year 2012, the Authority had to operate from just the head office in Accra even though a sizeable number of the working population can be found in all the ten regions. This posed a lot of operational challenges and inconvenience to especially workers and retirees who had dealings with the Authority.

Although the Authority managed to recruit personnel for many key positions there are still vacancies to be filled both at the national level and regional level to give flesh to the effective organizational structure. Salaries and conditions of service are also being streamlined to be able to attract and retain competent staff for the Authority.

## Managing the 3-Tier Scheme

Just like any new policy, the 3-Tier Pension Scheme requires a lot of education and sensitization of stakeholders for two reasons. The first is to elicit the necessary understanding and acceptance and secondly to ensure compliance especially with the mandatory 2<sup>nd</sup> Tier. The composite nature of the Scheme especially the 2<sup>nd</sup> Tier and the 3<sup>rd</sup> Tier makes sustained education a prerequisite for success. In 2012, the Authority covered a lot of grounds in terms of education despite the limited resources, personnel and funds available to the Authority. The Authority provided the education through publications, its website, stakeholder-workshops and through radio and television platforms.

The information needs of pension service providers, employers and workers are diverse and the Authority plans to tailor its messages to meet the specific needs of those stakeholders in a more sustained manner in 2013 and beyond.

With the registration of schemes under the 2<sup>nd</sup> and 3<sup>rd</sup> Tiers and subsequent payment of tier 2 contributions directly to Pension Fund Custodians from December 2012, the Authority has activated its monitoring unit and will commence onsite monitoring of service providers in the first quarter of 2013.

Another important facility required for the effective management of the 3-Tier System is ICT infrastructure and office automation for both the National and Regional Offices. The Authority plans to procure and install the ICT infrastructure to enhance its monitoring and regulatory functions in 2013.

## Unification of pensions

The transitional provisions under Act 766 places enormous responsibilities on the Authority in unifying all pension schemes in the country and phasing out the Cap 30 and related schemes within

five years of coming into force. The NPRA staff will work hard with the Board to ensure a smooth unification and the phasing out of the old schemes.

## Conclusion

The NPRA has grown since 2010 and its capacity to effectively administer pensions in the country has also increased incrementally over the years. In 2012, the Authority had a healthy relationship with the Office of the President, the Ministry of Finance and Economic Planning, Ministry of Employment and the Controller and Accountant Generals Department. The Trades Union Congress and the Ghana Employers Association were also very supportive, likewise, the Authority enjoyed great collaboration with service providers.

We wish to thank all these stakeholders for their support while looking forward to greater collaboration and support in the future to give full meaning to the pension reform. We also want to thank the NPRA Board for bringing their expertise and knowledge to bear in what turned out to be a

fruitful year despite the challenges we encountered as to be expected with any new institution. We also want to thank all the staff of the NPRA including permanent staff, consultants and staff on secondment that assisted the Authority in the early years.

The staff and I look forward to working with the Board, Ghanaian workers, employers and service providers in the industry to ensure that the Ghanaian worker enjoys all the benefits that were intended under the pension reform particularly to ensure retirement income security for all. We count on the continued public support for this important national assignment. ■

**Sam Pee Yalley**  
**Acting Chief Executive Officer**

# Highlights of Activities in 2012

## Service Provision in the Industry

The Ghanaian Pensions Industry is a hybrid system that combines not only defined benefit and defined contribution plans but also relies on a healthy mix of state and private service provision (both individual and institutional). There are three major categories of service providers they include Trustees, Pension Fund Managers and Pension Fund Custodians. By December 2012, the NPRA had licensed and or registered 66 service providers as follows:

### Licensed Corporate Trustees

No.	Corporate Trustee	Location	Company Tel.
1	Petra Trust Company Limited	F 304/5, Dade Close, North Labone, Accra	0302-740963 0302-740964
2	Metropolitan Pensions Trust Ghana Limited	4th Floor, Ridge Towers, Ambassadorial Enclave, Sudan Road, Accra.	0244-852558
3	Enterprise Trustees Limited	1st Floor, No. 47, Patrice Lumumba Road, Airport Residential Area, Accra.	0307-030509
4	Negotiated Benefits Trust Company Limited	No. 8 Kakramadu Street, Cantonments, Accra.	0302-769287
5	Providentlife Trust Company Limited	2nd Floor, Provident Towers, Ring Road Central, Accra.	0572-059077 0547-965899
6	Axis Pension Trust	No. 385 Lagos Avenue, East Legon Residential Area, Accra.	0302-543287
7	Stallion Trust And Administration Limited	5th Floor Gulf House, Tetteh Quarshie Interchange, Accra.	0302-503209 0302-503210
8	Secure Pensions Trust Limited	91 Osu Badu Street, West Airport, Accra.	0302-771248 0302-731048
9	General Trust Company Limited	No. 141/21 Saflo Link, Abelenkpe – Accra.	0302-731049 0302-731050
10	Universal Pensions Master Trust Company Limited	76/2 Kade Avenue Kanda Estate, Accra.	0206-836027
11	Glico Pensions Trustee Company Limited	47 Kwame Nkrumah Avenue, Accra.	0302-246142 0302-246120
12	United Pension Trustees Limited	No. 25, Ringway Avenue, Osu, Accra.	0302-251101 0302-251102
13	Pensions Alliance Trust Company Limited	Hse. No. 48, 4th Norla Street Labone, Accra	0285-033188
14	Hedge Pension Trust	National Secretariat of CLOGSAG Ministries – Accra	0302-666581
15	NTHC Trustees Limited	Martco House, Okai Mensah Link, Adabraka	0302238492-3 0302235814

