



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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AN INITIATIVE OF  
BOARD OF ADVANCED STUDIES  
& RESEARCH



FORENSIC  
AUDIT

BROCHURE

DIPLOMA IN

FORENSIC  
AUDIT

DFA FIRST BATCH

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Behind every successful business decision, there is always a **CMA**

## THE INSTITUTE

The Institute of Cost Accountants of India is a statutory body set up under an Act of Parliament in the year 1959. The Institute as a part of its obligation, regulates the profession of Cost and Management Accountancy, enrolls students for its courses, provides coaching facilities to the students, organises professional development programmes for the members and undertakes research programmes in the field of Cost and Management Accountancy. The Institute pursues the vision of cost competitiveness, cost management, efficient use of resources and structured approach to cost accounting as the key drivers of the profession. In today's world, the profession of conventional accounting and auditing has taken a back seat and cost and management accountants are increasingly contributing toward the management of scarce resources and applying strategic decisions. This has opened up further scope and tremendous opportunities for cost accountants in India and abroad.

After an amendment passed by Parliament of India, the Institute is now renamed as "The Institute of Cost Accountants of India" from "The Institute of Cost and Works Accountants of India". This step is aimed towards synergising with the global management accounting bodies, sharing the best practices which will be useful to a large number of trans-national Indian companies operating from India and abroad to remain competitive. With the current emphasis on management of resources, the specialized knowledge of evaluating operating efficiency and strategic

management the professionals are known as "Cost and Management Accountants (CMAs)". The Institute is the 2<sup>nd</sup> largest Cost & Management Accounting body in the world and the largest in Asia, having approximately 5,00,000 students and 85,000 members all over the globe. The Institution headquartered at Kolkata operates through four regional councils at Kolkata, Delhi, Mumbai and Chennai and 110 Chapters situated at important cities in the country as well as 11 Overseas Centres. It is under the administrative control of the Ministry of Corporate Affairs, Government of India.

## BOARD OF ADVANCED STUDIES & RESEARCH

The Board of Advanced Studies & Research has been constituted by the Institute in order to provide advanced knowledge and specialized training on various areas of Cost & Management Accountancy, including finance and other allied subjects.

The Board shall design, develop and deliver advanced courses that are of interest to Management Accountants and other professionals. It will also take up research in the area of Management Accounting and allied field of study.

Advanced courses are designed for up-gradation of existing knowledge and skills and for acquiring new knowledge and skills. The courses aim to prepare practicing members and professionals to take up new areas of practice and consultancy and for members/professionals in industry to shoulder higher responsibilities.

## Messages



I am delighted to share that the first batch of 'Diploma in Forensic Audit' Course will commence from September 2021 for the professional engagement of the students and members of the Institute. Participants can access the course modules from remote places through the DFA Portal.

We have received an overwhelming response from the students and members across the country about the Course.

I wish every success of DFA Course.

**CMA P. Raju Iyer**  
Vice President  
The Institute of Cost Accountants of India



I am very much confident that participants of this first batch of 'Diploma in Forensic Audit (DFA)' Course will experience an engaging journey by exploring the latest information and tools to develop and shape a well-directed professional career in the Cost and Management Accountancy domain.

I am thankful for the continuous efforts by CMA Debasish Mitra, Council Member & Chairman, Board of Advanced Studies & Research and his team to launch innovative and extremely useful courses for the members & students.

I am sure that participants will take maximum benefit out of it to become future-ready professionals.

**CMA Biswarup Basu**  
President  
The Institute of Cost Accountants of India



The Board of Advanced Studies & Research is delighted to launch the 1<sup>st</sup> batch of 'Diploma in Forensic Audit (DFA)' Course Pan India. The Course is now available in Online Platform in order to facilitate the participants to access the Course contents with a more personalized touch even from remote places. This remote access to DFA contents will reach the unreached and will create an opportunity to study and practice its various technical sessions on a 24 X 7 hour basis. Moreover, we are providing adequate online sessions by expert faculty members to train the participants.

We are very much grateful to our beloved President, Vice President and Council Members of the Institute for their keen support and cooperation to start the DFA Course in Online Platform for the benefit of the members and final level CMA students.

Wish you all the very best in all of your future professional endeavors.

