



# Setting up an Investigation practice by Small & Medium Practitioners

Organized by:  
The Western India Regional Council of India of  
The Institute of Chartered Accountants of India

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CHANGING SCENARIO

01

DIGITAL PLATFORMS

02

CONTROLLING STAFF  
PRODUCTIVITY

03

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# 01

## Changing Scenario

# Why set up Investigation practice?

- Enhanced Regulatory Enforcement
- Organizations encouraging constructive challenges by auditors.
- **Quicker** Responses required towards Allegations (early warning signals)-- Companies Act, Corporate Governance , Director/ Trustee liabilities
- Emerging technologies viz. “Internet of Things” , “Cloud computing”, generating data



# Investigation - “what matters”

- **Advanced** Risk based auditing techniques
- Use of Digital Platforms - (google earth, social media, etc..)
- On-ground Surveillance capabilities (Local reach)
- Assessing Credibility of source of data, Admissibility of Evidence



# Project



(Forensic Accounting & Investigation Standards –  
**As notified**)



# 02

## Digital platforms

# Digital Platforms of audit

- Automating task - data extraction & conversion, sampling tools
- Auditing through Visualization - Video call, Google Geo Track, Apps, Drones
- Recording of audit work in repositories

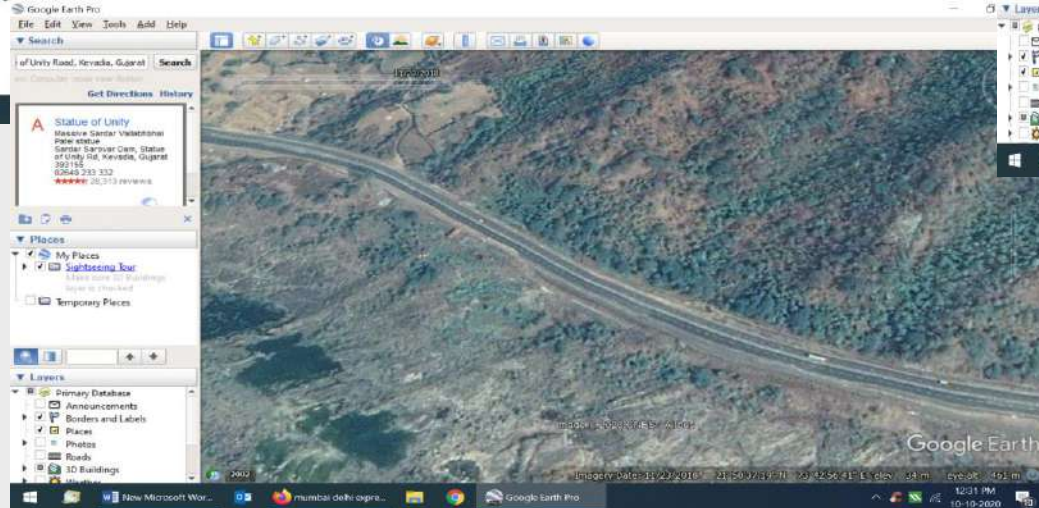
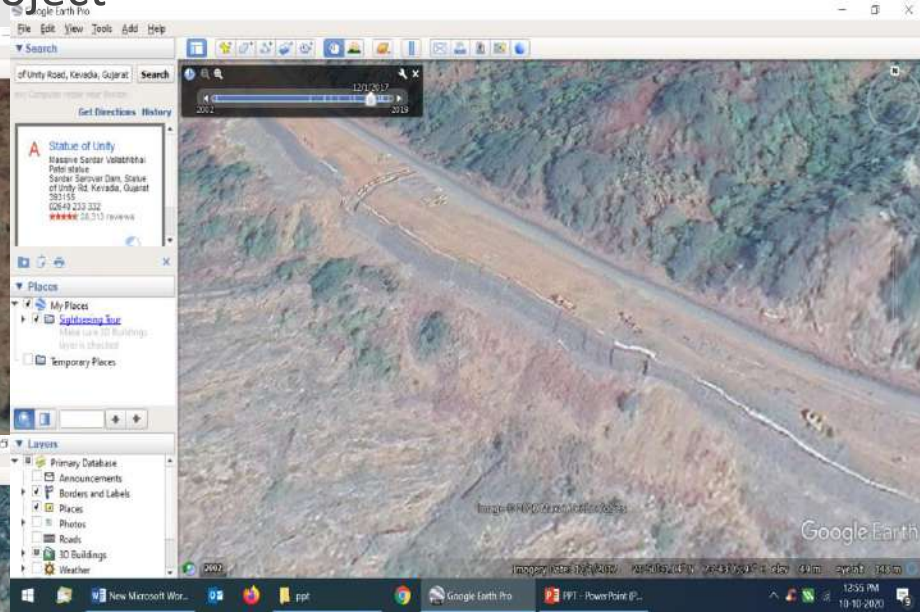
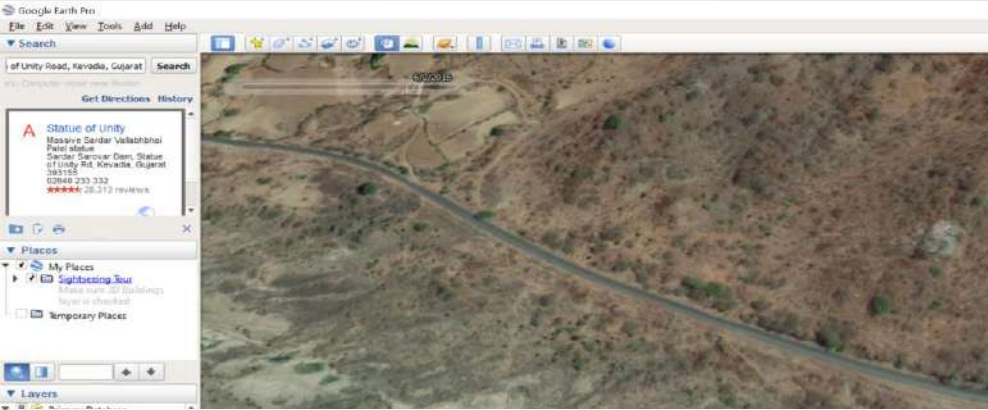