## Pension Fund Managers

No.	Company Name & Address	Location	Company Tel.
1	Databank Asset Management Services Limited P.M.B, Ministries Post Office, Accra	No. 6 Barnes Road, Adabraka, Accra.	0302-610610
2	All-Time Capital Limited P.O. Box CT 5257, Cantonments, Accra.	No. 25 Airport West Road, Airport Residential Area, Accra.	0302-773102 0302-766127
3	QFS Securities Limited P.O. Box CS 8007, Tema.	1st Floor; QFS Building Off Hospital Road, Community 11	0303 – 305920
4	SIC-Financial Services Limite P.M.B CT 314, Cantonments, Accra.	No. 67 A & B Switchback Road, Cantonments, Accra.	0302-767051 0302-766123 0302-767117
5	EDC Investments Limited P.O. Box AN 16746, Accra.	5, Second Ridge Link, North Ridge, Accra.	0302-251720-4 0302-251727-9
6	IC Securities Gh Limited PMB GP 104, Accra	No. 2, 2 <sup>nd</sup> Ridge Link, North Ridge, Accra.	0302-252621
7	Stanbic Investment Management Services Ltd. P.O. Box CT 2344, Accra.	Valco Trust House, 3rd Floor Castle Road, Ridge, Accra.	0302-687670-8 Ext.192/206/149
8	Black Star Advisors P.M.B 59, Osu, Accra.	F 304/5, 5th Norla Link, Labone, Accra.	0302-767672 0302-767673
9	Frontline Capital Advisors Ltd. P.O. Box SR 413, Spintex Road, Tema.	Hse. No. 8 Otu Kofi Link, Kuku Hill, Osu, Accra.	0302-784177 0302 – 783178
10	Chapel Hill Denham Securities Ltd. P.M.B CT 384, Cantonments, Accra.	Suite 2, The Labone Office Park, N. Sithole Street, Labone, Accra.	0302-766865
11	CDH Securities Ltd. P.O. Box 14911, Accra.	No. 36 Independence Avenue, North Ridge, Accra.	0302-671050, 0302-667426
12	New Generation Investment Services Limited P.O. Box UPO 603, Kumasi.	Cocoa Board Jubilee House, 1st Floor, Adum, Kumasi	03220-91608
13	Unisecurities Ghana Ltd P.O. Box GP 2637, Accra.	455/2 Farrar Avenue, Asylum Down, Accra.	0302-233270
14	EM Capital Partners Limited P.M.B CT 243 Cantonments, Accra.	No. 217 Osu Badu Lane, Airport West, Accra.	0302-764214 0302-276416
15	Newworld Renaissance P.O. Box CT 2868, Accra.	2nd Floor; Heritage Tower Ambassadorial Enclave (Opp. Cedi House), Accra.	0302-660163 0302-676979 0302-676980
16	Fidelity Securities Ltd. P.M.B 43, Cantonments, Accra.	Ridge Towers, Ridge, Accra.	0302-214490
17	HFC Investments Services Ltd. P.O. Box CT 4603, Cantonments, Accra.	No. 48 A, Sixth Avenue, North Ridge, Accra	0302-664203 0302-664214
18	SDC Brokerage Services Ltd P.O. Box GP 14198, Accra.	House No. D921/3 Adjacent (AMA), Asafoatse Nettey Street, Post Office Square, Accra.	0302-669372-5
19	SAS Investment Management Ltd P.O. Box KA 16446, Accra.	14th Floor; WTC Accra Building, Independence Avenue, Accra.	0302-661880 0302-661900



