ROLE OF FORENSIC ACCOUNTING IN FRAUDS DETECTION: AN INTRODUCTORY VIEW

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Abstract
In the emerging trends of auditing and accounting, forensic accounting is a modern science or I.T (information technological) based tool for discovering of financial crime and frauds, truth and justice of financial statements, and providing decisive information to various stakeholder about the financial facts found by using forensic accounting techniques and tools related to financial crime and frauds. It is a new terminology, which is developed in recent years at high rate of growth and widely accepted by corporate, banking industry; insurance companies, finance companies and even police have increased taking help of forensic accountants. Corporate, banking industry; insurance companies, and finance companies are using forensic accounting at wide scale for the purpose of risk management and by using it in assessment of financial statement of third party before providing finance. There was an increase in white collar crime and also law enforcement agencies are not competent to discovering financial frauds easy. In the discovering of financial fraud and crime, forensic accountant and auditors (PROFESSIONALS) have taken a milestone steps in this direction and contributed a lot by using forensic accounting and auditing technology and tools. Organizations like India forensic department, Institute of Chartered Accountants of India (ICAI) and Association of Chartered Certified Accountants (ACCA) offer courses on forensic auditing in India.

INTRODUCTION
According to (AICPA) Forensic Accounting is the application of accounting principles, theories and discipline to fact or hypotheses at issues in a legal dispute and encompasses every branch of accounting knowledge. In simple words forensic accounting is a branch of accounting which deals with use of accounting theories, assumptions, concept, conventions and discipline in solving of and disclosing of facts and figure of legal dispute. Forensic Accounting is the utility of accounting assumptions, concept, conventions and discipline and self-discipline to fact at problems in criminal dispute and encompasses to branch of accounting knowledge. Importance of Professional Forensic Accountant is to be emphasized in public sector or private sector. The occurrence of fraud continues to expanding over private and public sector organizations and across nations. now a days in everywhere and in every field, Fraud is a common or universal problem as no nations is immune, although developing and developed countries. Misrepresentation and frauds are those problems which seen in every books of accounts of corporate entity. Therefore forensic accounting is a best tools and techniques which has a potential to detect illegal practices and their legal proceeding. Rajat Gupta case and Satyam Case are the originating moments and after that Wide use of Forensic Accounting developed in India.

Meaning of forensic accounting:
It is a combine branch of forensic science (scientific method, tools and techniques) and accounting (recording, preparing and presenting financial information), that means Forensic accounting is a area of accounting which investigates fraud and analyze financial statement and report which can be utilized in legal trials. Forensic accounting is mixture of accounting, auditing and forensic science, and forensic accountant has to perform investigative skills in investigations of financial frauds. It is helpful for legal and judicial action and analytical Accounting. Forensic accounting is a independent professional judgment and views on financial statement.

Meaning of Forensic Accountant:
The authenticity of the financial statement show “true and fair view” and report depends on the knowledge, skills, and experience of the forensic accountant. A forensic accountant must be capable of integrating knowledge and skills in the results, analysis, interpretation, reporting, and testimonial support of evidence. In court, the forensic accountant can be an expert witness, a consultant, or has to play other roles such as Trier of fact, special master, court-appointed expert, referee, arbitrator, or mediator.
Meaning of forensic audit:
A forensic audit is an independent examination and critical evaluation of a firm's or individual's financial information and presented in court as evidence. A forensic audit is to be performed or conducted in order to prosecute for fraud, embezzlement or other financial claims to party.

Forensic Accounting vs. Traditional Accounting & Auditing
Financial accounting produces sensitive financial and managerial information or financial transaction in presentational manner in legal way. But in forensic accounting consists a basics work of detecting frauds or communicating to courts or public discussion. Does no longer assist in selection making for management purposes, strictly deals with to authentic or suspected fraud. It is no longer an assurance engagement. In financial accounting scope is limited up to entries, posting and final accounts in a presentational manner. The scope is not limited to an error identification or prevention and also provides conclusions on a situation matter, which is continuously related to fraud. The use of materiality may also not to be an issue in forensic accounting. But in financial accounting materiality is an important aspect. The best of documentation ought to tend to be conclusive two alternatively rather than persuasive. Evidence gathering approaches and audit tests. The type of the record is not standardized and always tailored to subject rely and the kind of fraud. Forensic Accountants do no longer follow expert standards on auditing.

