FORENSIC ACCOUNTANT AND EXPERT WITNESS ACCREDITATION SCHEME

Guidance from the assessors

Preparing your submission

These notes refer to, and should be read in conjunction with, Section 3 of the application form. You can download this from the ICAEW website icaew.com/forensic

The scheme requires you to use examples from your career to date in order to demonstrate your professional and transferable skills. Professional skills are applicable whatever area of forensic accounting you work in. If you are a forensic accountant, you should answer requirements 1-8. If you carry out expert witness work, you should also answer requirements 9-10 and provide an anonymised Expert Witness report.

You should expect to spend at least two days considering, writing and reviewing your application. If you are applying for Expert Witness accreditation, you will need an extra half-day for requirements 9-10 as well as some time for the required anonymised report.

Start each answer on a new page and write the requirement at the top of your answer sheet, so that you can easily refer to it when compiling the answer. This will help you to ensure your answer is specific to the requirement.

Providing evidence of your professional skills – some general guidelines

The assessment is based solely on the information given in your answers to the requirements and its sufficiency, without reference to your personal situation. You should therefore ensure that your submission gives a true reflection of your experience and capability.

You should only draw upon your last five years’ experience in dealing with each requirement, with the date measured back from your submission date. The assessors will be looking for depth and breadth of experience, so you are advised to use examples covering the whole five years of your recent work experience.

The assessors will be assessing your higher professional skills, such as planning, analysis, professional judgement and awareness of current and technical issues. Low-level skills or experiences (such as basic IT or diary management) will not be rewarded.

If your experience is in a specialist area, please explain it in a way that an experienced chartered accountant in general practice would understand. Avoid the unnecessary use of jargon (see also below under ‘language’).

Your referee must have known you for at least three years and know the quality and scope of your work. He / she must sign to confirm that the information and evidence provided by you is authentic.

Your expert witness referee should be someone who has known you in a professional capacity within the last three years, and has had at least one experience of your Expert Witness reports, as well as of your general forensic work.
If your first submission is unsuccessful

If your first submission is unsuccessful, do not be put off – re-apply. Make sure that you carefully read the feedback we give you. This will help you in addressing the assessors’ concerns about particular answers. If you are unfortunate enough to fail twice, you will receive more detailed feedback after the second attempt.

If you do choose to re-apply, you may still draw upon the five years’ experience that you used in your first application, even though, by the time you reapply, some of that experience may be older than five years.

Marks Scheme for Requirements 1-8 (Specific technical areas)

For each of requirements 1-8, 15 marks are available. In addition to these, 10 marks (bringing the total available to 130 marks) are available for the following:

- up to 5 marks for inclusion of ethical issues;
- up to 5 marks for good use of language (covering: clarity, punctuation, grammar, spelling and absence of jargon).

To attain the “pass” standard, applicants are expected to address all these areas so that they obtain:

- a total score of at least 72 marks (from 130 available);
- at least 8 marks from 15 available for each of requirements 1-8; and
- at least 5 marks from 10 available for ethical issues and language.

Marking Requirements 9-10 (Additional requirements for Expert Witness)

For each of requirements 9 & 10, 15 marks are available. To attain the “pass” standard, applicants are expected to address all these areas so that they:

- obtain a total score of at least 17 for requirements 9 & 10 (from 30 available) and at least 8 marks from 15 available for each of requirements 9 & 10.

Detailed guidance on the requirements

Requirements 1-8 (Specific technical areas)

Requirements 9-10 (Additional requirements for Expert Witness)

- Each requirement has three separate elements. You should ensure that your answers appropriately address these three separate elements in each case, and that you give roughly equal weighting to each element. You may find it helpful to split your answer in each case into (i), (ii) and (iii).

