

Forensic Accounting Services

Definition:

Forensic accounting provides an accounting analysis suitable to form the basis for negotiation, debate, or dispute resolution in a court of law.

Benefits:

A forensic accountant reviews factual information, analyzes financial evidence and communicates the findings in the form of reports and exhibits to provide suggestions regarding possible courses of action in business or legal disputes.

Process:

- First we meet with you to gain a broader understanding of the facts and circumstances surrounding the engagement.
- We then review our independence with all pertinent parties to ensure no conflicts-of-interest exist.
- Next, we meet with you to perform a preliminary investigation to deepen our understanding of the issues.
- We then develop a detailed action plan that relates the specific procedures that will be performed in order to achieve stated goals and objectives.
- We then conduct our investigation in order to gather relevant evidence and perform various analyses. (Is the client, or his employees, committing any time in this or any of the steps?)
- Finally, we prepare and submit a comprehensive report summarizing the nature of the engagement, detailed analysis of our investigation, and a summary of our findings.

Case Example:

A client with a profitable company could not explain why his profit margins suddenly began diminishing over the last two years. We performed various analyses and determined that while sales were on a slight decline, the cost of goods and operating costs remained constant. Further analyses showed there had been an inordinate amount of adjustments to accounts receivable and sales over the past two years. The client had no knowledge of the majority of these adjustments. He then began to suspect his bookkeeper might be stealing. We investigated further.

We requested proof of payment from all customers whose accounts receivable had been adjusted with an unapproved credit memo. The evidence showed the bookkeeper had stolen incoming checks and deposited them into a company account she opened at a local bank. She intercepted over \$170,000 worth of incoming checks and adjusted the customers' accounts receivable balances using unapproved credit memos. She then was able to write checks on this "company" account to withdraw the stolen money. The detailed analysis of our investigation was sufficient to support an arrest warrant on the bookkeeper.