

# 360° Forensic Investigations: Emerging Dimension for Profession

Empowering Chartered Accountants for the Next Frontier

**Digital Transformation Finance Summit 2025**

# Trust is the New Metric

**“71% of CEOs believe digital trust will define enterprise survival”**

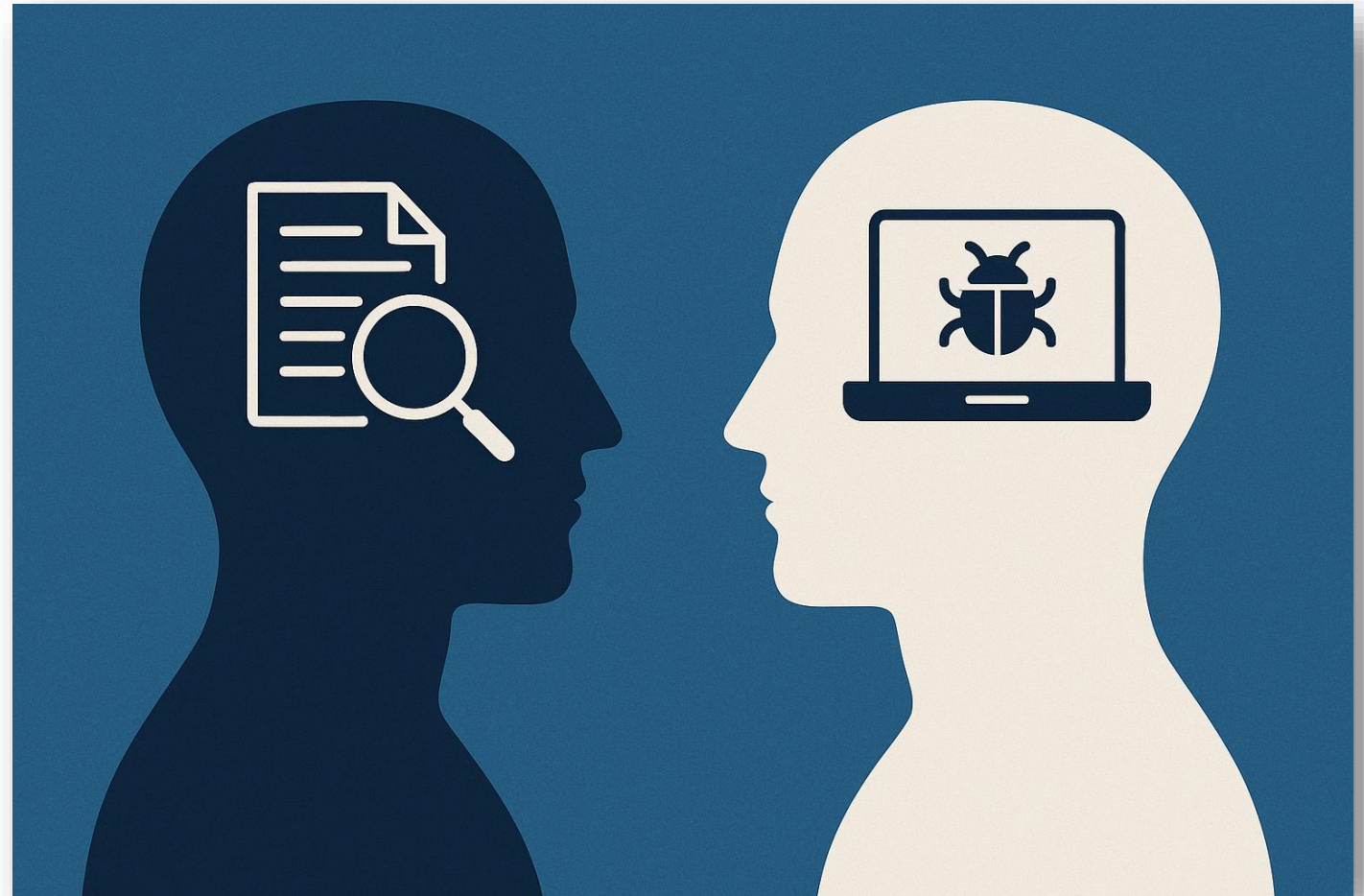
— Deloitte Global CEO Survey, 2024

**\$4.5 trillion**

*Global fraud losses in 2023*

— ACFE Global Fraud Study, 2024

Are we still using old methods to detect new-age frauds?



