

# The Complete Guide to Forensic Accounting

By Rob Miller



0800 093 4604



[inquesta.co.uk](https://www.inquesta.co.uk)

# CONTENTS

1	Introduction	5
2	About Inquesta	6
3	What is Forensic Accounting?	8
4	Why Use a Forensic Accountant	10
5	What to Look For in a Forensic Accountant	12
6	The Forensic Accounting Process	16
7	Forensic Accounting Techniques	19
8	Areas of Expertise	22
9	Conclusion	30

This information guide has been prepared by Inquesta Limited and contains general advice only. It should not be relied upon as the basis for any decision or action and cannot be used as a substitute for professional forensic accounting guidance.

Neither Inquesta Limited nor any of its subsidiary companies or charities accepts any liability arising from its use and it is the reader's sole responsibility to ensure any information is up to date and accurate.

Please note that the inclusion of named agencies, websites, companies, products, services or publications in this information guide does not constitute a recommendation or endorsement by Inquesta Limited or any of its subsidiary companies or charities.

Date of publication: July 2022

## INTRODUCTION

---



Qualified forensic accountants are able to assist with a wide variety of situations, such as fraud, family law matters, business valuations and commercial disputes. From acting as an early stage advisor to acting as an expert witness, they can offer a seamless service from start to finish.

Given the often complicated nature of business and family life, there will inevitably come a time where a dispute arises that requires a great deal of financial acumen and attention-to-detail to solve. Perhaps a married couple is going through a divorce where there are a lot of assets to divide, or there is a disagreement amongst shareholders as to how much their shares are actually worth. Alternatively, an individual could stand accused of committing financial crime or be the subject of a Proceeds of Crime Act Confiscation Order.

Despite all of these scenarios appearing to be widely different, there is one thing that they have in common: the need to sift through reams of data and understand complex financial transactions to put together a compelling case that is designed to give the best possible result for a client. This is precisely what [forensic accounting](#) can provide.

But what exactly is forensic accounting and how and why should the practice be utilised to assist business owners and legal professionals? To answer these questions, we have put together this extensive guide to forensic accounting that explains everything you need to know.

## About Us

---

Inquesta is a leading forensic accounting and business advisory firm that provides legal professionals with a director-led service. We are proud to deliver innovative and strategic thinking that is designed to result in the best possible outcome for our clients.

Using our decades of combined knowledge and expertise, we are able to effortlessly alter our working practices to suit your individual circumstances. This enables us to provide a personalised service that is second to none. Our team has amassed a great deal of experience with providing expert forensic accounting and investigation services for a wide range of scenarios – such as marital and commercial disputes, partnership and shareholder disputes, financial crime criminal defence and Proceeds of Crime Act cases, business interruption claims, and personal injury claims.

In addition, we are also highly experienced with appearing as an expert witness in litigation proceedings under cross-examination. As such, we are able to provide a truly holistic service that our clients can rely upon.

We always endeavour to place the needs and requirements of our clients above all else. With us, there are absolutely no hidden agendas, just a comprehensive service that leaves no stone unturned. All of our written communications, whether they be simple letters or complicated reports, are in plain English to make them incredibly easy to understand. Inquesta is also accustomed to obtaining Legal Aid funding and are able to take on cases at Legal Aid rate, while being acutely aware of the complications and quirks that this entails.

No matter the circumstances of your case, we are happy to offer a [preliminary consultation](#) to conduct an in-depth review of the situation, and pinpoint exactly how we believe we can assist. Our involvement in cases has often been instrumental in securing a positive resolution for the client.

## Meet the Author



### Rob Miller

Director – Forensic Accounting

Rob Miller is a chartered accountant and a member of the Institute of Chartered Accountants in England and Wales (ICAEW). Rob is also a Practising member of The Academy of Experts.

Rob is a co-founder of Inquesta and has over 10 years' experience in forensic accounting. Rob has been instructed on numerous cases including fraud and other investigations, criminal defence and confiscation proceedings, commercial and contractual disputes, transaction dispute advisory and valuation matters. Rob has acted for claimants, defendants and as a single joint expert.