Forensic Accountancy are also related with or methods of frauds detecting.
Forensic Accountancy and auditing: it is a process of conclusive study in which identification and prevention of misrepresentative transaction that affects profitability of a corporate entity. It is a branch of forensic technology which deals with legality aspects that find the behavior of an act which is done. it is of process of evidence finding that is useful in test truthiness of transaction.
Investigative Accounting: it is a process of identifying, investigating and accessing fraudulent activities.
Investigative Accounting means that investing accounting conventions, principals and norms that showcase a true and fair view of books of accounts.
Fraud Auditing: Fraud Auditing means verification of books of accounts and the role of Forensic Accountants has increase in today limelight because recently due to rapid increase in frauds and white-collar crimes. Forensic accountant has to maintain huge requirement for honesty, fairness and transparency in Indian Corporate reporting.
Fraud Investigation: For appropriate risk management, reputational hazard was to be managed. The event of misrepresentation and inconsistencies and lapses in consistence culture required legitimate examination thereof just as a strong preventive situation. Accordingly forensic accounting was called for to identify arranging the misrepresentation.
Litigation Support: Forensic Accountancy and auditing consist of mainly two matters or methods of frauds detection that is Investigative Accounting and Litigation Support
Litigation Support means process of providing assistance of an accounting nature in a matter involving existing or pending litigation. Basically it deals with problems relating to the quantification of economic damages Investigative Accounting is associated with investigations of criminal matters of financial and economic nature.
In Forensic Accounting is retained to analyze, interpret, summarize and present complex financial and managerial issue in a manner which is both understandable and properly supported to evidence in a legal way.

Scope of forensic sciences and use of forensic science or technology in various fields
In Criminal Investigations of financial frauds
In Economic damages and calculations of financial statement and report
Shareholders and Partnership Disputes
Post-acquisition disputes of corporate houses
Business / Employee Fraud Investigations
Bankruptcy, insololvency and reorganization of various business houses
Business Valuation of various corporate houses
Computer forensics used in information and communication frauds.
Profession in which forensic accounting is in use such as Lawyers, Police Forces, Insurance Companies, Government Regulatory Bodies and Agencies, public and private Banks, Courts and their criminal proceeding for finding evidence, Business Community for risk management of solvency etc.

Objectives of Forensic Auditing:
Following are objectives of Forensic Auditing
Forensic accounting use the forensic accountant’s knowledge and skills to facilitate a settlement, claim, or jury award by reducing the financial component as an area of enduring discusses for conclusions.
To avoid, reduce and investigating fraud and theft
To restore the downgrade public confidence
To prepare and set up a comprehensive corporate governance policy
To create a positive work environment at a work place or make a positive workplace.

DIFFERENT TOOL AND TECHNIQUES USED FOR FORENSIC AUDIT ARE

**Benchmarking** - benchmarking means a comparison of financial statement or result of one period with another period or the performance of one business unit, or cost centre, with another business units and overall business presentation with its pre decided standards.

**Ratio analysis** - to identify any abnormal trends and changes in financial statement that established a relationship in percentage between various numerator and denominator. Ratio analysis is a technique of establishing a relationship assets, liabilities, owners fund, borrowed fund and profit etc.

**System analysis:** to inspect the frameworks set up for verification of books of accounts and distinguishing any weaknesses which could be opportunities for the fraudulent activities. In simple words checking internal systems of auditing.

**Specialist software:** like audit tools for information coordinating analysis. Some software is automatic bell when some standard format is not followed or without evidence books of accounts showed entries.

