Celebrating the
60th Year of Excellence

Certificate Course on
Forensic Accounting & Fraud Detection using IT & CAATs

Committee on Information Technology

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

New Delhi

ICAI Vision

The Indian Chartered accountancy Profession will be the valued Trustees of World Class financial Competencies, Good Governance and Competitiveness.

CIT Vision

Provide World Class Assurance Services to maintain Reliability, Confidentiality, Security and Availability of information.

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Published by Ms. Indu Arora, Secretary, Committee on Information Technology, The Institute of Chartered Accountants of India, Indraprastha Marg, New Delhi 110 002.

Message

The increasing deployment of IT solutions to manage core business functionality and provision of online services by enterprises and e-governance projects by governments, while enhancing the efficiency and effectiveness of operations and providing value added services has also opened a pandora's box of security lapses/ concerns.

The incidence of cyber fraud and crime are on rise in geometric progression leading to the specialized accounting discipline of Forensic Accounting and Fraud Detection. Chartered Accountants, as the traditional business assurance providers are best suited to offer these services considering their strong business acumen, unparallel knowledge of business laws/requirements and strong audit skills to ensure that necessary checks and balances are in place and detect fraud/ mistakes.

The Committee on Information Technology of ICAI is pleased to offer this certificate course on "Forensic Accounting and Fraud Detection using IT & CAATs" to enable members to develop competencies in this emerging field and offer value added services.

We are sure that you would like to develop skills in this emerging field to be able to offer value added services to your clients. This brochure provides concise details of this course.

Please refer to Committee on IT Portal at http://isa.icai.org for forthcoming batches and updated details of this course. You can seek further details/ clarifications on e-mail from cc.fafd@icai.org and cit@icai.org.

Wishing you all the very best in this emerging professional opportunity.

CA. Ved Jain
President

CA. Uttam P. Agarwal
Vice President

CA. Atul C. Bheda
Chairman, CIT

CA. K. Raghu
Vice Chairman, CIT

Committee on Information Technology, ICAI

The Committee on Information Technology has been constituted by the Institute to map IT developments/ challenges and convert them into gainful opportunities for the profession. The Committee has taken the following initiatives to develop professional competencies in the IT Area:

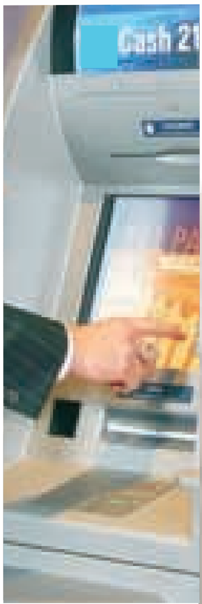
- Post Qualification Course on Information Systems Audit
- Computer Awareness Programme for Senior Members
- ERP Consulting ERP Courses on SAP FICO, Oracle 11i Financials & Microsoft Dynamics NAV
- Enhanced Efficiency & Effectiveness of Operations
  - o Through Workshops/IT Conferences organized at Regional Offices/Branches of the ICAI.
  - o E-Learning Modules on Bank Branch Audit, Using CAAT/GAS Tools & Using MS-Excel as an audit tool for on-demand training.
  - o CPE Course on CAAT organized by Regional Councils/ Branches.
- Technical Guides: Technical Guide on IS Audit and Technical Guide on Systems Audit of Stock Brokers CTCL
- IT Harmony: The e-newsletter of the Committee providing monthly technology updates on the selected theme.

Considering the emerging need and demand for Forensic Accounting and Fraud Detection, the Committee has taken the initiative to start this certificate course.

Forensic Accounting

"Forensic Accounting is the application of accounting principles, theories and discipline to facts or hypothesis at issues in a legal dispute and encompasses every branch of accounting knowledge" AICPA.

"Forensic Accounting is a science that deals with the relation and application of finance, accounting, tax and auditing knowledge to analyse, investigate, inquire, test and examine the mater in civil law, criminal law in an attempt to obtain the truth from which to render an expert opinion" Horty.



Forensic Accounting encompasses the use of accounting/ auditing, investigative skills, data mining and the use of computer as an audit tool. It emphasizes a forensic approach in place of a risk management/ control approach to the analysis of corporate governance. It entails a check-up for cyber frauds, prevention and detection.

Forensic Accounting and Fraud Detection is now becoming increasingly important particularly for insurance companies, banks, police, and government agencies considering the growing incidence of cyber crimes / frauds and corporate failures.