2<sup>nd</sup> June '16

# GOOGLE Earth Live Monitoring stage of project

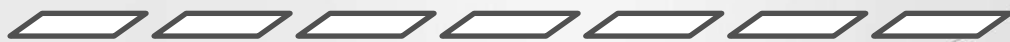
1<sup>st</sup> dec '17



# USING SOCIAL MEDIA - PREDICTIVE ANALYSIS



For tracking individual's current activities



For finding undisclosed related parties



For finding undisclosed major events



Analysing trends, lifestyles



# IT Tools –example

Illustrated examples for general information:-



# Open source of data base

Litigation	Credit & Compliance	Media & Internet	Regulatory database
<ul style="list-style-type: none"><li>• Hon' Supreme Court of India, Hon' High court</li><li>• India Kanoon</li><li>• E-jurix</li></ul>	<ul style="list-style-type: none"><li>• Credit Rating</li><li>• CIBIL</li><li>• NSE</li></ul>	<ul style="list-style-type: none"><li>• Google</li><li>• One source</li><li>• MCA</li><li>• Zauba</li><li>• Bloomberg</li></ul>	<ul style="list-style-type: none"><li>• SEBI</li><li>• Investor forums</li><li>• CBI</li></ul>



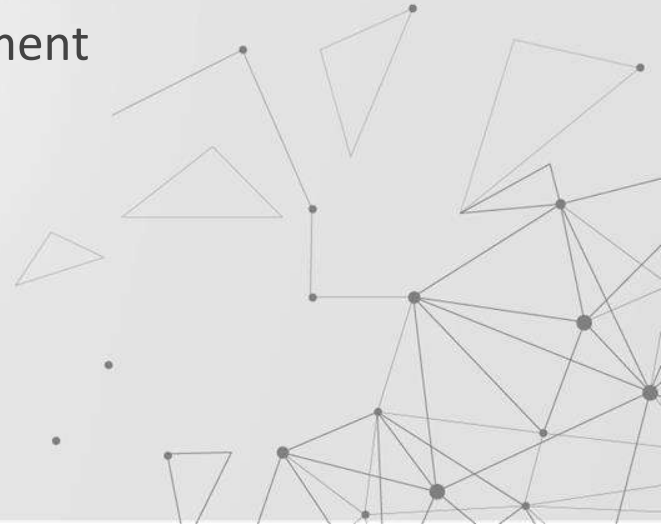


# 03

## CONTROLLING STAFF PRODUCTIVITY

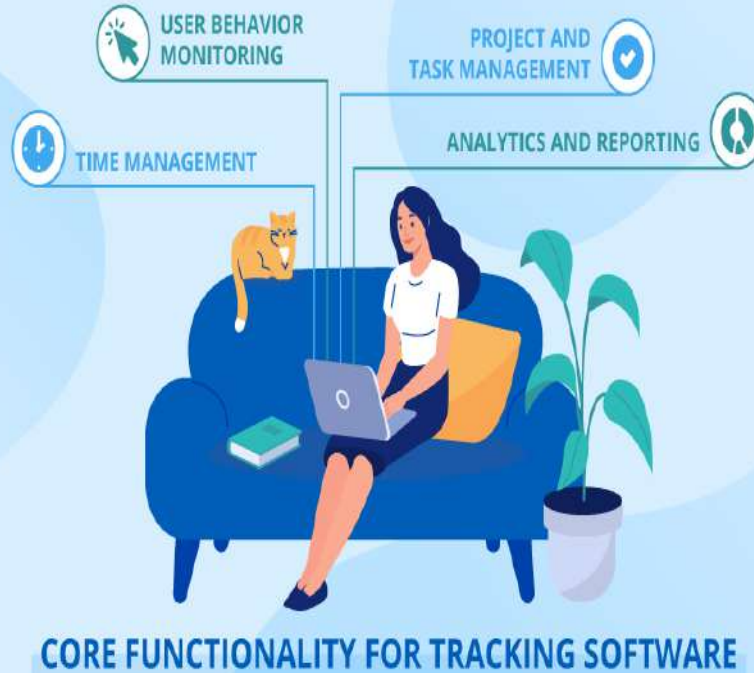
# Staff Productivity, Networking

- Evaluation Remote working
- Networking with CA Firms in various cities for leveraging strengths
- Tracking of productivity - IT tools for task management
- Promoting a culture of entrepreneurship



# TRACKING PRODUCTIVITY-THE FUTURE OF WORK FROM HOME

Tracking productivity is necessary to avoid client lags



Collaboration platforms such as Slack, Trello, etc.  
Task & Document Management platforms



# 04

**CONSISTENT PRESENTATION OF  
EXPECTATION & DELIVERABLE**



## Bridging the expectation v/s deliverable gap

- Servicing client a complex process –

Timelines / Trust / Engagement letter / Record keeping / Report drafting

- SMP's own Audit SOP's
- Resource capabilities - Networking with members & other experts





**05**

**EMERGING AREAS**

# Creating portfolio of services

## Fraud Investigations

- Financial Frauds
- Forensic imaging and analysis of servers, laptops, and mobiles
- Money Laundering

## Early warning signals /whistle blower

- Employee trading guidelines
- Governance
- Implementing Hotline to enable Whistle Blowing

## Fraud Risk Assessments.

- Proactive fraud vulnerability assessment
- Devising Anti-fraud policy and training
- Pre-Investment Due diligence

