



# A DEEPER LOOK

## The Use of Visual Aids in Performing Forensic Accounting Assignments

Many of you have heard the popular phrase, “a picture is worth a thousand words.” Simply stated, one picture tells a story just as well, if not better, than a large amount of descriptive text. According to studies, approximately 65% of us are visual learners who are best at collecting information with their eyes. This includes looking at visual images, such as graphics, illustrations and charts. They help increase understanding, save time, enhance memory retention and promote attentiveness.

With these benefits, well-prepared visual aids can serve as a powerful tools in the field of forensic accounting. Forensic accountants are retained to analyze, interpret, summarize and present complex accounting, financial, business and corporate related issues in a format that must be both understandable and properly substantiated. When cases go to trial, forensic accountants are placed in the position of explaining methodology, numbers and math to people who may have little or no financial or accounting training. This creates a challenge for the forensic accountant, who must communicate facts and findings with effectiveness. Following are some examples of how visual aids can assist in serving this purpose.

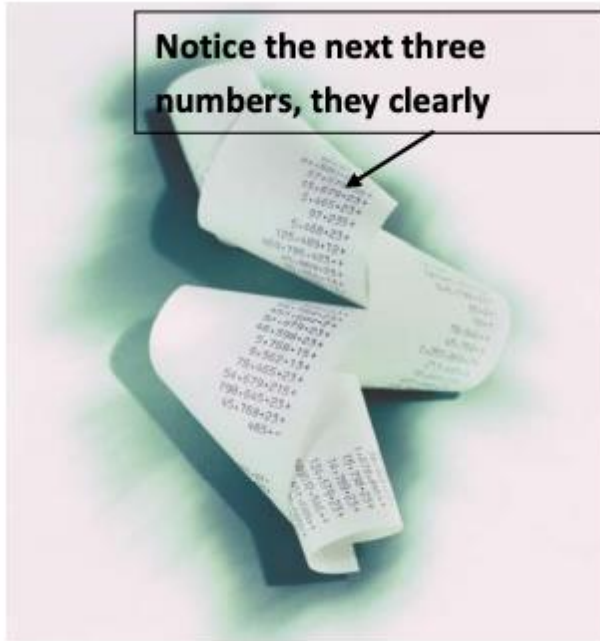
Often times a forensic accountant, whether in a shareholder dispute, matrimonial, bankruptcy, or other engagement, is hired to “follow the money”. This may require tracing the flow of funds through multiple bank accounts, passing between numerous companies or individuals. Depending on the magnitude and the movement of funds, it may be quite difficult, or close to impossible, to convey the findings of this type of analysis through written word alone. Given this

situation, a flow chart of funds can be an effective visual tool to explain the flow between entities.

Many times a forensic accountant is retained as an expert to rebut the opinions from a report or analysis completed by another expert. In reading the opposing report, the forensic accountant may come across various weaknesses or omissions, either in methodology, assumptions, or in other areas. Again, for the forensic accountant to explain all of these weaknesses and omissions in a written form only may be extremely difficult to explain to an attorney, client, judge or jury. A visual aid known as a report card would be an effective in demonstrating the weaknesses and omissions from the opposition report. The report card lists, in a visually appealing manner, the relevant items from the opposition’s report or analysis and assigns a grade as to the effectiveness of the item in question.

For analyzing and explaining statistical or numerical data, a simple line or bar graph may be the effective approach. By charting a series of historical financial data in a graph, the forensic accountant can see the trends directly and identify the abnormal spikes quickly for further examination. When used in a report, it is received faster and processed with less confusion by readers than a lengthy explanation in words.

Visual aids not only help forensic accountants in the process of investigating pertinent information, but also help them communicate complex facts and issues to lawyers, clients, judges and jurors effectively and efficiently.



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