## Pension Fund Managers *Continued . . .*

No.	Company Name & Address	Location	Company Tel.
20	NDK Asset Management Ltd P.O. Box 3387, Accra.	NDK Building, No. 1 Rev. Hesse Street, Osu, Accra.	0302-761802 0302-761803 0302-761804
21	Prudential Securities Ltd P.O. Box CT 628, Cantonments, Accra.	8 Nima Avenue, Ring Road Central, Accra.	0302-771284 0302-770936
22	Firstbanc Financial Services Ltd PO Box 1464, Osu – Accra	No. 6 South Liberia Road, Kwame Nkrumah Avenue, Accra.	0302-250624 0302-250380
23	IFS Capital Management Limited P.O. Box SR 344, Accra.	3rd Floor; Opeibea House, 37 Liberation Road, Accra.	0302-766303
24	CIDAN Investments And Advisory Service P.O. Box BT 615 Tema.	CIDAN House, Commercial Centre, Community 11, Tema.	0303-301243–6
25	Liberty Capital Gh Ltd P.O. Box CS 8876, Tema.	Chez Julie Plaza, 30 Paa Grant Street, Community 10, Tema.	0303-301486
26	Wealth Management Ltd P.O. Box AN 15946, Accra.	2 <sup>nd</sup> Labone Street, Emause Road (Opp. The Law Institute) Labone, Accra.	0302-774269 0289-557255
27	Merban Investment Holdings Ltd P.O. Box 401, Accra.	57 Examination Loop, North Ridge, Accra.	0302-251131 0302-251132
28	CAL Asset Management P.O. Box 14596, Accra.	23 Independence Avenue, Accra.	0302-680061 – 9 0302-680079
29	SEM Capital Management Ltd P.O. Box CT 2069, Accra.	4th Floor; Trust Towers, Farrar Avenue, Accra.	0302-235400 0302-238382
30	Gold Coast Securities Limited P.O. Box GP 17187, Accra.	No. 5 Mozambique Link, (Opp. Royal Netherlands Embassy), Accra.	0302-211411 0289-539373
31	Brooks Asset Mgt. Ltd P.O. Box AF 2973, Adenta-Accra	112 Freetown Avenue, East Legon-Accra.	0302 543 550, 0302 550 133
32	Apex Capital Partners Limited P.O. Box ST 237, Accra	Suite 102, Zion House, No.7 Nii Yemoh Avenue, East Legon	0302 522461 0302 521980
33	Sirius Capital Limited P.O. Box CT 6382, Cantonments, Accra	Christman House, Suite No. G023, Airport, Accra	0302 777328
34	JCS Investments Ltd P.O. Box 30710 KIA	9 Martey Tsuru Off Spintex Road Accra	0302 817640 0302 817641
35	First Atlantic Asset Mgt. Co. Ltd P.O. Box CT 1620, Cantonments, Accra	No.3, Dr. Isert Road, Ridge, Accra	0302 218030
36	Cornerstone Capital Advisors Ltd. P.O. Box CT 3001, Cantonments Accra	Upper Floor, 11 Lamb Street, Adabraka, Accra	0302 264453



## Pension Fund Custodians

No.	Company Name & Address	Location	Company Tel
1	Ecobank Ghana Limited PMB, GPO, Accra.	19th, Seventh Avenue Ridge West, Accra.	0302 681146-8 0302 680426-7
2	Standard Chartered Bank Ghana Ltd. P.O. Box 768, Accra.	Head Office, Accra.	0302 664591-8, 0302 769210-221
3	Stanbic Bank Ghana Limited P.O. Box CT 2344, Accra.	Valco Trust House, 3 <sup>rd</sup> Floor, Castle Rd, Ridge, Accra.	0302 687670-8
4	CAL Bank Limited P.O. Box 14596, Accra – Ghana.	23 Independence Avenue, Accra.	0302 680061-69 0302 680079
5	UT Bank Ghana Limited P.O. Box GP 14776, Accra.	25B Manet Towers, Airport City, Accra.	0302 740740 0302 783269
6	Guaranty Trust Bank (Ghana) Ltd. P.O. Box CT 416, Cantonment	25A, Castle Road, Ambassadorial Area, Ridge, Accra.	0302 680662, 0302 680746
7	Agricultural Development Bank P.O. Box 4191, Accra.	ADB House, Independent Avenue, Accra.	0302 770403 0302 762104
8	HFC Bank Ltd. P.O. Box 768, Accra.	“Ebankese” 35, Sixth Avenue, North Ridge, Accra.	0302-242090-4
9	Prudential Bank Limited PMB, General Post Office, Accra.	8 Nima Avenue, Ridge Road Central, Accra.	0302-781200-7
10	ARB Apex Bank Ltd. P.O. Box GP 20321, Accra.	No. 5, North Road, Daniel Abdul Nasser Avenue, South Ridge, Accra.	0302 772129 0302 771738,
11	Fidelity Bank Ltd. PMB 43, Cantonments, Accra.	Ridge Towers, Ridge, Accra.	0302 214490
12	National Investment Bank P.O. Box 3726, Accra.	Adjacent Cocoa House, Accra.	0302 661701 – 10
13	Zenith Bank (Gh) Ltd. P.M.B CT 393 Accra-Ghana	Premier Towers, Liberia Road	0302 611500-29
14	Access Bank Ghana Ltd. P.O. Box GP 353, Osu, Accra	Access Bank Head Office Opposite Accra Sports Stadium, Accra	0302 684860
15	SG-SSB Limited P.O. Box 13119, Ring Road Central, Accra	C796 A/3, Asylum Down, Ring Road Central, Accra	0302 202001

## Schemes under the Mandatory 2nd Tier and Voluntary 3rd Tier

### *Applications for Registration of Schemes*

Following the successful licensing and registration of 15 Corporate Trustees by the Authority the industry was ready to welcome the first batch of privately managed schemes under Tier 2 and Tier 3. Public notices for registration of schemes were sent out in mid-2012 and this attracted a total of 179 applications for registration of schemes mostly under the mandatory Tier 2 but nonetheless with a sizable applications under tier 3 also particularly the Provident Fund Schemes. The breakdown is captured in Table 4 below.

