

CHARACTERISTICS AND SKILLS OF FORENSIC ACCOUNTANTS

The area of forensic accounting is such a specialised area of accounting that requires practitioners to possess certain core and enhanced skills side by side with some crucial characteristics. While a characteristic is a distinguishing feature or quality that an individual possesses; a skill is an ability possessed by an individual, which comes from the individual's knowledge, practice, aptitude etc. and which enables them to do something well. Characteristics are considered to be more a function who you are and what you are made of; while skills is more a function of the things an individual picks up in their experience through life. However it can sometimes be difficult to tell the difference between them.

Characteristics of Forensic accountants

Some characteristics that forensic accountants possess include the following:

- i. Ethical:** A forensic accountant should conduct his investigations with utmost integrity, which is a key element of character fundamental to the accounting profession. If this is not an obvious characteristic of working in the field, it should be. As much as society demands an ethical compass from its law enforcement, the same could be said for anyone who works in conjunction with a law enforcement agency. When your main task is rooting out those who have committed crimes, obviously, you need a strict code of morals and ethics. This is one area where you're probably not going to be able to fake it for very long. And if you develop a reputation as an investigator that can't be trusted to do the right thing, you won't be investigating anything.
- ii. Analytical:** Forensic accountants need to be analytical. As they review financial reports and source documents, they need to analyze the validity of each transaction and determine if the company recorded the transaction fairly. In some cases, the documentation will not support the numbers on the reports. The forensic accountant needs to analyze where the numbers on the reports came from and whether the company accurately reported those numbers. Essentially, being analytical means you're good at breaking down problems into smaller parts in order to find a solution. It should be no surprise to find this characteristic strongly associated with this career. To get an idea of what we're talking about, Sherlock Holmes and Albert Einstein were both highly analytical people. To be analytical requires focus and brainpower. Though you can improve your analytical skills with practice, you probably need some natural ability in order to thrive. Problems posed to you while working in this field are likely to be large and complicated because people try to hide their crimes amidst the sheer volume of information.
- iii. Detail-Oriented:** A forensic accountant needs to be detail oriented. Reviewing financial reports and the supporting documents requires looking at large quantities of numbers. At each step, the numbers from the supporting documents need to match the numbers on the financial reports. The forensic accountant needs to compare these amounts and note any inconsistencies. This requires seeking out the detailed information for each transaction and investing time to compare the details with the final totals. A good forensic accountant

probably needs to have some inherent bent towards detail. As opposed to analytical thinking, it's harder to learn how to be detail-oriented, at its essence, this means you need to be able to see beneath the obvious effects to uncover the causes. A detail-oriented person is efficient, hyper-organized, and not willing to accept anything less than a perfect result. As you might imagine, due to the volume of information that is often presented, this career would not be suitable for someone who is unorganized or makes no use of systems to insure important pieces of information don't slip through the cracks.

- iv. Inquisitive:** Gaining the information necessary to investigate financial reports comes from asking questions. Inquisitive forensic accountants get answers. As the forensic accountant reviews the numbers on the financial reports, he needs to ask the staff questions regarding each number reported. The more questions he asks, the better he'll understand why they reported the numbers that appear on the financial reports. If the staff members fail to answer his questions, he needs to continue asking other staff members or supervisors. It's a reality of human nature. Some people have the ability to meander through life and never spend a moment's time in reflective curiosity about something they encounter during the day. Such a person would likely not be happy or well-suited to the field of forensic accounting. On the other hand, if you can't stand to leave a good puzzle unsolved, and find yourself frequently pondering why this is or how that came to be, well, you might have just landed on your dream job.
- v. Intuitive:** It would be nice if all you needed to be a success in this field were the previous four characteristics but, alas, that's not the whole picture. We can't forget about a little thing called intuition, which separates the men from the boys and the women from the girls. Intuition is the ability to make logical leaps without conscious reasoning, taking in disparate pieces of information and automatically making connections. In this area in particular, you've probably got it or you don't. This isn't to say an unintuitive person can't work as a financial investigator, but he or she might find the going tougher.
- vi. Persistent:** Persistence plays an important role in the life of the forensic accountant. In some cases, the financial reports lack the supporting documentation. The forensic accountant needs to continue requesting that documentation and finding the source of the data reported. Without the supporting documentation, the forensic accountant cannot draw conclusions regarding the validity of the numbers. She needs to continue requesting the documentation, becoming more assertive if necessary, until she can make a solid conclusion.
- vii. Insightful:** Being able to pick up on key details and make intelligent observations that may otherwise go overlooked is a clear quality of important in investigative accounting.
- viii. Sceptical:** The role of the investigative accountant is one that personifies the sceptical attitude, one that refuses to take anything at face value. If there is no hard evidence to back up a theory, it remains an unproven theory.
- ix. Confidence:** The daily duties of the forensic accountant involve prying extremely deeply into the financial activities and general dealings of other. Their presence is not always

