



Forensic Accounting Education in India: An Insight

Dr. Mrinal Gaurav¹, QuiserAman²

¹Assistant Professor, Yogoda Satsanga Mahavidyalaya, Ranchi

²Research Scholar, Ranchi University, Ranchi, Department of Commerce and Business Management

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ABSTRACT

“Forensic Accounting is a new facet in the domain of accounting and auditing which is speciality area where the forensic accountant examines the financial information in order to detect and investigate financial fraud. With surge in financial crimes, forensic accounting education is the imperative need which would groom and train students and professional in a way that are equipped to identify and examine occupational fraud. This article examines the present state of forensic accounting education availability and courses in Indian education system. This research is beneficial in acquiring a thorough understanding of the forensic accounting courses offered at the graduation, post graduation and professional stages, particularly in finance and accounts field. Developing and expanding forensic accounting educational program has created lots of interest all over the world thus the finding will provide an insight into the present opportunities for forensic accounting education in India.”

Key Words: Education, Forensic Accounting, Corporate Fraud

Introduction

As said by Albert Einstein, education is all about training the brain to think and it is not only about learning the facts. In the recent years India has witnessed various corporate frauds (e.g. Satyam computers, PNB LC fraud, DHFL, IL & FS etc.) which have crumbled the investor confidence. The consequential impact of corporate fraud can be understood by the fact that “More money has been stolen at the point of a pen - than at the point of a gun” -Schmallegger (1991) thus weneed trained minds and a dedicated system of checks and balances to detect and prevent this type of corporate scandals and one of the most powerful tool to combat this is “forensic accounting”. In diverse investigative accounting situations and litigation support, forensic accountants integrate their accounting knowledge with investigation skills. Forensic accountants, forensic auditor, or fraud examiner by whatever name they are called with, they are professional who looks into the financial information with detectives’ eyesight.

Forensic accounting is described as the examination of financial statements to identify elements of fraud (if any) by applying accounting, auditing, and investigation abilities and gather evidences which is suitable to be used in a court of law.

The demand for forensic accountants is expanding rapidly as a result of increased awareness and growing sensitivity towards illicit financial practices. In India forensic accountants are employed by audit consulting firms like KPMG, PricewaterhouseCoopers, Deloitte Touche Tohmatsu Limited and empanelled by various regulators such as Securities and Exchange Board of India, Reserve Bank of India, IRDA and they are also hired by lending organisations and investigative agencies like EOW of Central Bureau of Investigation and Serious Fraud Investigation Office (SFIO).

The complexity in techniques of committing fraud and magnified use of technology has triggered the thought of professionals, business owners, law-makers and academicians to develop a specific branch of auditing and accounting which will educate and train the students and professionals so that they can become a part in creating good corporate governance environment across the country and boost the trust of investors and lenders.

But there is gap between the demand from the industry and what Indian education system provides in terms of content and number of courses related to forensic accounting. Investigating an occupational fraud required specialised skill sets which look beyond the conventional audit framework.

According to a document submitted by West Virginia University on forensic accounting education in the year 2007, the demand for accounting students with specialised qualifications in forensic accounting and fraud has increased significantly and is expected to continue to increase, providing an opportunity for universities and other institutions to provide associated courses and programmes.

Many institutions in developed nations, such as the United States, have added courses on forensic accounting into their accounting curriculum in order to meet the industry's demand for forensic accountants (Ozkul and Pamukcu, 2012). Practitioner and academicians believe that forensic accounting education should be included in accounting curricula since it is an important topic that is growing rapidly and has gained high level of student's interest (Bonita Kramer, Michael Seda and GeorgiyBobashev, 2017).

In India there are few courses on forensic accounting offered by institutions like the Institute of Chartered Accountants of India, The Institute of Cost Accountants of India, IndiaForensics, and NSE etc.

Objective and methodology of the study:

Objective of the study is to gain the insight of forensic accounting course offered and education provided by Indian institution related to fraud examination. The design of this study is based on secondary sources and the data has been gathered from variety of articles and research papers published in national and international publications, as well as book's chapters both online and hardcopy. The websites of Institution and universities in the India has been reviewed to understand the extent to which institutions offer courses related to forensic accounting and to ascertain the educational level at which there courses are provided (e.g., certificate course, degree or diploma).

Literature Review:

Praphulla Chandra N., Anitha H. S (2020) they discussed in their paper that only few Professional Institutions like ICSI, ICAI, and few universities have incorporated forensic accounting course in their curriculum. They pointed that the rate of fraud in India is on the rise, as is the demand for forensic accountants. Forensic accounting experts are needed by auditing firms, including the Big Four consulting firms. Forensic accounting should not become a niche area of competence and knowledge for a chosen few. It should be included in the curriculum at both the postgraduate and undergraduate levels throughout the country.

Rezaee et al. (2004) surveyed CPAs and academician to find out what they think about the benefits of forensic accounting education. While both segments agreed that forensic accounting education can equip students to conduct fraud examinations, they disagreed on whether forensic accounting education can educate students to do expert witnessing and litigation support consulting and, two other key forensic accounting fields.

Bhavani M G and Mehta A, (2017) conducted the study of Forensic Accounting Education in the UAE, this is the first and foremost study on forensic accounting in the United Arab Emirates federal and "commission for academic accreditation"-accredited universities. They highlighted in the result of their study that the market for forensic accountants is expanding, as is the demand for forensic accounting. Federal and CAA-accredited universities in the UAE should seriously consider include this course in their postgraduate and graduate accounting and auditing curricula. There is a need for at least one forensic accounting course to be offered at all United Arab Emirates universities.

