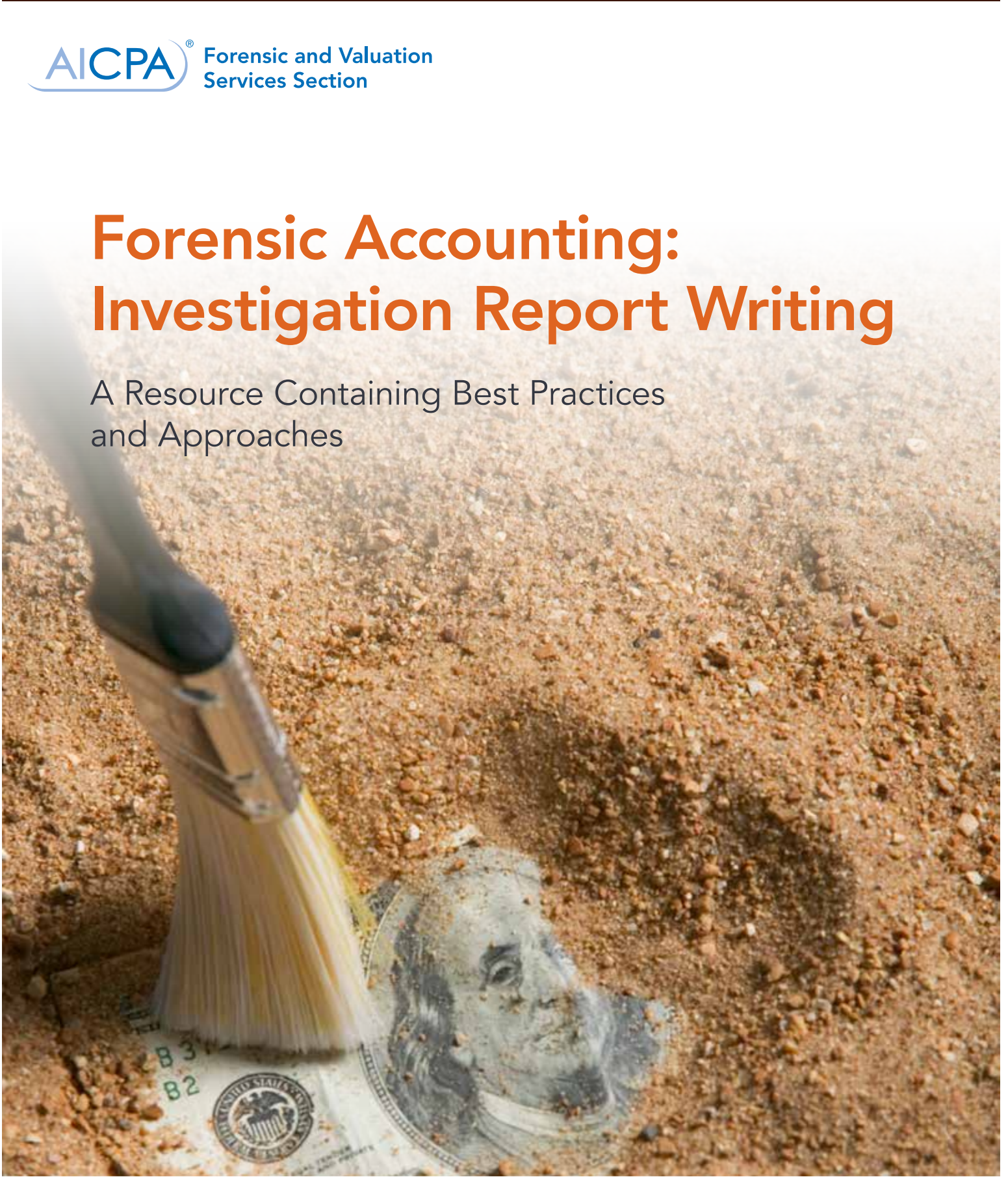


Forensic Accounting: Investigation Report Writing

A Resource Containing Best Practices
and Approaches



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EXECUTIVE SUMMARY

An effective written report can be a key element in a forensic investigation and often is an essential mechanism to communicate the procedures performed and results of a forensic investigation. This white paper was generated from the input of leading forensic accountants to provide CPA professionals (herein referred to as “forensic accountant(s)”) with a resource to assist with the preparation of a forensic investigation report in a non-litigation setting. While forensic accountants need to be mindful that any forensic investigation has the possibility of litigation, communicating in a non-litigation environment can be vital to the success of your engagement. Although this paper specifically covers the topic of a report in written form, there may be many occasions where the client or counsel requests that the forensic accountants deliver the results of their work verbally. The reasons for a verbal report relate to work product protection and possible legal strategies. It’s important to obtain an early understanding of how your work is to be communicated.

Written reports for forensic investigations generally fall under the AICPA consulting services standards. Gaining an understanding of the standards will assist the forensic accountant in assuring that their report will be done as diligently as the forensic investigation itself. Just as planning is essential in a forensic investigation, discussion with the client as to the form and timing of communications at the onset of an investigation will serve the forensic accountant well when later communications are necessary.

The form and content of written forensic investigation reports vary significantly. While each forensic accountant should have their own style, some general considerations are provided to assist in enhancing the report. To provide further assistance, suggested sections of a written report are discussed.

In this white paper, forensic accounting report writing is discussed in four sections.

Navigating Report Writing — Guidance on the accounting standards that are applicable to written communications performed as a consulting services engagement under AICPA code and standards

Communication With the Client — Discussion of considerations in planning the forensic investigation with regard to the timing, form and format of communication

General Considerations for Written Communications — Discussion of communicating the status of the forensic investigation, utilization of visual data to enhance written reports and the concepts of confidentiality and draft report

Elements of a Written Report — From the cover to the exhibits, suggestions and guidance are provided for various sections of a written forensic investigation report

Appendix A: Provides a sample forensic investigation, non-litigation, report

The elements of a written report are demonstrated in a sample forensic investigation report in which a forensic accountant was engaged to conduct an examination of an alleged misappropriation scheme.