**Table4: Summary of Applications Received and Evaluated for Registration**

<b>Tier</b>	<b>Type of Schemes</b>	<b>Applications</b>
Tier 2	Master Trust Occupational Pension Schemes	33
Tier 2	Employer Sponsored Occupational Pension Schemes	64
Tier 3	Master Trust Provident Fund Pension Schemes	25
Tier 3	Employer Sponsored Provident Fund Pension Schemes	48
Tier 3	Group Personal Pension Schemes	6
Tier 3	Personal Pension Schemes	3
<b>Total applications evaluated</b>		179

### *Approved Schemes under Tier 2 and Tier 3*

The Authority after evaluating a total of 179 applications for registration a total of 165 schemes passed receiving either full approval or provisional approval depending on how well the applications satisfied the requirements for registration. Schemes granted provisional approval were given a time limit to rectify the minor defects identified in order to gain full approval. Nonetheless, those provisional schemes were authorized to begin operations or receive contributions directly from members pending full approval.

**Summary of Approved Schemes under Tier 2 and Tier 3**

<b>No.</b>	<b>Type of Schemes</b>	<b>Full approval</b>	<b>Provisional approval</b>
1	Master Trust Occupational Pension Schemes	15	18
2	Employer Sponsored Occupational Pension Schemes	45	14
3	Master Trust Provident Fund Pension Schemes	17	8
4	Employer Sponsored Provident Fund Pension Schemes	26	13
5	Group Personal Pension Schemes	1	5
6	Personal Pension Schemes	0	3
<b>Total applications evaluated</b>		104	61

## Employers covered under the Mandatory 2nd Tier

By the close of the reporting period, a total of 6,571 organizations had either registered an Employer Sponsored Scheme or have signed onto a Master Trust Scheme with total membership of 207,757 workers. The breakdown of type of Tier 2 scheme and membership in terms of participating organization and membership for the mandatory Occupational Pension Scheme (Tier 2) is provided in the summary below:

### Summary of Employers and Workers covered under the 2<sup>nd</sup> Tier

No.	Type of Scheme	Participating Employers	Membership (workers)
1	Employer Sponsored Occupational Pension Schemes	72	41,914
2	Master Trust Occupational Pension Schemes	6499	165,843
<b>Total</b>		<b>6,571</b>	<b>207,757</b>

With respect to the voluntary third tier (Tier 3), two types of schemes successfully took off during the reporting period namely Employer Sponsored Provident Fund Pension Schemes and Master Trust Provident Fund Pension Schemes. The breakdown is provided in the table below:

### Summary of Employers and Workers covered under the 3<sup>rd</sup> Tier

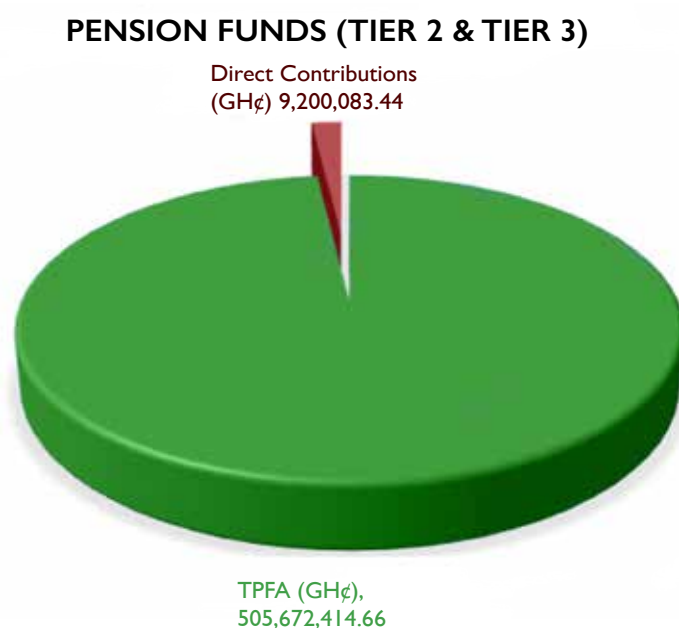
No.	Type of Scheme	Participating Employers	Membership (workers)
1	Employer Sponsored Provident Fund Pension Schemes	45	37,998
2	Master Trust Provident Fund Pension Schemes	368	59,877
<b>Total</b>		<b>413</b>	<b>97,875</b>

## Status of Tier 2 Contributions and Coverage

By the end of December 2012, contributions to the Mandatory 2<sup>nd</sup> Tier Occupational or Work-based Scheme were from two main sources namely payment through the transitional arrangement that is the Temporary Pension Fund Account (TPFA) and direct payments to Custodians of registered Schemes.

### *Total Assets under Management: Tier 2 and Tier 3*

The total funds that had accrued under tier 2 and tier 3 at the end of the reporting period was **GH¢ 514,872,498.1**. This is made up of total assets under the management of the Temporary Pension Fund Accounts and contributions paid directly to registered tier 2 and tier 3 schemes. The small chunk for direct contributions represents the two months that registered schemes received contributions directly whereas the bigger chunk represents contributions that had accrued in the TPFA since January 2010.