**CMA Debasish Mitra**  
Chairman - Board of Advanced Studies & Research  
The Institute of Cost Accountants of India

## 1.0 DFA Course Overview

**F**orensic Audit' is assuming critical importance in India and globally in the wake of numerous financial frauds, corporate misconduct and unethical business practices and high incidence of cybercrime. Forensic Audit has come into limelight due to rapid increase in financial frauds and white-collar crimes perpetrated in almost every sector in all industry verticals. Forensic Audit and Fraud Examination is both a preventive and detective control that works towards a corruption-free economy which in turn paves the way for perpetual investment, stable eco-system and ever-increasing growth in economic prosperity and buoyant capital markets. The integration of Accounting, Audit and investigative skills creates the specialty of Forensic Auditor. Forensic Audit uses accounting, auditing, CAAT/ Data Mining, behavioural and investigating skills to conduct investigations, in case of embezzlement, financial misconduct, contract non-compliance and other fraud cases. The role of Forensic auditors is to identify the perpetrators of financial theft and frauds including tracing money laundering, identifying illegal/ unethical activities as well as tax evasions.

Forensic Audit and Fraud examination specialization is in increasing demand worldwide considering increasing incidents of cyber-crimes and frauds. Money Laundering has become important in the wake of the 9/11 attacks on World Trade Centre. In India Prevention of Money Laundering Act was passed in 2002. Thus, forensic auditors also have significant opportunities of working in the banking and financial services sector.

The ICAI 'Diploma in Forensic Audit' (DFA) is a blend of theoretical, Case studies and practical training and is intended to equip the participants with concepts in Forensic audit which aims at sensitizing Fraud Investigators, Auditors, security Professionals, and IT executives about the risks and mitigation strategies for an effective business environment. It provides an incisive analysis of how fraud occurs within an organisation and the latest cutting-edge avant-garde techniques of finding it. Forensic Audit issues can have significant implications for both corporations and individuals. Many disputes and investigations involve forensic auditing considerations. The study of forensic auditing is important for any business major, but it has added importance for Professionals interested in Fraud detection and prevention related careers. Forensic Audit considerations are frequently intertwined with other fundamental areas of accounting including:

- ⊙ Forensic Psychology
- ⊙ Organisational Behavior
- ⊙ Taxation
- ⊙ Law – Corporate, Money Laundering, Insolvency etc.
- ⊙ Law – Information Technology Act 2000, Amendment Act 2008 and IT Rules 2021
- ⊙ Financial Reporting
- ⊙ Transaction Advisory
- ⊙ Internal Audit
- ⊙ Information Systems
- ⊙ Cyber Security

The Council of the Institute of Cost Accountants of India, recognizing the need for Forensic Audit and Fraud Examination, in the emerging economic scenario, has decided to launch this 'Diploma in Forensic Audit' Course under the aegis of the Board of Advanced Studies & Research. Cost & Management Auditors, Finance Professionals, Internal Auditors, Industry Professionals can thus bolster their client service capabilities and sharpen skills with an in-depth understanding of forensic audit which the Course offers.

## 2.0 Course Objectives

- ⊙ Introduce the Role, Scope and Tools of Forensic Audit Fraud Examination
- ⊙ Enable Career development and practice specialization in Fraud Examination, Forensic Audit
- ⊙ Professional development opportunities
- ⊙ Provides development of Ethical Code in forensic audit & fraud investigations
- ⊙ Enhances Skill development and contributes to a corporate and social environment free of frauds, helps in examination of financial crimes

## 3.0 Course Benefits

- ⊙ Practice opportunities in Forensic Audit, Fraud Risk Management
- ⊙ Enables professional practice in specialized domain in Fraud Examination
- ⊙ Serves as differentiator in Employment market with regulatory bodies and professional services firms offering more employment vacancies in Financial & digital Forensics sector and Anti-Money Laundering
- ⊙ Global scope of Forensic Audit – possibility of networking with overseas regulators in carrying out international assignments
- ⊙ Empanelment with Banks, Insurance companies, Stock exchanges, depositories, PSU & Regulators for carrying out Forensic Due Diligence
- ⊙ CEP Credits – 10 CEP hours shall be awarded to the members of the Institute after successful completion of the DFA Course