Appendix B: Suggested do's and don'ts of forensic investigation report writing

Tips and suggestions on forensic investigation report writing have been provided from leading forensic accountants.

FORENSIC ACCOUNTING: INVESTIGATION REPORT WRITING

A Resource Containing Best Practices and Approaches

Introduction

The forensic accountant often is asked to provide consulting services with regard to investigating a fraud or a potential fraud, commonly referred to as a “forensic accounting investigation.”

An important, and required, element of this type of engagement is communicating with the client. While not required by Statement of Consulting Services (SCS) No. 1, a written report is often requested by the client or another party, with an interest in the results of the investigation. The accounting profession has reporting standards for certain accounting engagements (audit, review and compilations); however, given the diverse nature of consulting services, prescribed report formats for investigative consulting engagements are not mandated — except those in the litigation process or in special circumstances.

Practitioners have increasing resources available for guidance on how to organize and conduct a forensic accounting investigation. For example, the AICPA Forensic and Valuation Services Section recently has published guidance on “How to Organize a Forensic Accounting Investigation.” In that document, report writing is one of the last steps, but one of the most critical steps, in conducting a forensic investigation. The forensic accountant must adequately communicate the important factors, the process used and the results of the engagement. Without it, the value of the work performed and findings in the eyes of the reader may be significantly diminished.

This document provides guidance for forensic accountants interested in obtaining insights and strategies in developing and writing effective reports in connection with forensic accounting investigations.

Navigating Report Writing

Forensic accounting services are classified as transaction services in the Statement on Standards for Consulting Services (SSCS) No. 1, and are subject to the SSCS, as well as to the professional standards embodied in the AICPA Code of Professional Conduct. The communication standards promulgated by the AICPA that apply to forensic accounting services are limited to the general requirement of communication with client in SSCS No. 1. The SSCS states: "Communication with client: Inform the client of (a) conflicts of interest that may occur pursuant to interpretations of rule 102 of the Code of Professional Conduct, (b) significant reservations concerning the scope or benefits of the engagement, and (c) significant engagement findings or events." (Source: SSCS No. 1)

The communication requirement in the SSCS No. 1 is relatively broad and does not provide specific guidance to the forensic accountant for satisfying this requirement. Practitioners may communicate concerns about conflicts of interest, serious reservations or significant engagement findings and events to the client either orally or in writing. While the applicable professional standards neither require a written report nor specify the nature of the contents when one is prepared for forensic accounting services, the forensic accountant may be subject to other third-party reporting requirements, such as the DOJ, SEC and other regulators. If the investigated matter develops into a litigated matter, then further requirements may be imposed, such as Federal Rules of Civil Procedures (FRC) and the rules applicable to state courts and other jurisdictions and venues. Guidance relating to communications in litigation circumstances can be found in *AICPA Practice Aid Communicating in Litigation Services: Reports*.

The following professional standards and guidance may need to be considered by the practitioner:

- ▶ AICPA Code of Professional Conduct
- ▶ AICPA Statement on Standards for Consulting Services (SSCS No. 1)
- ▶ AICPA Statements on Standards for Attestation Services (SSAE)
- ▶ Other standards, depending on credentials held by the practitioner

Communication With the Client

Establishing communication expectations with the client at the onset of an investigation is a vital element in the planning stage. Determining the best means of communicating the progress or results of the investigation including the type/form of communication; timing of communications; and the intended audience who will be considering, or relying upon, the communication should be discussed early in the investigation process.

Communication can take many forms and vary depending upon the nature of the investigation.

- ▶ Depending on the circumstances, such as the wishes of the client and the likelihood of the results of the investigations being used as the basis for a litigation or regulatory investigation, it may not be advisable to communicate interim findings in writing. Phone conversations or in-person meetings allow for an exchange of information and responding to questions in a timely manner without leaving a potentially discoverable record.
- ▶ In the event that written communications are preferred, an agreed upon format should be adopted, wherein the forensic accountant reports i) procedures performed, ii) findings to date and iii) time and fees to date. This keeps the client informed about the investigation's progress, and facilitates the billing process by minimizing any "sticker shock." These progress reports can be in the form of a memorandum, or other structured communications, or a PowerPoint slide deck that presents the key issues and facts. The benefit of a PowerPoint presentation is that it is brief and does not necessarily require as much effort to prepare as a memo or narrative email.

General Considerations for Written Communications

► Investigation Status

During the course of the investigation, information is gathered that will ultimately be included in the investigative report. A leading practice is to keep the final report in mind as information is received and begin to structure the outline as the investigation proceeds. This enables the practitioner to keep the report draft current as the process moves forward, and facilitates status reporting to the client.

Depending on the circumstances of the investigation, the practitioner may be required to provide periodic updates regarding the results of specific procedures and how these results fit into the larger framework of the investigation as a whole. Such procedures could include, but are not limited to, witness interviews, financial analyses, document or email reviews, or database or Internet searches. As each of these procedures is completed, a summary of the results may be communicated to the client for discussion purposes.

It is important to bear in mind that the results of all individual procedures must be considered in their entirety before arriving at a final conclusion regarding the subject of the investigation. As results are reported, the practitioner must consciously maintain skepticism, independence and objectivity. This allows for multiple theories of the fraud to exist, and as information is developed, the investigative process will eliminate theories until the collected facts support a conclusion.

