

# Litigation Support Services

Colin Parker FCA, Independent Expert in Financial Reporting and Auditing Standards



## Introduction – Access to some of Australia's best

In litigation matters, legal and accounting firms, and liquidators need the assistance of *expert subject matter specialists* in accounting, auditing and related ethical standards. *GAAP Consulting* specialises in providing litigation support services, including independent expert reports and consulting expert engagements relating to professional negligence claims and interpretation of accounting, auditing, superannuation and ethical standards. You can draw on the experience and expertise of seven partner-equivalents to meet the engagement requirements – *GAAP Consulting* provides access to some of Australia's best.

Our litigation support team is led by Colin Parker, FCA, Principal of *GAAP Consulting* who has over 30 years' experience in the development, application and interpretation of generally accepted accounting standards (GAAP), generally accepted auditing standards (GAAS), and related ethical standards.

*GAAP Consulting* has undertaken over 20 litigation support engagements, including high profile briefs, such as ABC Learning Centres, Centro, Onetel and Sons of Gwalia. Litigation support services have been provided to the plaintiffs and the defendants. We have also assisted with the identification of potential professional negligence exposures, and enforceable undertakings negotiations by auditors with Australian Securities and Investments Commission.

## Colin Parker – Team leader litigation support and advisory services



**Colin Parker** B. Bus, FCA, FCPA and MAICD is an acknowledged financial reporting and auditing expert. He has undertaken a number of litigation support engagements applying his technical experience gained as a member of the Australian Accounting Standards Board, senior positions held with accounting firms and CPA Australia. Colin has provided opinions on financial reporting and auditing standards, implemented them,

conducted training and written extensively on contemporary issues.

Colin is member of ASIC's panel of experts for the provision of accounting and financial services. He is also a member of the Forensic Accounting Special Interest Group of The Institute of Chartered Accountants in Australia.

Senior positions previously held included: Head of Accounting and Auditing Policy – Stockford Ltd; Director – Accounting and Audit with CPA Australia; Senior Technical Manager – Ernst & Young; Corporate Development Director – Centre for Professional Development; Technical Director – RSM Bird Cameron; Senior Manager Audit Standards – AARF (now AUASB); and Group Audit Manager – PKF.

As Director of Accounting & Auditing with CPA Australia, Colin was responsible for the policy development and implementation of the national quality assurance program for members in public practice. This included setting standards, development of a Quality Assurance Manual, design of audit methodology and programs, and investigation and disciplinary procedures. Colin also established internal quality control procedures for accounting firms, and has undertaken a number of quality assurance inspections of quality control systems and audit files.

Colin is well-known author of over 200 published articles; co-author of nine editions of 'Australian GAAP'; Technical Editor of the Accounting Bodies' publication 'The Accounting and Auditing Handbook 1992-2001 (Volumes 1 & 2)'; author of several auditing checklists; and editor of the fortnightly newsletter 'GAAP Alert' and periodic 'GAAS Insight' – the audit resource newsletter.

## About GAAP Consulting

*GAAP Consulting* was formed in 2003 to provide independent financial reporting, auditing, quality assurance reviews, and corporate governance solutions to reduce business and regulatory risks. Our vision is to be recognised as the pre-eminent provider of independent financial reporting solutions that enhance economic decision-making and accountability by those charged with governance, preparers, auditors, regulators and users.

A description of our services, clients, and information products are located at [www.gaap.com.au](http://www.gaap.com.au). The expanding arch in our logo represents the journey from uncertainty to a solution through the use of our consulting services and products.

Our core values are: independence, integrity and 'Excellence in Financial Reporting'. Our client portfolio covers listed entities, accounting and legal firms, regulators, professional organisations, Auditors-General, and not-for-profit and public sector entities.

*GAAP Consulting* uses the services of a network of seven independent colleagues to assist with engagements; all of whom are partner-equivalents. They include:

**Stephen LaGrecia** – an expert in accounting and auditing standards who was previously national director of Assurance Services at BDO, an audit partner, and a Member of BDO International Audit and Accounting Committee

**Susan Orchard** – specialises in providing superannuation services to accountants, financial planners and fund trustees

**Carmen Ridley** – is member of the AASB, and an expert in financial reporting and auditing who was previously Associate Director in the technical team at Grant Thornton, and National Technical Director of William Buck

**Justin Reid** – an expert in auditing standards with specific expertise in CaseWare audit software. He was previously a senior manager with WHK Group Ltd, and was responsible for professional and technical standards, quality control policies and procedures, and training.