## 4.0 Course Outcomes

- ⊙ Classification of the Corporate fraud schemes based on different schemes of financial statement fraud
- ⊙ Understanding the red flags and green flags of the corporate fraud schemes - Early warning signals in the corporate sector helps to detect the frauds timely
- ⊙ Actions to be taken by Corporate Internal audit & finance teams to prevent the corporate frauds
- ⊙ Process of frauds examination and investigation, litigation support - Number of Investigation techniques are discussed
- ⊙ Preparation of Forensic Audit Report along with Documentation requirements
- ⊙ Leveraging the Digital tools used in investigating the frauds - the data analysis and data recovery tools used in any forensic investigation

- ⊙ Understanding the ethical and legal environment and responsibilities of a forensic auditor
- ⊙ Application of applicable Forensic Audit and investigation Standards and SOP for forensic audits

## 5.0 Course Eligibility

- ⊙ Practicing Cost Accountants
- ⊙ CMAs in the Employment at various roles
- ⊙ CMA Insolvency professionals / Registered Valuers
- ⊙ CMA Final Students

- *who are interested to specialize in Forensic Audit field in Industry and Corporate Sector, Consulting, Banks, Insurance, IT and other sectors, both in India and abroad*

## 6.0 Course Duration & Delivery

- ⊙ 100 hours of integrated curriculum spreading across 6 months
- ⊙ 80 hours of online sessions by experienced faculty over the weekends covering advanced concepts practical application of concepts and query resolution
- ⊙ 20 hours of Pre-Recorded video contents
- ⊙ Online Assessment after completion of the 100 hours course
- ⊙ Certificate will be issued after successful completion of the Examination

## 7.0 Pedagogy

Pedagogy may incorporate active learning approaches such as:

- ⊙ In-class discussions (online)
- ⊙ Recorded sessions
- ⊙ Candidate presentations
- ⊙ Case studies and simulations
- ⊙ Collaborative learning activities
- ⊙ Role-plays and mock Tribunals
- ⊙ Brainstorming and creative exercises
- ⊙ Analysis of realistic data files

## 8.0 DFA Course Modules at a Glance

<b>Module I</b>	<b>Introduction to Forensic Audit, Applicable Laws &amp; Regulatory Environment</b>	<b>[40 hours]</b>
<b>Module II</b>	<b>Fraud Risk Management, Applicable Standards &amp; Best Practices, Financial Forensics &amp; Forensic Audit Techniques</b>	<b>[30 hours]</b>
<b>Module III</b>	<b>Fraud Examiner, Engagement Management, Documentation &amp; Quality Control</b>	<b>[20 hours]</b>
<b>Module IV</b>	<b>Ethical Considerations, Code of Conduct in Fraud Examination &amp; Forensic Audit, Professional Opportunities</b>	<b>[10 hours]</b>

## DFA COURSE MODULES AND CONTENTS

### Module I: Introduction to Forensic Audit, Applicable Laws & Regulatory Environment [40 hours]

#### Learning Objectives

Creating awareness to participants regarding type of frauds, accountability for fraud prevention & detection, overview of Forensic audit and understanding of Legal framework

#### Learning Outcome

After successfully completing this Module, participants will be able to:

- ⊙ Appreciate the concept, types of frauds
- ⊙ Understand Regulatory framework
- ⊙ Analyze Process of forensic audit
- ⊙ Apply legal provisions

#### Contents

- ⊙ Course Introduction, Business Fraud Scenario and Fraudster Profile
- ⊙ Frauds related Basic Concepts
- ⊙ Fraud as per Section 447 of Companies Act 2013
- ⊙ Fraud Triangle, Types, Sector Classification
- ⊙ Cyber-crime, Digital Incident Response
- ⊙ Revenue Fraud, Expense fraud, Bribery, Kickback, Tax fraud
- ⊙ Inventory Fraud, HR Fraud
- ⊙ Forensic Audit Interview, Financial Statement Fraud Case Studies
- ⊙ Case Studies on Banking Frauds