In situations where there is a likelihood of litigation arising as the result of the investigation, it may be advisable for these communications to be limited to oral discussions, so as to protect any attorney work product privileged information. The forensic accountant should establish these protocols with legal counsel at the start of the engagement.

► Use of Visual Data

In addition to a written document covering the background, timing, observations and findings/recommendations, it may be helpful at times for the forensic accountant to convey information in a visual manner. Most forensic accountants are well versed in presenting numerical charts and schedules in a tabular format. Of course, these tables of numerical data may be necessary to support the forensic accountants' findings and calculations related to the investigation. Even so, it is helpful when forensic practitioners ensure that the data charts flow logically from the greatest level of detail up to a summary level of detail. The practitioner should be mindful of opportunities to illustrate the numerical data in a chart (bar graph, line graph or pie chart) formula, depending on the circumstances. However, there are other types of fundamental illustrations that aid in illuminating a point, parties or sequence of events. These can put into context the findings of the investigations.

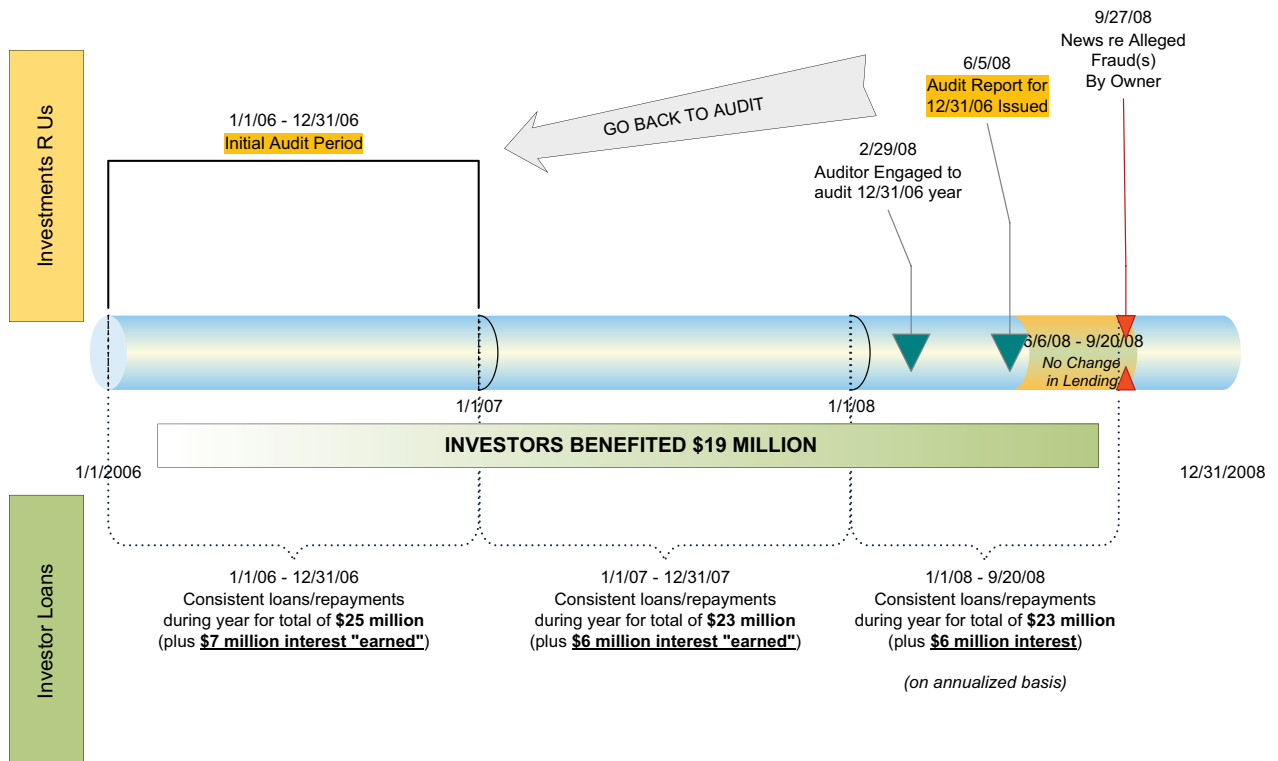
Depending on the nature of each case, the use of timelines, organizational charts, and/or process flows may greatly enhance the audience's ability to understand and internalize the forensic accountant's findings. Unless the chart or illustration is simple and small enough to fit within the body of the written report, it is preferable to include the illustrations as exhibits or attachments and simply reference them within the relevant portion of the written report.

Before an illustration is used in a report, the forensic accountant should ensure its accuracy, which may include reviewing the key elements with the client. Often, this may uncover some additional details that create a more informative picture for the reader.

Timelines are a simple chronology of events that surround the period of time in question. The events typically are illustrated in landscape mode, showing the oldest date on the left side to the newest date on the right side. The actions of distinct parties or entities may be shown above and below to the main lapse of time to better convey the sets of actions by one party or group. The use of colors and different time markers can also provide a means to differentiate types of actions.

