

ICAI drafting qualifications norms for professionals

“Incorporating advanced tools, cross-border investigation techniques, and hands-on modules would help the course align with international standards and equip professionals for complex challenges,” said Jidesh Kumar, managing partner, King Stubb & Kasiva, Advocates and Attorneys.

In July 2023, the CA institute released revised Forensic Accounting and Investigation Standards (FAIS). Kumar said the absence of a dedicated regulatory framework for forensic auditing in India necessitates reliance on indirect mandates under statutes like the Companies Act, SEBI regulations, and RBI guidelines. “This reg-

ulatory lacuna, coupled with systemic delays in judicial processes and a shortage of skilled forensic auditors proficient in advanced technological tools, constrains the development of the field,” he added.

Regulators, such as the RBI, Sebi, and MCA commission forensic audits to identify financial irregularities and fraud. Similarly, the Companies Act, 2013, and IBC mandate forensic audits to detect fraudulent transactions during insolvency proceedings.

“As India’s business landscape evolves, financial fraud is becoming increasingly prevalent. In response, regulators such as the RBI, Sebi, and MCA have heightened their scrutiny

to curb such incidents. Consequently, this has led to greater reliance on forensic accountants, who must not only grasp complex regulatory requirements but also use advanced forensic tools like AI and ML to detect anomalies and ensure compliance,” said K V Karthik, partner and leader (forensic & financial crime, strategy, risk & transactions, Deloitte India.

Instances, such as the Satyam Computer Services scandal, the Punjab National Bank fraud, the IL&FS financial crisis, and the YES Bank case, underscore the critical role of forensic auditing in identifying and addressing financial malfeasance in India.