- ⊙ Red Flags - Concepts and Techniques
- ⊙ Red and Green Flags - Case Studies
- ⊙ Domestic & International Fraud related Laws – Overview of Legal & Regulatory Framework, Forensic Auditor & Legal Environment (e.g., SEC, PCAOB, DOJ, NFRA, CBI, ED, SFIO etc.)
- ⊙ FCPA (USA)
- ⊙ PMLA
- ⊙ IT Act, Digital Forensics & Cyber Laws
- ⊙ PCPA 1988
- ⊙ IBC 2016
- ⊙ RBI, SEBI Guidelines
- ⊙ Civil & Criminal Procedure
- ⊙ Fugitive Economic Offenders Act 2018
- ⊙ Internal Financial Controls (IFC) as per Companies Act 2013 (Sec 143, 134), Auditing Standards, Fraud under the Companies Act
- ⊙ Fraud Reporting under section 143(12) of Companies Act 2013
- ⊙ Fraud reporting to RBI CFMC via FRMS
- ⊙ International Tax & Tax frauds – GAAR, BEPS, PoEM, Issues in Tax evasion
- ⊙ Application of Mathematical Quantification in Forensic audit

## Module II: Fraud Risk Management, Applicable Standards & Best practices, Financial Forensics & Forensic Audit Techniques [30 hours]

### Learning Objectives

Enabling participants to identify business risks, risk of fraud, fraudulent transactions & indicators signifying different types of fraud

### Learning Outcome

After successfully completing this Module, participants will be able to:

- ⊙ Appreciate types of frauds
- ⊙ Identify threats in Forensic audit and deploy safeguards
- ⊙ Understand connect between Internal Controls and fraud deterrence
- ⊙ Identify fraud risk indicator, red flags and green flags
- ⊙ Manage fraud risk
- ⊙ Conduct forensic audit

### Contents

- ⊙ Fraud Risk indicators
- ⊙ Fraud Risk Management process
- ⊙ Early Warning Indicators of fraud, Money laundering, misconduct
- ⊙ Banking: Fraud Risk Assessment in Credit decisions
- ⊙ Credit information analysis, indicators of Willful defaults
- ⊙ Fraud investigation Role & scenario analysis
- ⊙ Fraud Investigation and Engagement Processes
- ⊙ Forensic audit plan, program, field work, evidence, Court proceedings, coordination with law enforcement agencies, engagement conclusion
- ⊙ Fraud prevention & detection – Case Studies
- ⊙ Frauds in IT / ERP environment, Computer & Cyber forensics
- ⊙ Expert witness, Dispute Resolution
- ⊙ Money Laundering, financial crimes in cross-border transactions
- ⊙ Considering fraud in financial statement audit (ISA- 240)
- ⊙ IIA Standards / Guidance on Fraud prevention / detection
- ⊙ International best practices & Advisories in Forensic Audit
- ⊙ Introduction to Data Extraction, Digital Forensics and Cyber Crime,
- ⊙ Relative Size Factor (RSF), CAAT – Learning to implement RSF in Excel: Case Studies

- ⊙ Use of Benford Law, Luhn's Algorithm - Case Studies
- ⊙ Hollinger Clark Theory
- ⊙ Using Excel in fraud risk analysis
- ⊙ Data Mining: mining for susceptible transactions by shifting through transactions and filtering out transactions that are indicative of kick-backs, non-compliance with laws, rules or organizational policies, etc.
- ⊙ Introduction to Generalized Audit Software (GAS IDEA)
- ⊙ Features of IDEA, setting a Working Folder, Getting Data into IDEA
- ⊙ Data Manipulation and Interrogation, Indexing, Sorting
- ⊙ Navigating in the database (Go To), Display Items Containing (Display Criteria), Find, Search
- ⊙ Field Manipulation, Extractions
- ⊙ Analyzing Data and Audit tests, Detecting Gaps, Detecting Duplicates
- ⊙ Forensic Lexicology: How to Analyse Words Like Numbers
- ⊙ Forensic Indices
- ⊙ Forensic Financial Analysis – manipulation and window-dressing of financial statements – potential techniques and detection patterns
- ⊙ Valuation & Forensics - Why & How
- ⊙ A Forensic Accounting Methodology to Support Counterterrorism

## Module III: Fraud Examiner, Engagement Management, Documentation & Quality Control [20 hours]

### Learning Objectives

Enabling participants to understand and appreciate the Role of a Forensic auditor and fraud examiner, terms of engagement and managing assignments, how to conduct interviews and interact with Regulators, gathering Evidence and Forensic Audit Report drafting