Example 1: Timeline

TIMING OF AUDIT FOR "INVESTMENTS R US"



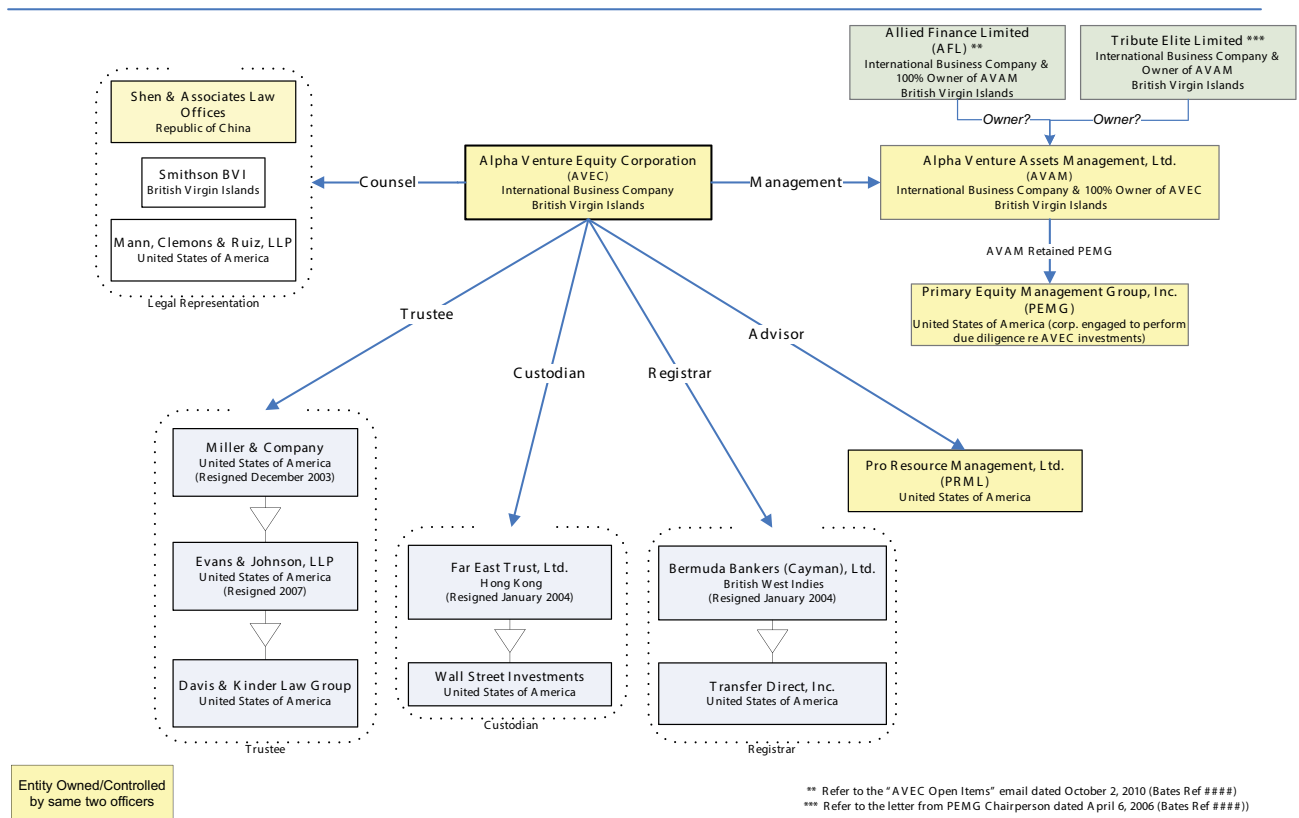
Organization Charts often are useful in illustrating how entities or people are related. The lines interlinking entity names should reflect the percentage ownership of one entity by another. The entity name and legal structure (corporation, LLC, LP, etc.) and key owner names can be added as text within the shapes. These types of organization charts can provide clarity in cases involving many entities with common ownership and/or control. Similarly, organizational charts can be used to show personnel within a single entity. In this

instance, the executive or employee names and position are added as text within the shapes and the lines of reporting typically are shown in a hierarchical format. In cases of embezzlement or corruption involving multiple layers of management or executives, this type of chart may be helpful in illustrating the lines or direct/indirect reports to determine the positions responsible for supervision/oversight.