## Services Provided

*GAAP Consulting* litigation support services:

1. Independent expert reports on alleged breaches of accounting, auditing and ethical standards by companies, auditors and public practitioners as well as expert reports for family law break ups
2. Consulting expert services including assistance with the preparation of Statement of Facts and Contentions and preparation for the cross-examination of other experts
3. Advice in relation to commercial disputes, in particular the application of accounting policies in business acquisitions and related adjustments
4. Assistance with the technical assessment of strengths and weaknesses of the positions of parties to a dispute
5. Arbitration on disputes over accounting standards
6. Education sessions on the specific standards that are critical to the matter, and
7. Briefings on contemporary GAAP, GAAS and ethical developments and how these may impact the services provided to legal firms to their clients.

## Recent Engagements

Litigation assignments have included:

- Consulting expert's reports on debt classification, debt covenant interpretation, and breaches of auditing standards
- Consulting expert's assessment of negligence claim against an audit firm
- Independent expert's report on derivatives in a commercial matter
- An independent expert's report on external and internal auditors alleged failure to detect a fraud
- An independent expert's report on an alleged failure by the auditor to detect a fraud
- Consulting expert services in relation to alleged breaches of financial instruments accounting and disclosures in the financial reports of a listed entity
- An independent expert's report on a CALDB matter regarding auditing and accounting standards, including testimony before the CALDB
- An independent expert's report on accounting matters related to tax consolidations
- Consulting expert's report to assist with the preparation of the cross-examination of an expert witness that included review of Statement of Facts and Contentions and the witness statement, review and assessment of independent expert's report, review of financial reports, and research into relevant GAAS and GAAP
- Independent expert's advice on accounting issues in a sale agreement dispute between two listed companies
- Consulting expert services on an alleged breach of accounting standards by a listed company, and
- Consulting expert services regarding an alleged breach of auditing standards and referral to the CALDB.

*GAAP Consulting* has been commissioned by Corrs Chambers Westgarth, Maurice Blackburn, Maddocks, Slatter and Gordon, Kemp Strang, Lavan Legal, Ashurst, Cornwall Stodart, Moray & Angew, Lillas and Loel, Lipman Karas, Australian Government Solicitor, ASIC to undertake litigation support engagements.

## Methodology

Our objective is to carefully analyse the brief and supporting material in the context of the engagement circumstances, to be confident in the positions reached, and logically present the reasons. Our approach to the provision of litigation support services involves the following process:

1. All engagements are performed in accordance with ethical requirements of The Institute of Chartered Accountants in Australia, and in particular APES 110 'Code of Ethics for Professional Accountants', and APES 215 'Forensic Accounting Services'
2. Before agreeing to the terms of the engagement, conflict of interest and expertise assessments are undertaken
3. Extensive discussions over the contents of the brief to ensure clarity in process and expected engagement outcomes
4. The engagement team is led by Colin Parker as the Principal of *GAAP Consulting* with other members of network assigned to the engagement to meet the specific engagement circumstances
5. Where the engagement requires, we act independently
6. Communicate openly and clearly
7. Only commit to a position when all of the issues have been considered
8. Provide supportable opinions and hold to those opinions
9. All engagements are subject to a second partner-equivalent review
10. A blind review of an advanced draft of the report is conducted by a team member with no previous involvement in the matter
11. Our reports are written with the reader in mind. There is an emphasis on clarity and the use of non-technical language, and
12. We prepare thoroughly for appearances before tribunals and courts.

Given the specialised and independent nature of *GAAP Consulting*, it is less likely that there will be conflicts of interest in comparison to the larger accounting firms.



## Contact Us

Should you require any further information about the services provided or our team, please contact:

### Colin Parker

Principal, *GAAP Consulting*  
Head of the *GAAP Consulting* Network  
Email [colin@gaap.com.au](mailto:colin@gaap.com.au)  
Mobile 0421 088 611  
Postal GPO Box 1497, Melbourne, Victoria 3001  
Website [www.gaap.com.au](http://www.gaap.com.au)



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'Excellence in Financial Reporting'