- You should choose carefully the issue that you use for each answer and ensure that it is relevant to the context of the requirement:
  - For each requirement, a suggested list of examples is provided in brackets. These are for guidance only and not intended to be exhaustive or prescriptive: any example used must be relevant to the context of the requirement. For instance, a loss of profits claim in requirement 1 will not receive credit if the answer deals with legal aspects and not the accounting (or tax) expertise involved.
  - It is also acknowledged that there will inevitably be a degree of overlap between answers. However, for the avoidance of doubt, the same issue should not be used under two different requirements. You should consider requirements 1-8 (requirements 1-10 for Expert Witness applicants) together when selecting examples so as to give as wide a range of experiences as possible. You may use a different organisation in each answer, though a broad set of examples
covering one or two large clients or assignments may be just as effective – provided again that they answer the set requirements.

There will be no ‘cross-marking’ of answers. If you have already described a situation under one requirement that you are also considering using for another, you should clearly differentiate between the two aspects of the experience in order to demonstrate how it is relevant to both. However, you are advised to use different examples for each requirement.

- Each answer should address only one issue, assignment, situation etc. Using multiple examples to answer the same requirement is likely to earn lower credit than using one well-articulated example. For example, in requirement 6, a discussion of the application of your commercial knowledge to three different assignments will be treated as three separate examples. If more than one example is included for any answer, only the first will be assessed. Similarly, a generic answer about your application of commercial knowledge in your work as a whole is unlikely to earn high credit.

You should write 300-450 words for each answer and include a word count for the answer (i.e., excluding title and repeated wording from the requirement) at the end of each answer.

These guideline lengths are not prescriptive. However, if you go too far on either side, the assessors may reject your answers: a script with several answers below this range may suggest a lack of experience or lack of specific examples to illustrate the work being described; while a script with several answers above this range may imply an excess of irrelevant information or an inability to summarise concisely (a key skill for all Forensic Accountants).

- Particular credit is given for use of recent examples (last five years; examples taken from more than five years ago may indicate that technical knowledge is not up-to-date) that are specific to forensic accounting and/or Expert Witness work.

- To be successful, you will need to display broad, deep (and, where appropriate, current) technical knowledge. This will arise primarily in connection with requirements 1, 2, 3 and 4. For example:

  - A discussion about the impairment of intangible assets based on a complex valuation model indicates broad and deep technical knowledge at requirement 1; a discussion about a straightforward incorrect application of a stated depreciation policy does not.

  - The use of complex proprietary fraud investigation software reveals broad and deep technical knowledge at requirement 4; the use of basic Excel spreadsheets does not.

  - Reference to the 2006 Companies Act shows current technical knowledge; reference to the 1989 Companies Act may not.

You should choose carefully the example that you use at requirement 7. As for all requirements, the list of examples is not meant to be exhaustive but it indicates the breadth of the definition of ‘management skills’ as envisaged by the assessors. All applicants with the necessary level of experience to apply for Accreditation, and whether operating as sole practitioners or as senior staff in a larger firm of accountants, must necessarily have displayed management skills during their Forensic Accounting career.

- To be successful, you will additionally need to ensure that, in your answers, you:

  - Demonstrate appropriate levels of personal involvement / initiative. This is typically evidenced by regular use of "I", "me" and "my", rather than the use of (i) "we", "us" and "our", (ii) "the firm" and/or (iii) the passive voice (though there may be valid exceptions: for example, at requirement 10, it will often be necessary to use "we" when referring to the group of experts present at a meeting). You must make clear that you were closely involved in the assignment being described and did not simply arrange the work for a colleague to carry out under your supervision – although requirement 7 (see previous paragraph) does allow some scope for this.
You should select projects for which you were directly and individually responsible, rather than as part of a wider group. If you currently work, or have worked, as part of a team (or lead a team), please make clear your personal role and skills within that team, and do not use standard textbook answers.

