

Dr. Steven R. Firer

Contact details

Phone: +27 (0)11 4400 972 | Mobile: +27 (0)81 017 9509 | Email: stevenfirer@gmail.com

Tuesday, 18 September 2018

Attention - Tony Kamionsky

In my opinion a reasonable charge for the following recreation of accounting records ranges between R3 million and R5 million.:

1. Recreate member records for approximately 11,000 members belonging to approximately 200 participating employers across 4 umbrella retirement funds providing a schedule of closing member values;
2. The period covered is:
 - a. Dynamique Umbrella Pension and Provident Funds: August 2005 to January 2008 (30 months); and
 - b. IF Umbrella Pension and Provident Funds: April 2004 to January 2008 (46 months);
3. Note assuming the participating employers joined uniformly over the period the average participating employer would have been in the Dynamique funds for 15 months and in the IF Funds for 23 months;
4. Go through the source documentation;
5. Reconciliation of the cashbook to bank statements;
6. Reconciliation of cashbook to investment manager statements;
7. Allocation of deposits to participating employers;
8. Allocation of payments to investment manager statements;
9. Preparation of trial balances and supporting lead schedules; and
10. Calculation and allocation of adhoc fees.

This charge includes the use of bookkeepers at average rates and also the use of actuaries at expert rates. It must be noted that the computer records as regards the original documentation should already be computerised as this would not be part of the recreation. These documents include original contracts etc. The location of all the supporting schedules etc should also be immediately available. Bank statements, would not need to be recreated. The chart of accounts also would not have to be recreated. The actuarial "expertise" would also not have to be re-created as these "estimates" do not change as the member statistics are fixed, such as age etc.

Steven Firer

Specialist in Financial and Corporate Reporting Law

LLM (Wits) DBA (UKZN) CA (SA)

Registered Auditor – Independent Regulatory Board for Auditors

Accredited International Financial Reporting Standards Advisor – JSE Limited

