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**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER: PQ2022/1084**

**DATE OF PUBLICATION: 25/03/2022**

**QUESTION:**

**Mr I M Groenewald (FF Plus) to ask the Minister of Cooperative Governance and Traditional Affairs:**

(1) Whether, in light of the fact that on 19 December 2017, the Gauteng North High Court placed the Municipal Councillors Pension Fund (MCPF) under curatorship as a result of irregular financial conduct by the MCPF board, the SA Local Government Association  (SALGA) took any disciplinary and/or other steps against its representatives who represented SALGA on the board of the MCPF; if not, why not, if so, what are the relevant details;

(2) whether she will make a statement on the matter? NW1334E

**REPLY:**

(1) According to information received from the South African Local Government Association (SALGA), SALGA has no corresponce or record implicating its representatives on the Board of Trustees of the Municipal Councillor Pension Fund (the MCPF) in misconduct and consequently has not instituted any disciplinary proceedings or taken other steps against its representatives on the board of the MCPF.

(2) Not applicable.

All further queries regarding pension fund must be referred to Minister of Finance.

**BACKGROUND:**

1. On 25 March 2022 the Department received Parliamentary Question 1084 from Mr IM Groenewald (FF Plus) asking the Minister of Cooperative Governance and Traditional Affairs (1) whether, in light of the fact that on 19 December 2017, the Gauteng North High Court placed the Municipal Councillors Pension Fund (MCPF) under curatorship as a result of irregular financial conduct by the MCPF board, the SA Local Government Association (SALGA) took any disciplinary and/or other steps against its representatives who represented SALGA on the board of the MCPF; if not, why not, if so, what are the relevant details, and (2) whether she will make a statement on the matter?
2. The Pretoria High Court granted an application brought by the Registrar of Pension Funds on 19 December 2017 in terms of section 5(1) of the Financial Institutions Act, 2001 (Protection of Funds), for the appointment of curators to the Municipal Councillors Pension Fund (the MCPF). The court appointed Mr Juanito Martin Damons and Ms Sophie Thabang Kekana as the joint curators of the MCPF.
3. The application was brought pursuant to an inspection report as well as reports by the section 26(2) board to the Registrar, which revealed several serious irregularities pertaining to poor investment decisions and lack of governance in the fund. The curatorship is intended to stabilise the management and operations of the fund and to protect the interests of its members.
4. The Board of Trustees of the MCPF (the BoT) and the curators are accountable to the Registrar of the Pension Funds acting with the concurrence of the Minister of Finance.
5. According to information received from the South African Local Government Association (SALGA), SALGA has no correspondence or record implicating its two (2) representatives on the BoT of the Municipal Councillor Pension Fund in misconduct and consequently has not instituted any disciplinary proceedings or taken other steps against its representatives on the board of the MCPF. In light of this developments, the question whether the Minister will make a statement on the matter is not applicable.