- Provide specific illustrative examples of general points. For example, in requirement 6, the answer should not simply mention the external resources that were used (e.g. market reports, comparator financial statements) but explain how they were used. Merely reproducing with brief explanations the contents page of a report that you have produced is unlikely to earn high credit. It is often preferable to give a small number of illustrative examples and develop them in depth, rather than to give a large number with little or no development. For example, at requirement 1, describing two categories of accounting errors and explaining how they were resolved will earn more credit than listing errors in five or six categories and giving only a brief sentence on how each was addressed.

- Demonstrate clearly (at requirements 6, 7, 8 and 10) the added value provided. This is the added value to the client, not to you personally. You should not select an issue or project that is still ongoing (for example, a report that is still at the draft stage for requirement 8), as in such cases it may be difficult to demonstrate any actual added value provided. A project that has been concluded, and whose outcome is already apparent, will normally earn higher credit. However, it is recognised that Forensic Accounting assignments can often extend over very long periods, and that it will be possible to demonstrate the added value within a significant completed phase of such an assignment.

- Give an indication of the nature and circumstances of the main subject entity or entities so as to place your responses in context.

- Provide, where possible and appropriate, a financial context for the specific issues you are using (for example, the size of an expense claim fraud being investigated or the range of amounts being disputed under a shareholders’ agreement).

- Follow a logical order, with no irrelevant information, duplication or contradiction.

- do not attach any additional supporting material (such as your firm’s newsletters or copies of presentations given), other than the example Expert Witness report required as an additional criterion for Expert Witness applicants. Any such items will be immediately discarded and are sent at your own risk. Your responses to the assessment requirements are expected to stand alone and any illustrative material must be incorporated within, and as part of, answers to the requirements.

**Requirement ‘E’ (Language and ethical issues)**

- Credit is given for good use of language throughout. You should ensure that your script:

  - Is succinct and well-written, with a clear layout and easy to follow, stating the facts and context clearly without requiring the assessors to make assumptions or fill any gaps in information. Each answer typically has a beginning, middle and end. In particular, where you assisted in a dispute, it should be made clear at the start by which party you were engaged and what the nature of the dispute is/was; and, at the end, how your contribution enabled the dispute to be resolved.

  - Contains few if any errors of spelling, punctuation or grammar. Attention to detail and general care over written output are key skills for Forensic Accountants; language errors indicate a lack of these skills.

  - Is written in a professional tone (as though this were a piece of work being produced for a client – see also guidance on the Expert Witness report (p5)), and not in an informal or self-conscious style. It should be written in full sentences, enhanced where appropriate by the use of bullet points or tables. You should avoid the use of jargon, abbreviations or obscure technical terms, unless such terms are required to be used for an understanding of the issue being described, in which case they should be clearly explained or defined.
Credit is also given for the inclusion of ethical issues. Your script should:

- Demonstrate an objective and independent approach throughout.
- Include ethical issues in your answers to one or more of requirements 1-8. This means not only mentioning an ethical issue but describing how it was addressed and/or resolved. The most common ethical issues are likely to be in the following areas:
  - Seeking advice and consulting on difficult matters
  - Dealing with fraud and whistle-blowing generally
  - Confidentiality (including Chinese Walls aspects)
  - Conflicts of interest (including professional independence)
  - Compliance with law and regulation in all its forms
  - Matters relating to the payment of fees and expenses (whether in relation to professional services or other work)

**Marks Scheme for Expert Witness Report**

The Expert Witness report is marked under two sets of criteria: mandatory requirements of the report (as laid down in the relevant Civil and Criminal Procedure Rules), and its appropriateness as a report written by an independent expert accountant having a duty to assist the Court in his or her area of expertise. To attain the “pass” standard, applicants are expected to address all these areas so that they:

- meet all mandatory requirements in the submitted Expert Witness report; and
- meet the standard of appropriateness in the submitted Expert Witness report, scoring at least 8 marks from 15 available.

Additionally, to receive the Expert Witness Accreditation they must also hold the Forensic Accountant Accreditation.