### *Total Funds under the TPFA (2010-2012)*

Based on the contributions and data from SSNIT and CAGD during the period January 2010 to December 31, 2012 the Authority received a total GH¢ 505,672,414.66 during the period from both SSNIT and CAGD as employees' 2<sup>nd</sup> Tier contributions into the TPFA in the following breakdown:

**SSNIT: GHS 363,910,677.10 (covering January 01, 2010 to December 31, 2012)**

**CAGD: GHS 141,761,737.56 (covering January 01, 2010 to December 31, 2012)**

### Total Funds under management of Licensed Corporate Trustees

Total contributions paid directly to the 15 Licensed Corporate Trustees with respect to registered tier 2 and tier 3 schemes at the end of the reporting period amounted to **GH¢9,200,083.44**. Given that direct payments to registered schemes started with the month of November 2012, some of the Trustees had either not registered schemes yet or were in the process of registering various schemes therefore data for such Trustees were either not available or not applicable. The table below provides a detailed account of the status:

**TABLE 7: TIER 2 AND 3 PENSION FUNDS UNDER MANAGEMENT OF PRIVATE PENSION SCHEMES AS AT DECEMBER 2012**

No.	Corporate Trustee	Tier 2 Pension Funds Under Management GH¢	Tier 3 Pension Funds Under Management GH¢	Total Tier 2 & 3 Pension Funds Under Management GH¢
1	Petra Trust Ltd	3,565,439.09	9,759,377.22	13,324,816.31
2	Metropolitan Pensions Trust	140,888.74	7,806,314.22	7,947,202.96
3	Enterprise Trustees	2,453,939.77	1,981,640.31	4,435,580.08
4	Negotiated Benefit Trust	790,828.35	1,645,061.42	2,435,889.77
5	Provident Life Trust	75,777.15	0.00	75,777.15
6	Axis Pension Trust	1,566,117.55	14,349,139.74	15,915,257.29
7	Stallion Trust Ltd	9,973.18	0.00	9,973.18
8	Secure Pensions Trust	349,619.77	214,283.87	563,903.64
9	General Trust Ltd	177,315.69	1,586,947.41	1,764,263.10
10	Universal Pensions Master Trust	12,915.75	0.00	12,915.75
11	Glico Pensions Trustees	11,386.43	91,595.81	102,982.24
12	United Pensions Trustees	947,713.51	694,068.37	1,641,781.88
13	Pensions Alliance Trust	7,622.14	0.00	7,622.14
14	Hedge Pension Trust	0.00	0.00	0.00
15	NTHC Trustees Limited	0.00	0.00	0.00
<b>Total Funds GH¢</b>		<b>10,109,537.12</b>	<b>38,128,428.37</b>	<b>48,237,965.49</b>

### Payment of contributions into the Temporary Pension Fund Accounts

Section 218 of Act 766 provides that “from the commencement of this Act and before the licensing or registration of Trustees, Pension Fund Managers and Custodians, every employer to whom this Act applies shall Open a Temporary Occupational Pension Fund Account with the Bank of Ghana”

Stakeholders at the time appreciated that direct payment of contributions to the Bank of Ghana was going to pose serious operational and administrative challenges for the Bank of Ghana and much inconvenience to employers. The situation was also likely to be exploited by employers' intent on defaulting in the payment of those contributions since the Bank of Ghana was not physically accessible in all parts of Ghana. In view of these

administrative and operational challenges to the successful implementation of the Act at that stage, Stakeholders agreed to the following:

- (a) A Temporary Pension Fund Account be opened at the Bank of Ghana as a collection account for the payment of 2<sup>nd</sup> tier contributions.
- (b) SSNIT should use its branch offices which are evenly spread across the country to collect the entire 18.5% contributions from employers and remit the 5% 2<sup>nd</sup> Tier contributions into the TPFA at the Bank of Ghana.
- (c) That the NPRA should invest the funds in the TPFA in Treasury Bills until such a time that it was ready to transfer the funds to registered 2<sup>nd</sup> Tier Schemes.

From 2010 to 2012 the TPFA was made up of two distinct accounts. One was set up to collect SSNIT transfers and the other to collect transfers from the Controller and Accountant General's Department (CAGD).

#### *Investments of 2<sup>nd</sup> Tier Contributions (TPFA)*

The Authority undertook investments in Treasury Bills in 2010, 2011 and 2012 including the purchase of Government Bond.

#### *Report on Investments*

The Authority submitted quarterly reports on Treasury Bills transactions to the TPFA Committee (of the Board). Also, the Authority established a working relationship with Central Securities Depository (CSD) to facilitate the effective tracking of its investment.

#### *Fund Administration*

In fulfillment of requirements relating to fund administration, NPRA advertised and received bids from prospective fund administrators. The Authority conducted technical and financial evaluation of all bids received. The first batch of five (5) fund administrators were contracted for six (6) months by the Authority in 2010 to render services relating

to 2<sup>nd</sup> Tier contributions of private sector workers up to December 31, 2010.