# What is Forensic Accounting?

---

Forensic accounting is a specialist industry that utilises accounting, auditing, and investigative techniques to conduct a thorough analysis of an individual's or company's financial dealings. Practitioners are trained to look beyond the numbers and understand the true meaning behind them. In addition, forensic accountants are highly adept at analysing reams of often-complicated financial data to spot particular patterns of behaviour and follow money trails from start to finish.

Given that the term forensic means being able to meet the exacting standards of the law, forensic accounting can be utilised to provide analysis and reporting that is suitable to be used in court proceedings. Practitioners will often appear as an expert witness and field questions under intense cross-examination.

As a multi-disciplined industry, forensic accounting can be called upon to assist in a wide variety of situations, including:

- Quantification of damages or losses
- Valuations
- Professional negligence
- Family law matters
- Fraud
- Professional negligence
- Asset tracing
- Contract disputes

Qualified forensic accountants are able to assist at every stage of the process. From acting as an early stage advisor and carrying out investigations, to producing an in-depth report and acting as an expert witness, they can offer a seamless service from start to finish.

# Why Use a Forensic Accountant

---

Forensic accountants are highly-skilled individuals that go beyond the realms of traditional accountancy to thoroughly analyse a case and provide a detailed expert opinion. They are capable of going into minute detail and scouring reams of complex documentation to uncover the proverbial needle in a haystack that could prove vital to securing a positive resolution for a client.

While utilising the skills of a forensic accountant might once have seemed far-fetched, the reality is that moving to a more technology-reliant and globalised society means business and personal dealings often involve incredibly complicated financial transactions that require specialist knowledge to unravel. Fraud is also becoming more complex, and more people than ever feel inclined to seek justice if they feel they have been wronged in some way. All of these scenarios can benefit from the input of a forensic accountant.

On a practical level, a forensic accountant can assist clients in a wide number of ways. Given that they are likely to have a large number of incredibly complex cases to work through, it is entirely possible that the people managing them will simply not have the time or in-depth understanding to thoroughly investigate the circumstances of each one. This risks missing out on a potentially vital piece of information.

Passing on the task of investigating these complex cases to a qualified forensic accountant means clients can be confident that they are in safe hands.

In addition, there are a wide variety of circumstances that require the quantification of benefits or damages. For example, when it comes to Confiscation Orders under

the Proceeds of Crime Act, it is important to verify the exact benefit amount an individual received. If a company or individual has lost money due to business interruption, breaches of contract, or personal injury, they will need to prove exactly how much they have missed out on if they want to be made whole again. Forensic accounting is perfectly placed to assist with this.

Once all the valuable information for a case has been gathered, it is extremely important for everything to be displayed in a manner that is easy to follow – whether it be by a judge and jury, insurance company, or another similar organisation. Forensic accountants are adept at laying out incredibly complex financial data in such a way that is easy to understand, often in the form of detailed reports. start to finish.

When it comes to litigation, it is common for the opposing party's argument to be based on their own interpretation of the facts – which can often be manipulated or exaggerated to make their position more compelling. Utilising the skills of a forensic accountant means your evidence can be based solely on the facts, which is something that opposing teams can often struggle to match.

By following the numbers, it is also possible for a forensic accountant to completely alter the course of a case and uncover new areas of investigation that might otherwise have gone unnoticed. Indeed, if instructed at the very beginning, a forensic accountant can also chart the course for the entire investigation – ensuring no stone is left unturned in pursuit of the right result.

As you can see, there are a variety of ways in which forensic accountants can assist legal professionals, businesses and individuals with incredibly complex scenarios. Of course, the exact methodologies used will depend on the unique circumstances of each case, which is why it is important to request an initial consultation at the earliest opportunity.

# What to Look For in a Forensic Accountant

---



Given that forensic accounting is a fast-growing industry, it is likely that there are a large number of practitioners to choose from. While the benefits of securing the services of a forensic accountant are vast, it is essential to ensure you are working with a practitioner that possesses the particular skills and expertise your case requires.