Example 2: Complex Organization

ALPHA VENTURE EQUITY CORPORATION

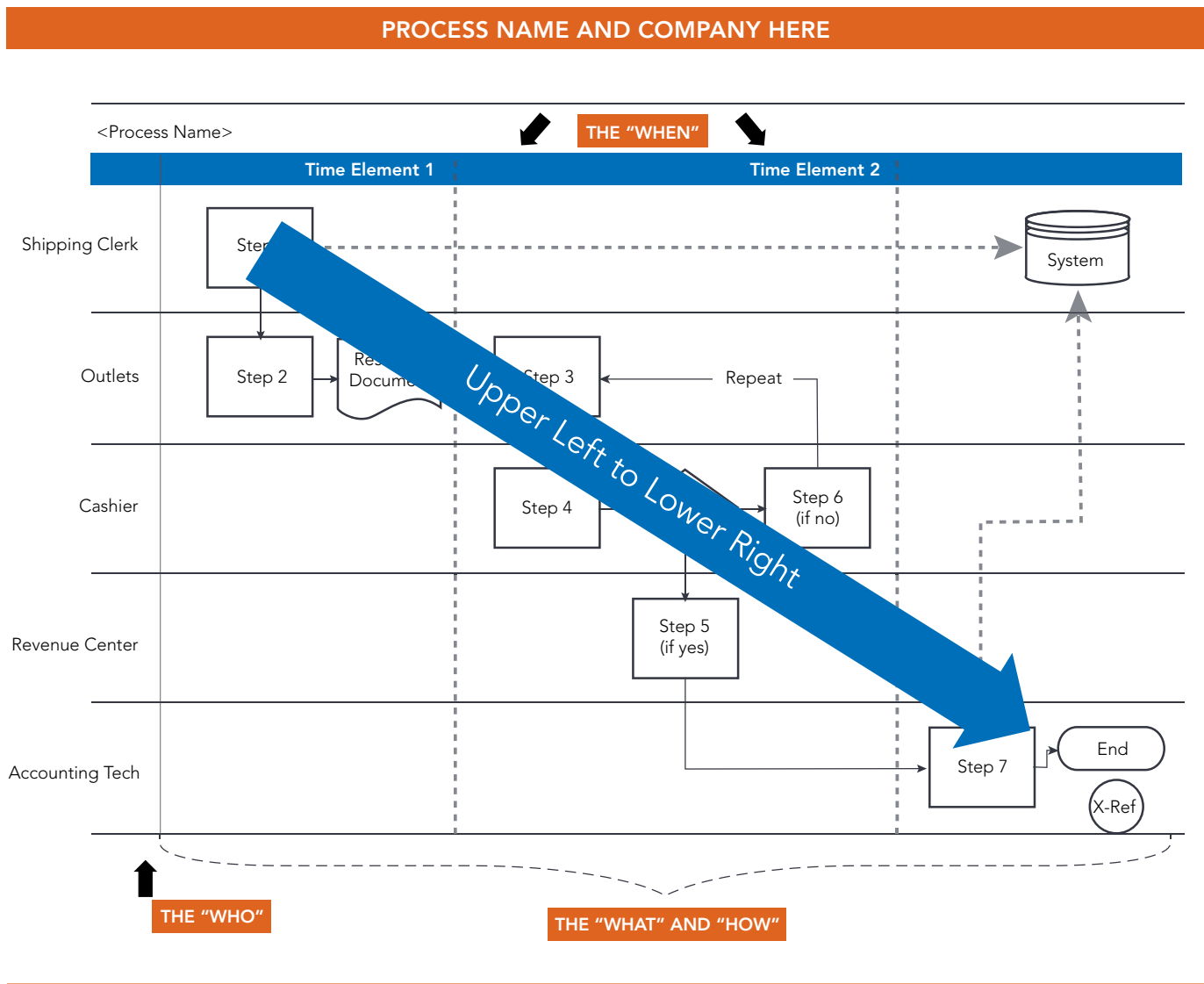
Chart of Affiliated Entities



Process Flows may be useful in the illustration of a suspected misappropriation. In this case, a cross-functional flowchart where the "who" (persons/ departments) are depicted as rows while the "when" time element is depicted by columns and the "what," the actual process flow, is illustrated in simple shapes of actions, documents, decisions and repositories (systems that house/report on data). In cases of misappropriation, it is common to present an "As Intended" process flow

along with an "As Altered" or "Potentially Altered" process flow. In the "altered" version, the key parts of the process that represent deviations from the "intended" flow are highlighted in a shade that allows the reader to immediately identify the missteps. Most flowcharting tools will allow for uniquely numbered shapes that provide a means to elaborate on any of the process flow steps, as needed.