**Expert Witness report**

The Expert Witness report is assessed under the following two sets of criteria:

- Compliance with the mandatory requirements, as laid down in the relevant Civil and Criminal Procedure Rules.
  - Failure to comply could mean that the instructing party may not be able to rely on the report in Court, and will therefore be deemed an automatic fail in this assessment.
  - It is not necessary to use a prescribed form from an expert witness body (e.g., for the statement of truth) as long as that which is used complies with the relevant Rules.
- Appropriateness as a report written by an independent expert accountant having a duty to assist the Court in his or her area of expertise.

In particular, you should ensure that your report:

- Identifies the financial and/or accounting points that required an expert accountant to be appointed and their applicability to the matter at issue.
- Shows how the factual evidence has been considered and analysed.
- Differentiates between statements of fact, based on analysis, and opinion based on those facts.
- Indicates the external sources of evidence or public information that have been relied on.
- Provides alternative opinions, or range of quantum if appropriate, that could be derived from the evidence and analysis.

- Includes calculations and analyses that are relevant and accurate, with relevant conclusions as to where your opinion lies and why.

- Demonstrates knowledge of technical issues relevant to the opinion given.

- Adheres to your field of expertise and does not challenge or speculate on evidential matters outside that expertise:
  - Any opinions given outside the field of accountancy are limited, and the reason why you are qualified to give that opinion is explained.
  - Any assumptions made are clearly identified.

- Does not advocate a case for the instructing party or appear biased.

- Does not use overtly critical or pejorative language when commenting on the report of another expert. Disagreeing with another expert’s opinion in a reasoned, professional manner is an essential skill for an expert.

- Is written in such a way as to be understandable by an educated layperson. That is, it avoids unexplained jargon, display clear and concise use of language and (where necessary to assist in understanding) the judicious use of tables, diagrams and graphs.
Top ten tips from the assessors (a checklist for applicants)

1. Use the latest application form
Ensure that you have used the latest application form, as the wording of the requirements may change over time. You can download the application form at icaew.com/forensic

2. Describe a suitable level of work
We are seeking good evidence of work and skills that would be typical of an experienced Forensic Accountant and/or Expert Witness. You are strongly advised not to pick low-level work or analysis.

3. Take time and care
Unlike an examination that is sat under time pressure, the application for Accreditation allows you to spend as much time as you like in perfecting your submission and the assessors will expect you to demonstrate a good standard of English grammar and punctuation. Start each answer on a new page, make sensible use of paragraphs, spacing and bullet points; and give the word count for your answer to each requirement. Once you have completed your submission, it is advisable to ask a friend or colleague to read it to ensure it reads well, is understandable and answers the requirements.

4. Write about yourself
This is an examination of your experience. Assessors want to read about what you did; not about ‘the firm’ or ‘us’ or ‘the team’, but you!

5. Keep it recent
Only draw upon the last five years of your professional experience. (It is a good idea to state at the beginning of each answer the date or period to which it refers.) If you have had (for example) a two-year career break in the last five years, indicate this on your CV: you could then use the last seven years, as you would still be using the last five years of your professional experience.

6. Show how you added value
Make sure that, where required, you show clearly the value you added to the assignment. If you select an assignment that is still ongoing, it may be difficult to demonstrate how you added value.

7. Demonstrate your understanding
Make use of the available word count to provide appropriate detail and in-depth analysis with illustrative examples to demonstrate your understanding of the case.

8. Answer the requirement
Write the requirement at the top of your answer sheet, so that you can easily refer to it when compiling the answer. This will help you to ensure your answer is specific to the requirement. Address each component of the requirement and do not spend too long describing the background to the case.

9. Demonstrate your awareness of ethical issues
Make sure you demonstrate your awareness of ethical issues in one or more of your answers.

10. Read the feedback
If you do fail to achieve the Accreditation, read carefully the feedback provided above. This should really help you in addressing the assessors’ concerns. If you are unfortunate enough to fail twice, you will receive a much more detailed feedback after the second attempt.