For example, assisting a defence team in a financial crime case is completely different to quantifying the share value of a private business or analysing how much money has been lost due a personal injury. Each unique set of circumstances needs different levels and areas of understanding to navigate. With this in mind, here are a few things to look out for when choosing a forensic accountant:

## Experience

---



As you would expect, the more experience a forensic accountant has, the higher level of service you can expect to receive. Of course, you will need to make sure that the experience they have is in the right areas to suit your case. It is therefore a good idea to check that a practitioner has worked on similar cases in the past, and, if they were involved up until completion, what the final outcome was.

A qualified forensic accountant will be able to demonstrate their case history and

---

outline all of the benefits they will be able to bring to the table. This is something you can discuss during the initial consultation.

It is also possible to find practitioners who have a vast range of experience in a wide number of cases – from financial fraud and business interruption, to forensic insolvency and personal injury. By working with a provider such as this, you get the added benefit of knowing that whatever the situation, you immediately have somebody you can rely upon to assist.

## Expert Witness Support

---



When it comes to dealing with financial crime in particular, either as part of the prosecution or defence team, it is extremely likely that a forensic accountant will need to be called upon as an expert witness and have their findings or opinions scrutinised under intense cross-examination. It is therefore essential to ascertain whether a practitioner has had actual experience of this in the past, or if all the cases they have worked on have ended up being settled out of court.

As with most things in this list, it is possible to garner the information you need regarding a forensic accountant's experience as an expert witness during the initial consultation. They should be perfectly able to demonstrate past casework and outline what the outcome of the case was.

## Reputation and Credibility

---



If a forensic accountant has to appear as an expert witness, is required to submit a report to an insurance company or loss adjuster, or represent a client in arbitration, it is important that they have a lot of credibility and are held in high regard in the particular field you are operating in. Working with a practitioner that has a strong

---

reputation will instantly add more weight and credibility to your argument.

For example, if you are a lawyer defending a financial crime or Proceeds of Crime Act case, your position will be strengthened considerably if you work with a forensic accountant that is a recognised fraud investigator, rather than simply a professional expert witness. If a practitioner is well-respected in an industry, it is also a good sign that you will receive an extremely high level of service.

## Creative Thinking



Although forensic accounting can be data-led, it is also important to be able to think outside of the box and see beyond the numbers. This level of creative thinking can be instrumental in steering a case into a new, more profitable direction. In addition, it can be extremely useful when it comes to determining a motive for financial crime.

## Understanding of Technology



As society becomes more and more dependent on technology, the practice of forensic accounting is also required to update and evolve. The days of having everything documented on physical paper are long gone (although it is still essential to maintain the ability to handle large volumes of paperwork) and the vast majority of work has moved to devices such as computers, laptops, tablets, and mobile phones. Data can also be encrypted and hidden away to make it even more difficult to find or understand.

When choosing a forensic accountant, it is therefore important to find out how competent they are with technology and what practices and equipment they have in place to assist. Again, they should be able to outline this during the initial consultation.

## Business Approach



It is likely that you will be communicating with a forensic accountant quite a lot during your case. Because of this, it is important that they are a company you can build a close working relationship with. They must also be highly professional with the way they conduct business, and be approachable and tactful at all times.

## Cost



As with most things, you do get what you pay for when it comes to forensic accounting services. If a price is quoted that seems too cheap, you may not end up receiving the quality of service that you require. It is also a good idea to work with a company that has a clear and upfront pricing structure so you know exactly how much you will be charged and will not have any nasty surprises.



# The Forensic Accounting Process

---

There are a number of important steps that a forensic accountant will take during the course of their work. Of course, the exact procedures involved will be determined by the exact circumstances of each individual case. That being said, there are a few areas that will remain the same:

## Consultation

---

Before the forensic accounting process actually begins, an initial consultation will be held in which the practitioner will gain a thorough understanding of the circumstances and review documentation. They will also carry out a brief assessment of the case, including their thoughts on its validity and the potential quantum of damages involved.