## Data Privacy/ Anti corruption

- Code of ethics
- GDPR compliances
- Cybersecurity



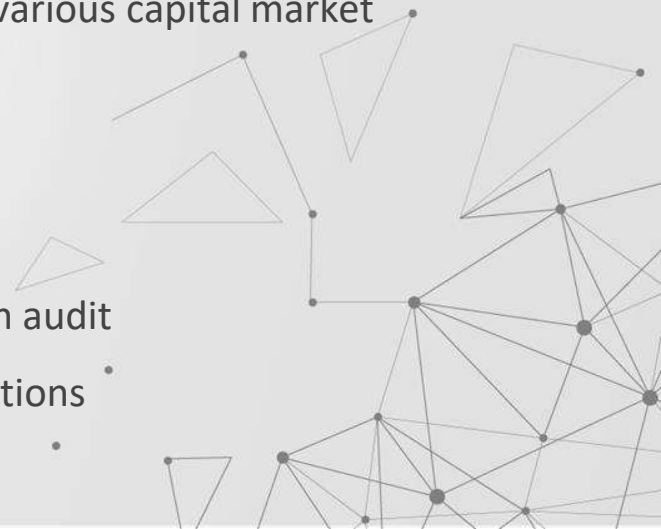
# Assistance in search & surveys

- Forensic Imaging - Use of forensic tools to capture evidence, preserve to prove the same in the court of law.
- Review of seized data post search/survey
- Regular Updates to agency
- initial interviews that support locating vital evidences



# Emerging areas in Investigation...

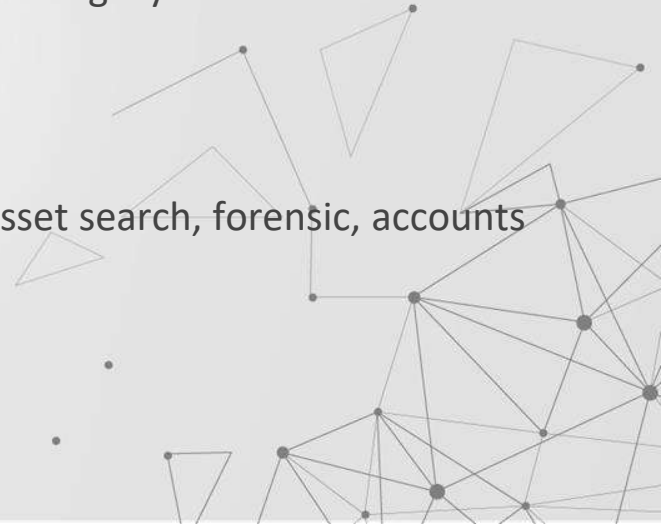
- GST compliant businesses? –Proactive in Servicing SME businesses and Boards- vendor genuinity, bogus sales, ITC etc.
- RERA – end use, project certifications, etc.
- Process verification at Banks - credit , swift, kyc etc.
- Insider Trading & Market practices/Governance - brokers / DP / various capital market intermediaries
- Tax Investigation - M&A, Special audits, Tax dept.
- Outsourced processes - Supply Chain, other Service providers.
- Agency for specialized Monitoring(ASM) / Forensics --Transaction audit
- FEMA – Money laundering/round tripping, Trade finance transactions



# Emerging areas in Investigation...

- Decoding Ind AS FS for Investors/credit rating/regulators/Agencies etc.- Gap assessment, Expected credit loss calculations etc.
- Due Diligence & takeovers
- Insurance – Claims , Commission pay-outs, marketing expenses
- Emerging Technology risk - Cyber Security, Online payment, data integrity etc.
- Evaluating effectiveness of automated controls (eg. IOT)
- Anti Bribery, Intellectual property rights violation.
- Support to Legal firms / Resolution professionals/ liquidators – Asset search, forensic, accounts review, revision / restating of accounts...

*Others...*



# Certain Regulations & Empanelment

- Section 212 of Companies act, 2013 – Supporting Boards Prior to any Regulatory intimations
- Indian Bank Association / RBI - Loan Restructuring , Agency for specialized monitoring
- Insolvency act -Transaction Audits
- SEBI - Forensic audits listed cos, Inspection of DP's, brokers, Mutual funds etc.
- Income tax – Special audits, Data analysis in tax Raid matters.

**Any other.....**





**THANK YOU**  
from  
**CA HARDIK CHOKSHI**