The Fund Administrators were:

- SEM Financial Capital Limited
- Merban Investment Holdings Limited
- SAS Investments Management Services
- FirstBanC Financial Services
- IC Securities / SIC Financial Services.

These contracted services included collation, analyses and reconciliation of contributions and preparation of reports. A second batch of two (2) Fund Administrators namely FirstBanC Financial Services and IC Securities were contracted on similar contractual terms and in addition produce member statements for the period January 2010 to May 2011 (17 Months) for 2<sup>nd</sup> Tier contributions of private sector workers.

Subsequently, FirstBanC Financial Services was contracted to render fund administration services for public sector workers for the period January 2010 to October 2012.

The Fund Administrators submitted periodic reports to the Authority on Tier 2 contributions including issues militating against the facilitation of Members' Statement of Accounts.

#### *Roadmap for Transferring TPFA Funds to Trustees of Registered Schemes*

The Authority has designed a roadmap involving five key steps that will lead to the transfer of funds from the Temporary Pension Fund Accounts at the Bank of Ghana to Custodians of registered scheme beginning from the year 2013 involving the following steps:

- a. **Reconciliation of Funds Records,**
- b. **Auditing by the Auditor General**
- c. **Validation and verification of employee contributions**
- d. **Computation and transfer of funds to registered schemes**
- e. **Post Auditing.** ■



## Highlights of Education and Sensitization Activities

Given that the 3-Tier Pension Scheme came into force in 2010, a lot of education and sensitization was needed to increase awareness of the new scheme by stakeholders especially employees and employers to ensure participation and compliance. This mandate which is spelt out in Article 7 of the National Pensions Act 2008 (Act 766) was carried out using many platforms.

Starting from 2010, the Authority launched an Educational and National Awareness campaign with the objective of educating and bringing the message of the new pension scheme to the attention of Ghanaians particularly workers.

In 2012, the Authority focused on three major platforms for education and sensitization on the new scheme namely Regional Outreach, Stakeholder Engagements and Meetings with Service providers.

### Regional Outreach Programme

As part of an educational programme launched in 2010, the Authority adopted the Regional Outreach Programme as a strategy for educating stakeholders in the various regions about the new scheme because the NPRA had no regional offices at the time to take up that mandate.

In 2012, the Authority organized two outreach programmes in the Brong Ahafo and Western Regions. With these two programmes, the Authority was able to reach over a thousand stakeholders made up of the leadership of various stakeholder groupings including worker and employer unions and associations from both the formal and informal sectors.



**A section of participants at the Regional Outreach Programme in Takoradi in the Western Region.**

These participants were educated on the new 3-Tier Pension Scheme focusing on themes like the role of the NPRA, responsibilities of workers and employers, how to participate and the benefits associated with the reform. The intent was for those leaders to extend the information acquired to their constituents.

Given the absence of regional offices for the Authority, this strategy proved useful in providing a basic understanding and information to enable stakeholders not only to participate but also comply with the mandatory first and second tiers.

In total three regional outreach programmes have been organized in the Eastern, Brong Ahafo and Western Regions with support from the World Bank under the Economic Management and Capacity Building project and in partnership with the Trades Union Congress through their Regional Secretaries.

Given the impact and the positive response and interest of participants of the outreach programmes, the Authority will provide more regional education after establishing regional offices in 2013.

## Engagement with the Service Providers

The National Pensions Regulatory Authority continuously and extensively engaged with service providers of the industry namely SSNIT, Corporate Trustees, Fund Managers and Custodians during the period.

In line with licensing and registration of service providers for the 2nd and 3rd Tiers, the Authority in January organized a forum for applicants including prospective Corporate Trustees, Pension Fund Managers and Pension Fund Custodians. The Authority followed up with another meeting with service providers in March to discuss guidelines for scheme registration and the commencement of registration schemes under the mandatory

2nd Tier and voluntary 3rd Tier. These meetings were facilitated by various sub-committees of the Board. These consultations were done before the licensing of the first batch of service providers and registration of schemes in April and October respectively. This ensured that service providers were able to make inputs in every step of the implementation of the new scheme.

The Authority in line with its mandate to ensure that every Trustee involved in pension management has adequate knowledge in pensions will continue to facilitate education and training for all Licensed Trustees.

## Engagement with Stakeholders

The Pensions Act (Act 766) recognizes the important role of the major stakeholders namely employers and workers in the success of the new scheme. Accordingly, the NPRA consults these stakeholders on regular basis to give out information and also to take inputs from these stakeholders on critical issues in the implementation and regulation of the new 3-Tier Pension Scheme.



**Cross-Section of Staff of NADMO in Greater Accra at a Durbar on the New Scheme**



Apart from the regional outreach programmes, the Authority engaged the leadership of these stakeholders (GEA, Parliamentarians, TUC and other organized labour groupings) on issues like registration of schemes and issuance of guidelines.