Example 3: Fundamentals of Process Flows Example

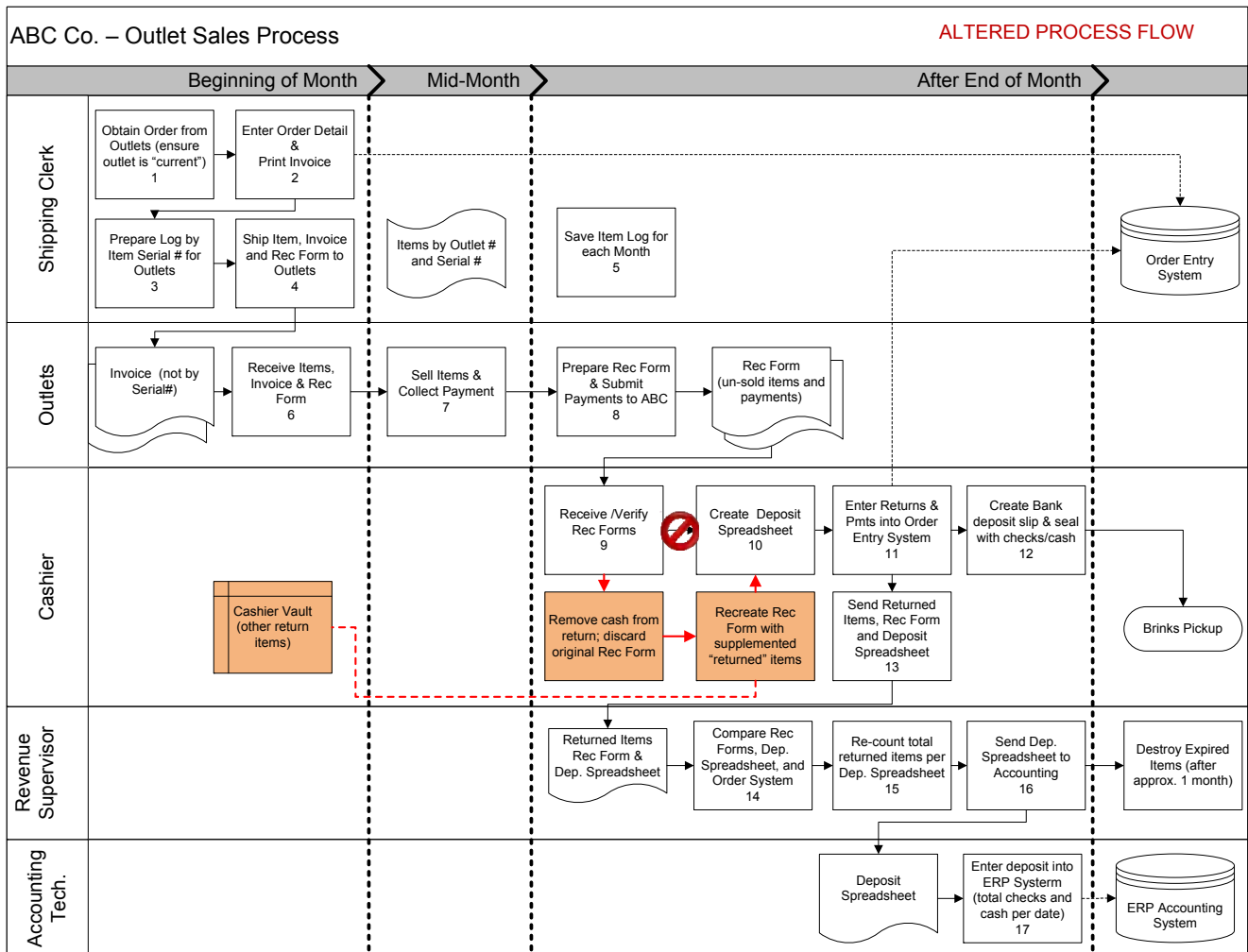


Combined representation of cash flows, communications and events are useful for bringing the totality of circumstances into focus, depicting the “who, what, how, where and when” of an alleged financial crime. These multi-dimensional charts use color and spatial relationships to impart facts, amounts, events and the actions of individuals so that a reader can grasp the scope of the investigation and results thereof. By showing the timing of events, the simultaneous cash

flows to co-conspirators and the communications between and among members of management, a graphic can convey how an internal control was circumvented and allowed company personnel to embezzle funds, and allowed others to trade on inside information, or otherwise extract value from the organization.

Example 4: Criminal Embezzlement Example

OUTLET SALES PROCESS FOR ABC COMPANY



► **Confidentiality and Draft Reports**

The practitioner may not disclose confidential client information without the client's consent.

The use of "draft" reports is a fairly common practice. The benefits of a draft report include:

- Allows the client to see the findings and conclusions in the report before being finalized

- The client may be able to identify potential errors or omissions in the report and bring them to the attention of the practitioner for consideration

Draft reports may be discoverable should the investigation become a litigation matter. As noted earlier, it is important that the practitioner should establish the report protocol with the client or legal counsel at the onset of the investigation.

Elements of a Written Report

► Cover

A cover typically is a cosmetic feature to a report, unless the face of the report contains privileged or confidential information, in which case the cover serves a means to mask or otherwise shield the contents from unauthorized casual viewers. The primary consideration is how the report is titled, which generally should include the service provided, the entity name and the date of the report (e.g., “Investigative Report on Behalf of Client, July 31, 20XX”)

A professional report cover can take several forms:

- An opaque or solid color cover with a window or a label to serve as a title block with the name of the report, and the date
- A plain paper cover with the client’s name (or logo), the title and date of the report and the Forensic Accountant’s firm name (or logo)

► Cover Letter

The cover letter serves as a transmittal, describing the impetus for the preparation of the report. Reference should be made to compliance with SSCS No. 1 and depending on the circumstances; it is also common to include a limitation on the distribution of the report. A good practice also is to include a statement that the practitioner was not engaged to do an audit.

► Table of Contents

Depending on the length and complexity of the report, a table of contents may be useful and aid the reader in following the details throughout the various sections of the report.

► Executive Summary

For longer reports (more than three to five pages), an executive summary may be helpful. The end user of the report needs a brief summary that (i) describes

the problem that necessitated the investigation, (ii) enumerates the findings, and (iii) explains the root cause and potential implications of the issues (e.g., control weakness, regulatory compliance, corporate governance, etc.) to the entity.

► Background

This section should describe the rationale for the entity engaging the forensic accountant to conduct the investigation. Usually there is a whistleblower action, an anonymous tip or an accounting or reporting anomaly that serves as predication for the client to request an investigation. This section should include the name and position of the client personnel who retain the forensic accountant, the date of retention (i.e., the date of the engagement letter), and a brief description of the scope of the engagement.

► Scope

The general parameters of the investigation are discussed. This section also can identify any engagement limitations or constraints.

► Procedures

This is a section that lists (i) the documents and information requested and examined/relied upon during the course of the investigation, (ii) the names, positions and dates that individual were interviewed, and (iii) the types of analyses that were performed based on items (i) and (ii).

► Findings

These are the factual results of the procedures noted above. They can be broken out either by major issue, person involved or allegation. Factual findings should be presented in a clear, concise and constructive manner, and should avoid legal or accounting opinions.

► **Recommendations**

After evaluating the findings and conclusions, the practitioner often formulates recommendations. However, in some instances, the client may request the recommendations be presented separately depending on the users of the report. Forensic accountants should discuss and evaluate this with the client.

For each finding, there may be a corresponding recommendation including (i) a discussion of the control breakdown that allowed the event to occur, (ii) the risks to the organization posed by such a breakdown, (iii) a description of the changes or improvements to the processes or system of internal controls necessary to mitigate the risk of such breakdowns recurring in the future, and (iv) who might be best suited for designing, implementing and monitoring these changes.

► **Conclusions**

Because fraud is a legal concept, there is no accounting definition to which a forensic accountant can attest, certify or conclude. It is appropriate to identify actions in the furtherance of a scheme to embezzle or misappropriate that were in violation of a Code of Conduct, policy or procedure, statute, or were untrue or otherwise unsupported by the facts that, when considered in their entirety, resulted in a loss to the organization.

In some cases, findings are purely a recitation of the facts. In other cases, it is appropriate for the forensic accountant to reach a conclusion based upon the procedures performed and within the forensic accountant's area of expertise. Forensic accountants should take special care not to reach legal conclusions that include reaching a conclusion on legal concepts such as fraud. However, it is not uncommon to highlight items that are fraud risks or red flags, as this is part of the CPA profession.

► **Exhibits**

Depending on the circumstances and the intended use of the report (internal only, prosecution or insurance claim), exhibits should be attached to support the amounts, transactions and responsibility of individuals involved in the suspect events. In some instances, it is helpful when the presented facts in the report are cross-referenced to exhibits or footnoted to websites or other corroborating resources. Even when not presenting the citations in the final deliverable, it is a best practice to have a referenced copy for internal use by the forensic accountant.