During the consultation, a forensic accountant will also explain what they believe they can do to help the case, and what additional documentation or evidence will be necessary to carry out their work. Finally, they will try to chart a course for the case that can sometimes lead the investigation in a completely different direction.

## Document Review

---

Once the consultation has concluded and the forensic accountant has been instructed on the case, they will next gather all of the evidence that is required to carry out their work. While the amount and type of documentation will vary depending on, it will often involve large volumes of financial data and complicated transactions.

This stage of the forensic accounting investigation process is also extremely important as it can shape the entire scope of the case. It will also give the forensic accountants themselves a clear understanding of the actions they will need to take. It can also open up new avenues of investigation that could otherwise have remained undiscovered.

## Analysing Evidence

---

With the documents collated and reviewed, a forensic accountant will then carry out an in-depth analysis of the evidence. This usually involves going through large volumes of extremely complicated financial data and detailed transactions. From this information, the forensic accountant can come to informed conclusions that will differ based on the nature of the case.

Potential outcomes could be quantifying damages due to business interruption, ensuring that the assets of divorcing couples are shared evenly, providing an expert opinion on the value of shares, or ascertaining whether a penalty imposed on an individual suspected of fraud is justifiable or not.

## Reporting



The reporting phase is one of the most crucial elements of the forensic accounting process. It involves laying out everything the investigation has uncovered into a detailed yet easy-to-follow document. Each conclusion made by the forensic accountant will need to be backed by irrefutable evidence that is robust enough to withstand intense cross-examination.

The need for the report to be easy to understand is amplified should the case go to litigation. This is because the information must be presented in a way that is simple for a judge and jury to grasp. Forensic accountants are specialists at this.

## Assisting with Litigation



While the goal of forensic accounting is often to nullify the need for litigation, this is not always possible. Should a case go to court, forensic accountants can act as an expert witness and give evidence under cross-examination. Any information they give is known as 'opinion evidence'. The involvement of a forensic accountant in legal proceedings can often make the difference between a client winning and losing a case.

# Forensic Accounting Techniques



Throughout the course of an investigation, there are several different techniques that a forensic accountant will carry out. These include:

## Reviewing Documentation



Financial transactions are becoming even more complex, often with reams of documentation involved and an intricate web of transactions to follow. The task of reviewing relevant evidence in a case can be incredibly time-consuming and laborious, and requires a level of attention to detail that is difficult to achieve.

Being unable to focus on such a demanding task could result in a valuable piece of evidence slipping through the net. It is for this reason that business owners and legal professionals seek help from a forensic accountant, who will be extremely comfortable coping with such pressures.

The types of documentation a forensic accountant will review include anything that is available in the public domain, such as corporate records. A background check will also be carried out on individuals to gain an understanding of their past dealings.

## Analysing Evidence



While reviewing mountains of evidence is extremely important, it will all be for nothing if the information cannot be interpreted appropriately. Thankfully, this is another essential technique employed by forensic accountants.

A forensic accountant will be able to look beyond the numbers and go into fine detail as to what the information actually means, and the bearing it has on the case. Not only that but they can also lay out their findings in an in-depth yet easy-to-follow report – something that is especially important if a case results in litigation.

## Conducting Interviews



Carrying out interviews enables forensic accountants to fully understand all of the facts in a case. It may also turn a previously unwilling witness into a key source of evidence.

Interviews should be used to assess the gravity of a situation and ascertain all of the facts involved. Questioning must be targeted to uncover as much information as possible that could be used as the investigation progresses. Every minute detail needs to be noted down to ensure that no stone is left unturned.

## Identifying Trustworthy Sources



Information and evidence gathered from trustworthy or confidential sources can be vital to the success of a forensic accounting case. Therefore, it is essential to identify who these sources may be and ensure their identities remain protected throughout.

A specialist forensic accountant will likely build up a network of such sources they know they can rely upon when needed. This will virtually guarantee the success of a case.

## Areas of Expertise

---

Forensic accounting is an extremely varied and multifaceted discipline that can be called upon to assist in a wide range of situations. These range from resolving family or commercial disputes, defending financial crime and Proceeds of Crime Act cases, offering an opinion on personal injury claims and much more besides.