*This is not just an audit challenge. It's a trust crisis.  
New frauds don't always leave trails in ledgers.*

# Forensic Thinking is No Longer Optional



## Why did a key investigation falter?

- Digital red flags were overlooked.
- Traditional procedures couldn't detect manipulation hidden in access logs and metadata.
- Fraudsters now use data laundering, synthetic identities, and spoofed documents not just to commit fraud, but to erase evidence of it.
- Traditional audits focus on compliance, not intent.
- Investigative thinking is needed to uncover behavioural patterns and tech-enabled deception.

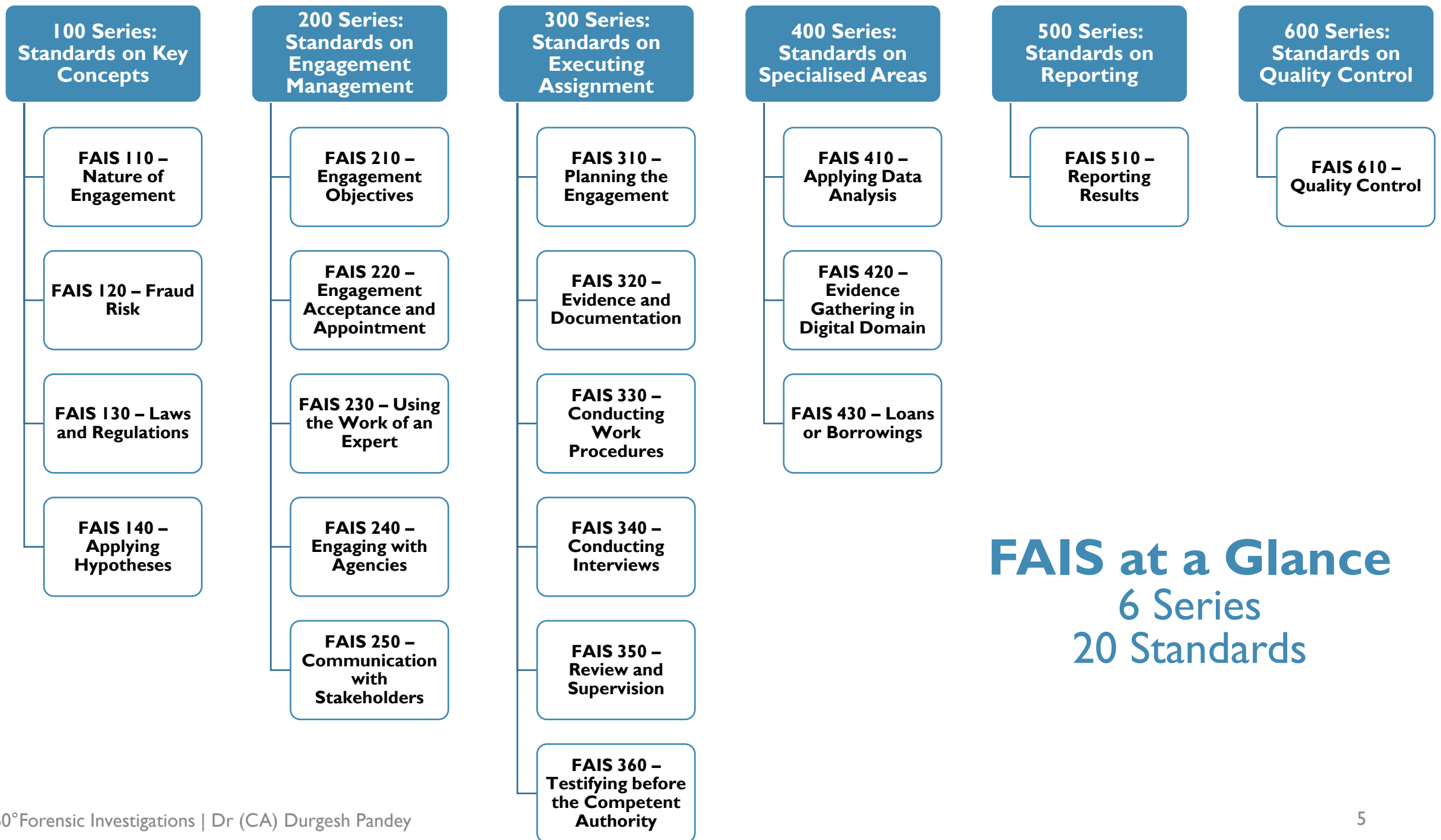
# FAIS Beyond Checklists

- The 20 FAIS from 110 to 610 gives structure, traceability, and defensibility to every forensic engagement.
- Because without a structured process, trust in findings is just an assumption.

## FAIS Lifecycle

### The FAIS Lifecycle





# The FAIS Edge

## Planning Focus

- *Traditional*: Materiality & controls
- *FAIS*: Red flags, intent, and fraud risk areas

## Evidence Approach

- *Traditional*: Books and records
- *FAIS*: Includes metadata, OSINT, behavioral and digital trails

## Objective & Output

- *Traditional*: Assurance on truth & fairness
- *FAIS*: Independent, court-defensible fraud findings

# Case-Based Application of FAIS

A procurement fraud case revealed that five vendor websites were hosted on the same server.

Overlapping domain registration details found.

Traced via WHOIS data, web archive snapshots, and DNS records.

## **FAIS 420 - Evidence Gathering in Digital Domain**

- Provides guidelines to ensure screenshots (e.g., domain registries, social handles) are admissible.
- Registry history or social metadata includes proper date/time logs.
- Prevents accusations of manipulation or tampering with OSINT evidence.
- Helps avoid ad hoc or informal documentation that risks rejection in legal proceedings.

# Case-Based Application of FAIS

A ridesharing platform faced allegations of manipulated driver payouts.

Oral testimonies were gathered but couldn't stand alone.

The team corroborated statements with backend logs and bank data to build the case.

## **FAIS 320 - Evidence and Documentation**

- Separates direct evidence from hearsay