Another important highlight of engagements with stakeholders especially with employers or various organizations was the demand driven education. Since 2010, the Authority has received and honored numerous calls from organizations for education

on the 3-Tier Scheme. In 2012, such demand driven education ``mostly focused on registration of schemes under the mandatory 2<sup>nd</sup> Tier. This has enabled the Authority to reach many institutions which had not benefitted from the general educational programmes and sensitization through the mass media. ■



Education of workers of Health Service Workers Union in Accra during an Annual celebration

## Highlights of some educational activities in 2012

Date	Activity/Programmes
<b>Engagement with Service Providers-Trustees, Pension Fund Managers And Custodians</b>	
January, 2012:	Forum for applicants for Corporate Trustees., Pension Fund Managers and Pension Fund Custodians at the College for Physicians and Surgeons.
March, 2012:	Meeting of Board committee with service providers on the scheme registration guidelines for the commencement of registration of schemes in March, 2012.
April, 2012:	Meeting with licensed Corporate Trustees, registered Pension Fund Managers and Custodians to discussed challenges confronting them in the industry as they began registering institutions onto their various registered schemes.
May, 2012:	Hosted World Bank/ Radio Gold Break Fast Series on the new pension scheme with other industry players.
<b>Regional Outreach Programme</b>	
March, 2012:	Outreach programme on the new three-tier pension scheme for formal and informal sector workers in Sunyani, Brong Ahafo Region.
September, 2012:	Outreach programme on the new three-tier pension scheme for formal and informal sector workers Takoradi, Western Region.
<b>Engagement With Stakeholders</b>	
April, 2012:	Stakeholders Forum on guidelines for registration of schemes with Organized Labour, Ghana Federation Labour and other Labour Unions.
April, 2012:	Stakeholders Forum on guidelines for registration of schemes with Ghana Employers Association (GEA) and Association of Ghana Industries (AGI) and other Public Institutions and Associations.
June, 2012:	Presentation to the staff of Credit Mall Ltd to educate them on the new three-tier pension scheme.
May, 2012:	Presentation to the staff of Public Utility Regulatory Commission (PURC) to educate them on the new three-tier pension scheme.
May, 2012:	Presentation on the new three-tier pension scheme to educate members of Ghana Medical Association (GMA).
June, 2012:	Presentation to the staff of Bulk Oil Storage and Transportation Company Ltd (BOST) to educate them on the new three tier pension scheme.
June, 2012:	Presentation to the staff of Fair Wages and Salaries Commission to educate them on the new three tier pension scheme.

## Financial Statement and Analysis for the Period Ended December 31st 2012



AG, Chief Executive Officer



Finance Manager

## Statement of Financial Position as at 31<sup>st</sup> December, 2012

		Dec. 2012	Dec. 2011
	Note	GH¢	GH¢
<b>Non-Current Assets</b>			
Property, Plant and Equipment		884,690	0
<b>Current Assets</b>			
Cash and Bank		259,677	653,724
Receivables	5	<u>144,800</u>	<u>177,422</u>
		<b><u>404,477</u></b>	<b><u>831,146</u></b>
<b>Current Liabilities</b>			
Trade & Other Payables		159,000	0
Accrual & Deferred Income (Grant)		260,840	0
Second Tier TPF Account	4	<u>499,032</u>	<u>531,983</u>
		<b><u>918,872</u></b>	<b><u>531,983</u></b>
Net Current Assets		<u>(514,857)</u>	<u>299,163</u>
Accumulated Fund at 31 December, 2012		<b><u>370,294</u></b>	<b><u>299,163</u></b>
<b>Represented By:</b>			
Accumulated Fund – January 1, 2012		299,163	
Prior Year Adjustment	6	<u>365,988</u>	
Restated Accumulated Fund – January 1, 2012		665,151	
Deficit – 2012		<u>(294,856)</u>	
<b>Accumulated Fund – December 31, 2012</b>		<b><u>370,294</u></b>	

## Statement of Income and Expenditure for the Year ended December 31<sup>st</sup> 2012

	Note	2012	2011
		GH¢	GH¢
<b>Income</b>			
GOG Subvention	2a	320,187	1,099,067
Donation & Other Receipts	2b	80,650	107,510
Internally Generated Funds (IGF)	2c	<u>542,535</u>	<u>87,450</u>
		<b><u>943, 374</u></b>	<b><u>1,294,028</u></b>
<b>Expenditure</b>			
Administration	3a	871,764	412,716
Service	3c	366,688	292,213
Investment	3b	–	<u>389,840</u>
		<b><u>1,238,231</u></b>	<b><u>1,094,770</u></b>
<b>Surplus (Deficit)</b>		<b><u>(294,856)</u></b>	<b><u>199,258</u></b>