Here is a breakdown of just some of the areas in which forensic accounting can help:

### Financial Crime Defence

---

[Financial crime](#) cases will typically be extremely complex in nature. They will often contain vast amounts of data that needs to be analysed and a complicated web of transactions to follow and understand. Due to the seriousness of the situation, it is essential that potentially crucial evidence is not overlooked. This is where forensic accounting can help.

A forensic accountant is often called upon to help defence teams and can be instrumental in securing a positive result for the client. This is because the prosecution's case is often based on their own interpretation of the facts, or a lack of understanding. This type of argument is simple for a forensic accountant to overcome, as they will base their work solely on the available evidence.

Defence teams can often struggle with the sheer amount of data involved in a financial crime case. Forensic accountants are experts at going through reams of data with a fine tooth-comb to weed out potentially important pieces of evidence. They will also outline their findings in detailed, yet simple to follow reports that are suitable for a judge and jury.

Forensic accounting is also crucial when it comes to quantifying damages when it comes to [Proceeds of Crime Act cases](#), as they will carry out an in-depth investigation into the figures to discover the true value of the case. This includes differentiating between monies that were acquired legitimately and illegitimately, and identifying what (if any) criminal proceeds the defendant had received. Because of this expert knowledge, the involvement of a forensic accountant will often result in the defendant's Benefit and Available Amount being significantly reduced.

The final way forensic accountants can help with financial crime defence is by acting as expert witnesses in court and giving evidence under cross-examination. This can often be instrumental in securing a positive resolution for a defence team, as a forensic accountant will be able to field questions and add a layer of financial expertise and know-how that could otherwise be missing.

Forensic accountants will be able to help both prosecution and defence teams in a wide range of areas, including:

- Embezzlement
- Money laundering
- False declaration of profits
- Company director fraud
- Financial manipulation
- Company directors misleading shareholders

## Commercial Dispute Resolution



The exact role of a forensic accountant during [commercial dispute cases](#) will vary based on the unique circumstances of each situation. It can range from calculating the value of a company's shares, quantifying damages, and casting an expert eye over a claim to assess its validity and chances of success.

Causes of commercial disputes can be varied, from disagreements over breach of contract and how much a company is worth, to seeking damages for lost profits or variance in profits. Let's look at these in more detail:

### Breach of Contract Cases

Forensic accountants can be instructed by either a claimant or the defence team to determine exactly how much financial damage has been caused due to a breach of contract. This is to ensure that any settlement reached is fair and just to both parties.

The types of breach of contract cases that forensic accountants can assist with include dereliction of duties, instances of defective work, failure to deliver agreed services in time or at all, and not paying for a specified service within the agreed timeframe.

### Share Valuation

There are a number of reasons why shareholders will want to understand exactly how much their shares are worth. Perhaps they are looking to step away from the business and are wanting to make sure they get the right amount of money. They may also be under the impression they are not being paid the true value of their shares.

Whatever the circumstances, a forensic accountant will analyse the financial performance of the business, value its assets, and audit its liquidity. They will also review company reports to ensure everything is above board. Forensic accountants can also act as an expert witness if necessary.

### Lost Profits

When it comes to quantifying lost profits, forensic accountants will carry out a 'but for' assessment of the company's finances in order to work out what the firm's financial position would have been if the incident had not taken place. Causes of lost profits can range from an interruption in business to breaches of contract.

A forensic accountant will compare the company's actual results with their 'but for' assessment and work out the discrepancy between the two figures. They can also act as an expert witness should the case go to litigation.

### Profit Variance

A variance in profit basically means the difference between a firm's actual profit and how much had previously been forecasted. Should the difference be significant, a forensic accountant can be called in to find out what happened and potentially uncover evidence of wrongdoing.

## Divorce and Matrimonial Disputes



It might seem far-fetched, but a forensic accountant can often be crucial to ensuring that the assets of a divorcing or separating couple are distributed evenly. Due to the globalisation of society, it is common for there to be complicated financial instruments involved such as Trusts, property, or even an international element attached. The situation is amplified when there is a business added to the mix.