Chartered Accountants, with their sound grounding in accounting/ auditing/ business requirements/ legal requirements, are the most appropriate professionals to offer Forensic Accounting and Fraud Detection services. The requisite training and knowledge set, is proposed to be offered as a part of this certificate course.

Forensic Accounting Profession

Due to spate of corporate failures all over the world in recent times, accounting and finance professionals have greater responsibilities to equip themselves with advanced skills to identify and act upon the indicators of poor corporate governance, mismanagement, fraud and other wrongdoings.

Conventional business-related education focuses on management styles and techniques, financial management, and how internal and external transactions were recorded and interpreted. It is now necessary to analyses the underlying characteristics of corporate activities, and identify corporate governance issues including potentially unethical or fraudulent behavior at all levels of the organisation.

Forensic accounting is the practice of utilizing accounting, auditing, and investigative skills to determine whether fraud has occurred. In this capacity, the forensic accountant quantifies damages sustained by parties, whether or not involved in legal disputes and can assist in resolving disputes, even before they reach the courtroom. If a dispute reaches the courtroom, the forensic accountant may testify as an expert witness.

Investigation is the act of determining whether criminal matters such as employee theft, securities fraud (including falsification of financial statements), identity theft, and insurance fraud have occurred. As a part of the forensic accountant's work, he or she may recommend actions that can be taken to minimize future risk of loss. Investigation may also occur in civil matters. Forensic accounting involves looking beyond the numbers and grasping the substance of situations. It's more than accounting…more than detective work - it's a combination that will be in demand for as long as human nature exists. Who wouldn't want a career that offers such a stability, excitement, and financial rewards?

Forensic Accounting and Fraud Detection involves extensive use of CATT/GAS, Data Mining and other computer tools as most data is now processed through computer, in short, forensic accounting requires the most important quality a person can possess: the ability to think. Far from being an ability that is specific to success in any particular field, developing the ability to think enhances a person's chances of success in life, thus increasing a person's worth in today's society. Why not consider becoming a forensic accountant? It's an investment in you!

Course Objectives

The course aims to develop investigative skills required to uncover corporate/ business fraud, measure resultant damage, provide litigation support/ outside counsel by applying accounting, Audit principles for the detection of frauds and using computer as a tool for audit , investigation and reporting.

Learning Outcomes

- Assessment of the damages caused by auditor's negligence.
- Fact finding to see whether embezzlement has taken place.
- Collection of evidences in a criminal processing.
- Investigating and analyzing financial evidence.
- Using CAAT/GAS, Data Mining and other computer tools for forensic accounting.
- Developing computerized applications to assist in the analysis and presentation of financial evidence.
- Communicating the findings in the form of reports, exhibits and collections of documents.
- Assisting in legal proceedings, including testifying in courts, as an expert witness and preparing visual aids to support trial evidence

Apart from the comprehensive theoretical aspects, this course, first of its kind in India, will sharpen the expertise and excellence of our members through multiple case studies across the industry like insurance companies, banks, police force and government agencies etc.

Course Registration & Course Batches

While the course registration is open throughout the year, batches would start in respective cities where a break-even batch size (20) becomes available. It is, hence, highly recommended that members may approach their respective Regional Council/ Branch Offices to tentatively register for the course, which in turn would coordinate for starting a batch.

Course registration is on the receipt of a duly filled-in and signed form available on Committee on Information Technology Portal at http://isa.icai.org along with the course fee and requisite enclosures. Course registration is on first-come-first-served basis.

Technical Desk FAFD Course

The Committee has established a Technical Desk to provide requisite support/ assistance, course registration etc., at the following address:

Technical Desk FAFD Course
The Institute of Chartered Accountants of India | Committee on Information Technology
ICAI Bhawan, Plot No. 52-54, Vishwas Nagar, Shahadara, Delhi 110 032, India
E-Mail ID: cc.fafd@icai.org Website: http://isa.icai.org | www.icai.org
Telephone: 11 39893990 Ext. 621 | 30210621 | 619. Fax: 011 30210681

