ABSTRACT
Over the past several decades, financial crime is a crucial issue in the global arena. Forensic accounting has gained recognition in the past few decades due to the rapid increase in financial crimes. Forensic accounting has become important due to rapid increase in white collar crimes and financial frauds. “Forensic” refers to the techniques to the investigation of crime. Forensic accounting depends on different pillars: These pillars may include experience, accountant character, tools required and the knowledge of law. Forensic accounting has been used as a tool to support juridical and law experience in the financial and accounting fields. The study discusses about few issues like scope of forensic accounting in India, role of forensic accountants in fraud examination and various techniques employed for detecting and preventing financial frauds. The study is a theoretical analysis of the role played by forensic accountant to minimize the financial frauds in future. Forensic accounting is a combination of auditing, accounting and investigative skills to inspect financial frauds and to assist in legal matters. This study examines the meaning, nature, knowledge and personal skills required for selecting forensic accounting as a specialized field in the accountancy profession and also to analyze forensic accounting tools. The study is based on primary data as well as secondary data.
Key terms: Forensic accounting, Visual and Text analytics, employee embezzlements.

INTRODUCTION:
The term forensic accounting was first published in an article titled “Forensic Accounting - Its Place in Today’s Economy” authored by Maurice E. Peloubet. The article stated that “during the war both the public and industrial accountant have been and now engage in the practice of forensic accounting”. Maurice E. Peloubet, a New York CPA, first used the term in 1946, and its insight came from the responsibility of redesigning financial enigmas to prove fraud and embezzlement. The following are a few major milestones in forensic accounting:

- 1942: Maurice E. Peloubet published “Forensic Accounting: its place in today’s economy.”
- 1986: The AICPA issued Practice Aid # 7, outlining six areas of case administrations - harms, antitrust analysis, accounting, valuation, general counseling and analysis.
- 1988: Association of Certified Fraud Examiners established.
- 1992: The American College of Forensic Examiners was founded.
- 1997: The American Board of Forensic Accountants was established
- 2000: The Journal of Forensic Accounting, Auditing, Fraud and Taxation were established.
- 2009: The institute of Chartered Accountants of Nigeria started certification program in forensic accounting.
- The Council of the Institute of Chartered Accountants of India, recognized the need for forensic accounting and fraud detection, in the emerging economic scenario, has decided to launch Certificate Course on Forensic Accounting and Fraud Detection.

In 1951, Donald Ray Cressey, an American penologist, sociologist, and criminologist, has developed a theory based on his study and interviews done with people convicted of fraud and violations of trust. For embezzlement there must be three reasons:

- A non-shareable problem,
- Opportunity for trust violation and
- A set of rationalizations that define the behavior as appropriate in a given situation.

While the term “Fraud Triangle” was developed later, Cressey has originated the term. The three key elements explained in the fraud triangle are Opportunity, Motivation, and Rationalization.

The FBI appointed forensic accountants in their investigations and employed nearly 500 accountants during the World War II. Forensic accounting continued to grow as a profession during the other half of the century, as the Generally Accepted Accounting Practice and tax laws became mandatory.
**OBJECTIVES OF THE STUDY:**

- To analyze the role of forensic accountants in Businesses.
- To understand the tools and techniques involved for detecting and preventing financial frauds.
- To study the problems involved in forensic accounting.
- To analyze visual and text analytics used in forensic auditing and accounting.
- To understand different services under forensic accounting firms.

**RESEARCH METHODOLOGY:**

The objectives of the paper will be achieved by collecting secondary data from journals, newspapers, magazines, and popular blogging sites.

**Role of Forensic accountants:**

Forensic Accountants merge their accounting knowledge with investigative skills in various litigation support and investigative accounting services. Forensic Accountants are employed by various public accounting firms, forensic accounting divisions, risk consulting firms, law enforcement agencies, government organizations, insurance companies, or financial institutions. Due to growing fraudulent activities, demand for Forensic Accountants is rapidly increasing. Forensic accountant activities involve:

- Performs forensic analysis of financial data.
- Assets valuation for matrimonial cases.
- Arranges analytical data for litigation and testifies as needed.
- Preparation of forensic accounting reports.
- Royalty audits.
- Investigates and analyzes financial evidence.
- Business valuations
- Determination of compliance
- Financial surveillance
- Background checks, Fraud and white collar crime etc.

Forensic accountants are now in great demand with the public need for fairness, honesty and financial transparency.

**Forensic Accounting Tools:**

As Forensic accountants are both accountants as well investigators, they use tools applicable to both. These tools may include bookkeeping and accounting software, computer forensic tools and techniques like: Data-mining techniques, Benford’s Law, Theory of relative size factor(RSF), Computer Assisted Auditing Tools(CAATs), Ratio analysis.

**Common accounting Fraud areas:**

The most common types of accounting fraud are as follows:

<table>
<thead>
<tr>
<th>Accounting Items</th>
<th>Fraud areas</th>
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<tbody>
<tr>
<td>Revenue recognition</td>
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<tr>
<td></td>
<td>- Fictitious sales and profits</td>
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<td></td>
<td>- Premature recognition of sales</td>
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<td>Reserves</td>
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<td></td>
<td>- Monetary reserves diversion</td>
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<td></td>
<td>- Bad faith estimates</td>
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<tr>
<td>Inventory</td>
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<td></td>
<td>- misstatement of inventory records</td>
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<td></td>
<td>- Over-valuation of inventory</td>
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<td>Expenses</td>
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<td></td>
<td>- Unrecorded expenses</td>
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<td></td>
<td>- Delayed expense recognition in the books</td>
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</tbody>
</table>

**Problems of Forensic Accounting in India:**

- Shortage of qualified forensic accountants/ investigators with technical knowledge to analyze financial fraud cases.
- Forensic investigators feel difficulty to cope up with the new practices of Information and Technology followed by fraudsters.
- Difficulty to sue foreign financial fraud investors.

**Suggestions:**

- Compared with other countries, India is lacking behind in the area of Forensic Accounting. Due to the rapid increase in white-collar crimes, awareness of forensic accounting is more important. More Forensic accounting awareness schemes and program are recommended.
- Social consciousness required to control white-collar crimes.
- Online learning courses are suggested to identify and solve fraud issues.
- Anti-fraud programs should be conducted in organizations.
- Developing computerized applications to assist in the analysis and presentation of financial evidence.

**Conclusion:**

To conclude, Forensic accounting should act as a preventive measure rather than an accounting tool which helps corporate and Government sector to reduce financial crimes. The study helps to learn more about this area and related concepts. Also helps in understanding opportunities available in accounting job fields. The objective of the study is to inform about the increasing need of forensic accounting.
References:
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