Should the split be particularly acrimonious, there may also be the possibility that one party will attempt to hide or understate their assets to reduce the value of the other person's settlement. In addition, there will often be complex tax implications that will need to be navigated.

Whatever the exact circumstances involved, forensic accountants can [assist separating couples](#) in a number of ways, including:

## Business Valuation

No matter if the assets are personal or business-related, they will all need to be valued to ensure both parties receive exactly what they are owed. This is precisely where a forensic accountant can help.

When it comes to analysing the value of a business, forensic accountants will use complex factors such as past and projected earnings, and market data to understand exactly how much the firm is worth. If required, they can also devise strategies to restructure a business in order to extract funds.

## Asset Tracing

If one party attempts to hide or understate their assets, a forensic accountant can be called in to investigate. There are a number of ways in which somebody can try to reduce the amount their former spouse will receive, such as transferring funds to an offshore account, or giving it to friends and family members to hold on to.

Whatever the specifics of the case, forensic accountants will use a multitude of investigation techniques to uncover any hidden assets and ensure that everybody gets their fair share.

## Tax Efficiency

The distribution of assets can have a huge knock-on effect when it comes to taxes. This is especially true with Capital Gains Tax (CGT). Without thorough planning, divorcing or separating couples could see a large amount of their settlements disappearing into the hands of HMRC.

Forensic accountants can ensure that the distribution of assets is carried out in the most tax-efficient way possible so that both parties can hold on to a larger proportion of their settlement.

## Expert Witness Statements

Should divorce proceedings ever reach the stage where a court date needs to be set, a forensic accountant can act as an expert witness. In this capacity, a forensic accountant will use their knowledge and expertise to fully support their client's case and ensure the best possible outcome is reached.

# Business Interruption Claims



If a company is unable to trade for a particular reason, it can have a huge effect on their bottom line. This is exactly what [business interruption](#) insurance is designed to cover, and provide a valuable lifeline when firms need it most. Given the importance of the situation, and the need to get the claim right the first time, company directors can turn to forensic accountants for assistance.

An experienced forensic accountant will be able to use all the information available to them to conduct a 'but for' assessment of the situation. This enables them to fully understand what the company's financial standpoint would have been had the interruption not taken place. Once this has been done, the next step will be to deduct any savings the business made as a result of the interruption.

With the calculations complete, a forensic accountant will then look at the difference between the company's actual financial situation, and what it would have been had the interruption not taken place. Whatever the difference is, will be how much the business can claim in damages.

Given that the burden of proof rests entirely on the shoulders of the claimant, it is extremely advisable to seek independent and specialist assistance at the earliest opportunity. Working with a forensic accountant will ensure that the process is carried out correctly, all the figures are correct, and the evidence is presented in an easy-to-follow report. Indeed, the involvement of a forensic accountant in business interruption cases can often be crucial in obtaining a positive resolution.

A forensic accountant is also able to act on behalf of insurance companies and loss adjusters to assess the validity and quantify the damages resulting from business interruption claims. In addition, they can be involved in the negotiation stages to ensure that the final settlement is appropriate for all parties.

## Fraud Investigation



The rise of technology and increasing globalisation has meant that cases of fraud are becoming ever more complicated. There will often be long and complex trails of financial transactions, alongside reams and reams of documentation to understand. On top of this, there may even be an international element attached, with the fraud spanning multiple jurisdictions.

[Investigating complex fraud cases](#) requires meticulous attention-to-detail and a deep understanding of numbers. This is where forensic accounting excels.

There are many stages to a fraud investigation, from assessing the validity of a case and collating evidence, to reviewing documentation, presenting a report and perhaps even a criminal trial. Forensic accountants can help with each and every one of these.

A typical forensic accounting investigation will seek to understand whether fraud has taken place, identify the people responsible and their motives, quantify how much money is at stake, and present all evidence in such a way that is easy for everyone to understand. This is crucial should the case go to court. Forensic accountants can also act as an expert witness if required and field questions under cross-examination.