Course Curriculum/ Modules

Module (Time %)	Particulars
1. Forensic Accounting & Fraud Detection An Introduction (20%)	Introduction to Fraud, Forensic Accounting Definitions and concepts, illustrations. Frauds leading to Business Failure, Concept of Red Flags, Study of AAS4 for situations of fraud, Types of Red Flags.
2. Forensic Accounting Tools (40%)	Advanced Investigative Techniques, Methods of discerning Red flags in financial statements/ records, and other physical checks, Analytical methods of investigating- trends, patterns, Mathematical tests like Bedford's Law, Luhn's algorithm etc. Special methods of investigation such as Birbal Tricks, Traps Tiger, Team Tests, Repetitive Tests, Other Tests Use of Software- Data Mining and Analysis in Fraud Detection, Complete module with a comprehensive case study on how to do data mining for investigation and advanced audit. IT Forensics- Computer and Digital tools, Use of digital tools for computer forensics, Concepts of disk imaging, File recovery, Use of various tools and techniques examining questioned documents, Tools and techniques of examining cheques, documents, signatures.
3. Forensic Accounting Processes & Procedures (20%)	Field inquiries and investigation techniques of surveillance, Use of Decoys and sting operations. Interviewing and Interrogation Techniques, Difference between interviewing and interrogation, Frauds in key industry- Banking, Advertising, Insurance, Petrochemicals, Engineering, telecommunications etc. Processes & Procedures for fraud detection, investigation, and prevention of specific types of frauds committed against organizations and individuals.
4. Forensic Accounting & Legal Environment (10%)	Legislation related to fraud examination including the laws that preserve rights of individuals suspected of committing fraud and the laws that govern civil and criminal prosecutions, the admittance of evidence, and the testimony of expert witnesses.

Who Can Join?

Members of the Institute and CA Final Qualified Students can only join/ participate in this course.

Course Batches

The Course will be conducted initially at New Delhi, Mumbai, Kolkatta and Chennai. Course would also be available at other cities where there are confirmed 20 delegates. Members are hence requested to contact their Regional Office/ Branch to form a batch.

Later on the course will also be conducted at other major cities.

Overall Scheme

Course delegates have to pursue Self Study of Course Background Materials, Professional Training classes with 90% attendance (to be organized on Sat/ Sun) and undertake Case Study work.

Course Fee

The Course Fee for this course is Rs. 25000/- (Rupees Twenty five thousand only) payable by Pay Order/ Demand Draft drawn in favour of “The Secretary, ICAI” payable at Delhi/ New Delhi. Course registration fee once paid is non- refundable under any circumstances and the Institute will not entertain any correspondence in this regard. Course fee includes Professional Training of 100 hours and cost of first Assessment Test.

Candidates are requested to confirm the availability of convenient batches at their city before registering as the office would have to wait for the formation of confirmed Break-Even-Batch of 20 delegates, before starting the classes.

Updated Details on Committee Portal - http://isa.icai.org

The Committee would be hosting details of forthcoming batches and updated details from time to time on the aforesaid Committee portal. Members are requested to visit the said portal site regularly for updated details.

Review/Assessment Test

Candidates who successfully complete the Professional Training with 90% attendance can take the review/ assessment test which would be organized on the last class. Assessment Test Fee for second and subsequent attempt is Rs.1,000/- payable by Pay Order/ Demand Draft drawn in favour of “The Secretary, ICAI” payable at Delhi/ New Delhi one month before the scheduled date of the Test, as announced from time to time. A candidate who secures 50% marks in aggregate would be declared successful. There is no limit to the number of attempts that a candidate can take for the evaluation test.

The Review/ Assessment Test would be an Objective Type Test (OMR Sheet) with four sections covering 200 questions with four options as follows:

Section	%Questions
Fraud Investigation	50 %
Computer Forensics	25 %
Field Investigation	15 %
Interviewing/ Procedures/ Processes	10 %

Negative marking for incorrect answers.

National Course Directors

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Frequently Asked Questions FAQ's

How Do I join the Course? Please check with your Regional Council/ Branch about forthcoming batch and then join as we have to wait for formation of a BEP batch of 20 candidates.

Can I change batch/ centre? You have to complete the course at the centre/ batch which you join change of centre/ batch is not allowed.

Reference Books: Copies of the course reference books would be available in the Regional Council/ Branches where the course batches are organized.

Is there any exemption from attending the Classes? No. It is compulsory to attend 90% of the classes to successfully complete the course.

Participation Certificate

Delegates who successfully qualify the evaluation test would be awarded a participation certificate in appropriate form.

CPE Hours

Delegates who successfully complete the course would get 20 CPE Hours.

Course Duration/ Scheme

The Course Duration/ Scheme for the Certificate Course on Forensic Accounting and Fraud Detection using IT & CAATs envisages following components:

Particulars	Duration (Hours)
Self Study	100
Professional Training (Sat/ Sun)	100
Total	200

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