



Regular Checkups Help Prevent Health and Wealth Problems

If you value your health, you're likely to take as many steps as possible to protect it. That may mean eating healthy, getting regular check ups and vaccinations, or monitoring your general health conditions. If you value your money, you should be working just as hard to make sure your financial situation will allow you to meet life goals, such as buying a home, paying for college, or enjoying a golden retirement.

In its *Financial Planning Practice Standards*, Financial Planning Standards Board Ltd. (FPSB), the preeminent international financial planning standards authority for competent and ethical financial planners, encourages financial planners and their clients to mutually define and agree on how the client's financial plan will be reviewed and re-evaluated to stay relevant for the client's ever changing situation.

"A plan is like a snapshot in time," said Stephen O'Connor, a New Zealand-based CERTIFIED FINANCIAL PLANNER professional. "It's current at the time it's created, but the financial planner and client should commit to revisiting the plan on a regular basis to make updates. Particularly in uncertain times, the client's personal, economic or other conditions may have changed. If the client has lost her job, had a baby, or discovered she needs to help pay for a parent's long-term care, we need to re-evaluate our plan to accommodate those changes," he said.

Even if nothing has changed, the financial planner and the client can review the client's situation to measure progress toward achieving the client's objectives and re-affirm positive behaviors. The planner and the client can also determine whether the financial planner's original recommendations are still appropriate and mutually confirm revisions to the plan to keep it relevant.

The review process may include: confirming that the financial planning recommendations agreed to by the client and the financial planner have been implemented; assessing achievement of the objectives of the financial planning recommendations; re-evaluating assumptions made by the financial planner for reasonableness; determining whether changes in the client's circumstances or objectives require adjustments to the financial plan; and mutually agreeing on any required changes. As circumstances and needs change, a financial planner may change the scope of the relationship with the client, gather new information or suggest alternative strategies for achieving the client's goals.

While not every financial planner engages the client in a thorough review of his or her situation and the appropriateness of the plan over time, advisors who have earned the CERTIFIED FINANCIAL PLANNER certification follow FPSB's *Financial Planning Practice Standards*, which can include reviewing the client's situation on a regular basis. To learn more about the financial planning process, visit www.fpsb.org.

Practice Standard 6

Review the Client's Situation

6.1 Agree on responsibilities and terms for review of the client's situation.

6.2 Review and re-evaluate the client's situation.