## Statement of Cash Flow for the Year ended 31<sup>st</sup> Dec. 2012

	<b>2012</b>
<b>Cash Flow from Operating Activities</b>	
Government Subvention	320,187
Other Income	80,650
IGF	542,535
	<b>943,374</b>
<b>Operating Expenses</b>	
Administrative Expenses	<u>871,764</u>
Net Cash flow from Operating Activities	<u>(871,764)</u>
	<b><u>71,610</u></b>
<b>Investing Activities</b>	
Service Expenses	333,418
Purchase of Fixed Assets	<u>99,994</u>
Net Cash flow from Investing Activities	<u>(433,413)</u>
<b>Financing Activities</b>	
Transfer from TPFA	392,147
Payment to Fund Administrators	(424,391)
Net Cash Flow from Financing Activities	<u>(32,244)</u>
<b>Net (Decrease/Increase in Cash &amp; Cash Equivalents)</b>	<b><u>(394,047)</u></b>
<b>Analysis of Change in Cash and Cash Equivalents during the year</b>	
Balance as at 01/01/2012	653,724
<b>Net Cash Flow</b>	<b><u>(394,047)</u></b>
<b>Balance as at 31/12/2012</b>	<b><u>259,677</u></b>

# Notes to the Financial Statement

## 1. Basis of Accounts

The Financial Statements have been prepared on a historical cost basis. NPRA reports revenue in the period in which they are received. Expenditure is recognized when goods and services are received and paid for.

### (a) Property and Equipment

Items of property and equipment are measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset.

### (b) Accounts Receivable

Accounts receivables are stated at cost. Allowance for doubtful accounts are made for receivables of which recovery is doubtful.

### (c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks with maturity of less than three months. Cash and cash equivalents are carried at cost in the statement of Financial Position.

## 2. Revenue

### (a) Government of Ghana Subvention

	<b>2012</b>	<b>2011</b>
	GH¢	GH¢
Administration		312,608
Service	320,187	396,620
Investment	-	389,839
	<b><u>320,187</u></b>	<b><u>1,099,067</u></b>

### (b) Donation and Other Receipts

SSNIT	-	57,510
Castle	-	50,000
Foreign Travel Receipts	33,948	-
Consultancy Fees Receipts	34,477	
Other Receipts	12,225	-
	<b><u>80,650</u></b>	<b><u>107,510</u></b>

### (c) Internally Generated Funds

Registration fees of service providers	542,535	85,950
Provisional registration of schemes	-	1,500
	<b><u>542,535</u></b>	<b><u>87,450</u></b>

### 3. Expenditure

	<b>2012</b>	<b>2011</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>(a) Administrative Expenditure</b>		
Office Suppliers	8,074	103
Refreshment	19,159	8,268
Purchase of Publication	5,766	1,048
R/M Motor Vehicle	20,943	11,140
Vehicles Running cost	76,285	39,586
R/M of General Equipment	17,269	11,602
Other Allowance (Directors Fees)	98,840	306,587
Salary Top-Ups and Other Allowance	106,994	23,581
Telecommunication and Postage	17,084	8,283
Cleaning and Sanitation	1,913	2,515
Electricity & Water	16,228	-
Staff Salaries	322,447	-
Sitting/ Meeting Allowance	151,160	-
Refund of Registration Fees	9,500	-
Bank charges	98	-
	<b>871,764</b>	<b>412,716</b>
<b>(b) Investment Expenditure</b>		
Purchase of Two Motor Bikes	-	16,334
Purchase of Computers and Accessories	-	73,506
Rent For Office Accommodation	-	300,000
Air Conditioners	-	-
Office Telecommunication Equipments	-	-
Refrigerators	-	-
Net Works & Cabling Materials	-	-
Steel Cabinets	-	-
Book Shelves	-	-
	<b>-</b>	<b>389,840</b>
<b>(c) Service Expenditure</b>		
Hotel Accommodation	4,115	18,597
Local Consultancy Fees	227,710	129,949
Stationery	24,120	9,997
Fuel and Lubricants	7,694	4,270
Foreign Travels	32,622	22,600
Adverts and Publicity	49,347	6,070
Hiring of Venue	14,109	4,313
Contract Staff Allowances	647	96,414
Subscription (IOPS)	5,601	-
Staff Development	1,367	-
	<b>366,688</b>	<b>292,213</b>



#### 4. Second-Tier TPFA

##### Second – Tier-TPFA

Balance brought forward	531,983	–
Transfer from Temporary Pensions Fund Account	391,441	1,161,107
Less Fund Administrators Payments	<u>(424,391)</u>	<u>(629,124)</u>
	<b><u>499,032</u></b>	<b><u>531,983</u></b>

#### 5. Receivables

	<b>2012</b>	<b>2011</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>Advances</b>		
Ag. Chief Executive Officer Salary	60,000	60,000
Ag. Chief Deputy Executive Officer Salary	50,000	50,000
Rent MoFEP	34,800	34,800
Foreign Travels-MoFEP	-	32,622
	<b><u>144,800</u></b>	<b><u>177,422</u></b>

#### 6. Accumulated Fund

<b>Balance b/d</b>	299,163	99,905
Prior Year Adjustment	<u>365,988</u>	-
	665,151	
Surplus/deficit	<u>(294,856)</u>	<u>199,258</u>
<b>Accumulated Fund – December 31, 2012</b>	<b><u>370,294</u></b>	<b><u>299,163</u></b>

### Prior Adjustment

The Authority has changed its Accounting Policy from Cash Basis to Accrual Basis. The Fixed Assets which have not been capitalized previously, have now been capitalized and recognized in the accounts for the year under review. ■



