



Education for Accountants

Field seen as 'sexy' choice for students

By TED BASKERVILLE

First there was *Crime Scene Investigation*, a wildly popular television show based in Las Vegas, in which technology and the investigative mind come together to solve the unsolvable. Based on the success of the original, the *Crime Scene Investigation* franchise grew to include *CSI: Miami* and *CSI: New York*. Up next, *CSI: Forensic Accounting*.

Sound unlikely? Maybe not.

As personal and organizational interactions become increasingly complex, the need for accountants trained in investigation and resolution of financial disputes has intensified. Investigative and forensic accounting is a meticulous investigation into the financial aspects of a situation, with the goal of ascertaining what evidence may exist relating to a potential or pending civil or criminal legal proceeding, and to present the evidence in a clear and objective manner.

It can include investigations regarding embezzlement, fraud, extortion and bribery, which are instances of white-collar crime and are a serious risk to business viability.

Accountants not only probe these activities, they also assess the possible economic losses due to damages to property, business and personal injury. They seek the handprints of those who have employed falsified accounting procedures to commit criminal acts. There are no weapons involved, but there is a clearly illuminated trail of paper and, now, electronic evidence.

Forensic accounting requires you to look at situations in the role of a questioning and challenging but objective investigator. The

There are no weapons involved, but there is a clearly illuminated trail of paper and, now, electronic evidence.

Ted Baskerville, CICA

investigative function is based on open-mindedness and asking both the penetrating question ("What if ...") and the speculative question ("I wonder if ..."). If wrongdoing exists, unraveling the accounting stream will produce hard evidence that speaks for itself.

This field allows you to go beyond the norm in order to solve the tough equations. The excitement of the challenge in every new investigation is just one of the many thrills associated with becoming a forensic accountant. The profession can be challenging but the rewards equally fulfilling.

While the concept of investigative and forensic accounting has been around for a long time, it has only recently been standardized and formalized. Indeed, it was only in 1998 that the Canadian Institute of Chartered Accountants (CICA) established the Alliance for Excellence in Investigative and Forensic Accounting (IFA Alliance) to implement a specialist certification for CAs practicing in the field of investigative and forensic accounting, CA-IFA.

The IFA Alliance currently has approximately 280 members and operates through a board of directors that is supported by several committees, such as member services, education, standards and certification.

The mandate of the IFA Alliance includes the development

of standard practices to ensure the consistency and comparability of practice among chartered accountants doing forensic accounting. As of March 1, 2007, all chartered accountants were required to follow the Standard Practices For Investigative And Forensic Accounting Engagements.

These apply only to CAs but, if followed, bring a level of reliability to the work of any professional providing investigative and forensic accounting services.

In Canada, to apply for designation as a CA-designated specialist in investigative and forensic accounting, a CA must meet the following criteria:

- Three years post-qualification experience as a Canadian CA;
- Be a member in good standing with a Canadian provincial institute of chartered accountants/ordre;
- Be a recipient of the diploma in investigative and forensic accounting (DIFA) from the University of Toronto. This graduate level diploma program may be completed in two years through part-time study provided primarily by distance learning.

The director of the DIFA program, Professor Len Brooks, says that CAs entering it are looking for a challenge: "With investigative and forensic accounting, you take on the challenge of solving one



BASKERVILLE

Annual training for forensic accountants is available through the IFA Alliance's Annual Conference (September 14-15, 2009, Toronto Hilton). In its 11th year, the conference brings together the 'who's who' of forensic accounting and the legal community to discuss issues and offer solutions relating to IFA practice: fraud investigations, loss quantifications, litigation support, risk management, dispute resolution and insurance matters.

The demand for forensic accountants is likely to continue for the foreseeable future. The supply of those with the right skills and abilities also appears to be on the rise.

Patty Mah, manager, marketing and communications, School of Accounting and Finance at the University of Waterloo, says students as young as 14 are considering an accounting specialization designation. Popular culture has become an effective force in attracting people to the field.

"The media, with shows like *CSI*, *Cold Case*, *Law and Order*, etc. are really portraying forensic accounting as sexy," notes Mah.

With the support of CICA, the creation of the IFA Alliance and U of T's DIFA program, resources are in place to ensure the specialization continues to keep pace with evolving demand.

Ted Baskerville is a chartered accountant and certified by the Canadian Institute of Chartered Accountants (CICA) as a specialist in investigative and forensic accounting (CA-IFA). He serves on the board and is chairman of the CICA Alliance for Excellence in Investigative and Forensic Accounting.

puzzle after another. The DIFA program is becoming the gold standard for education in forensic accounting."

In addition to technical skills, a person seeking to become a forensic accountant needs to ask themselves if they have the soft skills, competencies and in particular the character traits that come with the territory — such as persistence, patience and the ability to be aggressive when necessary. Essentially, those thinking of entering the field need to ask themselves if they have what it takes to bring down the likes of a coldly calculating fraudster.

In conducting an investigation, forensic accountants must call upon the skills they have acquired through training and on-the-job experiences to reconstruct events and follow accounting paths that have been subjected to deliberate concealment. It is not a matter of rendering on-the-scene judgment but, rather, finding the evidence that strongly demonstrates the facts of the case before them.