



CAMICO : 6 Tips for Effective Documentation

Documentation can help you avoid, or at least minimize, professional liability claims. It helps improve communication between your clients and staff. Documentation also provides value-added service to clients, while creating potential new services.

- 1. Only Document the Facts** - Refrain from speculation, or comments on personalities, in your notes.
- 2. Document ASAP** - This means placing notes in the client file, and maintaining only one set of client files. This provides members of your firm with easy access to up-to-date communications.
- 3. Make Documentation a Habit** - Top management needs to set an example by initiating all documentation procedures that they require of their staff. All staff members need to learn and use effective documentation skills.
- 4. Document Efficiently** - Use a systematic approach that includes key words and concepts. Define both the results and actions.
- 5. Seek Legal Counsel if Documentation alone isn't Sufficient** - For example, if you're advising a client on a complex exchange, you may want to have your legal counsel review the documentation before passing it on to your client.
- 6. Keep Documentation Notepads Next to Every Telephone** - This simplifies the process by making documentation a reflex action when the phone rings.

Certain engagements tend to increase client perception problems because the scope and areas of responsibility are unclear. Documentation is absolutely vital in these areas of your practice:

- Financial or business management
- Funds handling
- Valuations
- Projections
- Rent-a-controller services
- Trustee work
- Aggressive tax positions
- Management Advisory Services (MAS)
- Business/investment advice
- Systems analysis
- Valuations/forecasts
- Mergers/acquisitions

Always document significant communications and follow-up. It's especially important to follow up with written communications in the following circumstances:

- Change in the scope of an engagement
- Negative knowledge (e.g., tax return is already late, or client is facing an audit)
- Judgment calls (e.g., former CPA is taking an aggressive position that client is aware of and has consented to)
- Client to take material action on discussion

CAMICO

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