### Learning Outcome

After successfully completing this Module, participants will be able to:

- ⊙ Carry out the role of fraud examiner
- ⊙ Manage forensic audit engagements
- ⊙ Coordinate and communicate with appointing authorities and Regulators
- ⊙ Draft Forensic Audit Report
- ⊙ Understand Documentation & Quality Control aspects

- ⊙ **Contents**
- ⊙ Fraud Prevention and Deterrence programs
- ⊙ Risk, detection, Evidence & Response, Investigation
- ⊙ Internal Control, COSO, COBIT, Control Effectiveness Index & Fraud incidence
- ⊙ Financial fraud - field investigations
- ⊙ Fraud Discovery, Methods & Techniques of investigations
- ⊙ Interaction with Regulators
- ⊙ Engagement Letter/ Terms of Reference
- ⊙ Non-Disclosure Agreement (NDA)
- ⊙ Coordination with Corporate Internal Audit function
- ⊙ Using the services of an Expert
- ⊙ The Evidence Collection Process
- ⊙ Fraud Examination Evidence I: Physical, Documentary and Observational Evidence
- ⊙ Fraud Examination Evidence II: Interview and Interrogation Methods
- ⊙ The Fraud Report, Litigation, and the Recovery Process
- ⊙ Profiling of key suspects and informants
- ⊙ Using inputs from Whistle-blowers
- ⊙ Interviewing: Questions about interviewing, taking statements, obtaining information from public records, tracing illicit transactions, evaluating deception and report writing
- ⊙ Litigation Support
- ⊙ Role of Internal Auditor in detecting frauds, Relevant Standards – SIA 11
- ⊙ Engagement Terms, Quality Control and response in overseas international environment
- ⊙ Documentation of observations
- ⊙ Forensic Audit Report – structure, flow and drafting of observations, recommendations
- ⊙ Willful defaults and Corporate Insolvency & Bankruptcy – emerging Forensic audit aspects
- ⊙ Safety Risk management for Forensic auditor and engagement team – best practices

## Module IV: Ethical Considerations, Code of Conduct in Fraud Examination & Forensic Audit, Professional Opportunities [10 hours]

### Learning Objectives

Enabling participants to identify, appreciate and uphold highest ethical Standards and considerations while performing Forensic audits and fraud examinations.

### Learning Outcome

After successfully completing this Module, participants will be able to:

- ⊙ Appreciate Quality control and ethical issues in Forensic Audit
- ⊙ Identify indicators of conflict of interest and adhere to established Code of Conduct
- ⊙ Apply professional standards in carrying out forensic audit engagement
- ⊙ Demonstrate highest professional Conduct in forensic audit manifesting ethical considerations

### Contents

- ⊙ Criminology and Ethics
- ⊙ Ethical Hacking – White Hat hackers – intent, approach and techniques
- ⊙ Threats to Ethical conduct
- ⊙ Objectivity, independence and Integrity
- ⊙ Code of Conduct for fraud examiner
- ⊙ Corporate Code of Ethics Policy
- ⊙ Vigilance Mechanism, Business Control environment – COSO & COBIT
- ⊙ Whistleblower Policy, Organizational Fraud reporting system
- ⊙ Development of Anti-fraud policy
- ⊙ Financial Intelligence Unit, CERT-In
- ⊙ Role of CBI, ED and interface with forensic audit
- ⊙ Financial Action Task Force
- ⊙ Corporate Compliance and Ethics Program as a preventive control,
- ⊙ Anti-Bribery Standard - ISO 37001: Implementation and Audit Checklists

## Course Fees

### Category

CMA Final Level Students  
Qualified CMAs

### Course Fees

Rs. 15,000 + 18% GST  
Rs. 18,000 + 18% GST

*Substantial discount on the Course fees is available for bulk enrolment.*

## Online Assessment

- ⊙ Online Assessment in MCQ format
- ⊙ Assessment duration 3 hours for 100 marks
- ⊙ The participant must secure at least 50% marks to qualify
- ⊙ Assessment Fees: Rs.1,000/- + 18% GST for each attempt



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