- Ensures every step is documented and time-stamped
- Connects findings back to solid evidence
- Makes the work defensible in court or review

# Reporting That Withstands Scrutiny

- Using the right format, such as Memo, Report, or Investigative Findings, based on purpose
- Court expectations are different from statutory audit working papers
- Every step from the investigation must be reconstructible
- Preserve evidence and workpapers in standard formats for future use



# Opportunities for CAs under FAIS

## Key Roles

### Regulatory Empanelment

- Forensic Engagement from SFIO, ED, CBI, SEBI, Banks, and Government agencies.

### Co-sourced Investigations

- Partner with legal, compliance, and internal audit teams in large corporations.

### Independent Consultant Roles

- Fraud risk reviews, policy audits, and internal control investigations.

### Litigation Support & Expert Witnessing

- Prepare court-ready reports and assist in cross-examination stages.

### Culturing work from Existing Clients

- Nurture your existing client for work

## Pathways & Upskilling

### ICAI FAFD Course || DFI (Proposed)

- Foundation certification for forensic engagements.

### Advanced Diplomas

- Focus areas: Cyber forensics, digital evidence, and investigative interviewing.

### AI, OSINT & Analytics Tools

- CAs are uniquely placed to interpret financial patterns through forensic tech.

# The Future of Forensics: Embedded, Digital, Collaborative

## Digital Interfaces Are the New Crime Scenes

- Fraud now happens inside apps, dashboards, and automated workflows.

## Insider Threats & Remote Collusion Will Rise

- Manipulations won't always come from the outside, or in isolation.

## ERP Systems Will Host Embedded Forensic Intelligence

- Red flags will trigger directly within control environments, not just post-facto.

## Cross-Functional Collaboration Becomes Essential

- CAs will work alongside tech, legal, HR, and cyber teams not in silos.



# From Assurance to Investigation

**“The future belongs to those who can unravel even shadows.”**

FAIS is not just a framework; it's the new forensic language for Chartered Accountants.

As frauds evolve, so must our lens, our tools, and our thinking.

Sharpen forensic foresight. Stay relevant.