APPENDIX A — SAMPLE REPORT

<Firm Letterhead>

<Date>

John Doe

Executive Director, ABC Company

<Address>

<Address>

RE: Forensic Investigation Report

Dear Mr. Doe:

This report documents a summary of our procedures performed under the terms of our engagement letter dated <Date of Engagement Letter> and the resulting findings.

We have performed this engagement in accordance with Statement on Standards for Consulting Services No. 1 as promulgated by the American Institute of CPAs (AICPA). While our work involved analysis of accounting records, our engagement did not constitute an audit in accordance with generally accepted auditing standards, an examination of internal controls, or any other attestation or review service in accordance with standards established by the AICPA. Had other procedures been performed, other matters may have come to our attention that may have affected the findings reported herein.

This report is solely for the use of John Doe and the management of ABC Company.

Respectfully submitted,

Larry Smith, CPA/CFF

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I. Executive Summary

In response to allegations concerning potential unauthorized expenses by Adam Thrifty, ABC Company Chief Financial Officer, via company credit card and reimbursement of expenses, we were retained by ABC Company to conduct an investigation.

Our procedures included an examination of credit card transactions initiated by Mr. Thrifty and expense reimbursements incurred by Mr. Thrifty during the period Jan. 1, 2010, to Dec. 31, 2012 (the examination period). In addition, we performed a preliminary review of the procedures and internal controls in place during the examination period with regard to these transactions.

The following table summarizes the transactions examined by category:

Category	Number of Transactions	Amount of Transactions
Business	1,859	\$260,872.41
Personal (alleged)	307	\$332,962.60
Insufficient documentation	386	\$155,933.72
Total	2,552	\$749,768.73

II. Background

In March 2013, Executive Director Doe performed an internal review of administrative expenses for the examination period at the request of the Board of Directors who questioned the increasing expenses as noticed in the internal comparative financial statements for the year ending Dec. 31, 2012.

As Mr. Doe explained to us that administrative expenses of ABC Company consist primarily of management employee expenditures, Mr. Doe obtained detailed reports from the accounting system reflecting expenditures by employee for each year. As the majority of the expenditures were by Mr. Thrift, Mr. Doe selected the two largest transactions each year and requested supporting documentation.

A preliminary review of the selected transactions by Mr. Doe raised concerns about potential personal expenditures by Mr. Thrifty. Mr. Doe brought his concerns to the attention of Mr. Robert Bigshoes, Chairman of the Board of Directors, who directed Mr. Doe to engage a CPA firm to investigate the matter independently. Mr. Doe retained <CPA Firm> on April 15, 2013, to investigate allegations of inappropriate expenditures by Mr. Thrifty, and the circumstances that may have contributed to any potential maleficent transactions.

III. Scope of Services

We were primarily engaged to perform a review of all credit card transactions and expense reimbursements by Mr. Thrifty during the examination period and provide a summary of the results.

Our services also included an analysis of ABC Company procedures and internal controls in place during the examination period with regard to these transactions.

IV. Detail Information

A. Credit Card Transactions

i. Procedures performed:

- a. We obtained a general ledger report of all credit card transactions, incurred by Mr. Thrifty during the examination period, from the Finance Department at ABC Company.
- b. We obtained all credit card statements and supporting documentation (receipts and any expense reports on file), for expenditures incurred by Mr. Thrifty during the examination period, from the Finance Department at ABC Company.

c. For each transaction, we examined the available supporting documentation and categorized the expenses into the following categories:

- (a) Business — Expense appears to be for business purposes based upon supporting documentation
- (b) Personal — Expense appears to be personal in nature based upon supporting documentation
- (c) Insufficient — Insufficient documentation provided to make an assessment of the nature of the transaction (business or personal)

d. We prepared a report detailing the credit card transactions and documented the nature of any alleged personal items (Exhibit A).

ii. Summary of findings:

- a. We examined a total of 347 credit card transactions totaling \$425,652.35 during the examination period.
- b. The following table summarizes the credit card transactions by category:

Category	Number of Transactions	Amount of Transactions
Business	202	\$71,409.10
Personal (alleged)	85	\$289,795.02
Insufficient documentation	60	\$64,448.23
Total	347	\$425,652.35

- c. Examples of the nature of amounts noted as “Personal” are as follows:
 - a. Air fare and travel expenses for family members
 - b. Meals incurred on weekends where Mr. Thrifty did not appear to be traveling for business purpose
 - c. Entertainment expenses incurred late at night
 - d. Purchases at retail stores for clothing and accessories

B. Expense Reimbursements

- i. Procedures performed:
 - a. We obtained a general ledger report of all reimbursed expenses incurred by Mr. Thrifty during the examination period, from the Finance Department at ABC Company.
 - b. We obtained all supporting documentation (receipts and any expense reports on file), for expenditures incurred by Mr. Thrifty during the examination period, from the Finance Department at ABC Company.

- c. For each check issued, we examined the available supporting documentation and categorized the expenses into the following categories:
 - (a) Business — Expense appears to be for business purposes based upon supporting documentation.
 - (b) Personal — Expense appears to be personal in nature based upon supporting documentation.
 - (c) Insufficient — Insufficient documentation provided to make an assessment of the nature of the transaction (business or personal).
- d. We prepared a report detailing the credit card transactions and documented the nature of any alleged personal items (Exhibit B).
- ii. Summary of findings:
 - a. We examined a total of 2,205 transactions (147 checks issued) totaling \$324,116.38 during the examination period.
 - b. The following table summarizes the reimbursement transactions by category:

Category	Number of Transactions	Amount of Transactions
Business	1,657	\$189,463.31
Personal (alleged)	222	\$43,167.58
Insufficient documentation	326	\$91,485.49
Total	2,205	\$324,116.38

c. Examples of the nature of amounts noted as “Personal” are as follows:

- a. Purchase of household items including televisions and stereo equipment
- b. Meals incurred on weekends where Mr. Thrifty did not appear to be traveling for business purpose
- c. Entertainment expenses incurred late at night
- d. Hotel accommodations within the same city as Mr. Thrifty’s residence

C. Preliminary Review of Administrative Expense Procedures and Internal Controls

i. Procedures performed:

- a. We conducted a walkthrough of the procedures and internal controls in place with regard to the processing and payment of credit card transactions. Our procedures included interviewing Finance Department personnel and reviewing selected documentation to verify information provided to us.
- b. We conducted a walkthrough of the procedures and controls in place with regard to the processing and payment of employee expense reimbursements. Our procedures included interviewing Finance Department personnel and reviewing selected documentation to verify information provided to us.
- c. For each walkthrough performed, we evaluated the sufficiency of the process and internal controls.

ii. Summary of preliminary findings:

- a. We noted the majority of the requests for expense reimbursement were approved by Mr. Thrifty rather than another member of management.
- b. ABC Company’s policy regarding the usage of company credit card requires all expenditures to have an itemized receipt and written documentation of the business purpose. We found that the Finance Department made payment on the credit card, to avoid late fees and interest being incurred, without sufficient documentation.
- c. We noted that the Visa card provided to Mr. Thrifty had a credit limitation of \$25,000 and that often amounts incurred each month neared this amount.
- d. ABC Company policy for expense reimbursement does not require the use of an employee expense report.

V. Recommendations

We recommend that a thorough review of the ABC Company Credit Card Usage and Expense Reimbursement Policy be performed to determine if additional safeguards should be implemented such as the utilization of a standard expense report.

A member of management, independent of the individual submitting reimbursement, should approval all expense reimbursement requests before payment occurs.

We recommend that additional training be provided to Finance Department personnel with regard to the processing of employee expenditures in accordance with ABC Company policies. We further recommend that Finance Department personnel be encouraged to communicate suspicious expense reimbursements to the appropriate level of management.

Consideration should be given to reducing the credit card limitations based upon the anticipated monthly expenditures of each management employee.

VI. Conclusions

Based upon the procedures performed, approximately 45% of the credit card and expense reimbursements, totaling \$332,962.60, incurred during the examination period by Mr. Thrifty appear to be of a personal nature. Approximately 21% of the transactions, totaling \$155,933.72, did not appear have sufficient documentation to determine if the expenditures incurred by Mr. Thrifty were for acceptable business purposes.

Exhibit A

Date	Vendor	Amount	Description of Transaction	Category
xx/xx/xxxx	xxxxxxxxxxxx xxxxxxxxxxxxxxxx	\$xxx.xx	Staff marketing meeting lunch	Business
xx/xx/xxxx	xxxxxxxxxxxx xxxxxxxxxxxxxxxx	\$xxx.xx	Spouse air fare to Orlando, FL	Personal
xx/xx/xxxx	xxxxxxxxxxxx xxxxxxxxxxxxxxxx	\$xxx.xx	Unknown	Insufficient documentation

Exhibit B

Date	Vendor	Amount	Description of Transaction	Category
xx/xx/xxxx	xxxxxxxxxxxx xxxxxxxxxxxxxxxx	\$xxx.xx	Mileage reimbursement for management retreat	Business
xx/xx/xxxx	xxxxxxxxxxxx xxxxxxxxxxxxxxxx	\$xxx.xx	Purchase of 42-inch LCD television	Personal
xx/xx/xxxx	xxxxxxxxxxxx xxxxxxxxxxxxxxxx	\$xxx.xx	Unknown	Insufficient documentation

APPENDIX B — DO'S AND DON'TS OF FORENSIC INVESTIGATION REPORT WRITING

Do:

- ▶ Write to your audience and consider the readers' level of financial literacy, decision-making authority and other factors
- ▶ Corroborate facts integral to the analysis back to original source material, testimony and/or research
- ▶ Provide explanations of the procedures performed leading to your opinions
- ▶ Ensure the report is unbiased and doesn't contain any language that can be construed as being written by an advocate
- ▶ Be clear and concise, an easy to read report that contains information on the evidence, data, documents and authorities that support the opinion
- ▶ Be well-organized with information, within sections of the report, laid out in a systematic fashion
- ▶ Tailor the report and your analysis, if necessary, to the jurisdiction in which you are engaged/reporting
- ▶ Ensure the report is a complete statement of all opinions offered
- ▶ Use an outline
- ▶ Include references to all exhibits included or attached to the report
- ▶ Report should be reviewed thoroughly before signature and release
- ▶ Ask a colleague to provide critiques and feedback
- ▶ Check for typographical and mathematical errors prior to final release
- ▶ Explicitly state that your findings are subject to change if additional information is provided for your analysis at a later date

Don't:

- ▶ Have reports containing legal opinions
- ▶ Include information that is irrelevant to the matter in hand
- ▶ Use "absolute" or "near absolute" terms unless the facts specifically support it ("all," "always," "never" and "none" are to be avoided if possible)
- ▶ Speculate with regard to conclusions
- ▶ Make statements you cannot support
- ▶ Make statements that are outside of your expertise (such as medical/vocational opinions)
- ▶ Omit relevant information
- ▶ Use emotive words (such as "significantly" or "adamantly," among many others)
- ▶ Let anyone dictate the content of your report or analysis if you believe otherwise — stand your ground
- ▶ Let counsel write your report
- ▶ Omit information relevant to the jurisdiction of law (e.g., in Federal Court disclosing fees)
- ▶ Forget to list or summarize the documents you relied upon when forming your analysis and opinions
- ▶ Write and/or finalize your report without discussing with the client first; based on your opinion or analysis, they may not want your report



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