Davis et al. (2009) questioned CPAs, attorneys, and academicians to identify the skills and characteristics required by forensic accountants. They explored that analytical skills are the most important quality needed, but in addition to this they must have the knowledge of criminology, evidence sources, financial statement fraud schemes, interviewing and interrogation skills, inter personal skills, technology based fraud techniques which are not being taught in accounting courses.

Supriya. H (2019) concluded in her study that the forensic accounting should be included in the curriculum. This will aid both the corporation and government in keeping crime under control at first. Simultaneously, necessary legislative changes should be implemented to recognize the value of forensic accounting in general and forensic accountants in particular.

Kramer, B et al. (2017) have done statistical analysis of survey to conclude that the findings of their article can assist educators who are thinking about offering forensic accounting courses or who want to improve or enhance their current forensic accounting coursework. Students interested in a career in forensic accounting can use these results to help them choose courses that will help them build skills that companies value.

Zango, A. G, (2017) conducted a research to study the interest and future demand in 3 types of forensic accounting services (fraud Examination, expert witness, fraud examination). The majorities of both sets of respondents believe that interest for and demand in all 3 kinds of forensic accounting services will grow in the future. However, there are statistically significant differences in the nature of interest and demand in expert witness and litigation support between the two groups of respondents. He asked the respondents to assess the relevance of possible benefits of forensic accounting education on a 5-point Likert scale, with "5" representing "very important" and "1" indicating "not important," given the rising demands for forensic accounting practice and education.

Broad content classification of the courses on forensic accounting in India:-

1. Introduction to Fraud and Forensic Accounting
2. Various types of corporate frauds.
3. Roles of the Forensic Accountant
4. Anti corruption, money laundering and bribery laws.
5. Identification of Red and green flags.
6. Data Collection Methodology.
7. Data preservation and Documentation.
8. Evidence Handling and preservation.
9. Corporate Ethical Practices
10. Financial Statement Analysis
11. Data Driven Fraud Detection
12. Phone and Cyber Forensics
13. Cyber and Information Technology Laws
14. Fund Tracing and Asset Tracing
15. Field Intelligence
16. Fraud Data Analysis
17. Data mining techniques
18. Law Enforcement
19. Case Studies

20. Forensic Audit Interview

Benefits of Forensic Accounting Education in India

1. Encourages good corporate governance mechanism in India.
2. Increasing the trustworthiness in financial reporting.
3. Meeting the requirement for forensic accounting education and practice in society.
4. Increasing the value of students and professionals in the marketplace.
5. A rise in the demand for those with forensic accounting skills and education.
6. Preparing professionals to undertake fraud investigation assignments.

Some of the courses on forensic Accounting offered in India

Name of Course	Name of Institution/University	Category of Course	Duration
PG Diploma in Forensic Accounting	National Forensic Science University,	Post Graduate Diploma	1 Year
MBA in Forensic Accounting & Fraud Investigation	National Forensic Science University,	MBA	2 Years
Fundamentals of Forensic Accounting	National Forensic Science University,	Certificate Course	1 Month
Certified Forensic Accounting Professional	NSE Academy and Riskpro (Parent Co. of Indiaforensic)	Certificate Course	3 Months
Certificate Course on Forensic Accounting and Fraud Detection	Institute of Chartered Accountants of India	Certificate Course	7 Days
Diploma In Forensic Audit	The Institute of Cost Accountants of India	Diploma	100 Hrs.
Certificate course on Forensic Audit	The Institute of Company Secretaries of India in association with KPMG	Certificate Course	25 Hrs
MBA In Forensic Accounting	BML Munjal University With KPMG	MBA	2 Years
M. Com[Forensic Accounting And Corporate Fraud Management]	Presidency university	M.Com	2 Years
B.Com-Forensic Accounting	HKBK Degree College	B.com	3 Years
Certified Bank Forensic Accountant	Riskpro Learning	Certificate Course	2 months
Advanced Diploma In Forensic Accounting Course	Bharat SevakSamaj	Advanced Diploma	1 Year
Advanced diploma in Forensic Accounting	Indira Group of Institution	Advanced Diploma	1 Year
Short Term Certificate (No Exam) in Forensic Accounting and Fraud Examiner	IFS Education Dept. (International Forensic Science Institute)	Certificate Course	02 Months
Advanced Certification in Forensic Accounting and Fraud Examiner	IFS Education Dept. (International Forensic Science Institute)	Certificate Course	06 Months
PG Certification in Forensic Accounting and Fraud Examiner	IFS Education Dept. (International Forensic Science Institute)	Certificate Course	12 Months
Certification (Expert/Gold) in Forensic Accounting and Fraud Examiner	IFS Education Dept. (International Forensic Science Institute)	Certificate Course	06 Months
Professional Specialized Certification in Forensic Accounting and Fraud Examiner	IFS Education Dept. (International Forensic Science Institute)	Certificate Course	12 Months
Universal Certification in Forensic Accounting and Fraud Examiner	IFS Education Dept. (International Forensic Science Institute)	Certificate Course	12 Months

Conclusion and recommendation

Internationalization, technology advancements, and now, with high-profile corporate frauds cases, questions for the improvement of public trust and investor confidence in financial statements. Emerging difficulty in legal, ethical, economic, social, and regulatory front by corporate and government has motivated institution across the globe to devote more attention in the domain of forensic accounting. Thus following this trend in India some of the institutions are providing courses in forensic accounting but majority is for professionals like CA, CS, and CMAs not for Post Graduation and Graduation students. With increasing demand of fraud examiners Indian universities and institution should inculcate courses on forensic accounting in

their regular curriculum at least as an elective paper. The inclusion of forensic accounting in the accounting and finance education will help graduation and post-graduation students to succeed in their employment and make the transition from college to professional career easy.

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