Since cases are often incredibly complicated, many legal professionals simply do not have the time or expertise to build a challenging argument. This is why the input of a forensic accountant can be essential to ensuring a positive result.

## Personal Injury Claims



When it comes to calculating [personal injury claims](#), the burden of proof rests entirely on the claimant. It is up to them to quantify any losses they incurred as a result of the incident if they want to be returned to the same financial position before the accident took place.

A specialist forensic accountant can help assess the validity of a personal injury claim. They will do this by analysing whether the injury suffered by the claimant is likely to result in a significant financial loss – including if their pension will be impacted in any way, or if the accident will affect their chances of promotion and/or an increase in salary.

Forensic accounting can also be extremely important if the personal injury suffered is particularly severe. Should the event be likely to, or has already caused, a lifelong impact on the claimant and their family, a forensic accountant will be essential to ensuring all avenues are explored and all necessary calculations are made. Examples of additional costs include care costs, changes to housing, and loss of potential earnings.

If the incident resulted in a fatality, the deceased's family would also need to be taken into account. Estimates will need to be made on the deceased's expected earnings (taking into account future wage increases and promotions), as well as the impact on the family due to a lack of pension.

It is worth pointing out that a forensic accountant will only assist with the quantification of damages and act as an expert witness in court when it comes to personal injury claims. They will not manage the claim or act as a claims management company.

## Forensic Insolvency



Should a company become insolvent, there will sometimes be an element of disagreement between directors and shareholders. This is particularly the case if it is believed somebody has engaged in wrongful trading or fraud. Cases such as this are referred to as contentious insolvency .

Resolving a contentious insolvency case falls to a forensic accountant. This is because the cases are considered to be highly complicated and require acute attention-to-detail – areas in which forensic accounting excels.

[Forensic insolvency cases](#) usually involve a collaboration between forensic accountants and licensed insolvency practitioners and other areas of corporate financing to carry out an in-depth investigation into the dealings of company directors. In some cases, these investigations can lead to the discovery of hidden assets that would otherwise not have been found.

There are many different areas of forensic insolvency cases that a forensic accountant can help with, including:

- Wrongful trading
- Fraudulent trading
- Preference payments
- Miffeasance
- The payment of unlawful dividends
- Making transactions at an undervalue

The potential consequences of a director breaching their duties and obligations can be vast and severe – ranging from making them personally liable for their company's debt, right the way through to imprisonment for the most serious cases. Because of this, the experience of a specialist forensic accountant can often be crucial in determining the correct result.

## Conclusion



As you can see, there are many different areas in which a forensic accountant can prove vital to securing a positive result. While instructing a practitioner such as ourselves may once have been thought of as far-fetched, it is now becoming ever-more commonplace. Indeed, forensic accounting as an industry is extremely fast-growing in both stature and importance.

If you require the assistance of a forensic accountant, it is important to work with someone you can rely upon. With decades of experience in the field, plus an in-depth knowledge of all the key areas such as criminal defence, business interruption, personal injury, and commercial and marital disputes, Inquesta is perfectly placed to assist.

We place the requirements of our clients at the forefront of everything we do. Our process begins with an initial consultation to understand the complexities of the case and outline where and how we believe we can help. We will then conduct our work and keep you informed every step of the way, before presenting our findings in an in-depth report written in plain English.

As both an expert forensic accountant and licensed insolvency practitioner, Inquesta specialises in offering a truly holistic service that is difficult to find anywhere else. No matter your circumstances, we are here to help.



# Book a Consultation

If you could benefit from the services of a specialist forensic accountant, contact us for a free consultation.

[BOOK A CONSULTATION](#)



## Freephone

0800 093 4604



## Call

0161 359 4593



## Email

[info@inquesta.co.uk](mailto:info@inquesta.co.uk)

## Manchester

St John's Terrace  
11-15 New Road  
Manchester  
M26 1LS

## Leeds

Princes Exchange  
Princes Square  
Leeds  
LS1 4HY