appreciated as the outcome of their efforts could have legal serious repercussion. This in turn calls for an individual of unshakable confidence and conviction.

Others include responsiveness, being evaluative, function well under pressure, being a team player, adaptive, making people feel at ease and being able to generate new ideas.

Skills of Forensic Accountants

Forensic accounting is a growing area of practice in which the knowledge, skills and abilities of innovative accounting are combined with investigative skill and applied to legal problems. The skills required by an individual to function well as a forensic accountant can be categorised into two:

- a. core skills, and
- b. enhanced skills

a. Core Skills: these are skills that are foundational to the forensic accountant.

- i. **Critical/Strategic thinking:** a forensic accountant should be able to constantly think critically seeing issues beyond the surface, and make logical connections between ideas to be able to make sound judgement.
- ii. **Identify key issues:** a forensic accountant should always be able to identify key issues in the volume of information being processed.
- iii. **Auditing Skills:** a forensic accountant must understand the principles of audit well be able to do audit by applying those principles. Auditing in many ways provide a foundation upon which forensic accounting and investigation can build.
- iv. **Effective oral communicator:** as a forensic accountant you need to be able to communicate verbally, both in person and over the telephone. Being able to explain complex financial issues in simple, layman's terms and answer questions clearly is also important. Some accounting jobs require presentations in front of group of people, such as boards of directors, legal and financial regulators or professional membership organizations. Effective oral communication skills include having the ability to teach in the courtroom. For example, the forensic accountant must have a knack for taking very complex financial data and explaining it to those listening- judge or jury, in a manner that they easily understand. If the testifying forensic accountant notices a jury member or two starting to doze off while they are speaking, this may not be a good sign that they are getting their message across.
- v. **Effective written communication:** in addition to being able to communicate effectively, it is crucial for a forensic accountant to be able to communicate well through writing. This is more so because the work of a forensic accountants will almost always end up in a report to be submitted to the relevant party.
- vi. **Simplify Information:** forensic accountants must be able to simplify the information they will have to communicate to their audience. This is closely related to the communication skills required of them as well.

- vii. **Positive criminal mind (Think like the wrongdoer):** There is no doubt that criminals are among the most intelligent people on earth. A successful criminal must be smart to enable him succeed. A Forensic accountant should be able to think like a criminal, the only difference is that your smartness and street wise-ness should be used in combating crime and not to perpetrate fraud.
- viii. **Eye for details (See the big picture):** A forensic accountant should be someone that have knack (talent) for details. He or She should see the bigger picture that is embedded within what many calls trivial.
- ix. **Investigative ability:** Forensic accountants should be able to appropriately investigate any matter that comes to their attention.

Others include research skills, solving unstructured/structured problems, understanding the goals of a case, synthesizing the results of discovery and analysis.

- b. Enhanced Skills:** beyond the core skills identified above, forensic accountants, being specialists and professionals at what they do, require also the following enhanced skills to function optimally at what they do:
 - i. Analysing and interpreting financial statements and information
 - ii. Testifying
 - iii. Knowledge of relevant professional standards
 - iv. Audit evidence
 - v. Fraud detection
 - vi. Asset tracing
 - vii. Electronic discovery/Use of Technology
 - viii. General knowledge of rules of evidence and civil procedure
 - ix. Interviewing skills
 - x. Possess specialized technical skills
 - xi. Internal controls
 - xii. Conflict negotiation and resolution
 - xiii. Knowledge of law enforcement