**Exception reporting:** Generating programmed automatic unchangeable reports that to discover deviation from the standards. Through programmed languages when any deviation arises in financial information or not according to specified set of behavior.

**Risk associated with forensic accounting**
Forensic accounting is a new, charming and creative field of financial fraud detection. There is big and use shortage of well qualified forensic accountants with adequate skill, technical knowledge and experience of forensic issues in India.

Politicians and govt. employees are mostly involved in frauds, so it is very difficult to find evidences against politicians.

Judicial system of India still follows old British judicial system which is not made as per Indian circumstances. So It is very difficult, expensive and time consuming process to bring the matter to court and hire expert advocates.

In progression and quick moving economy, an ever increasing number of speculators from foreign countries put resources into India thus; it is hard to sue financial fraudster from other countries.

As a result of nonstop selection of new strategies of Information and Technology by fraudster, it is hard to Forensic Accountant to cope up to them.

Forensic accounting is an expensive process of detecting frauds in compared to other investigative process. Forensic accounting is not compulsory for all the companies to appoint forensic accountant.

For frauds detection and forensic accounting in India, There is no specific guideline or act which forcefully or binding to all corporate.

**REVIEW OF LITERATURE**

Okoye et al. (2013) study suggested that the commitment/significance of Professional Forensic Accountant can’t be over underscored, regardless of whether to the open segment or to the private part. The motivation behind this investigation is to look at fraud financial information and report as an instrument for misrepresentation identification and avoidance in the open area associations with specific reference to Kogi State. Both essential and optional wells prings of information were properly utilized. 370 populations were taken as a staff of five (5) chose services in Kogi State of Nigeria, alongside meetings directed with those services out of which 350 were filled and returned. Tables and straightforward rates were utilized to investigate the information. The tools used to test theories were Analysis Of Variance (ANOVA). Among the discoveries was that the utilization of Forensic Accounting do fundamentally lessens the event of extortion cases in the open segment, and that there is noteworthy distinction between Professional Forensic Accountants and Traditional External Auditors and subsequently the utilization of Forensic Accountants can help better in identifying and anticipating misrepresentation cases in the open part associations. The examination in this manner suggested that Forensic Accountants be supplanted with the outer inspectors in Kogi State, legitimate preparing and retraining on Forensic bookkeeping ought to be given to staff of Kogi State and appropriate adherence to financial statement and reviewing benchmarks ought to be pursued.

Ozili, Peterson. (2015) study reveals that audit present some proof on frauds, forensic accounting, the aptitudes and instruction of the legal & frauds examiner. Likewise, some clarification for the perspectives among academics and regulators and controllers in connection to distinguishing of frauds in evidence are given. To regulators and stakeholders, addressed inquiry on why scholarly research in measurable forensic accounting has little criticalness to educate arrangement. Further, present some rich arrangement of inquiries and recognize various significant headings for future research in measurable forensic accounting. This paper is planned to stimulate debates & discussions and future research of the issues recognized.
Dahli, Gray. (2008) study concludes that Earnings manipulations and earnings management by executives can be to some degree hard to recognize. The absence of clearness is some portion of the concentration in the discussion between in the case of forensic accounting benchmarks ought to be standards or principles. The board carefulness is permitted with forensic accounting standards, yet would not be permitted with guidelines. The standards would resemble laws. An association that loses financial records may have lost their financial related records intentionally to conceal misrepresentation. Misrepresentation is simpler to submit when there is no solid forensic accounting data framework. Organization’s financial information related conditions that can demonstrate conceivable frauds incorporate insider exchanging and inventory manipulation as has just been displayed.

CONCLUSION

Forensic Accounting ought not to become a matter of specialization and mastery of a picked few. It ought to be made a curriculum of the educational program at the undergraduate just as the postgraduate level. This will help the corporate and the administrations to keep in mind frauds detection doing at the beginning as it were. Simultaneously, essential revisions in the law ought to be attempted to set up the significance of forensic accounting and when all is said in done and measurable forensic accountant in explicit.

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