



Forensic Accounting Today

Newsletter of Ron J. Anfuso, CPA/ABV, An Accountancy Corp.

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Serving all of California

Ron's Corner

We recently conducted a survey at the *LA County Bar Association Family Law Symposium* with attendees who were able to take a few minutes to respond. This was the second time we chose to do so. The purpose of our survey was to gain a greater understanding of the needs and frustrations attorneys have in working with forensic accountants, and to ensure we are positioned to continue to provide the highest standards of service to referring attorneys and their clients.

Applying Survey Findings

The surveys we conducted at the 2016 symposium revealed a concern voiced by several attorneys that they often found it challenging to justify to their clients the need to add the additional expense of a forensic accountant. Thus, as a result of these findings, we created a *For Clients* section on our website. This menu heading consists of links to articles that help educate clients concerning the need and value of forensic accountants, including *What Is Forensic Accounting?*, *Do You Need a Forensic Accountant for Your Divorce Case?*, and *How to Work with a Forensic Accountant*. Additionally, we make available to attorneys hard copies of these articles for their clients, and welcome clients to contact us to answer any questions. To determine how hiring a forensic accountant will prove cost effective and valuable, we also offer attorneys and their clients a pre-analysis.

This and our next issue of *Forensic Accounting Today's* feature articles focus on our thoughts concerning survey responses we think should be of interest to you. I hope you will find the content helpful.

We thank those of you who took part in our survey for your valuable input.

Ron

Family Law Symposium Survey Findings

By Ron J. Anfuso, CPA, ABV, CFF, CDFA, FABFA

We recently conducted a survey at the 2018 LA County Bar Association Annual Family Law Symposium. This was a continuation of a survey we performed at the 2016 event. Thirty-four attorneys participated in the study. Those we interviewed averaged 18 years practicing family law. Usage of forensic accountants by the interviewees during the span of their respective practices ranged from twice to more than 100 times.

Our team carefully studied the attorneys' responses. We then discussed how well we believe other forensic accounting firms meet the challenges the participants revealed, and whether we need to adjust anything we do to ensure we routinely exceed the expectations of referring family law attorneys and their clients.

In this and the following newsletter, I am presenting you a summary of the part of the survey findings we believe you, as a family law attorney, will find engaging and beneficial. The focus of this overview is on our analysis, which we base on our 27 years working with family law attorneys, and our experience and expertise in forensic accounting.

The Initial Question

We began by asking participants what they considered most important when choosing a forensic accountant to work on a case. The most frequent responses we received were *knowledge*, *accountants being able to clearly explain accounting matters*, *cost*, and *meeting deadlines*.

Our Analysis

Knowledge: Obviously, forensic accountants having a thorough level of knowledge is essential to attorneys and their clients who require the services of a forensic accountant. You can count on forensics who hold certifications in business valuations (ABV), financial forensics (CFF), and divorce financial analytics (CDFA) to have a comprehensive understanding of family law forensic accounting. Achieving the level of *Fellow of the American Board of Financial Forensics* also ensures the accountant's competency and extensive knowledge. However, there is one additional crucial factor to consider— maintaining up-to-date familiarity with the latest California family law case decisions in regards to accounting concerns. Forensic accountants should receive copies of all California family law court case decisions as soon as they are available and meticulously study sections that pertain to forensic accounting. Certainly, we do.

Effectively Explaining Accounting Matters: This not only pertains to attorneys and clients over the phone and in meetings, but also on the witness stand. I have found that if the accountant can explain work to a judge, he or she can

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Need a Financial Expert to Speak to Your Study Group or Bar Event?

Ron J. Anfuso can address any Forensic Accounting topic, including Moore/Marsden; marital standard of living and support needs analysis; financial specialists and Collaborative Law; gross cash flow available for support; DissoMaster™; divorce tax issues; divorce—what to expect; and business valuation.

To discuss your group's needs, call Ron today!

Our Secret



to earning the trust of family law attorneys



Working tirelessly to prevent cases from going to trial despite Ron's enjoyment of testifying in court

* For an explanation of these titles, please visit our website or request a copy of Issue 3 of *Forensic Accounting Today*.

Forensic Investigations: Continued from page 1

convey it understandably to attorneys and clients. What is essential is possessing exceptional communication skills, thorough knowledge and significant experience.

What I have observed is that early in an accountant's career, he or she typically lacks adeptness in providing clear explanations of the scope of work. However, over time, as they gain experience in working with attorneys and their clients, this becomes second nature to most forensic accountants.

We recognize the importance of forensic accountants delivering explicit communications to referring attorneys and their clients. Recently, we made adjustments in staffing and adopted firm hiring practices that ensure communication will always remain an obvious strength of our practice.

Cost: The initial step is for the forensic accountant to study the case and assess to the best of his or her ability whether the expenditure on forensic accounting will prove worth the investment. This requires an adept and honest evaluation. Should the accountant determine the expense is justified, he or she needs to discuss the scope of work with the attorney. The engagement letter should clearly explain that the initial retainer is an *initial* retainer and it is possible that additional time and cost may be incurred.

To help manage costs, it is essential to ensure the client understands the importance of providing all required documents in a timely matter, and for the records to be thorough and accurate. Additionally, it is imperative for the forensic accountant to stick only to tasks as assigned by the attorney unless some issues turn up that are critical to investigate. Prior to moving forward in such instances, the accountant must inform the attorney of the need so it can be discussed with the client and approved, especially if additional costs may result. In some cases, it could prove helpful for the accountant to discuss such matters directly with the client, should the attorney wish the accountant to do so.

Meeting Deadlines: Consistently completing work on time requires diligent planning. The president or managing accountant needs to define the scope of work, clearly delegate who will be responsible for completing each task, and oversee every assignment. Details of all team members' assignments should be presented in writing to each accountant working on the case. This ensures each individual not only understands the scope of work required by the respective team member, but also assures each team member is aware of the responsibilities of the other accountants. Awareness of others' tasks strengthens coherence, efficiency and timeliness.

The managing accountant should see to it that the attorney and client know what documents will be required and by when. He or she needs to stress the importance of providing honest, accurate documents.

It is essential for managing accountants to hold meetings with their team at least once a week to discuss progress. I speak with each accountant to review their progression on their assignments at least once a day.

Frustrations with Forensic Accountants

In the next issue of *Forensic Accounting Today*, we will discuss the frustrations attorneys revealed to us concerning working with forensic accountants.